



# 2010 – 2011

# Annual Report

"Learning never exhausts the mind."  
*Leonardo Da Vinci*

***District #4185***

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## Table of Contents

Report Introduction .....	2
Brief History .....	3
Mission, Vision and Pillars.....	4
Governance and Management .....	5
School Board Membership.....	6
School Management and Administration.....	7
Staffing .....	8
Teaching Faculty Information .....	9
School Enrollment .....	11
Student Attrition .....	12
Academic Performance .....	13
Innovative Practices and Implementation.....	16
Operational Performance .....	18
Future Plans and Program Challenges .....	19
Finances.....	20
Authorizer.....	27
School's State Report Card.....	30
Non-Profit Status .....	31

## Report Introduction

The purpose of this report is to summarize the progress and achievements of DaVinci Academy of Arts and Science for the 2010-2011 school year. This annual report provides a comprehensive description of the school's current performance and its current educational programs and practices. This annual report meets the required data elements contained in the state statute approved by the Minnesota Department of Education.

For purposes of this report, DaVinci Academy of Arts and Science will be referred to as "DaVinci Academy".

Any discussion in this report regarding policies, by-laws, or practices is current as of the date of this report. The reader should refer to DaVinci Academy's website, [www.davinciarterschool.org](http://www.davinciarterschool.org), for minutes of the school board and current policies, to ensure nothing has changed.

This report was developed and compiled by:

Cory H. Klabunde, *School Director*  
Terry Moffatt, *Academic Director*  
Terri Sheehan, *Board President and Parent Volunteer*  
Doug Hiatt, *Board Treasurer and Parent Volunteer*

Cc: Authorizer  
State of Minnesota Department of Education  
Stakeholders of DaVinci Academy of Arts and Science

## **Brief History**

DaVinci Academy opened in the fall of 2008, serving grades kindergarten through sixth grade, with a beginning enrollment of 170 students and an end of the year enrollment of 187 students. For the 2009-2010 school year, DaVinci Academy expanded to include students in seventh grade, ultimately serving 275 students. In the 2010-2011 school year we expanded to eighth grade and served 375 students. With the eighth grade expansion, we also expanded to two sections in the fourth and fifth grades. Our enrollment for the 2010-2011 school year was at full capacity, 375 students. DaVinci Academy anticipates adding a grade each year with a vision of serving students in grades kindergarten through twelfth by the 2015-2016 school year.

In October 2010, DaVinci Academy opened the doors to our new building expansion. It added 15,617 square feet of new space to accommodate our excellent growth of 100 new students. In this new space we added a new gym with a fixed stage, six new classrooms, three new office/meeting spaces, large storage room for physical education and general storage area, two multi-purpose rooms, kitchen facilities and two bathrooms.

## **Mission, Vision and Pillars**

DaVinci Academy's mission, vision and pillars connect directly to the need for improving student learning by providing an academic environment where students will reach their fullest potential and academic excellence through an individualized approach to education. The student needs will be further met through an innovative and comprehensive education.

DaVinci Academy continues to stay mission-driven. Everyone associated with the school recognizes what it stands for and believes in living the mission, vision, and pillars. DaVinci Academy fosters a culture that is highly collegial and focused on continuous improvement.

### **Mission**

DaVinci Academy of Arts and Science will awaken a passion for learning through an enriched and individualized approach to education. Students, parents and teachers will work together to ensure positive character development and build a strong foundation for higher education.

### **Vision**

DaVinci Academy of Arts and Science will be known and respected for providing a dynamic educational experience in which students become lifelong learners with a sense of responsibility to society.

### **Pillars**

DaVinci Academy has four pillars which provide focus and direction to achieving our charter. The pillars are 1) Arts and Science Focus, 2) Enhanced Learning Experience, 3) Differentiated Instruction and 4) Character Development.

For further descriptions of our four pillars, please visit our website at the following link, <http://www.davincicharterschool.org/mission> .

## **Governance and Management**

In order to ensure compliance with the 1/1/1 Governance Model designated in the Bylaws, Section 3(a) of Article IV, the DaVinci Academy School Board consists of 2 teacher members, 1 community member and 3 parent/legal guardian members. The remaining member can be from any one of the 3 categories.

Each member shall hold office for a three (3) year term or until a successor has been duly elected and qualified or until the member dies, resigns, is removed or the term otherwise expires. Officer positions of the School Board include President, Vice President, Treasurer and Secretary. Each position is held for the lesser of a one (1) year term or the remaining term of the member. An officer may also resign or be removed as set forth in the Bylaws.

For the 2010-2011 school year the following school board membership activity took place:

Holly Fischer, teacher member, was appointed vice president on February 22, 2010. Her term expires in February 2012.

Stephanie Severson, parent member, was elected for a three year School Board term that began February 22, 2010. Stephanie Severson was appointed to the secretary position on February 22, 2010. Her term expires in February, 2013.

Doug Dinndorf, community member, was appointed June 7, 2010 and his term expires in February 2013.

Terri Sheehan, parent member, she temporarily resigned her board position and presidency on June 22, 2010. She was re-appointed to the board on July 12, 2010 and reappointed as President. Terri was reelected to the board and reappointed as President on February 21, 2011. Her term expires in February 2014.

Doug Hiatt, parent member, Doug was reelected to the board and was reappointed to the Treasurer position on February 21, 2011. His term expires in February 2014.

David Cauley, teacher member, was appointed on August 23, 2010 and appointed to Vice President on February 21, 2011. His term expires February 2012.

Dale Lieb, community member, was appointed on May 16, 2011. His term expires in February 2012.

## School Board Membership

The following table contains information for all School Board members regarding Minnesota law certified board training, included board governance, financial matters, and employment.

### 2010-2011 School Year DaVinci Academy of Arts and Science Charter Public School Board

2010-11 Election Date: January 28, 2010  
2011-12 Anticipated Election Date: January 30, 2012

Name	Board Position	Group (if teacher, file folder #)	Date Seated	Phone Number	E-Mail Address	State Required Board Training Completed
Terri Sheehan	President	Parent	11/18/2008	(763)767-8178	<a href="mailto:tsheehan@davincicharterschool.org">tsheehan@davincicharterschool.org</a>	Yes
Holly Fischer (Resigned 08/16/11)	Vice President	Teacher #346637	2/18/2009	(763)413-5296	<a href="mailto:hfischer@davincicharterschool.org">hfischer@davincicharterschool.org</a>	Yes
Doug Hiatt	Treasurer	Parent	9/27/2008	(763)785-3889	<a href="mailto:dhiatt@davincicharterschool.org">dhiatt@davincicharterschool.org</a>	Yes
Stephanie Severson (Resigned 08/16/11)	Secretary	Parent	2/20/2010	(651)765-9049	<a href="mailto:sseverson@davincicharterschool.org">sseverson@davincicharterschool.org</a>	Yes
David Cauley	Vice President (02/21/11)	Teacher #439126	11/23/2010	(763)754-6577	<a href="mailto:dcauley@davincicharterschool.org">dcauley@davincicharterschool.org</a>	Yes
Doug Dinndorf	Director	Community Member	6/7/2010	(651)484-4522	<a href="mailto:ddinndorf@davincicharterschool.org">ddinndorf@davincicharterschool.org</a>	Yes
Dale Lieb	Director	Community Member	5/16/11	612-347-8387	<a href="mailto:dlieb@davincicharterschool.org">dlieb@davincicharterschool.org</a>	Yes

## **School Management and Administration**

The 2010-2011 school administration included a School Director and Academic Director. Both positions advanced the mission, vision, pillars, and goals of DaVinci Academy with commitment to the ongoing development and well-being of its students, teachers, and staff.

Under the direction of the school board, the school director assumed overall responsibility for all personnel, facilities, services, programs, and operations of the school in accordance with: (1) the written charter of the school; and (2) all other applicable federal, state and local laws and regulations. This included, but is not limited to, all mandated reports to the Minnesota Department of Education and DaVinci Academy's Authorizer.

At the beginning of the school year, the job title of the Curriculum Coordinator changed to the Academic Director, to reflect the added responsibilities and duties to the position. The Academic Director was responsible for facilitating DaVinci Academy's curriculum program to ensure alignment with the Core Knowledge Sequence and Minnesota State Academic Standards. This position was also instrumental in the professional development of the teaching staff by facilitating and conducting ongoing research and training used in differentiated instruction methods, Data Driven Instruction and positive reinforcement strategies. The Academic Director demonstrated an enthusiastic commitment to DaVinci Academy's mission, vision and goals, and worked collaboratively with the school director at all times.

## Staffing

This table contains information for all members of the 2010-2011 school management/administrative team and also includes faculty employed by the school that did not serve as a classroom teacher (e.g. curriculum coordinators, social workers, counselors, administrative assistance, paraprofessionals, custodial, technology, librarians, etc.).

Name	File Folder Number	Assignment	Years Employed by the School	Left During 10-11	Not Returning 11-12
Cory Klabunde	337747	School Director	2		
Terry Moffatt	433785	Academic Director	2		
Brian Hobson	407743	Student Development Coordinator	1		X
Stephanie Bacigalupo		Business Office Assistant	3		
Marcia Bouwman		Administrative Assistant	2.5		
Chad Holm		Custodian	2.5		
Todd Baker		Custodian	.5		
Angie Stanislawski		Lunchroom	1		X
Tanager Polowchak		Lunchroom	.15		
Susan Buckrey		Paraprofessional	1		
Krystyn Ness		Paraprofessional	1		
Sunita Stanton		Paraprofessional	1		
Carrie Gess		Paraprofessional	.5		
Joan Christoffel		Paraprofessional	1		
Nick Kapeluck		Paraprofessional	1		
Clara Jackson		Paraprofessional	1		
Dan Dukich		Paraprofessional	1		X
Michelle Troy		Paraprofessional	2		

## Teaching Faculty Information

Teachers received training in curriculum and the Core Knowledge Sequence. The training included the implementation of positive reinforcement, differentiated instructional methods, and strategies to the instructional environment.

The use of the Core Knowledge Sequence, not otherwise offered in the local public schools, exposes students to a wide array of subject matter and requires that they take ownership of their studies, helping them to think independently and gain self-discipline.

## 2010-2011 Teaching Faculty Information

This table contains information for all teachers employed by the school or providing services contractually (e.g., special education teacher, reading specialist, speech therapist).

Name	File Folder Number	Assignment/ Subject	Left During 10-11	Not Returning 11-12
Natalie Dahlquist	442379	Kindergarten		
Holly Fischer	346637	Kindergarten		
Melissa Steele	430875	First Grade		
Katie Mannella	442018	First Grade		
Melissa Kaiser	429868	Second Grade		
Remy Dick	445760	Second Grade		
Amy Morgan	440281	Third Grade		
Elizabeth Lilja	436078	Third Grade		X
David Cauley	439126	Fourth Grade		
Michelle Berth	447689	Fourth Grade		
Gabrielle Arrowsmith	451781	Fifth Grade		
Erin Nelson	455601	Fifth Grade		
Kathy Zwonitzer	433268	5-8 Language Arts		

Name	File Folder Number	Assignment/ Subject	Left During 10-11	Not Returning 11-12
Aaron Melander	453187	5-8 Social Studies		
Julie Hartinger	450321	5-8 Science and 5-8 Math		
Mark Slechta	433135	Physical Education		
Laurie Beil	310182	Art		
Laura Kennedy	418518	Spanish and ELL		X
Stephanie Hunter	454089	Music		
Troy Strand	443882	Music		X
Heidi Altenburg	361048	Special Education		X
Tara Drollinger	428984	Special Education		X
Alyssa Savering	452503	Elementary Education / Title one		
Elizabeth Andringa	441611	Title one		
Kevin Jewell	343989	School Psychologist		
Vonnie Vayder	172043	Behavioral Consultant		
Danielle Boucher	433169	Speech Therapist		
Kyle Kehrberg	407758	Special Education Director		X
Kristin Pecha	367088	Physical/Health Disability Consultant		X
Debra Schipper	299257	ASD Consultant		X

## **School Enrollment**

DaVinci Academy admits students of any race, color, sex, and national or ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at our school, and does not discriminate on the basis of race, color, sex, or national or ethnic origin in administration of our educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs.

All interested parties are encouraged to access our website at [www.davincicharterschool.org](http://www.davincicharterschool.org) and download the enrollment application. If no internet access is available, a promotional brochure and registration form for each child will be sent. An enrollment application form is all that is needed to secure a space on the waiting list. An enrollment packet is not filled out until a position in a classroom has been secured.

DaVinci Academy currently holds an enrollment period for new students in January, for the next school year. Enrollment applications will be accepted during this period and names will be added to a lottery wait list if applicants exceed openings for each grade.

The lottery for class openings and the waiting lists in each grade will be held in February for the following school year. On that date, all lottery applications will be pulled randomly, by grade level, and placed on the waiting list sequentially. This process will be overseen by a minimum of one person from the administration, one school board member and one teacher.

Students whose names were included in the lottery that obtain sibling or teacher child status after the lottery is held will be placed on the sibling/teacher waiting list according to their lottery number. Students who become siblings or a teacher child that were not part of the lottery process (and therefore not assigned a lottery number) will automatically be placed at the bottom of the sibling/teacher waiting list for that grade level.

This process will repeat each year in February. Waiting lists will remain in place for one school year. All names will be re-entered into the lottery each year, including any new applications. Siblings or teachers' children will be drawn from the lottery first and sibling/teacher preference will remain as dictated by statute.

Previous students who have withdrawn will be subject to the same policies and lottery process. Attempts will be made to fill the positions between February 15 and August 15, if possible.

## Student Attrition

For the 2010-11 school year, DaVinci was at full enrollment by the end of October, with 375 students.

This table identifies the number of students enrolled at the school during the 2008-2009, 2009-2010, 2010-2011, and estimated 2011-12 enrollment. Data is based on October 1 Average Daily Membership.

School Year	K	1	2	3	4	5	6	7	8	9	10	11	12	Total Enrollment	Not Enrolled Oct. 1	Attrition Rate
2008-09	34	33	18	28	20	25	12	N/A	N/A	N/A	N/A	N/A	N/A	170	N/A	N/A
2009-10	50	47	50	25	25	25	21	20	N/A	N/A	N/A	N/A	N/A	263	46	27.1%
2010-11	50	50	50	50	49	50	25	25	25	N/A	N/A	N/A	N/A	374	26	9.9%
2011-12	52	52	52	52	52	52	50	25	23	N/A	N/A	N/A	N/A	410	40 (to-date)	10.7%

## Academic Performance

For 2010-2011, DaVinci Academy limited class sizes to 18 for kindergarten and 25 for all other grades. DaVinci Academy provided a challenging educational experience to all students, focused on the arts and sciences. DaVinci Academy encouraged students to be lifelong learners by using the Core Knowledge Sequence with an individualized approach to education. At DaVinci Academy, the Core Knowledge Sequence is used to ensure students receive a holistic education. The curriculum is supplemented with the Minnesota State Standards, when necessary, to ensure students are meeting state criteria as well.

DaVinci Academy focuses on the whole child, encouraging their success through individualized learning plans (ILP's). DaVinci Academy realizes that all children do not learn uniformly, thus DaVinci Academy strives to meet each individual child's needs, not only through ILP's but also through a differentiated instruction approach. We encourage each child to meet and exceed his/her goals for education.

### 2010-2011 MCA Testing Results

<b>Math</b>	<b>State Average</b>	<b>2010</b>	<b>2011</b>
Grade 3	70.2	92.0	94.0
Grade 4	67.2	84.0	86.0
Grade 5	53.6	52.2	55.1
Grade 6	50.3	57.1	52.0
Grade 7	51.7	40.0	66.7
Grade 8	53.3	NA	72.0
<b>Reading</b>	<b>State Average</b>	<b>2010</b>	<b>2011</b>
Grade 3	78.5	92.0	84.0
Grade 4	75.2	80.0	74.0
Grade 5	80.3	73.9	65.3
Grade 6	75.1	90.5	80.0
Grade 7	69.6	70.0	79.2
Grade 8	68.1	NA	60.0
<b>Science</b>	<b>State Average</b>	<b>2010</b>	<b>2011</b>
Grade 5	46.0	52.2	65.3
Grade 8	44.4	NA	32.0

### NWEA Math Results 2010-2011

Grade	% of students meeting growth	Average typical annual growth	Average class annual growth	% of students at or above grade level
Kindergarten	88.2%	12.3	20.2	89%
First Grade	88.4%	14.6	18.2	73%
Second Grade	71.3%	13.1	17.3	71%
Third Grade	71.8%	10.5	11.1	84%
Fourth Grade	78.7%	8.7	11.4	68%
Fifth Grade	64.2%	7.8	10.4	64%
Sixth Grade	72.0%	7.0	13.2	88%
Seventh Grade	60.1%	6.0	9.2	72%
Eighth Grade	54.6%	6.0	7.1	52%

\*\*Charter Goal: 80% of students achieve targeted RIT growth or grade level proficiency.

### NWEA Reading Results 2010-2011

Teacher	% of students meeting growth	Average typical growth	Average class growth	% of students at or above grade level
Kindergarten	80.3%	11.0	17.0	83.0%
First Grade	67.4%	13.9	18.5	64.0%
Second Grade	62.3%	11.7	13.6	63.5%
Third Grade	79.0%	8.4	14.1	91.0%
Fourth Grade	72.7%	6.9	12.2	76.0%
Fifth Grade	77.1%	5.5	8.4	64.2%
Sixth Grade	72.0%	4.3	7.5	71.3%
Seventh Grade	61.0%	3.6	8.4	74.0%
Eighth Grade	54.0%	3.4	6.2	71.0%

\*\*Charter Goal: 85% of students achieve targeted RIT growth or grade level proficiency

### NWEA General Science Results 2010-2011

Teacher	% of students meeting growth	Average typical growth	Average class growth	% of students at or above grade level
Third Grade	83.0%	4.8	11.7	82.0%
Fourth Grade	71.0%	4.7	9.3	81.0%
Fifth Grade	60.0%	3.4	5.4	79.0%
Sixth Grade	80.0%	2.6	5.7	85.0%
Seventh Grade	64.0%	2.8	4.2	62.0%
Eighth Grade	41.0%	2.6	4.3	48.0%

### NWEA Science Concepts and Processes Results 2010-2011

Teacher	% of students meeting growth	Average typical growth	Average class growth	% of students at or above grade level
Third Grade	80.0%	5.7	10.7	82.0%
Fourth Grade	71.0%	5.4	10.6	78.0%
Fifth Grade	88.0%	4.3	8.4	80.0%
Sixth Grade	72.0%	3.3	6.8	65.0%
Seventh Grade	40.0%	3.2	2.0	50.0%
Eighth Grade	36.0%	3.3	0.7	42.0%

## Innovative Practices and Implementation

The 2010-2011 school year at DaVinci Academy was a successful third year on many levels. Following are some examples:

### 1. Partnerships focusing on Arts and Science

Artist-in-Residency grant from the Perpich Center for the Arts – DaVinci Academy was awarded a professional development grant from the Perpich Center for Arts Education in March 2010. The Arts and Schools As Partners (ASAP) grant provides opportunities for teachers and teaching artists to collaborate and find innovative ways to recognize and kindle the potential in every student. The grant of \$5,500 is renewable for up to three years, depending on legislative funding. DaVinci Academy is partnering with ArtStart, an award winning nonprofit arts organization in St. Paul, which links art and the environment in programs and projects for students. For the first two years of the residency, Jan Elftmann, a sculptor who has worked locally, nationally and internationally, will be working with students building robots from recycled materials. Jan specializes in assemblage sculpture and has taught classes at the Science Museum and the Walker Art Center. In June of 2010, seventh grade students worked with Ms. Elftmann to create an original robot from recycled materials and, after a lesson on electricity, used a circuit, battery, and a motor to create movement in their creation. The residencies continued with Ms. Elftmann during the 2010 -2011 school year with fifth grade students.

### 2. Educational Best Practices

- a. Accelerated Reader: We continued with the Accelerated Reader program for another year. This was used for students in grades two through eight. Students enjoyed taking the quizzes which showed an average of 9 quizzes per student and an average of 159,435 words read per student in our school. Six of our students each read over a million words.
- b. Small Class Sizes: We continued to cap each class at 25 students in grades one through eight and eighteen in kindergarten. This ensures that students are able to receive more individualized attention from the teacher.
- c. Data Driven Instruction: In the fall of 2010, Friends of Education sponsored a workshop on utilizing Data Driven Instruction, led by Paul Bambrick-Santoyo.

We then implemented this practice in math during the school year. A second workshop was held for the teachers in the spring, which was extremely beneficial.

Data Driven Instruction is a process that includes teacher-created assessments based on the Minnesota state standards. The assessments are given four times per year, followed by a period of re-teaching. Through the use of Data Driven Instruction and re-teaching, our math scores improved from 65% to 74% in 2011.

- d. Individual Learning Plans (ILP): Each student at DaVinci Academy has an individualized learning plan. All students learn differently, and it was a great help to teachers to start the year knowing a bit more about each student's strengths and areas to build upon. With this in mind, during the year, teachers wrote an ILP for each student in their class. The ILP included anything the teacher does or sees that makes the student more successful in the classroom. At times, this was difficult to put in writing as all good teachers do these things automatically. However, when asked to stop and put these areas on paper, this was a good reminder to teachers of what was needed in the classroom. At the end of the year, the ILP's are updated and passed on to the teacher who will have the student the next year. These ILP's allow for a higher degree of differentiation for each student.
- e. Math and Reading levels: In the areas of math and reading, students were placed in ability groups rather than homerooms. This ensured that students who needed extra help were receiving that assistance and that students who needed to be challenged were at a level equivalent to their abilities. Groups for reading and math were kept as small as possible to allow for maximum growth in these areas.
- f. Homework Club: On Tuesdays and Thursdays, students were able to attend Homework Club after school. Teachers volunteered to stay and assist students needing extra time or instruction in order to either complete homework or class work. A great number of students took advantage of this opportunity.

## Operational Performance

### 1. Fiscally

DaVinci Academy ended the year with approximately a 35% positive general fund balance (unaudited results – see finances section below).

### 2. Enrollment

DaVinci Academy's enrollment increased by 55% from 2008-2009 to 2009-2010. Enrollment increased by 43% from 2009-2010 to 2010-2011. For the 2011-2012 school year, enrollment is projected to increase by 9%. The lower percentage increase is due to DaVinci Academy not expanding to ninth grade in the next school year. The school board held current with the kindergarten to eighth grade for two years in a row.

### 3. Playground

Through a fundraiser, we were able to add a tire swing and a sandbox to our playground area.

### 4. Facilities

During the school year, DaVinci Academy added 15,617 square feet of additional building space. We added six classrooms, a gym with a permanent stage, two multi-purpose rooms, a new serving kitchen, and additional bathrooms. We took occupancy in October 2010 and utilized the additional space immediately.

## Future Plans and Program Challenges

Although we had many successes throughout the 2010-2011 school year at DaVinci Academy there were also program challenges that were addressed.

### 1. Science MCA II Scores

Our eighth grade student scores were lower than desired, at 32% proficiency in 2010-11. In order to address this drop, we added the position of science coordinator to oversee science standards and instruction for the 2011-2012 school year. This position will be using testing data information to drill down to find out what areas the students are struggling to comprehend.

### 2. Extracurricular Activities

We continued to add extracurricular programs and athletics. With the completion of a new gym, including a permanent stage, we are offering additional programs for students to participate in, such as soccer, volleyball, football and basketball. We currently are looking for programs to add to our spring offerings. We presented school concerts and a play and are looking for additional ways to increase the use of this space for theater plays and music concerts.

### 3. Pre-AP Courses

In grades six through eight, we are using the Springboard Pre-AP program for language arts. For math, we are starting the springboard program in fifth grade. The Springboard curriculum is aligned with the state standards and ensures a higher degree of rigor. The middle school teachers attended a three day training program in Chicago on the implementation of the Springboard curriculum.

### 4. Reading MCA II Scores

Our MCA II reading scores dropped, on average, 4% in proficiency for our students in third through eighth grades. In order to address this drop, we have added Data Driven Instruction for reading in all grade levels and we have started a new reading assessment in kindergarten through second grade. The new reading assessment is Step Reading through the University of Chicago.

### 5. RTI Program

One of our new charter goals involves an increase in the scores of students not meeting proficiency in Math and Reading. In order to address this goal, we have

implemented Response to Intervention (RTI). This is specifically to help the students not making proficiency to increase proficiency in reading and math.

## **Finances**

During the third year of operation, DaVinci Academy continued to demonstrate effective management of its finances by ending the year with an increased positive fund balance. The school director had overall responsibility for the management of the finances and worked with the Budget and Finance Committee to monitor finances, report financial information to the school board monthly, and establish, monitor and revise the annual budget. The school director was assisted by one business office assistant, and by the accounting agent DaVinci Academy contracts with (CMERDC), who helped ensure that proper classification of all transactions were kept and reported to the MDE on a timely basis.

The conservative nature of the school director and the Budget and Finance Committee helped assure that DaVinci Academy was aware of the industry's best practices, while finding ways to provide high levels of professionalism in fiscal management, with our limited resources. The policy of DaVinci Academy is to have the school board adopt the annual budget by June 15 preceding the school year and utilize it as a guideline for expenditures over the course of the year. Over the year, the Budget and Finance Committee reviewed and reported to the school board periodically regarding the budget versus actual expenditures and noted deviations and their causes. The School board adopted revisions to the budget as needed during the school year, due to significant revenue and expenditure changes.

DaVinci Academy is also dealing with the state hold back each year, like other schools. This has a larger impact for a rapidly growing program than for a stable enrollment. It also has a large impact on a new program, which must purchase all new curriculum and equipment, having not been able to settle into a pattern of replacing materials on a regular schedule. For the 2010-2011 school year, the holdback was increased from 27% to 30%, which resulted in an even tougher environment for a new, rapidly growing program. Again this year, the holdback increased from 30% to 40%. However, the conservative nature of DaVinci Academy's annual budget process helped us manage our way through the increased holdback without the need to borrow money to cover needed cash flow. DaVinci Academy established an operating line of credit with a local bank to help ease any cash flow issue, but has not needed to draw on the line of credit.

DaVinci Academy continued to exhibit a highly cost-efficient approach to education. In the 2010-2011 fiscal year, for example, DaVinci Academy served an Average Daily Membership (ADM) of 372 students with total preliminary unaudited General Fund expenditures of \$2,945,455, or \$7,855 per ADM. In the 2009-2010 fiscal year, DaVinci served an ADM of 266 students with General Fund Expenditures of \$7,506 per ADM compared to Anoka-Hennepin District #11, which served an ADM of 38,810 students with General Fund expenditures of \$10,690 per ADM (a savings for taxpayers of \$3,184 per ADM). Numbers are not available for District 11 for the 2010-2011 fiscal year. These efficiencies are not due to scale. They reflect the high level of volunteerism and willingness for staff to innovate within a tight budget.

The final adopted budget for the school was approved with an expected surplus of \$372,183 for the General Fund and an expected surplus of \$388,760 for all funds. The key preliminary unaudited financial results for the 2010-2011 fiscal year are:

- Net revenues of \$3,319,862 for the General Fund and net revenues of \$3,456,312 for all funds. Net expenses of \$2,945,455 for the General Fund and net expenses of \$3,067,623 for all funds. This resulted in a surplus of \$374,407 for the General Fund and \$388,689 for all funds, compared to the expected surpluses described above. The variance was mostly accounted for by expenditures related to special education and staffing, and revenues related to special education and draws from the CSP Implementation grant. These expected surpluses resulted in a General Fund balance of \$1,035,178 or 35% of 2010-2011 General Fund expenditures, and total fund balances for all funds of \$1,095,781, or 36% of DaVinci Academy's total expenditures.

The original 2010-2011 fiscal year budget, the final 2010-2011 revised budget and the preliminary unaudited financial statements are shown below:

Davinci Academy  
**Financial Overview**  
**June 30th, 2011**  
 BUDGET FOR FY 2010-2011

FY10-11 % of Revised FY10-11 % of  
**Budget** total **Budget** total

**STAFF AND STUDENTS**

Enrolled Students	363		363	
Admin and General Staff	7.85		7.20	
Teachers: K-6	12.50		12.50	
Teachers: 7-12, music, arts, phy-ed	6.50		6.50	
Teachers: SPED	2.00		3.00	
Other Staff: SPED	2.50		4.00	
Para's and other	2.00		3.00	
Afternoon Care	0.50		0.50	
<b>TOTAL STAFF</b>	<b>33.85</b>		<b>36.70</b>	

**FUND 01 - GENERAL FUND**

Beginning Balance	660,771		660,771	
State - Basic Educ.	2,313,605	76.2%	2,224,216	68.0%
State - Special Educ.	116,000	3.8%	260,000	7.9%
State - Startup Grant (2 years)	-	0.0%	-	0.0%
Fed - Grant	93,304	3.1%	160,000	4.9%
Fed - Special Ed. & Title Aids	46,433	1.5%	128,842	3.9%
Lease Aid	458,388	15.1%	458,388	14.0%
Student and misc. fees	9,321	0.3%	30,000	0.9%
Interest, Grants, Donations	600	0.0%	10,000	0.3%
<b>Total Revenue</b>	<b>3,037,651</b>	<b>100.0%</b>	<b>3,271,446</b>	<b>100.0%</b>

*Accounts Receivable*

Salary & Benefits - Teachers	868,532	30.5%	928,832	32.1%
Salary & Benefits - Admin/Staff	425,028	14.9%	373,920	12.9%
Consulting Services	161,500	5.7%	124,000	4.3%
Materials, Programs, Development	153,500	5.4%	203,500	7.0%
Special Educ. (Salary & Programs)	196,737	6.9%	298,739	10.3%
Operations & Administration	99,580	3.5%	22,248	0.8%
Lease, Facilities, Maint, Utilities	699,106	24.5%	722,106	25.0%
Technology	97,500	3.4%	67,550	2.3%
Buses	149,963	5.3%	149,963	5.2%
<b>Total Expenses</b>	<b>2,851,445</b>	<b>100.0%</b>	<b>2,890,858</b>	<b>100.0%</b>

*Accounts Payable*

<b>Ending Balance</b>	<b>846,977</b>		<b>1,041,359</b>	
<i>Working Balance (w/o receivables or payables)</i>				

**FUND 02 - FOOD SERVICE**

<b>Beginning Balance</b>	<b>1,989</b>		<b>1,989</b>	
State & Federal Aid	30,531	41.5%	30,132	43.3%
Sales to Pupils	43,082	58.5%	39,481	56.7%
Transfer in from Gen fund	-		-	
<b>Total Revenue</b>	<b>73,613</b>	<b>100.0%</b>	<b>69,613</b>	<b>100.0%</b>
Staff and services	7,910	10.8%	17,319	21.6%
Meals, supplies	65,236	89.2%	62,688	78.4%
<b>Total Expenses</b>	<b>73,146</b>	<b>100.0%</b>	<b>80,007</b>	<b>100.0%</b>
<b>Ending Balance:</b>	<b>2,456</b>		<b>(8,405)</b>	

**FUND 04 - COMMUNITY SERVICE (Leo's Garden)**

<b>Beginning Balance</b>	<b>44,332</b>		<b>44,332</b>	
Total Revenue	58,600		53,600	
Total Expenses	30,602		35,034	
<b>Ending Balance:</b>	<b>72,329</b>		<b>62,898</b>	

<b>Total Revenue</b>	<b>3,169,864</b>		<b>3,394,659</b>	
<b>Total Expenses</b>	<b>2,955,194</b>		<b>3,005,899</b>	

*Working Revenue (w/o receivables)*

*Working Expenses (w/o payables)*

Ending Balance	214,670		388,760	
<i>Available Balance (w/o receivables or payables)</i>				

**Da Vinci Academy of Arts and Science**  
**Consolidated Financial Statement**  
**Sources and Uses of Funds - General Fund**  
**Two Year Period Ending June 30, 2011**

<u>Sources of Funds:</u>	Actual 09-010	% of Total 09-010	Actual 010-011	% of Total 010-011
<b>Local Sources:</b>				
Property Taxes	\$0.00	0.0%	\$0.00	0.0%
All Other	<u>21,317.11</u>	<u>0.9%</u>	<u>49,365.01</u>	<u>1.5%</u>
Total Local Sources	\$21,317.11	0.9%	\$49,365.01	1.5%
<b>State Sources:</b>				
General Education Aid	\$1,519,415.81	61.4%	\$2,194,823.93	66.1%
Special Education Aid	191,824.51	7.8%	326,723.13	9.8%
All Other State Aid	<u>465,202.50</u>	<u>18.8%</u>	<u>449,856.00</u>	<u>13.6%</u>
Total State Sources	\$2,176,442.82	88.0%	\$2,971,403.06	89.5%
<b>Federal Sources:</b>				
	<u>275,189.06</u>	<u>11.1%</u>	<u>299,094.17</u>	<u>9.0%</u>
<b>Total Sources of Funds-General Fund</b>	<b>\$2,472,948.99</b>	<b>100.0%</b>	<b>\$3,319,862.24</b>	<b>100.0%</b>
<u>Uses of Funds:</u>				
<b>Instruction, Support Services and School Level Administration</b>				
<b>Instruction</b>				
Salaries	\$555,972.18	27.8%	\$931,983.49	31.7%
Benefits and Payroll Taxes	136,474.45	6.8%	224,175.79	7.6%
All Other	339,372.76	17.0%	345,510.93	11.8%
<b>Instructional and Pupil Support Services</b>				
Salaries	55,577.62	2.8%	81,500.00	2.8%
Benefits and Payroll Taxes	12,750.03	0.6%	28,698.30	1.0%
All Other	14,658.33	0.7%	13,727.61	0.5%
<b>School Level Administration</b>				
Salaries	0.00	0.0%	50,000.00	1.7%
Benefits and Payroll Taxes	0.00	0.0%	0.00	0.0%
All Other	0.00	0.0%	0.00	0.0%
<b>Facilities, Operations and Maintenance</b>				
Salaries	26,994.00	1.4%	35,424.50	1.2%
Benefits and Payroll Taxes	3,620.74	0.2%	10,519.40	0.4%
All Other	<u>503,751.95</u>	<u>25.2%</u>	<u>800,700.12</u>	<u>27.3%</u>
<b>Subtotal, School Level Education Services</b>	<b>\$1,649,172.06</b>	<b>82.6%</b>	<b>\$2,522,240.14</b>	<b>85.9%</b>
<b>Student Transportation</b>				
Salaries	0.00	0.0%	0.00	0.0%
Benefits and Payroll Taxes	0.00	0.0%	0.00	0.0%
All Other	100,890.00	5.1%	139,421.60	4.7%
<b>District Level Administration</b>				
Salaries	128,250.00	6.4%	141,656.02	4.8%
Benefits and Payroll Taxes	36,805.24	1.8%	36,258.60	1.2%
All Other	<u>81,503.37</u>	<u>4.1%</u>	<u>95,830.40</u>	<u>3.3%</u>
<b>Total Uses of Funds - General Fund</b>	<b><u>\$1,996,620.67</u></b>	<b>100.0%</b>	<b><u>\$2,935,406.76</u></b>	<b>100.0%</b>
Sources Over (Under) Uses	\$476,328.32		\$384,455.48	
Other Financing Sources (Uses)	0.00		0.00	
Other Adjustments	0.00		0.00	
Net Transfers In (Out)	<u>0.00</u>		<u>(10,048.00)</u>	
<b>Net Change in Funds</b>	<b>\$476,328.32</b>		<b>\$374,407.48</b>	
<b>Total Fund Balance</b>				
Beginning of Year	<u>184,442.13</u>		<u>660,770.45</u>	
End of Year	\$660,770.45		\$1,035,177.93	

See Graph 1

See Graphs 2-4

**Da Vinci Academy of Arts and Science**  
**Consolidated Financial Statement**  
**Sources and Uses of Funds**  
**Two Year Period Ending June 30, 2011**

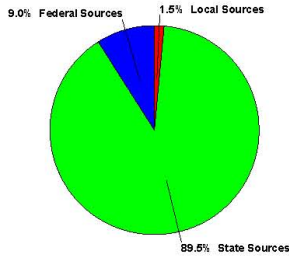
	Actual 09-010	Actual 010-011
<b><u>General Fund</u></b>		
Total Sources	\$2,472,948.99	\$3,319,862.24
Total Uses	1,996,620.67	2,935,406.76
Other Financing Sources(Uses) and Net Transfers	<u>0.00</u>	<u>(10,048.00)</u>
<b>Net Change in Funds</b>	<u>476,328.32</u>	<u>374,407.48</u>
<b>Ending Fund Balance (See Note 1)</b>	\$660,770.45	\$1,035,177.93
<b><u>Other Funds</u></b>		
<b>Food Service</b>		
Total Sources	\$58,499.90	\$75,189.58
Total Uses	56,643.72	87,225.95
Other Financing Sources(Uses) and Net Transfers	<u>0.00</u>	<u>10,048.00</u>
<b>Net Change in Funds</b>	<u>1,856.18</u>	<u>(1,988.37)</u>
<b>Ending Fund Balance (See Note 1)</b>	\$1,989.28	\$0.91
<b>Community Service</b>		
Total Sources	\$55,182.25	\$61,260.17
Total Uses	31,565.76	44,990.16
Other Financing Sources(Uses) and Net Transfers	<u>0.00</u>	<u>0.00</u>
<b>Net Change in Funds</b>	<u>23,616.49</u>	<u>16,270.01</u>
<b>Ending Fund Balance (See Note 1)</b>	\$44,331.76	\$60,601.77
<b>Building Construction</b>		
Total Sources	\$0.00	\$0.00
Total Uses	0.00	0.00
Other Financing Sources(Uses) and Net Transfers	<u>0.00</u>	<u>0.00</u>
<b>Net Change in Funds</b>	<u>0.00</u>	<u>0.00</u>
<b>Ending Fund Balance (See Note 1)</b>	\$0.00	\$0.00
<b>Debt Service</b>		
Total Sources	\$0.00	\$0.00
Total Uses	0.00	0.00
Other Financing Sources(Uses) and Net Transfers	<u>0.00</u>	<u>0.00</u>
<b>Net Change in Funds</b>	<u>0.00</u>	<u>0.00</u>
<b>Ending Fund Balance (See Note 1)</b>	\$0.00	\$0.00
<b><u>Total</u></b>		
Total Sources	\$2,586,631.14	\$3,456,311.99
Total Uses	2,084,830.15	3,067,622.87
Other Financing Sources(Uses) and Net Transfers	<u>0.00</u>	<u>(0.00)</u>
<b>Net Change in Funds</b>	<u>501,800.99</u>	<u>388,689.12</u>
<b>Ending Fund Balance (See Note 1)</b>	\$707,091.49	\$1,095,780.61

**Notes:**

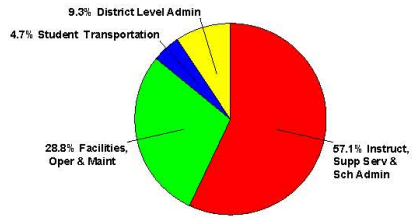
1. Amount includes Reserved Fund Balance

**Da Vinci Academy of Arts and Science  
Consolidated Financial Statement Graphs  
Sources and Uses of Funds - General Fund**

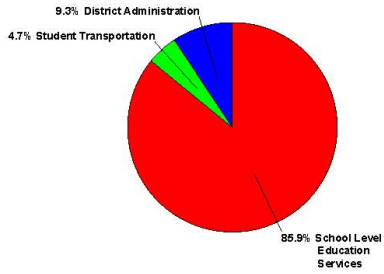
**Sources of Funds -  
General Fund  
Graph 1**



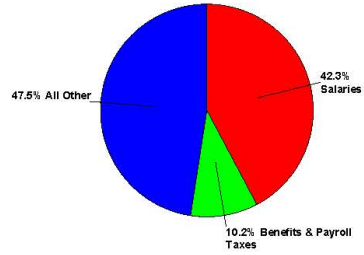
**Uses of Funds -  
by Function/Activity  
Graph 2**



**Uses of Funds -  
School Level vs District Level  
Graph 3**



**Uses of Funds -  
Employee Compensation vs All Other  
Graph 4**



Like all public school districts in Minnesota, we conduct an independent audit each year and report the results to the DaVinci Academy community and the State of Minnesota. For the 2009-2010 school year, we engaged HLB Tautges, Redpath, Ltd. to conduct this audit and for the 2010-2011 school year we engaged Malloy, Montague, Karnowski, Radosevich & Co., PA (MMKR). The auditors working with us conduct audits for other schools. As the audit is not yet completed, any numbers for the 2010-2011 school year are preliminary unaudited numbers.

The 2009-2010 audit identified one material deficiency to internal controls. The deficiencies and management response for each deficiency is as follows:

### **Findings: 2009 -2010 Pay Rate Calculation**

*Criteria:* Employee pay rates should agree with supporting records.

*Condition:* Employees pay rates are calculated at the beginning of the school year and are documented on their Letter of Assignment, with an indication of their full-time equivalency (FTE). In accordance with their Letter of Assignment, one employee worked at 0.8 FTE but was incorrectly paid at 1 FTE. Total overpayment to employee was \$7,600 for the fiscal year.

*Cause:* Unknown.

*Effect:* One employee was overpaid by \$7,600. Additionally, since internal procedures did not identify the error, there is an increased risk that other errors could occur and not be detected in a timely manner.

*Recommendation:* We recommend that the school establish procedures to periodically reconcile Letters of Assignment to actual amounts paid.

### **Management Response**

*Corrective Action Plan:* All Letters of Assignment will have only one yearly amount on the document. The financial management vendor will document on a monthly basis the payroll schedule/template.

*Explanation of Agreement or Disagreement:* Management agreed with the finding.

*Official Responsible for Ensuring CAP:* School Director.

*Planned Completion Date for CAP:* Already in place.

*Plan to Monitor Completion of CAP:* Process will be reviewed quarterly

## Authorizer

Friends of Education (Friends) has developed an Oversight and Accountability Plan which articulates school goals with respect to academic performance, fiscal management, legal compliance, and governance. Friends' monitoring of these critical areas is described below.

1. Academic Performance. Monitoring academic performance occurs through three basic avenues: testing, site visits, and review of annual reports.
  - (a) Testing. Friends requires regular testing – both proficiency and growth models -- to measure student performance and growth, and student performance results must meet or exceed the results required by non-chartered public school students. The testing required by Friends is set forth in its charter contract with its schools. Generally, however, testing data is reviewed each semester to ensure that the goals of the schools are being met, both in terms of individual student performance and growth and for the school as a whole. Testing data is compared with other schools to measure performance.
  - (b) Site Visits. Friends engages in both unannounced and scheduled site visits. In addition to general observation and classroom visits, site visits generally include interviews with the school leader, business manager, selected school teachers, students, and available parents and school board members. Friends' site visits also include an analysis as to whether the facility, school climate, and learning program constitute an effective learning environment, promoting the academic goals. Site visits may be conducted by individuals contracted on behalf of Friends; such individuals may or may not identify themselves to the school as performing a site visit on behalf of Friends.
  - (c) Annual Reports. Friends requires that the school prepare an annual report which details the school's evaluation of meeting each of its academic performance goals.

Friends has contracted with third parties to assist with monitoring the implementation of the academic program at targeted schools. Friends has also implemented a support network for the schools it is authorizing to engage in mutual support and problem solving.

2. Finance. Friends' oversight of financial affairs is accomplished primarily through a review of the school's financial statements and independent audit.

- (a) Financial Statements. Prior to July 1<sup>st</sup> before school opening, the school must submit to Friends an annual budget adopted by the school board. The school must also submit monthly financial statements to Friends as well as cash flow projections when requested by Friends. The financial statements must contain budget and actual expenses and contain explanations for all items exceeding budget and the manner in which the excess items will be resolved. Friends strongly encourages, but does not require, that its authorized schools utilize a recognized provider of accounting services for charter schools in the initial years of operation.

- (b) Independent Audit. By the date specified in its charter contract, the school must submit to Friends its independent audit report along with any school management response.

As a secondary mechanism to monitor financial affairs, site visit interviews with the school business manager and school board members may reveal financial concerns.

3. Reporting and Legal Compliance. Friends' oversight of reporting and general legal compliance is accomplished primarily through review of documentation, site visits, and communication with the Department of Education.

- (a) Annual Reports. Friends requires each school to submit an annual report which details the school's evaluation of meeting State of Minnesota reporting requirements.

- (b) Site Visits. Friends engages in both unannounced and scheduled site visits. In addition to general observation and classroom visits, site visits generally include

interviews with the school leader, business manager, selected school teachers, students, and available parents and school board members. Site visits may also include a review of pertinent files. General observations, interviews, and review of selected files during site visits facilitate determination by Friends of the school's general compliance, including compliance with the Minnesota Open Meetings Law, Public Employment Relations Act, teacher licensing requirements, student immunization compliance, Minnesota Human Rights Act, Minnesota Pupil Fair Dismissal Act, Minnesota Public Schools Fee Law, special education requirements, financial controls, and open enrollment processes. Friends also asks that the MDE inform Friends if the school is not reporting properly and to share copies of all pertinent correspondence between the school and the MDE. Friends adopts a similar procedure regarding compliance with local, State and Federal laws.

4. Governance. The school must submit school board meeting minutes to Friends on a timely basis, generally prior to the next scheduled school board meeting. Friends may attend school board meetings on either an announced or unannounced basis and is available to attend specific meetings upon request by the school.

Remediation. Should an authorized school fall short of its agreed-upon academic standards, financial targets, or fail in any aspect of reporting and legal compliance, Friends engages in a range of possible interventions, including: (1) Friends notifies the school leader or School Board Chair of areas of concern; (2) Friends formally notifies the school board of areas of concern and may ask that the school board adopt a performance improvement plan; and (3) Friends initiates a notice and action plan whereby authorization will be withdrawn. Friends complies with all State of Minnesota requirements regarding authorization withdrawal.

Authorizer Contact Information:

Friends of Education  
Beth Topoluk  
200 East Lake Street  
Wayzata, MN 55391

Charter Contract Expiration Date: June 30, 2011. A new contract was approved and signed before June 30, 2011, for an additional three years.

### **School's State Report Card**

The school's 2011 State Report Card was not available to be included in this report.

The latest report can be found at the [Minnesota Department of Education](#) website.

## Non-Profit Status

Verification of the school's active nonprofit status is as follows and can also be found at the [Office of Minnesota Attorney Generals](#) website.

Organization Name       **THE DAVINCI ACADEMY OF ARTS AND SCIENCE**  
Federal ID#               743234914  
For Fiscal Year Ending   6/30/2010

### Income

Direct Public Support	\$10,026
Government Grants	\$2,469,641
Other Revenue	\$106,966
<b>Total Revenue</b>	<b>\$2,586,633</b>

### Expenses

Amount Spent for Program or Charitable Purposes	\$1,805,482
Management/General Expense	\$271,025
Fundraising Expense	\$0
<b>Total Expenses</b>	<b>\$2,076,507</b>

Excess/Deficit	\$510,126
Total Assets	\$1,034,767
Total Liabilities	\$205,862
End of Year Fund Bal/Net Worth	\$828,905