

**YPI CHARTER SCHOOLS, INC.**  
**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2024**

**OPERATING:**

**Bert Corona Charter School: #0654**  
**Monseñor Oscar Romero Charter School: #0931**  
**Bert Corona High School: #1724**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
YPI Charter Schools, Inc.  
Granada Hills, California

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of YPI Charter Schools, Inc. (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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 Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 the aggregate, they would influence the judgment made by a reasonable user based on the 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 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 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 School'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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 School’s financial statements as a whole. The Bert Corona Charter School, Monseñor Oscar Romero Charter School, Bert Corona High School, Learning Support Center, and Eliminations columns in the statements of financial position, activities, and cash flows as well as the supplementary information (as identified in the table of contents), and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 financial statements and our auditors’ report thereon. Our opinion on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 a report dated December 15, 2024 on our consideration of the School’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 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 School’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Glendora, California  
December 15, 2024

**YPI CHARTER SCHOOLS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

<b>ASSETS</b>	<u>Bert Corona Charter School</u>	<u>Monseñor Oscar Romero Charter School</u>	<u>Bert Corona High School</u>	<u>Learning and Support Center</u>	<u>Total</u>
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	\$ 3,056,729	\$ 4,419,669	\$ 1,040,822	\$ 56,722	\$ 8,573,942
Accounts Receivable - Federal and State	2,406,104	1,863,222	828,297	-	5,097,623
Accounts Receivable - Other	2,595	299	618	69	3,581
Prepaid Expenses and Other Assets	<u>58,526</u>	<u>44,425</u>	<u>21,872</u>	<u>1,330</u>	<u>126,153</u>
Total Current Assets	5,523,954	6,327,615	1,891,609	58,121	13,801,299
<b>LONG-TERM ASSETS</b>					
Property, Plant, and Equipment, Net	675,464	25,163,936	106,465	11,899	25,957,764
Other Long-Term Assets	99,575	-	-	9,766	109,341
Right-of-Use Asset - Operating Lease	<u>1,923,198</u>	<u>17,225</u>	<u>12,405</u>	<u>64,260</u>	<u>2,017,088</u>
Total Long-Term Assets	<u>2,698,237</u>	<u>25,181,161</u>	<u>118,870</u>	<u>85,925</u>	<u>28,084,193</u>
Total Assets	<u>\$ 8,222,191</u>	<u>\$ 31,508,776</u>	<u>\$ 2,010,479</u>	<u>\$ 144,046</u>	<u>\$ 41,885,492</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ 709,314	\$ 955,164	\$ 234,269	\$ 81,960	\$ 1,980,707
Deferred Revenue	1,054,309	1,052,839	598,962	-	2,706,110
Amount Held for Others	32,875	56,570	-	-	89,445
Operating Lease Liability, Current Portion	91,356	10,235	7,371	44,509	153,471
Loans Payable, Current Portion	-	218,544	-	-	218,544
Total Current Liabilities	<u>1,887,854</u>	<u>2,293,352</u>	<u>840,602</u>	<u>126,469</u>	<u>5,148,277</u>
<b>LONG-TERM LIABILITIES</b>					
Operating Lease Liability, Net of Current Portion	1,882,095	6,989	5,033	17,577	1,911,694
Loan Payable	-	6,678,503	-	-	6,678,503
Total Long-Term Liabilities	<u>1,882,095</u>	<u>6,685,492</u>	<u>5,033</u>	<u>17,577</u>	<u>8,590,197</u>
Total Liabilities	3,769,949	8,978,844	845,635	144,046	13,738,474
<b>NET ASSETS</b>					
Without Donor Restriction	3,504,007	21,728,376	695,286	-	25,927,669
Without Donor Restriction - Employee Retention Credit	751,292	657,381	469,558	-	1,878,231
With Donor Restriction	<u>196,943</u>	<u>144,175</u>	<u>-</u>	<u>-</u>	<u>341,118</u>
Total Net Assets	<u>4,452,242</u>	<u>22,529,932</u>	<u>1,164,844</u>	<u>-</u>	<u>28,147,018</u>
Total Liabilities and Net Assets	<u>\$ 8,222,191</u>	<u>\$ 31,508,776</u>	<u>\$ 2,010,479</u>	<u>\$ 144,046</u>	<u>\$ 41,885,492</u>

See accompanying Notes to Financial Statements.

**YPI CHARTER SCHOOLS, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

	Bert Corona Charter School	Monseñor Oscar Romero Charter School	Bert Corona High School	Learning and Support Center	Eliminations	Total
<b>REVENUES, WITHOUT DONOR RESTRICTION</b>						
State Revenue:						
State Aid	\$ 3,265,560	\$ 2,660,209	\$ 2,625,878	\$ -	\$ -	\$ 8,551,647
Other State Revenue	1,793,367	1,366,637	850,446	-	-	4,010,450
Federal Revenue:						
Grants and Entitlements	1,173,084	1,362,404	634,091	-	-	3,169,579
Local Revenue:						
In-Lieu Property Tax Revenue	1,265,773	1,009,831	785,572	-	-	3,061,176
Contributions	52,911	41,409	106,218	-	-	200,538
Interest Income	63,375	113,641	6,172	487	-	183,675
Other Revenue	51,308	31,250	20,027	1,811,561	(1,800,766)	113,380
Net Assets Released from Restrictions	181,435	155,320	16,026	-	-	352,781
Total Revenues	<u>7,846,813</u>	<u>6,740,701</u>	<u>5,044,430</u>	<u>1,812,048</u>	<u>(1,800,766)</u>	<u>19,643,226</u>
<b>EXPENSES</b>						
Program Services	5,298,277	4,722,445	3,371,651	-	-	13,392,373
Management and General	2,182,351	2,248,371	1,566,170	1,812,048	(1,800,766)	6,008,174
Total Expenses	<u>7,480,628</u>	<u>6,970,816</u>	<u>4,937,821</u>	<u>1,812,048</u>	<u>(1,800,766)</u>	<u>19,400,547</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION</b>	366,185	(230,115)	106,609	-	-	242,679
<b>REVENUES, WITH DONOR RESTRICTION</b>						
Federal Revenue	196,943	144,175	-	-	-	341,118
Net Assets Released from Restrictions	(181,435)	(155,320)	(16,026)	-	-	(352,781)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTION</b>	<u>15,508</u>	<u>(11,145)</u>	<u>(16,026)</u>	<u>-</u>	<u>-</u>	<u>(11,663)</u>
<b>CHANGE IN NET ASSETS - OPERATING</b>	381,693	(241,260)	90,583	-	-	231,016
<b>REVENUES - NON OPERATING</b>						
Employee Retention Credit	751,292	657,381	469,558	-	-	1,878,231
<b>CHANGE IN NET ASSETS</b>	1,132,985	416,121	560,141	-	-	2,109,247
Net Assets - Beginning of Year	3,319,257	22,113,811	604,703	-	-	26,037,771
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,452,242</u>	<u>\$ 22,529,932</u>	<u>\$ 1,164,844</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,147,018</u>

See accompanying Notes to Financial Statements.

**YPI CHARTER SCHOOLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Eliminations</u>	<u>Total Expenses</u>
Salaries and Wages	\$ 6,329,134	\$ 2,861,938	\$ -	\$ 9,191,072
Pension Expense	1,025,407	158,170	-	1,183,577
Other Employee Benefits	923,927	512,581	-	1,436,508
Payroll Taxes	160,020	176,236	-	336,256
Legal Expenses	-	40,919	-	40,919
Accounting Expenses	-	45,868	-	45,868
Instructional Materials	444,012	276	-	444,288
Other Fees for Services	1,442,468	2,401,531	(1,800,766)	2,043,233
Information Technology	-	162,598	-	162,598
Advertising and Promotion Expenses	-	141,578	-	141,578
Office Expenses	341,583	234,467	-	576,050
Occupancy Expenses	780,320	318,719	-	1,099,039
Travel and Conference Expense	58,440	23,979	-	82,419
Interest Expense	-	140,683	-	140,683
Depreciation Expense	671,753	268,414	-	940,167
Insurance Expense	-	157,017	-	157,017
Other Expenses	1,215,309	163,966	-	1,379,275
Subtotal	<u>13,392,373</u>	<u>7,808,940</u>	<u>(1,800,766)</u>	<u>19,400,547</u>
Eliminations	<u>-</u>	<u>(1,800,766)</u>	<u>1,800,766</u>	<u>-</u>
 Total Expenses by Function	 <u><u>\$ 13,392,373</u></u>	 <u><u>\$ 6,008,174</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 19,400,547</u></u>

See accompanying Notes to Financial Statements.

**YPI CHARTER SCHOOLS, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2024**

	Bert Corona Charter School	Monseñor Oscar Romero Charter School	Bert Corona High School	Learning and Support Center	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Change in Net Assets	\$ 1,132,985	\$ 416,121	\$ 560,141	\$ -	\$ -	\$ 2,109,247
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:						
Depreciation	92,022	785,860	59,209	3,076	-	940,167
Change in Operating Assets:						
Accounts Receivable - Federal and State	(607,181)	(439,495)	(82,316)	-	-	(1,128,992)
Accounts Receivable - Other	4,898	(172)	(214)	10	-	4,522
Prepaid Expenses and Other Assets	(3,193)	6,878	18,004	14,546	-	36,235
Other Long-Term Assets	(675)	-	-	-	-	(675)
Right-of-Use Assets - Operating	128,099	-	-	45,178	-	173,277
Change in Operating Liabilities:						
Accounts Payable and Accrued Liabilities	(640,721)	(356,993)	(302,521)	12,771	-	(1,287,464)
Deferred Revenue	49,713	(92,569)	(65,507)	-	-	(108,363)
Lease Liabilities - Operating	(98,055)	-	-	(45,295)	-	(143,350)
Amounts Held for Others	(28,364)	4,808	-	-	-	(23,556)
Net Cash Provided by Operating Activities	<u>29,528</u>	<u>324,438</u>	<u>186,796</u>	<u>30,286</u>	<u>-</u>	<u>571,048</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of Property, Plant, and Equipment	(257,235)	(79,793)	(98,390)	(10,078)	-	(445,496)
Net Cash Used by Investing Activities	<u>(257,235)</u>	<u>(79,793)</u>	<u>(98,390)</u>	<u>(10,078)</u>	<u>-</u>	<u>(445,496)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Repayments of Debt	-	(214,222)	-	-	-	(214,222)
Net Cash Used by Financing Activities	<u>-</u>	<u>(214,222)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(214,222)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(227,707)</u>	<u>30,423</u>	<u>88,406</u>	<u>20,208</u>	<u>-</u>	<u>(88,670)</u>
Cash and Cash Equivalents - Beginning of Year	<u>3,284,436</u>	<u>4,389,246</u>	<u>952,416</u>	<u>36,514</u>	<u>-</u>	<u>8,662,612</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,056,729</u>	<u>\$ 4,419,669</u>	<u>\$ 1,040,822</u>	<u>\$ 56,722</u>	<u>\$ -</u>	<u>\$ 8,573,942</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>						
Cash Paid for Interest	<u>\$ -</u>	<u>\$ 140,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,683</u>

See accompanying Notes to Financial Statements.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

YPI Charter Schools, Inc. (the School) is a California nonprofit public benefit corporation developed by the Youth Policy Institute (YPI). The School currently manages three charter schools: Bert Corona Charter School, Monseñor Oscar Romero Charter School, and Bert Corona Charter High School. All of these charter schools are funded principally through state of California public education monies received through the California Department of Education and the Los Angeles Unified School District (the District).

The School's vision is to equip urban students in grades 5-12 for academic success and active community participation. The majority of students come from predominantly Latino immigrant families with high poverty levels. The School seeks to close the achievement gap for these students by providing clear and high expectations for all students to achieve a personalized and supportive learning environment that recognizes students' accomplishments, family-school-community partnerships and service, and integrated technology in the classroom.

**Basis of Accounting**

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

**Cash and Cash Equivalents**

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Asset Classes**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed 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 (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2024. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost if purchased, or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The School capitalizes all expenditures for land, buildings, and equipment in excess of \$1,000.

**Compensated Absences**

Accumulated unpaid employee vacation benefits are recognized as a liability of the School. The entire compensated absences liability is reported on the statement of financial position. Employees of the School are paid for days or hours worked based upon board approved schedules which include vacation.

**Revenue Recognition**

Amounts received from the California Department of Education are conditional and recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**Conditional Grants**

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2024, the School has conditional grants of \$6,128,400 of which \$2,706,110 is recognized as deferred revenue in the statement of financial position.

**Income Taxes**

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files and exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

**Leases**

The School leases office space, school facilities and office equipment. The School determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the statement of financial position. Finance leases are included in financing ROU assets, and lease liabilities – financing on the statement of financial position.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

ROU assets represent the School's right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the School uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

The School has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The School's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the School considers factors such as if the School has obtained substantially all of the rights to the underlying asset through exclusivity, if the School can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

**Evaluation of Subsequent Events**

The School has evaluated subsequent events through December 15, 2024, the date these financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date as of June 30, 2024 are comprised of the following:

Cash and Cash Equivalents	\$ 8,573,942
Accounts Receivable - Federal and State	5,097,623
Accounts Receivable - Other	3,581
Less: Net Assets With Donor Restrictions	<u>(341,118)</u>
Financial Assets Available for General Expenditure	<u>\$ 13,334,028</u>

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

**NOTE 3 CONCENTRATION OF CREDIT RISK**

The School maintains its cash and cash equivalents at high-credit quality financial institutions. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 4 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment in the accompanying financial statements are presented net of accumulated depreciation. Depreciation expense for the year ended June 30, 2024 was \$940,167.

The components of property, plant, and equipment as of June 30 are as follows:

	Bert Corona Charter School	Monsenor Oscar Romero Charter School	Bert Corona High School	Learning and Support Center	Total
Building	\$ 1,560,807	\$ 29,012,417	\$ -	\$ 6,686	\$ 30,579,910
Building Improvements	767,573	79,793	2,452	-	849,818
Computers and Equipment	1,214,168	673,078	453,101	55,397	2,395,744
Furniture	38,561	21,317	1,953	-	61,831
Subtotal	3,581,109	29,786,605	457,506	62,083	33,887,303
Less: Accumulated					
Depreciation	(2,905,645)	(4,622,669)	(351,041)	(50,184)	(7,929,539)
Total	<u>\$ 675,464</u>	<u>\$ 25,163,936</u>	<u>\$ 106,465</u>	<u>\$ 11,899</u>	<u>\$ 25,957,764</u>

**NOTE 5 EMPLOYEE RETIREMENT**

**Multiemployer Defined Benefit Pension Plans**

Qualified employees are covered under multiemployer defined benefit pension plans maintained by agencies of the state of California. Certificated employees are members of the State Teachers' Retirement System (STRS).

The risks of participating in this multiemployer defined benefit pension plan are different from single employer plans because: (a) assets contributed to the multiemployer 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 detailed in Teachers' Retirement Law, and (c) if the School chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. The School has no plans to withdraw from this multiemployer plan.

**YPI CHARTER SCHOOLS, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 EMPLOYEE RETIREMENT (CONTINUED)**

**State Teachers' Retirement System (STRS)**

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2023 total STRS plan net assets are \$316.9 billion, the total actuarial present value of accumulated plan benefits is \$455 billion, contributions from all employers totaled \$7.738 billion, and the plan is 75.9% funded. The School did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826, and [www.calstrs.com](http://www.calstrs.com).

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the SIRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2024 was 19.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

The School's contributions to STRS for the past three years are as follows:

<u>Year Ended June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2022	\$ 761,236	100 %
2023	972,688	100 %
2024	1,140,869	100 %

**Defined Contribution Plan**

The School offers an IRC Section 403(b) retirement plan to each of its qualifying employees. The School matches up to 3% for classified employees. During the year ended June 30, 2024, the School contributed \$42,708 to this plan.

**NOTE 6 DUE TO OTHERS**

The School receives contributions for the YPI Parent Group and student groups. The amount of cash held payable to the Parent Group and student groups as of June 30, 2024 was \$89,445.

**YPI CHARTER SCHOOLS, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 7 FACILITY USE AGREEMENT**

The School has facility use agreements for Bert Corona High School and Monseñor Oscar Romero Charter School properties with the Los Angeles Unified School District (the District) that expire in June of 2024. Expenses for the year ended June 30, 2024 under these agreements were \$348,661. The School is expecting to pay \$263,187 in the following fiscal year.

**NOTE 8 LONG-TERM DEBT**

**Charter School Facilities Program Loan**

Monseñor Oscar Romero Charter School was awarded \$15,643,256 through Proposition 1D of which \$7,821,628 was a grant and \$7,821,628 was a long-term debt with an interest rate of 2% per year. The liability is secured by the property acquired and constructed with these funds. Monthly payments of principal and interest began in January 2020 and are expected to be made through January 2049. As of June 30, 2024 the outstanding balance on this loan was \$6,897,047.

Future loan payment are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 218,544
2026	222,952
2027	227,450
2028	232,038
2029	222,162
Thereafter	5,773,901
Total	<u><u>\$ 6,897,047</u></u>

**NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods.

Subject to Specific Purpose:

Child Nutrition Program Funds	\$ 341,118
Total	<u><u>\$ 341,118</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2024:

Subject to Specific Purpose:

Child Nutrition Program Funds	\$ 352,781
Total	<u><u>\$ 352,781</u></u>

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 FUNCTIONALIZED EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include pension expense, other employee benefits, payroll taxes, and occupancy, which are allocated on the basis of estimates of time and effort.

**NOTE 11 LEASES – ASC 842**

The School leases equipment as well as certain office and school facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2037.

The following table provides quantitative information concerning the School's lease for the year ended June 30, 2024:

Lease Costs:	
Operating Lease Costs	\$ 259,441
Other Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 228,805
Weighted-Average Remaining Lease Term - Operating Leases	12.4 Years
Weighted-Average Discount Rate - Operating	3.2%

The School classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024, is as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2025	\$ 233,201
2026	195,856
2027	162,024
2028	165,264
2029	168,576
Thereafter	<u>1,617,216</u>
Total Lease Payments	2,542,137
Less: Interest	<u>(476,972)</u>
Present Value of Lease Liabilities	<u>\$ 2,065,165</u>

**NOTE 12 CONTINGENCIES, RISKS, AND UNCERTAINTIES**

The School 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 required reimbursement would not be material.

**SUPPLEMENTARY INFORMATION**

**YPI CHARTER SCHOOLS, INC.**  
**SCHEDULE OF INSTRUCTIONAL TIME**  
**YEAR ENDED JUNE 30, 2024**  
(SEE INDEPENDENT AUDITORS' REPORT)

	Instructional Minutes		Traditional Instructional Days	Status
	Requirement	Actual		
Bert Corona Charter School:				
Grade 5	54,000	65,615	179	In Compliance
Grade 6	54,000	65,615	179	In Compliance
Grade 7	54,000	65,615	179	In Compliance
Grade 8	54,000	65,615	179	In Compliance
Monseñor Oscar Romero Charter School:				
Grade 6	54,000	63,359	179	In Compliance
Grade 7	54,000	63,359	179	In Compliance
Grade 8	54,000	63,359	179	In Compliance
Bert Corona Charter High School:				
Grade 9	64,800	65,615	179	In Compliance
Grade 10	64,800	65,615	179	In Compliance
Grade 11	64,800	65,615	179	In Compliance
Grade 12	64,800	65,615	179	In Compliance

See accompanying Notes to Supplementary Information.

**YPI CHARTER SCHOOLS, INC.**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)**  
**YEAR ENDED JUNE 30, 2024**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Second Period Report</u>		<u>Annual Report</u>	
	<u>Classroom Based</u>	<u>Total</u>	<u>Classroom Based</u>	<u>Total</u>
Bert Corona Charter School:				
Grades 5-6	118.45	118.45	118.41	118.41
Grades 7-8	203.39	203.39	203.23	203.23
Subtotal	<u>321.84</u>	<u>321.84</u>	<u>321.64</u>	<u>321.64</u>
Monseñor Oscar Romero Charter School:				
Grades 6	65.67	65.67	65.64	65.64
Grades 7-8	190.81	190.81	193.19	193.19
Subtotal	<u>256.48</u>	<u>256.48</u>	<u>258.83</u>	<u>258.83</u>
Bert Corona Charter High School:				
Grades 9-12	200.05	200.05	200.09	200.09
Subtotal	<u>200.05</u>	<u>200.05</u>	<u>200.09</u>	<u>200.09</u>
ADA Totals	<u><u>778.37</u></u>	<u><u>778.37</u></u>	<u><u>780.56</u></u>	<u><u>780.56</u></u>

See accompanying Notes to Supplementary Information.

**YPI CHARTER SCHOOLS, INC.**  
**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	<u>Bert Corona Charter School</u>	<u>Monseñor Oscar Romero Charter School</u>	<u>Bert Corona Charter High School</u>
June 30, 2024 Annual Financial Report Fund Balances (Net Assets)	\$ 3,700,890	\$ 21,872,551	\$ 695,286
Adjustments and Reclassifications:			
Increase (Decrease) of Fund Balance (Net Assets):			
Accounts Receivable - Federal and State	751,292	657,381	469,558
Accounts Payable and Accrued Liabilities	<u>60</u>	<u>-</u>	<u>-</u>
Net Adjustments and Reclassifications	<u>751,352</u>	<u>657,381</u>	<u>469,558</u>
June 30, 2024 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 4,452,242</u>	<u>\$ 22,529,932</u>	<u>\$ 1,164,844</u>

See accompanying Notes to Supplementary Information.

**YPI CHARTER SCHOOLS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2024**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Additional Award Identification	Bert Corona Charter School	Monseñor Oscar Romero Charter School	Bert Corona High School	Total
<b>U.S. Department of Education</b>							
Pass-Through Program from California							
Department of Education:							
Title I, Part A	84.010	14981		\$ 128,671	\$ 133,068	\$ 83,769	\$ 345,508
Title II, Part A, Teacher Quality	84.367	14341		14,000	12,160	8,714	34,874
Title III, Limited English Proficient Student Program	84.365	14346		14,274	14,405	5,500	34,179
Special Education Cluster: IDEA Basic Local Assistance Entitlement, Part B, Section 611							
Total Special Education Cluster	84.027	13379		82,108	65,433	51,037	198,578
Coronavirus Aid, Relief, and Economic Security Act (CARES Act):							
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	COVID-19	5,540	37,287	-	42,827
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	COVID-19	766,580	981,647	359,554	2,107,781
Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	COVID-19	399	8,307	-	8,706
Total Coronavirus Aid, Relief, and Economic Security Act (CARES Act)				<u>772,519</u>	<u>1,027,241</u>	<u>359,554</u>	<u>2,159,314</u>
<i>Total U.S. Department of Education</i>				1,011,572	1,252,307	508,574	2,772,453
<b>U.S. Department of Agriculture</b>							
Pass-Through Program from California							
Department of Education:							
Child Nutrition Program Cluster:							
National School Lunch Program	10.555	23165		358,455	254,272	125,517	738,244
Total Child Nutrition Program Cluster				<u>358,455</u>	<u>254,272</u>	<u>125,517</u>	<u>738,244</u>
<i>Total U.S. Department of Agriculture</i>				<u>358,455</u>	<u>254,272</u>	<u>125,517</u>	<u>738,244</u>
Total Federal Expenditures				<u>\$ 1,370,027</u>	<u>\$ 1,506,579</u>	<u>\$ 634,091</u>	<u>\$ 3,510,697</u>

N/A - Pass-Through entity number not readily available or not applicable.

See accompanying Notes to Supplementary Information.

**YPI CHARTER SCHOOLS, INC.**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2024**

**PURPOSE OF SCHEDULES**

**NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME**

This schedule presents information on the amount of instructional time offered by the School and whether the School complied with the corresponding provisions of the Education Code.

**NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE**

Average daily attendance is a measurement of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

**NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS**

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

**NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the 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 operations of the School, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the School.

**NOTE 5 INDIRECT COST RATE**

The School has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **OTHER INFORMATION**

**YPI CHARTER SCHOOLS, INC.  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
 YEAR ENDED JUNE 30, 2024  
 (SEE INDEPENDENT AUDITORS' REPORT)**

YPI Charter Schools, Inc. (the School) was established on November 17, 2003 and is a California nonprofit public benefit corporation. The School operates three sites: Bert Corona Charter School, Monseñor Oscar Romero Charter School, and Bert Corona Charter High, approved by the Los Angeles Unified School District as follows:

- Bert Corona Charter School (charter number 0654) – established in April 2004.
- Monseñor Oscar Romero Charter School (charter number 0931) – established in May 2007.
- Bert Corona Charter High (charter number 1724) – established in 2015.

The board of directors and the administrators as of the year ended June 30, 2024 were as follows:

**BOARD OF DIRECTORS**

<u>Member</u>	<u>Office</u>	<u>Term (In Years)</u>	<u>Term Expires</u>
Mary Keipp	Chair	2	June 2024
Michael Green	Treasurer	2	June 2024
Sandra Mendoza	Secretary	2	June 2025
Walter Njboke	Member	2	June 2025
Dean Cho	Member	2	June 2025
Cesar Lopez	Member	2	June 2024

**ADMINISTRATORS**

Yvette King Berg Ruben Dueñas	Executive Director Chief Operating Officer
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**INDEPENDENT AUDITORS' 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***

Board of Directors  
YPI Charter Schools, Inc.  
Granada Hills, 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 financial statements of YPI Charter Schools, Inc. (the School), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, the related notes to the 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 financial statements, we considered the School'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 School's 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 have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School’s 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 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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Glendora, California  
December 15, 2024



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
YPI Charter Schools, Inc.  
Granada Hills, California

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the compliance of YPI Charter Schools, Inc.'s (the School) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2024. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

#### ***Basis for Opinion on Each 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; 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 the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School 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 each major federal program. Our audit does not provide a legal determination of the School'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 School's federal programs.

### ***Auditors' 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 School'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 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 School's compliance with the requirements of each 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 School'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 School'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 School'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**

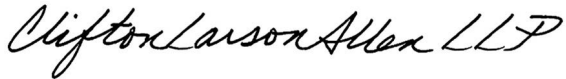
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

Board of Directors  
YPI Charter Schools, Inc.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.



**CliftonLarsonAllen LLP**

Glendora, California  
December 15, 2024



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Directors  
YPI Charter Schools, Inc.  
Granada Hills, California

### **Report on Compliance**

#### ***Opinion on State Compliance***

We have audited YPI Charter School's (the School) compliance with the types of compliance requirements applicable to the School described in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, for the year ended June 30, 2024. The School's applicable State compliance requirements are identified in the table below.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that are applicable to the School 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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 School 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. Our audit does not provide a legal determination of the School'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 School's state programs.

***Auditors' Responsibility 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 School'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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, will always detect material noncompliance when it exists. The risk of not detecting 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 School's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *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 School'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 School'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 *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 School'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.

**Compliance Requirements Tested**

In connection with the audit referred to above, we selected and tested transactions and records to determine the School’s compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
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	Not Applicable <sup>1</sup>
Immunizations	Not Applicable <sup>2</sup>
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant (CTEIG)	Not Applicable <sup>4</sup>
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Not Applicable <sup>6</sup>
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable <sup>7</sup>
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable <sup>8</sup>
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Not Applicable<sup>1</sup>: The School did not report ADA pursuant to Education Code section 51749.5.

Not Applicable<sup>2</sup>: The School did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable<sup>4</sup>: The School did not receive a CTEIG allocation for the audit year.

Not Applicable<sup>6</sup>: The School did not report ADA for the audit year for transitional kindergarten.

Not Applicable<sup>7</sup>: The School did not report ADA to the CDE as generated through nonclassroom-based instruction (independent study).

Not Applicable<sup>8</sup>: The School did not report more than 20% of its ADA as generated through nonclassroom-based instruction (independent study).

### **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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from 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 *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.



**CliftonLarsonAllen LLP**

Glendora, California  
December 15, 2024

**YPI CHARTER SCHOOLS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes         x    no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes         x    none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes         x    no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes         x    no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes         x    none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes         x    no

**Identification of Major Federal Programs**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.425C	Expanded Learning Opportunities (ELO) Grant GEER II
84.425D	Elementary and Secondary School Emergency Relief II (ESSER) Fund
84.425U	Elementary and Secondary School Emergency Relief III (ESSER) Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$    750,000   

Auditee qualified as low-risk auditee?    x    yes      \_\_\_\_\_ no

**YPI CHARTER SCHOOLS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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***Findings and Questioned Costs – State Compliance***

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Our audit did not disclose any matters required to be reported in accordance with the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

**YPI CHARTER SCHOOLS, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

There were no findings and questioned costs related to the basic financial statements, federal awards, or state awards for the prior year.



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