



Annual Financial Report  
June 30, 2024

# Vista Charter Public Schools, Inc.

CHARTER NUMBERS: 1234, 1752, 1930, 1932, 2043, AND 2132



**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

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JUNE 30, 2024**

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Rudolph F. Silva, CPA  
Lisa D. Silva, CPA



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Vista Charter Public Schools, Inc.  
and Affiliated Organizations  
(California Nonprofit Public Benefit Corporations)  
Los Angeles, California

### Report on the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of Vista Charter Public Schools, Inc. (the Organization), and its Affiliated Organizations: Vista Charter Public Schools Foundation (the Foundation), 2900 W. Temple LLC and 2609 W. 5<sup>th</sup> Street, LLC (the LLCs) (California Nonprofit Public Benefit Corporations), which are comprised of the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user of the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in aggregate that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information such as the consolidated Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information on pages 30-41 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidated Schedule of Expenditures of Federal Awards and other supplementary information are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the local education agency organization structure but does not include the consolidated financial statements and our auditor's report thereon. Our opinions on the consolidated financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Brea, California  
December 15, 2024

**VISTA CHARTER PUBLIC SCHOOLS, INC.**  
**and AFFILIATED ORGANIZATIONS**  
**(California Nonprofit Public Benefit Corporations)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

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**ASSETS**

Current Assets	
Cash and cash equivalents	\$ 20,485,238
Investments	6,681,841
Receivables	6,234,629
Prepaid expenses	433,280
Total Current Assets	<u>33,834,988</u>
Non-Current Assets	
Restricted cash	4,821
Restricted investments	2,702,909
Security deposits	660,823
Finance lease right-of-use asset	50,309,601
Finance lease right-of-use accumulated amortization	(4,371,019)
Property and equipment	2,275,815
Less: accumulated depreciation	<u>(982,763)</u>
Total Non-Current Assets	<u>50,600,187</u>
Total Assets	<u>\$ 84,435,175</u>

**LIABILITIES**

Current Liabilities	
Payables	\$ 2,135,268
Interest payable	170,497
Refundable advances	3,492,616
Current portion of bonds payable	670,000
Total Current Liabilities	<u>6,468,381</u>
Long-Term Obligations	
Non-current portion of bonds payable	47,958,380
Finance lease payable	6,691,774
Total Liabilities	<u>61,118,535</u>

**NET ASSETS**

Without Donor Restrictions	
Undesignated	<u>23,316,640</u>
Net Assets	<u>23,316,640</u>
Total Liabilities and Net Assets	<u>\$ 84,435,175</u>

The accompanying notes are an integral part of these consolidated financial statements.



**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

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**REVENUES**

Local Control Funding Formula	
State apportionment	\$ 17,495,979
In-lieu property taxes	6,166,796
Federal revenue	6,013,889
Other State revenue	10,165,961
Local revenue	1,481,863
Interest income	571,741
Gain or loss on investments-net	38,194
Rental income	50,766
School Site Fundraising	37,430
Total Revenues	<u>42,022,619</u>

**EXPENSES**

Program Services	23,993,305
Management and General	12,491,863
Total Expenses	<u>36,485,168</u>

<b>CHANGE IN NET ASSETS</b>	<u>5,537,451</u>
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<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>17,779,189</u>
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<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 23,316,640</u></u>
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The accompanying notes are an integral part of these consolidated financial statements.

**VISTA CHARTER PUBLIC SCHOOLS, INC.**  
**and AFFILIATED ORGANIZATIONS**  
**(California Nonprofit Public Benefit Corporations)**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Teacher salaries	\$ 9,375,212	\$ 2,343,803	\$ 11,719,015
Teacher benefits	3,320,066	830,016	4,150,082
Teacher payroll tax	225,382	56,345	281,727
Administrative and clerical salaries	2,287,000	571,750	2,858,750
Administrative and clerical benefits	573,763	143,441	717,204
Administrative and clerical payroll tax	439,789	109,947	549,736
Instructional materials	2,149,333	-	2,149,333
Student nutrition	1,555,253	-	1,555,253
Educational programs	161,823	-	161,823
Operating expenses	2,442,952	610,738	3,053,690
Depreciation	-	106,385	106,385
Occupancy	24,945	6,236	31,181
Capital outlay	-	994,177	994,177
Professional services	1,439,349	359,837	1,799,186
Travel and conference	-	254,240	254,240
Debt service interest expense	-	3,722,131	3,722,131
Amortization of right-of-use asset	-	2,384,653	2,384,653
Insurance	111,542	27,886	139,428
Special education fee	87,702	21,926	109,628
District supervisory fee	143,702	35,925	179,627
After School Program	1,543,390	385,848	1,929,238
Bank fees	-	28,425	28,425
Subtotal	<u>25,881,203</u>	<u>12,993,709</u>	<u>38,874,912</u>
Eliminations	<u>(1,887,898)</u>	<u>(501,846)</u>	<u>(2,389,744)</u>
Total Functional Expenses	<u>\$ 23,993,305</u>	<u>\$ 12,491,863</u>	<u>\$ 36,485,168</u>

The accompanying notes are an integral part of these consolidated financial statements.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024**

**CASH FLOWS FROM  
OPERATING ACTIVITIES**

Change in net assets	\$ 5,537,451
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation expense	106,385
Amortization expense	2,384,653
Changes in operating assets and liabilities	
Decrease in lease receivables	230,714
Decrease in receivables	319,717
Increase in prepaid expenses and other assets	(69,117)
Increase in payables	807,930
Decrease in deferred revenue	(520,031)
Financing lease asset and liability	(706,899)
Net Cash Provided by Operating Activities	<u>8,090,803</u>

**CASH FLOWS FROM INVESTING  
ACTIVITIES**

Capital expenditures	(1,857,692)
Change in investment, net	<u>(7,856,448)</u>
Net Cash Used in Investing Activities	<u>(9,714,140)</u>

**CASH FLOWS FROM FINANCING  
ACTIVITIES**

Loan and Bond payment	<u>(664,334)</u>
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**Net Change in Cash, Cash Equivalents, and Restricted Cash** 5,568,777

**Cash, Cash Equivalents, and Restricted Cash, Beginning of Year** 26,536,248

**Cash, Cash Equivalents, and Restricted Cash, End of Year** \$ 20,490,059

**Cash and Cash Equivalents** 20,485,238

**Restricted Cash for Bond Reserve** 4,821

**Cash, Cash Equivalents, and Restricted Cash, End of Year** \$ 20,490,059

**Supplemental cash flow disclosure**

Cash paid during the period for interest \$ 3,722,807

**Non Cash Transactions**

On Behalf STRS payments \$ 850,981

The accompanying notes are an integral part of these consolidated financial statements.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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***NOTE 1 - ORGANIZATION AND MISSION***

*Vista Charter Public Schools, Inc.*

Vista Charter Public Schools, Inc. (the Organization) is a nonprofit public benefit corporation located at 2900 W. Temple Street, Los Angeles, CA 90026. Under the Charter Schools Act of 1992, a charter school is authorized to elect to operate as, or be operated by, a nonprofit public benefit corporation. The Organization is organized and operated exclusively for educational and charitable purposes pursuant to and within the meaning of Section 501(c)(3) of the Internal Revenue Code.

The Organization operates six charter schools (the Charter Schools) in Orange and Los Angeles counties serving students in transitional kindergarten through grade twelve. The Charter Schools' mission is to create a transformative TK-12 learning experience that is engaging, globally oriented, and builds a strong STEAM foundation for college and career readiness in a learning environment that allows students to have power in developing their identity within personal, interpersonal, and educational realms. We aim to provide quality education for all students by focusing on both heart and mind as critical tools of student engagement in learning. Our compassionate community of global learners focuses on developing students' knowledge and skills, as well as their attitudes, behaviors, aspirations, and beliefs for success in the 21st-century economy.

*Vista Charter Middle School – Charter No. 1234*

Vista Charter Middle School (Vista CMS) was formed as a charter school pursuant to *California Education Code* Section 47600 under a charter agreement with the Los Angeles Unified School District. The charter agreement was approved by the Los Angeles Unified School District in 2010 and has been renewed for a five-year term expiring in 2025. *Effective July 1, 2021, all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year, thus, the charter term does not expire until June 30, 2028. The Charter Schools Division has automatically updated the charter term for charters impacted by this extension.* Vista Charter Middle School is located at 2900 W. Temple St., Los Angeles, California. Vista Charter Middle School opened September 1, 2010, and currently serves approximately 365 students in grades six through eight.

*Vista Heritage Global Academy – Charter No. 1752*

Vista Heritage Global Academy (Heritage) was formed as a charter school pursuant to *California Education Code* Section 47600 under a charter agreement with the Orange County Department of Education. The charter agreement was entered into in July 2015 and renewed for a five-year term beginning in 2020 and expiring in 2025. *Effective July 1, 2021, all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year, thus, the charter term does not expire until June 30, 2028. The Charter Schools Division has automatically updated the charter term for charters impacted by this extension.* Vista Heritage Global Academy is located at 2069 W. 5<sup>th</sup> Street in Santa Ana, California. Vista Heritage Global Academy opened August 24, 2015, and currently serves approximately 315 students in grades sixth through eighth.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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*Vista Condor Global Academy – Charter No. 1930*

Vista Condor Global Academy (Condor) was formed as a charter school pursuant to *California Education Code* Section 47600 under a charter agreement with the Orange County Department of Education. The charter agreement was entered into in April 2018 expiring in 2023. *Effective July 1, 2021, all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year, thus, the charter term does not expire until June 30, 2026.. The Charter Schools Division has automatically updated the charter term for charters impacted by this extension.* Vista Condor Global Academy is located at 2609 W. 5<sup>th</sup> Street, Santa Ana, California. Vista Condor Global Academy opened August 13, 2018, and currently serves approximately 330 students in transitional kindergarten through grade five.

*Vista Horizon Global Academy – Charter No. 2043*

Vista Horizon Global Academy (Horizon) was formed as a charter school pursuant to *California Education Code* Section 47600 and was authorized by the Los Angeles Unified School District at its November 2018 board meeting for a five-year term expiring in 2024. *Effective July 1, 2021, all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year, thus, the charter term does not expire until June 30, 2027. The Charter Schools Division has automatically updated the charter term for charters impacted by this extension.* Vista Horizon Global Academy is located at 980 S. Hobart Blvd., Los Angeles, California. Vista Horizon Global Academy opened July 1, 2019, and currently serves approximately 135 students in transitional kindergarten through grade five.

*Palm Lane Global Academy – Charter No. 1932*

Palm Lane Global Academy (Palm Lane), formerly known as Palm Lane Elementary Charter, was established in 2017 under New Century Charter Public Schools (NCCPS) and operated for four years ending June 30, 2022. On May 11, 2022, VCPS, Inc. and NCCPS entered an agreement and Plan of Merger whereas NCCPS will cease and VCPS shall be the surviving corporation in the merger.

Palm Lane petitioned through Anaheim Elementary School District (the District) on October 2017 and approved subsequently based on Court Ruling. New Century Charter Public Schools has been selected by the Palm Lane Elementary School Lead Parents to operate their future charter school (Restart Model school) as determined by the Parent Empowerment Act. The Charter School approval is for five years ending June 30, 2023. *Effective July 1, 2021, all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year, thus, the charter term does not expire until June 30, 2026. The Charter Schools Division has automatically updated the charter term for charters impacted by this extension.* Palm Lane Global Academy is located in Anaheim, California at 1646 West Palm Lane and serves approximately 265 students in transitional kindergarten through grade six.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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*Vista Meridian Global Academy – Charter No. 2132*

Vista Meridian Global Academy (Meridian) was formed as a charter school pursuant to *California Education Code* Section 47600 under a charter agreement with the Orange County Department of Education. The charter agreement was entered into in 2022 for a five-year term beginning in 2023. *Effective July 1, 2021, all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year, thus, the charter term does not expire until June 30, 2028. The Charter Schools Division has automatically updated the charter term for charters impacted by this extension.* Meridian is located at 2609 W. 5<sup>th</sup> Street, Santa Ana, California. Vista Meridian Global Academy opened in 2022 and currently serves approximately 175 students in grades nine through twelve.

*Vista Lago Global Academy – Charter No. 2152*

Vista Lago Global Academy (Lago) was formed as a charter school pursuant to *California Education Code* Section 47600 under a charter agreement with the Riverside County Department of Education. The charter agreement was entered into in 2024 expiring in 2029. Vista Lago Global Academy is located at 31360 Riverside Drive, Lake Elsinore, California. Vista Lago Global Academy will open August 11, 2025, and will serve students in transitional kindergarten through grade twelve.

**Other Related Entities**

*2900 W. Temple, LLC*

In 2014, the Organization formed the 2900 W. Temple, LLC (the 2900 LLC) exclusively for charitable purpose solely related to property and assets of the Organization, for charitable purposes as specified in Section 501(c)(3) of the Internal Revenue Service. The Charter Schools make lease payments to the LLC, in accordance with the lease agreements. Vista Charter Public Schools, Inc. is the sole member of the 2900 LLC.

*2609 W. 5<sup>th</sup> Street, LLC*

In 2021, the Organization formed the 2609 W. 5<sup>th</sup> Street, LLC (the 2609 LLC) exclusively for charitable purpose solely related to property and assets of the Organization, for charitable purposes as specified in Section 501(c)(3) of the Internal Revenue Service. The Charter Schools make lease payments to the LLC, in accordance with the lease agreements. Vista Charter Public Schools, Inc. is the sole member of the 2609 LLC.

*Vista Charter Public Schools Foundation*

Vista Charter Public Schools Foundation (the Foundation) is organized for public and educational support purposes as specified in its Articles of Incorporation. It is not organized for the private gain of any one individual person. It is organized under the Nonprofit Corporation Law of California ("California Nonprofit Corporation Law") for public Purposes.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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1. To support the charitable and educational mission of Vista Charter Public Schools, Inc., a California nonprofit, tax-exempt corporation, and any and all California public charter school that the Organization operates;
2. To undertake any and all additional activities as may be proper in connection with this corporation's specific purposes for which this corporation is formed, and which are exclusively charitable and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986.

The Foundation did not have any activity during the year ended June 30, 2024.

*Alliance of Schools for Cooperative Insurance Programs*

The Organization's charter schools are associated with the Alliance of Schools for Cooperative Insurance Programs (the JPA). The JPA does not meet the criteria for inclusion as a component unit of the Charter Schools. The JPA arranges for and provides various types of insurances for its member schools as requested. The JPA is governed by boards consisting of one or more representatives from each member. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member schools beyond their representation on the boards. Each member school pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA. Information on JPAs financials can be obtained by contacting the JPA directly at 16550 Bloomfield Avenue, Cerritos, California, 90703. Organization's total expenses paid to the JPA for year ended June 30, 2024, were \$335,746.

*El Dorado Charter Special Education Local Plan Area (SELPA)*

The Organization's Heritage, Condor, and Palm Lane charter schools are associated with the El Dorado Charter SELPA (the SELPA). The SELPA does not meet the criteria for inclusion as a component unit of the Organization. The SELPA provided special education ancillary and/or related services. Total expenses for year ended June 30, 2024, were \$35,129.

*Los Angeles Unified School District Special Education Local Plan Area (SELPA)*

The Organization's Vista CMS and Horizon charter schools are associated with the Los Angeles Unified School District Special Education Local Plan Area (the SELPA). The SELPA does not meet the criteria for inclusion as a component unit of the Organization. The SELPA provided special education ancillary and/or related services. Total expenses for year ended June 30, 2024, were \$81,442.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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***NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES***

**Basis of Accounting**

The accompanying financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Revenues are recognized as discussed below, and expenditures are recognized in the accounting period in which the liability is incurred.

**Principles of Combination**

The consolidated financial statements include the accounts of the Charter Schools, the LLCs, and the Foundation. All material intercompany transactions have been eliminated (Eliminations). As a part of its mission, Vista Charter Public Schools, Inc., has created limited liability companies that own real estate for educational purposes. Vista Charter Public Schools, Inc., is the sole member of the LLCs. The LLCs lease these facilities to the Charter Schools. Since this support is closely aligned with Vista Charter Public Schools, Inc. and they are financially inter-related, the LLCs' financial information is consolidated with the Vista Charter Public Schools, Inc. audit. This combination is required due to common control with shared leadership and management. For disclosure purposes, the financial information of the entities is separated within the report as a matter of clarification.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The board of directors has designated \$8,185,471 in net assets without donor restrictions for the year ended June 30, 2024.
- *Net Assets with Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. The Organization did not have net assets with donor restrictions for the year ended June 30, 2024.

**Cash and Cash Equivalents**

The Organization considers all cash including cash in the County Investment Pool and LLC investments and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.



**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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**Restricted Cash and Investment**

Non-current restricted cash in the amount of \$2,707,730 relates to the debt service reserve requirements related to the Charter School Revenue Bonds and is held as non-current assets to satisfy the long-term obligation.

**Concentration of Credit Risk**

The Organization maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2024, the Organization had approximately \$10,934,153, in excess of FDIC-insured limits.

**Investments**

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values on the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Receivables and Credit Policies**

Receivables consist primarily of noninterest-bearing amounts due to educational programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. No allowance for doubtful accounts has been established, as the Organization deems all amounts to be fully collectible. Substantially all outstanding receivables as of June 30, 2024, are due from state and/or federal sources related to grant contributions and are expected to be collected within a period of less than one year.

**Intra-Entity Transactions**

Intra-Entity transactions receivable/payable results from a net cumulative difference between resources provided by on charter school account to the other charter schools. Intra-Entity transfers include certain costs of shared liabilities and shared assets between the Organization.

**Property and Equipment**

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

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The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2024.

**Right of Use Leased Assets and Liabilities**

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

**Revenue and Revenue Recognition**

Operating funds for the Organization are derived principally from state and federal sources. The Organization receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. Contributions are recognized when cash or notification of an entitlement is received.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. At June 30, 2024 the Organization did not have conditional contributions, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

**Debt Issuance Costs**

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable approximation of the effective interest method. Debt issuance costs are included within bonds payable in the consolidated statement of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

**Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended June 30, 2024.

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**Functional Allocation of Expenses**

The financial statements report categories of expenses that are attributed to program service activities or supporting services activities such as management and general activities and fundraising and development activities. The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates.

**Income Taxes**

The Organization including other related entities noted above, are organized as a California nonprofit corporation and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and qualifies for the charitable contribution deduction. It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Organization's mission.

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***NOTE 3 - LIQUIDITY AND AVAILABILITY***

Financial assets for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprises the following:

	Vista CMS	Heritage	Condor	Horizon
Cash and cash equivalents	\$ 4,920,788	\$ 2,250,668	\$ 2,012,929	\$ 829,558
Accounts receivable	1,187,619	817,207	863,917	364,072
Total	<u>\$ 6,108,407</u>	<u>\$ 3,067,875</u>	<u>\$ 2,876,846</u>	<u>\$ 1,193,630</u>

	Palm Lane	Meridian	LLCs	Total
Cash and cash equivalents	\$ 2,070,216	\$ 2,519,458	\$ 5,881,621	\$ 20,485,238
Accounts receivable	2,131,789	58,459	811,566	6,234,629
Total	<u>\$ 4,202,005</u>	<u>\$ 2,577,917</u>	<u>\$ 6,693,187</u>	<u>\$ 26,719,867</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization invests cash in excess of daily requirements in county investment pools and money market funds.

***NOTE 4 - MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES***

The Organization determines the fair market values of certain financial instruments based on the fair value hierarchy established in FASB ASC 820-10-50, which requires an entity to maximize the use of observable inputs and minimize the use unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

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Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, residential MSRs, asset-backed securities (ABS), highly structured or long-term derivative contracts and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

Uncategorized - Investments in the Orange County Treasury Investment Pool are not measured using the input levels above because the Charter Schools' transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share. The fair value measurements are as follows at June 30, 2024:

<u>Investment Type</u>	<u>Fair Value Measurements at Report Date Using Quoted Prices in Active Markets for Identical Assets (Level 2)</u>
U.S. Treasury Notes	\$ 6,681,841
Restricted Investment	
U.S. Treasury Notes	<u>2,702,909</u>
Total Investments	<u>\$ 9,384,750</u>

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***NOTE 5 - PROPERTY AND EQUIPMENT***

Property and equipment at June 30, 2024, consisted of the following:

	Vista CMS	Heritage	Condor	Vista Horizon
Land and land improvements	\$ 457,437	\$ 279,398	\$ 28,844	\$ -
Buildings	-	26,399	27,266	-
Leasehold improvements	21,080	-	25,995	-
Equipment, furniture and fixtures	255,048	206,969	197,602	16,503
Construction in progress	506,784	182,857	13,611	-
Subtotal	1,240,349	695,623	293,318	16,503
Less: accumulated depreciation	(471,657)	(379,486)	(125,769)	(5,851)
Total Property and Equipment	<u>\$ 768,692</u>	<u>\$ 316,137</u>	<u>\$ 167,549</u>	<u>\$ 10,652</u>

	Palm Lane	Meridian	Total
Land and land improvements	\$ -	\$ -	\$ 765,679
Buildings	-	-	53,665
Leasehold improvements	-	-	47,075
Equipment, furniture and fixtures	-	-	676,122
Construction in progress	22,039	7,983	733,274
Subtotal	22,039	7,983	2,275,815
Less: accumulated depreciation	-	-	(982,763)
Total Property and Equipment	<u>\$ 22,039</u>	<u>\$ -</u>	<u>\$ 1,293,052</u>

During the year ended June 30, 2024, the Charter Schools had \$106,385 charged for depreciation expense.

***NOTE 6 - LONG-TERM OBLIGATIONS***

Long-term obligations for the year ended June 30, 2024, are summarized as follows:

	Balance at July 1, 2023	Additions	Deductions	Balance at June 30, 2024	Due in One Year
Revolving Loans Payable	\$ 74,998	\$ -	\$ 74,998	\$ -	\$ -
Bonds Payable	49,217,716	-	589,336	48,628,380	680,000
Total	<u>\$ 49,292,714</u>	<u>\$ -</u>	<u>\$ 664,334</u>	<u>\$ 48,628,380</u>	<u>\$ 680,000</u>

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**Charter School Revolving Loan Fund Program (Revolving Loans Payable)**

*Vista Horizon Global Academy*

The Organization entered into a two-year loan agreement with the California School Financing Authority to supplement cash flows for Horizon during implementation years. The agreement provided for annual payments of \$25,000 and \$50,000 plus accrued interest for a period of three to five years, beginning August 1, 2019, and August 1, 2022. Payments include interest at a rate of .4 to 2.21 percent. At June 30, 2024, there was no remaining balance.

**2014 Bonds**

In October 2014, the 2900 LLC entered into a loan agreement with the California Municipal Finance Authority for the issuance of \$7,075,000 in Charter Lease Revenue Bonds. The funds were used for financing the costs of acquisition of land and education and related facilities for use as a charter school facility located at 2900 West Temple Street, Los Angeles, California. The charter school facilities are leased by Vista Charter Middle School.

The Series 2014 Charter School Lease Revenue Bonds were sold at an original issue discount of \$63,592, amounting to total bond proceeds, net of the original issue discount, of \$7,011,408. Terms of the bond call for principal and interest payments due for each year ending July 1.

Bond discount arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the discount decreases the face value of the bond and then amortize the discount over the life of the bond. The discounts are amortized over the life of the bond using the straight-line method.

The following bond was issued at a discount resulting in effective interest as follows:

**2014 Charter School Lease Revenue Bonds**

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Par amount of bonds	\$ 7,075,000
Periods	30 years
Effective interest rate	3.70%

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The Series 2014 Charter School Lease Revenue Bonds mature as follows:

<u>Bond Component</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Maturity Date</u>
2024 Tax-Exempt Term Bonds	5.000%	\$ 1,265,000	July 1, 2024
2029 Tax-Exempt Term Bonds	5.125%	\$ 930,000	July 1, 2029
2034 Tax-Exempt Term Bonds	5.375%	\$ 1,195,000	July 1, 2034
2038 Tax-Exempt Term Bonds	6.000%	\$ 1,225,000	July 1, 2038
2044 Tax-Exempt Term Bonds	6.000%	\$ 2,460,000	July 1, 2044

Future maturities of bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 170,000	\$ 339,765	\$ 509,765
2026	175,000	335,472	510,472
2027	185,000	330,500	515,500
2028	195,000	324,775	519,775
2029	205,000	322,547	527,547
Thereafter	5,040,000	2,560,117	7,600,117
Total future maturities	<u>\$ 5,970,000</u>	<u>\$ 4,213,176</u>	<u>\$ 10,183,176</u>

**2021 Bonds**

In October 2021, the 2609 LLC entered into a loan agreement with the California School Finance Authority for the issuance of \$41,695,000 in Charter Lease Revenue Bonds. The funds were used for financing the costs of acquisition of land and education and related facilities for use as a charter school facility located at 2609 W. 5<sup>th</sup> Street, Santa Ana, California. The charter school facilities are leased by Condor and Heritage.

The Series 2021 Charter School Lease Revenue Bonds were sold at an original issue premium of \$2,927,321, amounting to total bond proceeds, net of the original issue discount, of \$833,900. Terms of the bond call for principal and interest payments are due for each year ending July 1.

Bond discount arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the discount decreases the face value of the bond and then amortize the discount over the life of the bond. The discounts are amortized over the life of the bond using the straight-line method.



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The following bond was issued at a discount resulting in effective interest as follows:

**2021 Charter School Lease Revenue Bonds**

Par amount of bonds	\$ 41,695,000
Periods	40 years
Effective interest rate	4.00%

The Series 2021 Charter School Lease Revenue Bonds mature as follows:

Bond Component	Interest Rate	Amount	Maturity Date
2031 Tax-Exempt Term Bonds	4.000%	\$ 3,680,000	June 1, 2031
2041 Tax-Exempt Term Bonds	4.000%	\$ 7,970,000	June 1, 2041
2051 Tax-Exempt Term Bonds	4.000%	\$ 11,790,000	June 1, 2051
2061 Tax-Exempt Term Bonds	4.000%	\$ 17,455,000	June 1, 2061
2025 Tax-Exempt Term Bonds	3.750%	\$ 800,000	June 1, 2025

Future maturities of bonds payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 510,000	\$ 1,647,425	\$ 2,157,425
2026	525,000	1,627,800	2,152,800
2027	545,000	1,606,800	2,151,800
2028	565,000	1,585,000	2,150,000
2029	590,000	1,562,400	2,152,400
Thereafter	38,470,000	30,402,800	68,872,800
Total future maturities	\$ 41,205,000	\$ 38,432,225	\$ 79,637,225
Premium and Discount	1,994,305		
Less cost of issuance	(540,925)		
Total Bond	\$ 42,658,380		

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**Debt Service Coverage and Days Cash on Hand**

Under the current bonding agreements, the Organization is required to maintain a Debt Service Coverage Ratio 1.20 and Cash Days on Hand of 45 days.

The Debt Service Coverage Ratio is calculated by dividing the consolidated Net Income Available for Debt Service by the Maximum Annual Debt Service for all outstanding indebtedness. As of June 30, 2024, the Organization had a 4.15 Debt Service Coverage Ratio and was in compliance with the 1.2 required ratio and cash on hand for 220 days meeting the required 45 days on hand.

Debt Service Coverage	2023-24 Actual	2024-25 Budget	2025-26 Budget
Net Income	\$ 5,537,451	\$ 225,260	\$ 1,553,490
Depreciation and amortization	2,491,038	2,491,038	2,491,038
Rent	3,010,405	3,010,405	3,010,405
Income Available for Coverage	11,038,894	5,726,703	7,054,933
Debt Service for LLC	2,660,419	2,660,419	2,652,081

<b>Debt Service Coverage</b>	<b>4.15</b>	<b>2.15</b>	<b>2.66</b>
Limit	1.20	1.20	1.20
Compliance	Yes	Yes	Yes

Days Cash on Hand	2023-24 Actual	2024-25 Budget	2025-26 Budget
Total Expenses	\$ 36,485,168	\$ 33,977,569	\$ 35,708,456
Depreciation and amortization	2,491,038	2,491,038	2,491,038
Cash Expenses	33,994,130	31,486,531	33,217,418
Expense/Day	93,135	86,264	91,007
Cash and cash equivalents	20,490,059	9,427,040	14,216,139

<b>Days Cash on Hand</b>	<b>220</b>	<b>109</b>	<b>156</b>
Limit	45	45	45
Compliance	Yes	Yes	Yes

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*NOTE 7 - FINANCE LEASES*

Vista Charter Public Schools, Inc. (the Organization) leases certain real property with 2900 W. Temple, LLC and 2609 W. 5<sup>th</sup> Street, LLC for the operation of charter schools with various terms under long-term, non-cancelable finance lease agreements. The leases expire at various dates through June 1, 2081; and provide for renewal options ranging from one year to seven years. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The agreements generally require The Organization to pay insurance and repairs. The Organization elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The Organization has real property short-term lease agreements for the year ended June 30, 2024. The Organization elected the practical expedient to not separate lease and non-lease components for real estate leases.

The Organization leases certain real property for the operations of the charter school and equipment at various terms under long-term non-cancelable finance lease agreements. The leases expire at various dates through 2058. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options are reasonably certain to be exercised. The Organization’s operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Organization to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined by using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the real property and equipment classes of assets.

The lease agreements also require the Organization to comply with certain covenants and to maintain certain financial ratios. As of June 30, 2024, the Organization was in compliance with all ratios and covenants.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization elected the practical expedient to not separate lease and non-lease components for real property and equipment leases.

Total lease costs for the year ended June 30, 2024 were as follows:

Finance lease cost:	
Interest expense	\$ 1,895,684
Amortization of right-of-use assets	\$ 2,384,653

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The following table summarizes the supplemental cash flow information for the year ended June 30, 2024:

Cash paid for amounts included in the measurement of lease liabilities	
Financing cash flows from finance leases	\$ 2,563,419
Right-of-use assets obtained in exchange for lease liabilities	
Finance leases 2900 LLC	\$ 5,434,532
Finance leases 2609 LLC	40,504,050

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

Weighted-average remaining lease term:	
Finance leases	34.0 Years
Weighted-average discount rate:	
Finance leases	3.75%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2024:

	<u>June 30, 2024</u>
	<u>Finance</u>
2025	\$ 2,660,419
2026	2,652,081
2027	2,652,113
2028	2,650,831
2029	2,653,238
Thereafter	<u>76,378,313</u>
Total lease payments	89,646,995
Less interest	<u>(40,150,005)</u>
Present value of lease liabilities	<u>\$ 49,496,990</u>

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***NOTE 8 – NET ASSETS***

Net assets consist of the following at June 30, 2024:

Net Assets Without Donor Restrictions	
Designated by the Board for categorical programs	\$ 8,185,471
Undesignated net assets	<u>15,131,169</u>
 Total net assets without donor restrictions	 <u><u>\$ 23,316,640</u></u>

***NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS***

Qualified employees are covered under multiple employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and State contribution rates are set by the California Legislature, and (c) if the Organization chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Organization has no plans to withdraw from this multi-employer plan.

The details of each plan are as follows:

**California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

The Organization contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

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**Benefits Provided**

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The Organization contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.1	19.1
Required state contribution rate	10.828	10.828

**Contributions**

Required member, the Organization, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the Organization's total contributions were \$1,959,115.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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**California Public Employees Retirement System (CalPERS)**

**Plan Description**

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013) and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>School Employer Pool (CalPERS)</u>	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.680%	26.680%

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Organization is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total Organization's contributions were \$615,144.

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the Organization. These payments consist of State General Fund contributions to CalSTRS in the amount of \$850,981 (10.828% of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

**403(b) Tax Deferred Annuity Plan**

The Organization contributes to an employee 403(b) Tax Deferred Annuity Plan (TDA), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

***NOTE 10 – CONTINGENCIES, RISKS, AND UNCERTAINTIES***

The Organization has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

***NOTE 11 - RELATED PARTY TRANSACTIONS***

Related parties as defined by generally accepted accounting standards include: (1) Affiliates of the entity; (2) Management and members of their immediate families, or; (3) Other parties that can significantly influence management or operating policies.



**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2024**

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The Charter Schools share the same Board of Directors. During the year, the Charter Schools have related transactions that are recorded in their respective related party accounts. At year end, the related party accounts are reconciled to ensure all transactions between the Charter Schools are properly recorded, and all intercompany related party accounts have been eliminated.

**Due To/From Related Entities**

Due to/from related entities at June 30, 2024, consisted of the following:

	Due From	Due To
Meridian		Palm Lane
	Total Due From/To	\$ 2,638,570

**NOTE 12 - SUBSEQUENT EVENTS**

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements from the balance sheet date through December 15, 2024, which is the date the consolidated financial statements were available to be issued. Management has determined that there were no subsequent events or transactions, other than those noted below, that would have a material impact on the current year consolidated financial statements.

*Vista Lago Global Academy – Charter No. 2152*

Vista Lago Global Academy (Lago) was formed as a charter school pursuant to *California Education Code* Section 47600 under a charter agreement with the Riverside County Department of Education. The charter agreement was entered into in 2024 expiring in 2029. Vista Lago Global Academy is located at 31360 Riverside Drive, Lake Elsinore, California. Vista Lago Global Academy will open August 11, 2025, and serve students in transitional kindergarten through grade twelve.

## **SUPPLEMENTARY INFORMATION**

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education (CDE)			
Special Education Cluster			
Basic Local Assistance Entitlement	84.027	13379	\$ 340,933
Total Special Education (IDEA) Cluster			<u>340,933</u>
COVID-19 Governor's Emergency Education			
Relief (GEER) Fund	84.425C	15517	7,557
COVID-19 - Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	95,096
COVID-19 - Expanded Learning Opportunities (ELO) Grant ESSER II State Reserves	84.425D	15618	50,737
COVID-19 - Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	26,689
COVID-19 - Expanded Learning Opportunities (ELO) (ESSER III) State Reserve, Emergency Needs	84.425U	15620	17,078
COVID-19 - Expanded Learning Opportunities (ELO) (ESSER III) ESSER III State Reserve, Learning Loss	84.425U	15621	20,519
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	2,543,974
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	<u>106,354</u>
Subtotal			<u>2,868,004</u>
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	532,886
Title II, Part A, Supporting Effective Instruction	84.367	14341	74,533
Title III, English Learner Student Program	84.365	14346	87,342
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	47,902
Title IV, Part B - 21st Century Community Learning Centers Program	84.287	14349	<u>829,775</u>
Total U.S. Department of Education			<u>4,781,375</u>
U.S. Department of Agriculture			
Passed through CDE			
Child Nutrition Cluster			
Basic School Breakfast Program	10.553	13525	280,605
National School Lunch Program, Section 4	10.555	13523	15,621
National School Lunch Program, Section 11	10.555	13524	789,322
Meal Supplement	10.555	13396	87,320
Supply Chain Assistance for School Meals	10.555	15655	<u>59,646</u>
Total Child Nutrition Cluster			<u>1,232,514</u>
Total Federal Financial Assistance			<u>\$ 6,013,889</u>

See accompanying note to supplementary information.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2024**

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*Vista Charter Middle School*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
	<u>B1B46557</u>	<u>B4FE9F49</u>
Regular ADA		
Sixth	108.29	109.37
Seventh and eighth	235.22	237.51
Total Regular ADA	<u>343.51</u>	<u>346.88</u>
Classroom based ADA		
Sixth	108.29	109.37
Seventh and eighth	235.22	237.51
Total Classroom Based ADA	<u>343.51</u>	<u>346.88</u>

*Vista Heritage Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
	<u>445ECD29</u>	<u>6D0BB8E5</u>
Regular ADA		
Sixth	105.65	106.15
Seventh and eighth	193.57	195.39
Total Regular ADA	<u>299.22</u>	<u>301.54</u>
Classroom based ADA		
Sixth	105.37	105.87
Seventh and eighth	191.66	193.89
Total Classroom Based ADA	<u>297.03</u>	<u>299.76</u>

The Organization operated a short-term independent study program.

See accompanying note to supplementary information.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2024**

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*Vista Condor Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
	<u>316F3FA3</u>	<u>38EACF47</u>
Regular ADA		
Transitional kindergarten through third	192.92	194.07
Fourth and fifth	122.62	123.08
Total Regular ADA	<u>315.54</u>	<u>317.15</u>
Classroom based ADA		
Transitional kindergarten through third	191.95	193.31
Fourth and fifth	122.41	122.91
Total Classroom Based ADA	<u>314.36</u>	<u>316.22</u>

The Organization operated a short-term independent study program.

*Vista Horizon Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
	<u>FB8A8004</u>	<u>C53628C2</u>
Regular ADA		
Transitional kindergarten through third	90.22	90.95
Fourth and fifth	37.98	38.08
Total Regular ADA	<u>128.20</u>	<u>129.03</u>
Classroom based ADA		
Transitional kindergarten through third	90.22	90.95
Fourth and fifth	37.98	38.08
Total Classroom Based ADA	<u>128.20</u>	<u>129.03</u>

See accompanying note to supplementary information.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2024**

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*Palm Lane Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
	<u>13F81E41</u>	<u>A2D58C26</u>
Regular ADA		
Transitional kindergarten through third	134.56	138.67
Fourth through sixth	111.19	112.03
Total Regular ADA	<u>245.75</u>	<u>250.70</u>
Classroom based ADA		
Transitional kindergarten through third	134.56	138.67
Fourth through sixth	111.19	112.03
Total Classroom Based ADA	<u>245.75</u>	<u>250.70</u>

*Vista Meridian Global Academy*

	<b>Final Report</b>	
	<b>Second Period Report</b>	<b>Annual Report</b>
	<u>29537BE9</u>	<u>F2C968CA</u>
Regular ADA		
Ninth through twelfth	165.41	166.44
Total Regular ADA	<u>165.41</u>	<u>166.44</u>
Classroom based ADA		
Ninth through twelfth	164.52	165.63
Total Classroom Based ADA	<u>164.52</u>	<u>165.63</u>

The Organization operated a short-term independent study program.

See accompanying note to supplementary information.

**VISTA CHARTER PUBLIC SCHOOLS, INC.**  
**and AFFILIATED ORGANIZATIONS**  
**(California Nonprofit Public Benefit Corporations)**

**SCHEDULE OF INSTRUCTIONAL TIME**  
**FOR THE YEAR ENDED JUNE 30, 2024**

*Vista Charter Middle School*

Grade Level	1986-87	2023-2024	Number of Days		Status
	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Grades 6 - 8	54,000				
Grade 6		64,715	179	N/A	Complied
Grade 7		64,715	179	N/A	Complied
Grade 8		64,715	179	N/A	Complied

*Vista Heritage Global Academy*

Grade Level	1986-87	2023-2024	Number of	2023-2024	Number of Days		Number of	Total	Status
	Minutes Requirement	Actual Minutes	Minutes Credited Form J-13A	Actual Minutes	Traditional Calendar	Multitrack Calendar	Days Credited Form J-13A	Days Offered	
Grades 6 - 8	54,000								
Grade 6		58,119	346	58,465	179	N/A	1	180	Complied
Grade 7		58,119	346	58,465	179	N/A	1	180	Complied
Grade 8		58,119	346	58,465	179	N/A	1	180	Complied

See accompanying note to supplementary information.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2024**

*Vista Condor Global Academy*

Grade Level	1986-87	2023-2024	Number of minutes Credit Form J-13A	Total Minutes Offered	Number of Days		Number of Days Credited Form J-13A	Total Days Offered	Status
	Minutes Requirement	Actual Minutes			Traditional Calendar	Multitrack Calendar			
Transitional Kindergarten	36,000	53,255	320	53,575	179	N/A	1	180	Complied
Kindergarten		53,255	320	53,575	179	N/A	1	180	Complied
Grades 1 - 3	50,400								
Grade 1		54,150	325	54,475	179	N/A	1	180	Complied
Grade 2		54,150	325	54,475	179	N/A	1	180	Complied
Grade 3		54,150	325	54,475	179	N/A	1	180	Complied
Grades 4 - 5	54,000								
Grade 4		54,150	325	54,475	179	N/A	1	180	Complied
Grade 5		54,150	325	54,475	179	N/A	1	180	Complied

See accompanying note to supplementary information.



**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2024**

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*Vista Horizon Global Academy*

Grade Level	1986-87	2023-2024	Number of Days		Status
	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Transitional Kindergarten	36,000	56,290	179	N/A	Complied
Kindergarten		56,290	179	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		56,290	179	N/A	Complied
Grade 2		56,290	179	N/A	Complied
Grade 3		56,290	179	N/A	Complied
Grades 4 - 5	54,000				
Grade 4		56,290	179	N/A	Complied
Grade 5		56,290	179	N/A	Complied

See accompanying note to supplementary information.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**SCHEDULE OF INSTRUCTIONAL TIME  
FOR THE YEAR ENDED JUNE 30, 2024**

*Palm Lane Global Academy*

Grade Level	1986-87	2023-2024	Number of Minutes Credited Form J-13A	Total Minutes Offered	Number of Days		Number of Days Credited Form J-13A	Total Days Offered	Status
	Minutes Requirement	Actual Minutes			Traditional Calendar	Multitrack Calendar			
Transitional Kindergarten	36,000	62,555	370	62,925	179	N/A	1	180	Complied
Kindergarten		62,555	370	62,925	179	N/A	1	180	Complied
Grades 1 - 3	50,400								
Grade 1		64,715	385	65,100	179	N/A	1	180	Complied
Grade 2		64,715	385	65,100	179	N/A	1	180	Complied
Grade 3		64,715	385	65,100	179	N/A	1	180	Complied
Grades 4 - 5	54,000								
Grade 4		64,715	385	65,100	179	N/A	1	180	Complied
Grade 5		64,715	385	65,100	179	N/A	1	180	Complied
Grade 6		64,715	385	65,100	179	N/A	1	180	Complied

*Vista Meridian Global Academy*

Grade Level	1986-87	2023-2024	Number of Minutes Credited Form J-13A	Total Minutes Offered	Number of Days		Number of Days Credited Form J-13A	Total Days Offered	Status
	Minutes Requirement	Actual Minutes			Traditional Calendar	Multitrack Calendar			
Grades 9 - 12	64,800								
Grade 9		66,310	390	66,700	179	N/A	1	180	Complied
Grade 10		66,310	390	66,700	179	N/A	1	180	Complied
Grade 11		66,310	390	66,700	179	N/A	1	180	Complied
Grade 12		66,310	390	66,700	179	N/A	1	180	Complied

See accompanying note to supplementary information.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2024.

See accompanying note to supplementary information.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED JUNE 30, 2024**

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See accompanying note to supplementary information.

**VISTA CHARTER PUBLIC SCHOOLS, INC.**  
**and AFFILIATED ORGANIZATIONS**  
**(California Nonprofit Public Benefit Corporations)**

	Vista CMS	Heritage	Condor
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 4,920,788	\$ 2,250,668	\$ 2,012,929
Investments	2,549,694	255,071	2,040,566
Receivables	1,187,619	817,207	863,917
Intra-Entity payable	-	-	-
Prepaid expenses	131,139	76,886	86,577
Current portion of sales-type lease receivable	-	-	-
Total Current Assets	<u>8,789,240</u>	<u>3,399,832</u>	<u>5,003,989</u>
Non-Current Assets			
Restricted cash	-	-	-
Restricted investments	-	-	-
Security deposits	125,370	479,493	24,960
Sales-type lease receivable, net of current portion	-	-	-
Finance lease right-of-use asset	6,521,438	23,645,608	20,142,555
Finance lease right-of-use accumulated amortization	(1,086,906)	(1,773,421)	(1,510,692)
Property and equipment	1,240,349	695,623	293,318
Less: accumulated depreciation	(471,657)	(379,486)	(125,769)
Total Non-Current Assets	<u>6,328,594</u>	<u>22,667,817</u>	<u>18,824,372</u>
Total Assets	<u>\$ 15,117,834</u>	<u>\$ 26,067,649</u>	<u>\$ 23,828,361</u>
<b>LIABILITIES</b>			
Current Liabilities			
Payables	\$ 799,066	\$ 414,109	\$ 255,664
Interest payable	-	-	-
Refundable advances	164,350	541,864	428,894
Intra-Entity payable	-	-	-
Current portion of bonds payable	-	-	-
Current portion of finance lease liability	170,740	150,435	150,434
Total Current Liabilities	<u>1,134,156</u>	<u>1,106,408</u>	<u>834,992</u>
Long-Term Obligations			
Non-current portion of bonds payable	-	-	-
Finance lease payable	5,761,304	23,374,636	19,889,441
Total Liabilities	<u>6,895,460</u>	<u>24,481,044</u>	<u>20,724,433</u>
<b>NET ASSETS</b>			
Without Donor Restrictions			
Undesignated	8,222,374	1,586,605	3,103,928
Net Assets	<u>8,222,374</u>	<u>1,586,605</u>	<u>3,103,928</u>
Total Liabilities and Net Assets	<u>\$ 15,117,834</u>	<u>\$ 26,067,649</u>	<u>\$ 23,828,361</u>

See accompanying note to supplementary information.

Horizon	Palm Lane	Meridian	2900 LLC	2609 LLC	Eliminations	Total
\$ 829,558	\$ 2,070,216	\$ 2,519,458	\$ 439,388	5,442,233	\$ -	\$ 20,485,238
306,085	1,530,425	-	-	-	-	6,681,841
364,072	2,131,789	58,459	41,895	769,671	-	6,234,629
-	2,638,570	-	-	-	(2,638,570)	-
28,418	63,616	46,644	-	-	-	433,280
-	-	-	170,740	300,869	(471,609)	-
<u>1,528,133</u>	<u>8,434,616</u>	<u>2,624,561</u>	<u>652,023</u>	<u>6,512,773</u>	<u>(3,110,179)</u>	<u>33,834,988</u>
-	-	-	2,123	2,698	-	4,821
-	-	-	512,914	2,189,995	-	2,702,909
-	-	31,000	-	4,371,721	(4,371,721)	660,823
-	-	-	5,761,304	32,200,582	(37,961,886)	-
-	-	-	-	-	-	50,309,601
-	-	-	-	-	-	(4,371,019)
16,503	22,039	7,983	-	-	-	2,275,815
(5,851)	-	-	-	-	-	(982,763)
<u>10,652</u>	<u>22,039</u>	<u>38,983</u>	<u>6,276,341</u>	<u>38,764,996</u>	<u>(42,333,607)</u>	<u>50,600,187</u>
<u>\$ 1,538,785</u>	<u>\$ 8,456,655</u>	<u>\$ 2,663,544</u>	<u>\$ 6,928,364</u>	<u>\$ 45,277,769</u>	<u>\$ (45,443,786)</u>	<u>\$ 84,435,175</u>
\$ 84,966	\$ 350,411	\$ 231,052	\$ -	\$ -	\$ -	\$ 2,135,268
-	-	-	170,497	-	-	170,497
91,958	237,725	27,825	-	2,000,000	-	3,492,616
-	-	2,638,570	-	-	(2,638,570)	-
-	-	-	160,000	510,000	-	670,000
-	-	-	-	-	(471,609)	-
<u>176,924</u>	<u>588,136</u>	<u>2,897,447</u>	<u>330,497</u>	<u>2,510,000</u>	<u>(3,110,179)</u>	<u>6,468,381</u>
-	-	-	5,810,000	42,148,380	-	47,958,380
-	-	-	-	-	(42,333,607)	6,691,774
<u>176,924</u>	<u>588,136</u>	<u>2,897,447</u>	<u>6,140,497</u>	<u>44,658,380</u>	<u>(45,443,786)</u>	<u>61,118,535</u>
<u>1,361,861</u>	<u>7,868,519</u>	<u>(233,903)</u>	<u>787,867</u>	<u>619,389</u>	<u>-</u>	<u>23,316,640</u>
<u>1,361,861</u>	<u>7,868,519</u>	<u>(233,903)</u>	<u>787,867</u>	<u>619,389</u>	<u>-</u>	<u>23,316,640</u>
<u>\$ 1,538,785</u>	<u>\$ 8,456,655</u>	<u>\$ 2,663,544</u>	<u>\$ 6,928,364</u>	<u>\$ 45,277,769</u>	<u>\$ (45,443,786)</u>	<u>\$ 84,435,175</u>

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Vista CMS</u>	<u>Heritage</u>	<u>Condor</u>
<b>REVENUES</b>			
Local Control Funding Formula			
State apportionment	\$ 3,577,419	\$ 2,994,872	\$ 3,319,703
In-lieu property taxes	1,313,153	1,277,233	1,346,895
Federal revenue	2,383,391	1,391,962	848,104
Other State revenue	2,308,199	2,255,073	3,031,325
Local revenue	192,370	373,327	292,377
Interest income	96,848	19,457	42,726
Gain or loss on investments-net	14,396	1,469	11,752
Rental income	-	-	-
School Site Fundraising	24,498	7,250	5,682
Total Revenues	<u>9,910,274</u>	<u>8,320,643</u>	<u>8,898,564</u>
<b>EXPENSES</b>			
Program Services	7,058,687	5,334,930	4,979,152
Management and General	2,190,223	3,518,634	3,284,127
Total Expenses	<u>9,248,910</u>	<u>8,853,564</u>	<u>8,263,279</u>
<b>CHANGE IN NET ASSETS</b>	<u>661,364</u>	<u>(532,921)</u>	<u>635,285</u>
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<u>7,561,010</u>	<u>2,119,526</u>	<u>2,468,643</u>
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<u>\$ 8,222,374</u>	<u>\$ 1,586,605</u>	<u>\$ 3,103,928</u>

See accompanying note to supplementary information.

Horizon	Palm Lane	Meridian	2900 LLC	2609 LLC	Eliminations	Total
\$ 1,422,800	\$ 3,373,625	\$ 2,807,560	\$ -	\$ -	\$ -	\$ 17,495,979
490,077	1,727,111	12,327	-	-	-	6,166,796
310,969	994,653	84,810	-	-	-	6,013,889
835,935	1,558,234	177,195	-	-	-	10,165,961
68,054	440,045	87,135	4,921	23,634	-	1,481,863
4,322	31,482	38,905	-	338,001	-	571,741
1,763	8,814	-	-	-	-	38,194
-	-	-	300,858	2,139,652	(2,389,744)	50,766
-	-	-	-	-	-	37,430
<u>3,133,920</u>	<u>8,133,964</u>	<u>3,207,932</u>	<u>305,779</u>	<u>2,501,287</u>	<u>(2,389,744)</u>	<u>42,022,619</u>
2,013,884	3,788,564	2,705,986	-	-	(1,887,898)	23,993,305
476,536	899,306	735,849	340,994	1,548,040	(501,846)	12,491,863
<u>2,490,420</u>	<u>4,687,870</u>	<u>3,441,835</u>	<u>340,994</u>	<u>1,548,040</u>	<u>(2,389,744)</u>	<u>36,485,168</u>
643,500	3,446,094	(233,903)	(35,215)	953,247	-	5,537,451
718,361	4,422,425	-	823,082	(333,858)	-	17,779,189
<u>\$ 1,361,861</u>	<u>\$ 7,868,519</u>	<u>\$ (233,903)</u>	<u>\$ 787,867</u>	<u>\$ 619,389</u>	<u>\$ -</u>	<u>\$ 23,316,640</u>



**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

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***NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES***

**Consolidated Schedule of Expenditures of Federal Awards**

*Basis of Presentation*

The accompanying consolidated schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

*Summary of Significant Accounting Policies*

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. No federal financial assistance has been provided to a subrecipient.

*Indirect Cost Rate*

The Organization does not draw for indirect administrative expenses and has not elected to use the ten percent de minimus cost rate.

*Food Donation*

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the Organization had no food commodities in inventory.

**Schedule of Average Daily Attendance**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the Organization's. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to local education agencies. This schedule provides information regarding the attendance of students at the Organization.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

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*NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES, continued*

**Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the Organization and whether the Organization complied with the provisions of *Education Code* Sections 47612 and 47612.5, if applicable.

The Organization must maintain their instructional minutes at the 1986-87 requirements as required by *Education Code* Section 47612.5.

**Reconciliation of Annual Financial Report With Audited Financial Statements**

This schedule provides the information necessary to reconcile the net assets reported on the Unaudited Actual Financial Report to the audited financial statements.

**Consolidating Statement of Financial Position and Consolidating Statement of Activities**

The consolidating statement of financial position and consolidating statement of activities report the activities of the Organization and related entities and are presented on the accrual basis of accounting. Eliminating entries in the consolidating statement of financial position and consolidating statement of activities are for activities between the Organization and related entities.

## **OTHER INFORMATION**

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
JUNE 30, 2024**

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**ORGANIZATION**

Vista Charter Public Schools, Inc. (the Organization) was established in 2007. The Organization operates six charter schools: Vista Charter Middle School (Charter No. 1234) expires June 30, 2028, and Vista Horizon Global Academy (Charter No. 2043) expires June 30, 2027, each authorized by the Los Angeles Unified School District. Vista Heritage Global Academy (Charter No. 1752) expires June 30, 2028, Vista Condor Global Academy (Charter No. 1930) expires June 30, 2026, each authorized by Orange County Department of Education, Palm Lane Global Academy (Charter No. 1932) expires June 30, 2026, authorized by Anaheim Elementary School District, and Vista Meridian Global Academy (Charter No. 2132) expires on June 30, 2028, authorized by Orange County Department of Education.

*Effective July 1, 2021, all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year. The Charter Schools Division has automatically updated the charter term for charters impacted by this extension.*

The Board of Directors as of June 30, 2024, were as follows:

**BOARD OF DIRECTORS**

<u>MEMBER</u>	<u>OFFICE</u>	<u>FOUR-YEAR TERM EXPIRES</u>
Paul Vieyra	President	June 30, 2024
Jody Molodow	Secretary	June 30, 2025
Michele Bauer-Bean	Member	June 30, 2025
Mimi Kim	Member	June 30, 2025
Geronimo Gaytan	Member	June 30, 2025

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
JUNE 30, 2024**

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The Administration as of June 30, 2024, were as follows:

**ADMINISTRATION**

Dr. Donald Wilson	Superintendent
Dr. Collin Felch	Deputy Superintendent
Karen Amaya	Assistant Superintendent
Anabelle Medina	Business & HR Manager
Daniel Sommer	Principal, Vista Charter Middle School
Enock Benavides	Principal, Vista Horizon Global Academy
Roxanne Alessandro	Principal, Vista Condor Global Academy Vista Heritage Global Academy
Debby Prado	Principal, Palm Lane Global Academy
Jay Proano	Interim Principal, Vista Meridian Global Academy

## **INDEPENDENT AUDITOR'S REPORTS**

Rudolph F. Silva, CPA  
Lisa D. Silva, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Vista Charter Public Schools, Inc.  
and Affiliated Organizations  
(California Nonprofit Public Benefit Corporations)  
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Vista Charter Public Schools, Inc.'s (the Organization), and its Affiliated Organizations: Vista Charter Public Schools Foundation (the Foundation) 2900 W. Temple LLC and 2609 W. 5<sup>th</sup> Street, LLC (the LLCs) (California Nonprofit Public Benefit Corporations) as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 15, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Brea, California  
December 15, 2024



Rudolph F. Silva, CPA  
Lisa D. Silva, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Vista Charter Public Schools, Inc.  
and Affiliated Organizations  
(California Nonprofit Public Benefit Corporations)  
Los Angeles, California

**Report on Compliance for the Major Federal Program**

**Opinion on the Major Federal Program**

We have audited Vista Charter Public Schools, Inc.'s (the Organization), and its Affiliated Organizations: Vista Charter Public Schools Foundation (the Foundation) 2900 W. Temple LLC and 2609 W. 5<sup>th</sup> Street (the LLCs) (California Nonprofit Public Benefit Corporations), compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal program for the year ended June 30, 2024. The Organization's major federal program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2024.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Brea, California  
December 15, 2023

Rudolph F. Silva, CPA  
Lisa D. Silva, CPA

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors  
Vista Charter Public Schools, Inc.  
and Affiliated Organizations  
(California Nonprofit Public Benefit Corporations)  
Los Angeles, California

### Report on Compliance

#### *Opinion on State Compliance*

We have audited Vista Charter Public Schools, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2024.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

#### *Basis for Opinion*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's state programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Organization’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal controls over compliance. Accordingly, we express no such opinion; and.
- Select and test transactions and records to determine the Organization’s compliance with the state laws and regulations applicable to the following items:

<u>2023-2024 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
<b>LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS</b>	
Attendance	No, see below
Teacher Certification and Misassignments	No, see below
Kindergarten Continuance	No, see below
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	No, see below
Instructional Materials	No, see below
Ratio of Administrative Employees to Teachers	No, see below
Classroom Teacher Salaries	No, see below
Early Retirement Incentive	No, see below
GANN Limit Calculation	No, see below
School Accountability Report Card	No, see below
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	No, see below

Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	No, see below
District of Choice	No, see below
Home to School Transportation Reimbursement	No, see below

SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND  
CHARTER SCHOOLS

Proposition 28 Arts and Music in Schools	Yes
After School Education and Safety Program	
General Requirements	Yes
After School	Yes
Before School	Yes, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	No, see below
Immunizations	No, see below
Educator Effectiveness Grant	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	No, see below
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes

CHARTER SCHOOLS

Attendance	Yes
Mode of Instruction	Yes
Non-Classroom-Based Instruction/Independent Study for Charter Schools	Yes
Determination of Funding for Non-Classroom-Based Instruction	No, see below
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Programs listed above for "Local Education Agencies Other Than Charter Schools" are not applicable to charter schools; therefore, we did not perform any related procedures.

The Organization only offers a Before School Education and Safety Program at Condor, Horizon, and Palm Lane sites; therefore, we did not perform procedures related to the Before School Education and Safety Program at Vista CMS, Heritage, or Meridian.

The Organization does not offer an Independent Study-Course Based Program; therefore, we did not perform any procedures related to the Independent Study-Course Based Program.

The Organization's charter schools were not listed on the immunization assessment reports; therefore, we did not perform any related procedures.

We did not perform Career Technical Education Incentive Grant procedures because the Organization did not receive funding for this grant.

ADA was below the threshold required for testing; therefore, we did not perform any procedures related to Determination of Funding for Nonclassroom-Based Instruction.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit. The results of our auditing procedures disclosed no instances of noncompliance.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with compliance requirements as identified in the table below that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over state compliance is solely to describe the scope of our testing of internal control over state compliance and the results of that testing based on the requirements of the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Brea, California  
December 15, 2024

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**



**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**SUMMARY OF AUDITOR'S RESULTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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**Consolidated Financial Statements**

Type of auditor’s report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to consolidated financial statements noted?	No

**Federal Awards**

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

**Identification of major programs:**

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing Number</u>
COVID-19 Education Stabilization Fund	84.425C, 84.425D, 84.425U
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

**State Compliance**

Internal control over state compliance for programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor’s report issued on compliance for programs	Unmodified

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

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None reported.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**FEDERAL AWARDS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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None reported.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**STATE COMPLIANCE FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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None reported.

**VISTA CHARTER PUBLIC SCHOOLS, INC.  
and AFFILIATED ORGANIZATIONS  
(California Nonprofit Public Benefit Corporations)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

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There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.