

**LONG VALLEY CHARTER SCHOOL
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

**A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING THE FOLLOWING
CALIFORNIA CHARTER SCHOOLS**

Long Valley School (Charter No. 2067)
Thompson Peak Charter School (Charter No. 2066)

LONG VALLEY CHARTER SCHOOL
INTRODUCTORY SECTION
FOR THE YEAR ENDED JUNE 30, 2025

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FOR THE YEAR ENDED JUNE 30, 2025**

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LONG VALLEY CHARTER SCHOOL
FINANCIAL SECTION
FOR THE YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Valley Charter School
Doyle, California

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Long Valley Charter School (the organization), which comprise the statement of financial position as of June 30, 2025, 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 Organization as of June 30, 2025, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Long Valley Charter School and to meet our 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities 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 auditor's 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 Generally Accepted Auditing Standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards, We:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Organization taken as a whole. The supplementary information listed in the table of contents (**Board Organization, Schedule of Average Daily Attendance, Schedule of Instructional Time, and Reconciliation of Financial Report – Alternative Form with Audited Financial Statements**) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Report on Supplementary Information (Continued)

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 Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 5, 2026, on our consideration of the Long Valley Charter 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 Organization's internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Long Valley Charter School's internal control over financial reporting and compliance.



Matthew Lemas CPA & Associates
San Diego, California
January 5, 2026

LONG VALLEY CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

| | <u>Long Valley</u> | <u>Thompson</u> | <u>Total</u> |
|--|---------------------|---------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash (Note 3) | \$ 1,530,577 | \$ 1,011,854 | \$ 2,542,431 |
| Accounts Receivable (Note 13) | 776,387 | 712,510 | 1,488,897 |
| Prepaid Expenditures | 8,425 | 4,457 | 12,882 |
| Total Current Assets | 2,315,389 | 1,728,821 | 4,044,210 |
| Fixed Assets | | | |
| Property, Equipment, and Capital Lease Assets (Net of Depreciation) (Note 10) | 6,358,856 | 402,313 | 6,761,168 |
| Total Fixed Assets | 6,358,856 | 402,313 | 6,761,168 |
| Noncurrent Assets | | | |
| Right-of-Use Lease Assets (Net of Amortization) (Note 9) | 78,409 | 5,277 | 83,686 |
| TOTAL ASSETS | 8,752,654 | 2,136,411 | 10,889,065 |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities | | | |
| Accounts Payable | 140,956 | 153,371 | 294,327 |
| Accrued Liabilities (Note 14) | 37,714 | 147,506 | 185,220 |
| Current Portion of Notes Payable (Note 16) | 52,832 | 23,302 | 76,134 |
| Deferred Revenue (Note 2) | 421,150 | 77,428 | 498,578 |
| Total Current Liabilities | 652,652 | 401,607 | 1,054,259 |
| Long Term Liabilities | | | |
| Right of Use Leases (Note 9) | 78,409 | 5,277 | 83,686 |
| Notes Payable (Note 16) | 2,637,601 | 1,117,331 | 3,754,932 |
| Total Long Term Liabilities | 2,716,010 | 1,122,608 | 3,838,618 |
| TOTAL LIABILITIES | 3,368,662 | 1,524,215 | 4,892,877 |
| Net Assets | | | |
| Without Donor Restrictions (Note 8) | 5,239,149 | 338,090 | 5,577,240 |
| With Donor Restrictions (Note 8) | 144,843 | 274,106 | 418,948 |
| Total Net Assets | 5,383,992 | 612,196 | 5,996,188 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 8,752,654 | \$ 2,136,411 | \$ 10,889,065 |

The notes to the financial statements are an integral part of this statement

**LONG VALLEY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

| | Long Valley | | | Thompson Peak | | | Total |
|---|---|------------------------------------|---------------------|---|------------------------------------|-------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Subtotal | Without Donor Restrictions | With Donor Restrictions | Subtotal | |
| Support | | | | | | | |
| State Aid General Purpose Funding | \$ 2,796,140 | \$ - | 2,796,140 | \$ 1,739,952 | \$ - | 1,739,952 | \$ 4,536,092 |
| Education Protection Account | 46,888 | - | 46,888 | 32,398 | - | 32,398 | 79,286 |
| Federal Revenue | 5,889 | 296,161 | 302,050 | - | 65,559 | 65,559 | 367,609 |
| Funding in Lieu of Property Tax | 244,333 | - | 244,333 | 398,194 | - | 398,194 | 642,527 |
| Other State Revenue | 45,288 | 499,420 | 544,708 | 40,110 | 274,027 | 314,137 | 858,845 |
| Other Local Revenue | 720,718 | 5,318 | 726,036 | 392,421 | - | 392,421 | 1,118,457 |
| Donor Restrictions Satisfied | 1,056,140 | (1,056,140) | - | 197,981 | (197,981) | - | - |
| Total Support | 4,915,396 | (255,241) | 4,660,155 | 2,801,056 | 141,605 | 2,942,661 | 7,602,816 |
| Expenses | | | | | | | |
| Program Services - Education | 4,077,957 | - | 4,077,957 | 2,530,042 | - | 2,530,042 | 6,607,999 |
| Management and General | 598,517 | - | 598,517 | 278,803 | - | 278,803 | 877,321 |
| Total Expenses | 4,676,475 | - | 4,676,475 | 2,808,845 | - | 2,808,845 | 7,485,320 |
| Increase/(Decrease) Change In Net Assets | 238,921 | (255,241) | (16,320) | (7,789) | 141,605 | 133,816 | 117,496 |
| Net Assets - July 1, 2024 | 5,000,228 | 400,084 | 5,400,312 | 345,879 | 132,501 | 478,380 | 5,878,692 |
| Net Assets - June 30, 2025 | \$ 5,239,149 | \$ 144,843 | \$ 5,383,992 | \$ 338,090 | \$ 274,106 | \$ 612,196 | \$ 5,996,188 |

The notes to the financial statements are an integral part of this statement

LONG VALLEY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

| | Program Services | | | | |
|--|-------------------------|----------------------|-------------------------------|-------------------------------|-----------------------|
| | Long Valley | Thompson Peak | Total Program Services | Management and General | Total Expenses |
| Compensation and Related Expenses | | | | | |
| Salaries - Certificated | \$ 1,184,337 | \$ 1,016,338 | \$ 2,200,675 | \$ - | \$ 2,200,675 |
| Salaries - Classified | 582,270 | 277,083 | 859,353 | 369,293 | 1,228,646 |
| Employee Benefits | 765,883 | 484,918 | 1,250,801 | 350,137 | 1,600,938 |
| Total Compensation and Related Expenses | 2,532,490 | 1,778,339 | 4,310,829 | 719,430 | 5,030,259 |
| Books and Supplies | 422,000 | 115,926 | 537,926 | 28,312 | 566,238 |
| Travel and Conferences | 2,608 | 41,254 | 43,863 | 39,296 | 83,159 |
| Dues and Memberships | 7,347 | 8,332 | 15,679 | 825 | 16,504 |
| Insurance | 59,627 | 56,868 | 116,494 | 6,131 | 122,625 |
| Operation and Housekeeping Services | 181,641 | 41,579 | 223,220 | 11,748 | 234,968 |
| Rental, Leases, and Repairs | 64,899 | 28,060 | 92,959 | 4,893 | 97,852 |
| Depreciation and Amortization | 178,417 | 31,676 | 210,093 | 11,058 | 221,151 |
| Communications | 66,707 | 38,571 | 105,278 | 5,541 | 110,819 |
| Professional/Consulting Services and | | | | | |
| Operating Expenditures | 389,453 | 345,662 | 735,115 | 38,690 | 773,805 |
| Subagreements | 83,816 | 33,419 | 117,235 | 6,170 | 123,405 |
| Tuition to Other Schools | 38,093 | | 38,093 | 2,005 | 40,098 |
| Interest | 50,859 | 10,356 | 61,215 | 3,222 | 64,437 |
| TOTAL | \$ 4,077,957 | \$ 2,530,042 | \$ 6,607,999 | \$ 877,321 | \$ 7,485,320 |

The notes to the financial statements are an integral part of this statement

**LONG VALLEY CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

| | Long Valley | Thompson Peak | Total |
|---|---------------------|--------------------------|---------------------|
| Cash Flows from Operating Activities | | | |
| Change in Net Assets | \$ (16,320) | \$ 133,816 | \$ 117,496 |
| Adjustments to Reconcile (Increase) Decrease in Net Income to Net Cash Provided by Operating Activities: | | | |
| Depreciation | 187,807 | 33,343 | 221,150 |
| (Increase) Decrease in Operating Assets: | | | |
| Accounts Receivable | (501,384) | (243,420) | (744,804) |
| Prepaid Expenses | 11,562 | 23,124 | 34,686 |
| Right-of-Use Lease Assets | (9,851) | 2,977 | (6,874) |
| Increase (Decrease) in Operating Liabilities: | | | |
| Accounts Payable | 140,956 | 153,371 | 294,327 |
| Accrued Liabilities | (72,702) | (38,700) | (111,402) |
| Current Portion-Long Term Debt | (2,552,588) | (28,178) | (2,580,766) |
| Deferred Revenue | 180,140 | 29,141 | 209,281 |
| Net Cash Provided (Used)/Provided by Operating Activities | (2,632,380) | 65,474 | (2,566,906) |
| Cash Flows from Investing Activities | | | |
| (Increase) in Property and Equipment | (575,108) | (63,408) | (638,516) |
| Net Cash (Used) by Investing Activities | (575,108) | (63,408) | (638,516) |
| Cash Flows from Financing Activities | | | |
| Increase (Decrease) in Right of Use Lease Liabilities | 9,404 | (3,708) | 5,696 |
| Increase (Decrease) in Notes Payable | 2,637,601 | (16,765) | 2,620,836 |
| Net Cash Provided (Used) by Financing Activities | 2,647,005 | (20,473) | 2,626,532 |
| Net (Decrease) in Cash | (560,483) | (18,407) | (578,890) |
| Cash - Beginning July 1, 2024 | 2,091,060 | 1,030,261 | 3,121,321 |
| Cash - Ending June 30, 2025 | \$ 1,530,577 | \$ 1,011,854 | \$ 2,542,431 |
| Cash paid for interest \$ 64,437 | | | |

The notes to the financial statements are an integral part of this statement

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

The notes provided in the Financial Section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a summary of accounting policies and other necessary disclosures of pertinent matters relating to financial position and results of operations of Long Valley Charter School (the Organization). The notes express significant insight into the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this report.

NOTE 1 - ORGANIZATION

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Accounting
- B. Financial Statement Presentation
- C. Estimates
- D. Fixed Assets
- E. Deferred Revenue
- F. Income Taxes
- G. Functional Expenses
- H. Cash and Investments
- I. Contributions
- J. In Lieu of Property Taxes Revenue
- K. Receivables and Allowances
- L. Accrued Liabilities
- M. Leases
- N. Changes in Accounting Principle
- O. New Accounting Pronouncement

NOTE 3 - CASH AND CASH EQUIVALENTS

- A. Cash in County Treasury
- B. Custodial Credit Risk
- C. Cash in Banks and on Hand

NOTE 4 - CLASSIFICATION OF ITEMS

NOTE 5 - POST-EMPLOYMENT BENEFITS

NOTE 6 - EMPLOYEE RETIREMENT PLANS

- A. California State Teachers' Retirement System (CalSTRS)

NOTE 7 - DONATED ASSETS

See Independent Auditors' Report

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 8 - NET ASSETS

- A. Net Assets with Donor Restrictions
- B. Net Assets without Donor Restrictions

NOTE 9 - COMMITMENTS AND CONTINGENCIES

- A. Government Funds
- B. Operating and Right of Use Leases
- C. Capital Leases

NOTE 10 - PROPERTY AND EQUIPMENT

NOTE 11 - SUBSEQUENT EVENTS

NOTE 12 - EXCESS EXPENDITURES OVER APPROPRIATIONS

NOTE 13 - ACCOUNTS RECEIVABLE

NOTE 14 - ACCRUED LIABILITIES

NOTE 15 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

NOTE 16 - NOTES PAYABLE

- A. Notes Payable Activity
- B. Note Payable – USDA Rural Community Assistance – Long Valley
- C. Note Payable – USDA Rural Development – Thompson Peak

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – ORGANIZATION

Long Valley Charter School (the Organization) is a California nonprofit public benefit corporation that is organized to manage and operate public charter schools. The Organization's charter petition was granted and approved through the Fort Sage Unified School District in July 2000. Subsequently on July 1, 2019, the Organization successfully petitioned two separate Charter Schools; Long Valley School (Chartered through Fort Sage Unified School District) and Thompson Peak Charter School (Chartered through Susanville School District).

The Organization commenced operations during the 2019-2020 fiscal year and currently serves over 400 students in Kindergarten through Grade 12.

The mission of Long Valley Charter School is to equip its students with the knowledge and skills to be successful, responsible, and intelligent participants of a global society. It is our goal to provide an educational foundation that includes mastery of academic content, independent thinking, creativity, critical thinking, communication, and collaboration; thus, to best prepare students for a future yet to be imagined.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The Organization maintains its financial records using the accrual method of accounting under which revenue is recognized when earned and expenses are recognized when the obligation is incurred.

B. Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-For-Profit Organizations" (the Guide). ASC 958-205 was effective July 1, 2019. Presentation of Financial Statements is required to report information regarding its financial position and activities according to two classes of net assets without donor restriction and net assets with donor restrictions.

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Statement Presentation (Continued)

Net Assets Without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expense incurred in providing program-related services, raising contributions and performing administrative functions.

Net Assets With Donor Restrictions – These assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restrictions expire, (that is until the stipulated time restriction ends or the purpose of the restriction is accomplished) the net assets are restricted. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

For operation of public charter schools, the Organization also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual present in Procedure 810 Charter Schools. Fund accounting is only used to the extent that internal accounting for multiple charter school or other program operations is necessary and is not used for external financial statement presentation.

C. Estimates

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

D. Fixed Assets

Fixed assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives. Repair and maintenance costs, which do not extend the useful lives of the asset, are charged to expense. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the earnings. Management has elected to capitalize and depreciate all assets costing \$5,000 or more; all other assets are charged to expense in the year incurred. For additional information, see Note 10.

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deferred Revenue

Deferred revenue represents federal and state contract funds received but not expended. These funds must be expended in accordance with the provisions of the contract to which they apply or refunded if not expended under the terms of the contract. The Organization had deferred revenue of \$ 498,578 on June 30, 2025.

F. Income Taxes

Long Valley Charter School is a 509(a) (1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Services as other than a private foundation. The Organization is exempt from state franchise or income tax under Section 23701 (d) of the California Revenue and Taxation Code. As an organization operating schools, the Organization is not required to register with the California Attorney General as a charity. It is, however, subject to income taxes from activities unrelated to its tax-exempt purpose.

The Organization's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Organization's information and/or tax returns are subject to examination by the regulator authorities for up to four years from the date of filing.

G. Functional Expenses

The costs of providing the program services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services based on management's estimates of the usage of resources.

H. Cash And Investments

Long Valley Charter School considers all highly liquid deposit and investments with an original maturity of less than ninety days to be cash equivalents. The Organization's method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities. Investment return is presented net of any investment fees.

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When the restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restrictions and reported on the state of activities as "net assets released from restrictions". Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without restriction upon acquisition of the assets and the assets are placed in service.

Non-cash contributions of goods, material, and facilities are recorded at fair value at the date of contributions. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the organization if not donated.

J. In Lieu Of Property Taxes Revenue

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes from the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to Long Valley Charter School. Revenues are recognized by the Organization when earned.

K. Receivables And Allowances

Accounts receivables are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on experience and other factors which, in management's judgement, deserve current recognition in estimating bad debts. Such factors include the relationship of allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Organization established or adjusts the allowance for specific revenue sources.

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Accrued Liabilities

Accrued liabilities are expenses incurred by the organization for which they have not yet been billed for and are considered future liabilities that will be paid in the future. The organization records on their financial statements these accrued expense amount as a current liabilities once the amount of the future expenses obligations can be reasonably quantified and at accounting period date for which they were incurred.

M. Leases

The Organization has operating leases for facilities and equipment. The organization determines if an arrangement is a lease at inception. Operating leases as a lessee are included in operating lease right-of use assets and operating lease liabilities in the statement of financial position. Right-of-use assets represent the Organization's right to use the underlying asset for the lease term. Operating lease right-of-use assets and related liabilities are recognized at commencement date based on the net present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate which is based on the information available at the commencement date in determining the present value of the lease payments. The Organization's recent borrowings, as well as publicly available data for instruments with similar characteristics when calculating its incremental borrowing rates. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

N. Changes In Accounting Principle

Not-for-Profit Financial Reporting Model Standard

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* whereby significant changes were proposed in seven areas: net assets classes, liquidity and availability of resources, classification and disclosure of underwater endowment funds, expenses reporting, statement of cash flows, investment return, and release of restrictions on capital assets. The amendments in ASU No. 2016-14 are effective for annual financial statements issued for fiscal years beginning after December 1, 2018. Under the new accounting principle, the portion of beginning net assets previously reported as unrestricted is now presented as net assets without donor restrictions and previous balances under temporarily restricted net assets are currently net assets with donor restrictions.

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

O. New Accounting Pronouncements

Revenue Recognition

In May 2014, the International Accounting Standards Board (IASB) and FASB issued a joint accounting standard on revenue recognition to address a number of concerns regarding the complexity and lack of consistency surrounding the accounting of revenue transactions. Consistent with each board's policy, FASB and IASB issued new reporting standards on revenue recognition. FASB issued ASU No. 2014-19, *Revenue from Contracts with Customers (Topic 606)*. The guidance in FASB ASU No. 2014-19 provides a framework for revenue recognition and supersedes or amends several of the revenue recognition requirements in FASB ASC 605 *Revenue Recognition*.

P. New Accounting Pronouncements

Revenue Recognition

The guidance was originally effective for public entities for the fiscal year beginning after December 15, 2016. In August 2015, FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, to allow entities additional time to implement systems, gather data, and resolve implementation questions. The new requirements are to be applied to fiscal years beginning after December 15, 2017. This accounting principle has no impact on the Organization for the fiscal year ended June 30, 2025, as the Charter did not have significant involvement in contracted services.

Leases

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The objective of the ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. The new FASB ASU topic on leases consists of five subtopics: overall, lessee, lessor, sale and leaseback transactions, and leverage lease arrangements. ASU No. 216-02 is applicable to any entity that enters into a lease and is effective for public business entities for fiscal years beginning after December 15, 2018. In October 2019, FASB approved to delay effective dates for all public business entities, except for SEC filers, the fiscal years beginning after December 15, 2019.

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 3 - CASH AND CASH EQUIVALENTS

A. Cash in County Treasury

The Organization maintains \$ 1,832,301 of cash in the County Treasury as of June 30, 2025. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. Government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

B. Custodial Credit Risk

Cash balances held in banks and/or credit unions and in revolving funds are insured up to \$250,000 by federal agencies. The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. At June 30, 2025 the Organization had \$ 2,185,453 in uninsured funds.

C. Cash In Banks And On Hand And With Fiscal Agent/Trustee

Cash at June 30, 2025 consisted of the following:

| | June 30, 2025 | | |
|--|------------------------|--------------------------|---------------------|
| | Long Valley | Thompson Peak | Total |
| Pooled Funds: | | | |
| Cash in County Treasury | \$ 1,163,559 | \$ 668,742 | \$ 1,832,301 |
| Deposits: | | | |
| Cash on Hand and In Banks | 367,018 | 343,112 | 710,130 |
| Total Cash In Banks And On Hand | \$ 1,530,577 | \$ 1,011,854 | \$ 2,542,431 |

NOTE 4 – CLASSIFICATION OF ITEMS

Certain balance sheet account items may have been classified differently from one year to another on the Organization's Financial Statements for the fiscal year ended June 30, 2025.

NOTE 5 - POST-EMPLOYMENT BENEFITS

For the fiscal year ended June 30, 2025, the Organization did not provide for any post-employment benefits.

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 6 - EMPLOYEE RETIREMENT PLANS

A. California State Teachers' Retirement System (CalSTRS)

Qualified employees are covered under multiple employer defined benefit pension plans maintained by agencies of the State of California. In accordance with California Education Code 47605, Charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. The Charters have made participating in such plans if an election to participate is specified within the charter petition. The Charters have made such election. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS). The Organization offers all employees social security as an alternative to those who may not qualify for CalSTRS. Certificated employees are members of the State Teachers' Retirement System (STRS).

Plan Description

The Organization contributes to the California State Teachers' Retirement Systems (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. 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. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 10.25% of their 2024-25 salary depending on the employee's membership date in the plan. The required employer rate for fiscal year 2024-25 was 19.10% of annual payroll. The actuarial methods and assumptions used for determining the rate are those adopted by the CalSTRS Teachers' Retirement Board. The contribution requirements of the plan members are established by state statute. The Organization's contributions to CalSTRS for the fiscal years ending June 30, 2025; 2024; 2023; and were \$ 404,324 \$ 449,350, and \$462,150; respectively; and equals 100% of the required contributions for each fiscal year.

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 - DONATED ASSETS

The Organization received donated used assets consisting of computers, office furniture, classroom furniture, visual equipment, and various other sundry supplies. The used assets are not reflected on the financial statements due to the immateriality of the amounts.

NOTE 8 – NET ASSETS

A. Net Assets with Donor Restrictions

During the fiscal year ended June 30, 2025, amounts of \$ 1,056,140 were released from restrictions as Federal and State-imposed restrictions were satisfied.

At June 30, 2025 net assets with donor restrictions consisted of \$ 418,948 in funding with State-imposed restrictions relating National School Lunch Programs, ARP-Homeless Children and Youth II, Mental Health-Related Services, Art, Music, Instruction Grant, Learning Recovery Emergency Block Grant, Ethnic Studies, Educator Effectiveness Grant, A-G Learning Loss Mitigation Grant, Expanded Learning Opportunity Grant, Universal Pre-kindergarten Planning & Implementation Grant and K12 SWP Pathway Coordinator Grants.

B. Net Assets without Donor Restrictions

At June 30, 2025 the Organization's net assets without donor restrictions consisted of \$ 5,577,240 lacking any donor-imposed restrictions.

NOTE 9 – COMMITMENTS AND CONTIGENCIES

A. Governments Funds

Long Valley Charter School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. The Organization has undergone certain reviews and has experienced certain expenditure allowances under the terms of the grants, which have been recorded in the financial statements. Any future such audits could generate additional expenditure disallowances under funding terms, however, it is believed that any required reimbursements would not be material.

B. Operating and Right of Use Leases

The Organization operating and right-of-use leases for one facility and two copier machines. The organization elected to apply the short-term lease exception under ASU 2016-2; therefore, leases with an initial term of twelve months or less are not recorded on the consolidated statement of financial position. The leases for the copier machines represent substantially all of the operating lease liabilities.

LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – COMMITMENTS AND CONTIGENCIES (CONTINUED)

B. Operating and Right of Use Leases (Continued)

Right of use leases have been capitalized on the statement of financial position under fixed assets with a corresponding lease liability recorded as long-term liabilities. Right of use leases are expensed as rent expense on the straight-line basis over the term of the lease. Non-lease components, such as payment required under the common area maintenance, are not included in the lease liability. These are expenses as incurred. Variable lease expenses included in-kind services provided by the landlord. The organization has the right to extend the Portola facility for two additional periods of up to three years. These additional periods were not included in the lease liability due to their lack of sufficient economic incentive.

Components of Lease Balances are as follows:

| Components of Lease Balances | Classification in Statement | June 30, 2025 | | Total |
|-------------------------------------|------------------------------------|--------------------------|---------------------------|------------------|
| | | Position | June 30, 2025 | |
| Assets: | | | | |
| Operating Right of Use Assets | Operating Lease Assets | Long Valley \$ 78,409 | Thompson Peak \$ 5,277 | |
| Total Leased Assets | | \$ 78,409 | \$ 5,277 | \$ 83,686 |
| Liabilities: | | | | |
| Operating Lease Liabilities | Operating Lease Liabilities | Long Valley \$ 78,409 | Thompson Peak \$ 5,277 | |
| Total Lease Liabilities | | \$ 78,409 | \$ 5,277 | \$ 83,686 |

| Components of Lease Expense | Classification in Statement of | June 30, 2025 | | Total |
|--|---------------------------------------|----------------------|----------------------|------------------|
| | | Activities | June 30, 2025 | |
| | General and | Long Valley | Thompson Peak | |
| Operating Lease Expense | Administrative | \$ 40,817 | \$ 3,091 | |
| Total Lease Expense | | \$ 40,817 | \$ 3,091 | \$ 43,908 |
| Cash paid for amounts included in the measurement | | \$ 40,817 | \$ 3,091 | |
| Weighted-average remaining lease term | | | | |
| Operating Leases: | | 2.4 Years | 2 Years | |

LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – COMMITMENTS AND CONTIGENCIES (CONTINUED)

B. Operating and Right of Use Leases (Continued)

Maturities of operating and right of use lease liabilities are as follows:

| Year Ending June 30, | Right of Use | |
|---------------------------------|------------------------------------|--------------------------|
| | Operating Lease Amounts | Lease Amounts |
| 2026 | 10,677 | 38,118 |
| 2027 | 10,677 | - |
| 2028 | 8,736 | - |
| 2029 | 8,736 | - |
| 2030 | 8,736 | - |
| Total | \$ 47,562 | \$ 38,118 |

The Organization receives no sublease rental revenues nor pays any contingent rentals associated with these leases. For the fiscal year ended June 30, 2025, operating lease expenses were \$ 43,908.

C. Capital Leases

The Organization does not have any capital lease arrangements.

NOTE 10 - PROPERTY AND EQUIPMENT

Property and Equipment for the fiscal year ended June 30, 2025, consisted of the following:

| Property and Equipment | Long | Thompson | Total |
|--|---------------------|-------------------|---------------------|
| | Valley | Peak | |
| Building Improvements | \$ 4,914,293 | \$ 389,164 | \$ 5,303,457 |
| Construction in Progress | 23,250 | - | 23,250 |
| Furniture and Equipment | 597,752 | 81,169 | 678,921 |
| Land | 1,276,247 | - | 1,276,247 |
| Subtotal - Property and Equipment | 6,811,542 | 470,333 | 7,281,875 |
| Less: Accumulated Depreciation | (452,686) | (68,020) | (520,707) |
| Total | \$ 6,358,856 | \$ 402,313 | \$ 6,761,168 |

LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 11 - SUBSEQUENT EVENTS

Events subsequent to June 30, 2025 have been evaluated through January 5, 2026, the date at which the Organization's audited financial statements were available to be issued. As of this date there are no material subsequent events on record for the organization.

NOTE 12 - EXCESS EXPENDITURES OVER APPROPRIATIONS

The Organization had the following excess expenditures over appropriations for the fiscal year ended June 30, 2025.

| Object Codes | Thompson | | |
|---|---------------------|---------------------|---------------------|
| | Long Valley | Peak | Total |
| Certificated Salaries | \$ (10,824) | \$ - | \$ (10,824) |
| Classified Salaries | (48,889) | - | (48,889) |
| Employee Benefits | (58,500) | - | (58,500) |
| Books and Supplies | (37,211) | (15,558) | (52,769) |
| Services and Other Operating Expenditures | (54,231) | (173,430) | (227,661) |
| Other Outgo | (83,216) | (1,143) | (84,359) |
| Total | \$ (292,871) | \$ (190,131) | \$ (483,002) |

NOTE 13 - ACCOUNTS RECEIVABLE

As of June 30, 2025, the accounts receivable was as follows:

| | Long | Thompson | | |
|----------------------|-------------------|-------------------|---------------------|--|
| | Valley | Peak | Total | |
| Federal Revenues | \$ 11,616 | \$ 1,387 | \$ 13,003 | |
| Lottery | 17,248 | 13,022 | 30,270 | |
| State Revenues | 182,803 | 362,586 | 545,389 | |
| Other State Revenues | 65,622 | 27,759 | 93,381 | |
| Local Revenues | 499,098 | 307,756 | 806,854 | |
| Total | \$ 776,387 | \$ 712,510 | \$ 1,488,897 | |

LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 14 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2025 are as follows:

| <u>Account</u> | Thompson | | |
|------------------------------|--------------------|-------------|--------------|
| | Long Valley | Peak | Total |
| Payroll and Related Expenses | \$ 37,714 | \$ 147,506 | \$ 185,220 |

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of June 30, 2025, reduced by amounts not available for general expenditures within one year. Financial assets are considered not available for general use when illiquid or not convertible to cash within one year, consist of assets held for others or are held aside by the governing board for specific contingency reserves. Any board designations could be drawn upon if the board approves that action.

These amount for the Organization are listed are as follows:

| <u>Financial Assets</u> | Thompson | | |
|---|---------------------|---------------------|---------------------|
| | Long Valley | Peak | Total |
| Cash and Cash Equivalents | \$ 1,530,577 | \$ 1,011,854 | \$ 2,542,431 |
| Accounts Receivable, Current Portion | 776,387 | 712,510 | 1,488,897 |
| Prepaid Expenses | 8,425 | 4,457 | 12,882 |
| Total Financial Assets, Excluding Noncurrent | 2,315,389 | 1,728,821 | 4,044,210 |
| Contractual or Donor-Imposed Restrictions | | | |
| Cash Restricted by Others for Specific Uses | (144,843) | (274,106) | (418,949) |
| Financial Assets Available to Meet Cash Needs For Expenditures Within One Year | \$ 2,170,546 | \$ 1,454,715 | \$ 3,625,261 |

**LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 16 – NOTES PAYABLE

A. Notes Payable Activity

Notes Payable activity includes long term debt and other notes payable. Changes in these obligations for the fiscal year ended June 30, 2025 are as follows:

| | Balance | | Balance | | Due in One Year | Long Term |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| | 2024 | Additions | Payments | 2025 | | |
| Notes Payable: | | | | | | |
| USDA Rural Development (2.5% Per Annum) | \$ - | \$ 2,725,000 | \$ 34,567 | \$ 2,690,433 | \$ 52,832 | \$ 2,637,601 |
| USDA Rural Community Assistance (5.00% Per Annum) | 2,605,420 | - | 2,605,420 | - | - | - |
| USDA Rural Development (2.5% Per Annum) | 1,185,575 | - | 44,942 | 1,140,633 | 23,302 | 1,117,331 |
| TOTAL | \$ 3,790,995 | \$ 2,725,000 | \$ 2,684,929 | \$ 3,831,066 | \$ 76,134 | \$ 3,754,932 |

B. Note Payable – USDA Rural Community Assistance– Long Valley

On October 25, 2024, the Organization signed a \$ 2,725,000 promissory note with the United States Department of Agriculture. The note carries an interest rate of 2.50% per annum with payments of \$ 9,402 due monthly. As of June 30, 2025, the balance of the note was \$ 2,690,433. Debt service requirements for the note are as follows:

| Year Ending | Principal | Interest | Total |
|--------------------|---------------------|---------------------|---------------------|
| June 30, | | | |
| 2026 | \$ 52,832 | \$ 59,992 | \$ 112,824 |
| 2027 | 54,033 | 58,791 | 112,824 |
| 2028 | 55,261 | 57,563 | 112,824 |
| 2029 | 56,518 | 56,306 | 112,824 |
| 2030 | 57,802 | 55,022 | 112,824 |
| Thereafter | 2,413,987 | 881,774 | 3,295,761 |
| Total | \$ 2,690,433 | \$ 1,169,448 | \$ 3,859,881 |

LONG VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

C. Note Payable – USDA Rural Development – Thompson Peak

On October 24, 2022, the Organization signed a \$ 1,200,000 promissory note with the United States Department of Agriculture. The note carries an interest rate of 2.50% per annum with payments of \$ 4,296 due monthly. As of June 30, 2025, the balance of the note was \$ 1,140,633. Debt service requirements for the note are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---------------------------------------|---------------------|-------------------|---------------------|
| 2026 | \$ 23,302 | \$ 28,250 | \$ 51,552 |
| 2027 | 23,891 | 27,661 | 51,552 |
| 2028 | 24,495 | 27,057 | 51,552 |
| 2029 | 25,115 | 26,437 | 51,552 |
| 2030 | 25,750 | 25,802 | 51,552 |
| Thereafter | 1,018,080 | 386,947 | 1,405,027 |
| Total | \$ 1,140,633 | \$ 522,154 | \$ 1,662,787 |

LONG VALLEY CHARTER SCHOOL
SUPPLEMENTARY INFORMATION SECTION
FOR THE YEAR ENDED JUNE 30, 2025

**LONG VALLEY CHARTER SCHOOL
BOARD ORGANIZATION
FOR THE YEAR ENDED JUNE 30, 2025**

The Board of Trustees for the fiscal year ended June 30, 2025 was composed of the following members:

| <u>Name</u> | <u>Title</u> | <u>Term Expires</u> |
|----------------|---------------------------|---------------------|
| Jason Ingram | President | December 31, 2026 |
| Shaun Giese | Vice President | December 31, 2026 |
| Stacy Kirklin | Clerk/Secretary/Treasurer | December 31, 2028 |
| Wilma Kominek | Member | December 31, 2026 |
| Allegra Isbell | Member | December 31, 2028 |

The Organization was granted their charter through the Fort Sage Unified School District in 2000. It was renewed through 2010. In July of 2019, the Long Valley School received a charter through Fort Sage Unified School District, which is in effect through June 30, 2027. In addition, in July of 2019 Thompson Peak Charter School received a charter through Susanville School District through June 30, 2027.

Executive Director
Sherri Morgan
Chief Business Official
Services performed by
Delta Managed Solutions

Long Valley School CDE Issued Charter #2067
Thompson Peak CDE Issued Charter #2066

See Independent Auditors' Report

LONG VALLEY CHARTER SCHOOL
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025

| | Second Period Report | | | Annual Report | | |
|-----------------------|-----------------------------|------------------------------|---------------|----------------------------|------------------------------|---------------|
| | Classroom Based | Independent Study | Total | Classroom Based | Independent Study | Total |
| Long Valley School | | | | | | |
| Grades TK-3 | 56.95 | 38.65 | 95.60 | 57.58 | 37.99 | 95.57 |
| Grades 4-6 | 42.10 | 10.88 | 52.98 | 42.59 | 10.36 | 52.95 |
| Grades 7-8 | 29.39 | 8.38 | 37.77 | 29.51 | 8.31 | 37.82 |
| Grades 9-12 | - | 57.04 | 57.04 | - | 57.05 | 57.05 |
| Total | <u>128.44</u> | <u>114.95</u> | <u>243.39</u> | <u>129.68</u> | <u>113.71</u> | <u>243.39</u> |
| Thompson Park Charter | | | | | | |
| Grades TK-3 | - | 29.54 | 29.54 | - | 29.79 | 29.79 |
| Grades 4-6 | - | 31.51 | 31.51 | - | 31.95 | 31.95 |
| Grades 7-8 | - | 28.98 | 28.98 | - | 29.15 | 29.15 |
| Grades 9-12 | - | 74.59 | 74.59 | - | 74.51 | 74.51 |
| Total | <u>-</u> | <u>164.62</u> | <u>164.62</u> | <u>-</u> | <u>165.40</u> | <u>165.40</u> |
| ADA Totals | <u>128.44</u> | <u>279.57</u> | <u>408.01</u> | <u>129.68</u> | <u>279.11</u> | <u>408.79</u> |

Long Valley School generates over 80% of its ADA from classroom-based educational activities.
Thompson Peak Charter School generates 100% of its ADA from a full-time independent study program.

LONG VALLEY CHARTER SCHOOL
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025

| Long Valley | | | | | |
|--------------------|-------------------------|-----------------------|--|------------------------------------|----------------------------------|
| Grade Level | Minutes Required | 2024-2025 | | Required Instructional Days | Traditional Calendar Days |
| | E.C.47612.5 | Actual Minutes | | | Status |
| Transitional | 36,000 | 54,225 | | 175 | 175 |
| Kindergarten | 36,000 | 54,225 | | 175 | 175 |
| Grade 1 | 50,400 | 50,725 | | 175 | 175 |
| Grade 2 | 50,400 | 50,725 | | 175 | 175 |
| Grade 3 | 50,400 | 54,440 | | 175 | 175 |
| Grade 4 | 54,000 | 54,440 | | 175 | 175 |
| Grade 5 | 54,000 | 54,440 | | 175 | 175 |
| Grade 6 | 54,000 | 54,440 | | 175 | 175 |
| Grade 7 | 54,000 | 54,440 | | 175 | 175 |
| Grade 8 | 54,000 | 54,440 | | 175 | 175 |
| Grade 9 | 54,000 | 0* | | 175 | 175 |
| Grade 10 | 54,000 | 0* | | 175 | 175 |
| Grade 11 | 54,000 | 0* | | 175 | 175 |
| Grade 12 | 54,000 | 0* | | 175 | 175 |

| Thompson Peak | | | | | |
|----------------------|-------------------------|-----------------------|--|------------------------------------|----------------------------------|
| Grade Level | Minutes Required | 2024-2025 | | Required Instructional Days | Traditional Calendar Days |
| | E.C.47612.5 | Actual Minutes | | | Status |
| Transitional | 36,000 | 0* | | 175 | 175 |
| Kindergarten | 36,000 | 0* | | 175 | 175 |
| Grade 1 | 50,400 | 0* | | 175 | 175 |
| Grade 2 | 50,400 | 0* | | 175 | 175 |
| Grade 3 | 50,400 | 0* | | 175 | 175 |
| Grade 4 | 54,000 | 0* | | 175 | 175 |
| Grade 5 | 54,000 | 0* | | 175 | 175 |
| Grade 6 | 54,000 | 0* | | 175 | 175 |
| Grade 7 | 54,000 | 0* | | 175 | 175 |
| Grade 8 | 54,000 | 0* | | 175 | 175 |
| Grade 9 | 54,000 | 0* | | 175 | 175 |
| Grade 10 | 54,000 | 0* | | 175 | 175 |
| Grade 11 | 54,000 | 0* | | 175 | 175 |
| Grade 12 | 54,000 | 0* | | 175 | 175 |

Long Valley

- * Grades 9-12 are offered exclusively through Independent Study and have no actual minutes.

Thompson Peak Charter

- * Grades TK - 12 are offered exclusively through Independent Study and have no actual minutes.

LONG VALLEY CHARTER SCHOOL
RECONCILIATION OF FINANCIAL REPORT - ALTERNATIVE FORM
WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

| | <u>Long Valley</u> | <u>Thompson</u> | <u>Peak</u> | <u>Total</u> |
|---|----------------------------|--------------------------|---------------------|----------------------------|
| June 30, 2025 Financial Report -Alternative Form | \$ 5,418,301 | \$ 680,154 | \$ 6,098,455 | |
| Fund Balances (Net Assets) | | | | |
| Adjustments and Reclassifications: | | | | |
| Increase (Decrease) of Fund Balance Net Assets: | | | | |
| Deferred Revenue | 1,471 | | 1,471 | |
| Accounts Payable | (13,438) | (57,394) | | (70,832) |
| Accrued Liabilities | (22,716) | (15,120) | | (37,836) |
| Cash | 1,845 | | 1,845 | |
| Accounts Receivable | | 3,085 | | 3,085 |
| Fixed Assets | (78,409) | (5,277) | | (83,686) |
| Right-of-Use Lease Assets | 78,409 | 5,277 | | 83,686 |
| Net Adjustments and Reclassifications | (34,309) | (67,958) | | (102,267) |
| June 30, 2025 Audited Financial Statement | | | | |
| Fund Balance Net Assets | <u>\$ 5,383,992</u> | <u>\$ 612,196</u> | | <u>\$ 5,996,188</u> |

LONG VALLEY CHARTER SCHOOL
OTHER INDEPENDENT AUDITORS' REPORTS SECTION
FOR THE YEAR ENDED JUNE 30, 2025

MATTHEW LEMAS
CPA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

4225 Executive Square, Suite 600, La Jolla, CA 92037 | Tel 858.242.5686 | Fax 309.410.4146

**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***

To the Board of Directors of
Long Valley Charter School
Doyle, 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 Long Valley Charter School (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 5, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with the *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Matthew Lemas CPA & Associates

San Diego, California

January 5, 2026

MATTHEW LEMAS
CPA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

4225 Executive Square, Suite 600, La Jolla, CA 92037 | Tel 858.242.5686 | Fax 309.410.4146

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

To the Board of Directors of
Long Valley Charter School
Doyle, California

Report on State Compliance

Opinion

We have audited Long Valley Charter School (the School) compliance with the compliance requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the School's state program requirements identified below for the year ended June 30, 2025.

In our opinion, Long Valley Charter School complied in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standard applicable to the financial audits contained in Government Auditing Standards, issued by the comptroller General of the United States, and the 2024-25 Guide for Annual Audits of K-12 Local education Agencies and State Compliance Reporting. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 opinion. Our audit does not provide a legal determination of the School's 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, 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 my 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 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, We:

- Exercise professional judgement 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 I consider 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 2024-25 *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 controls over compliance. Accordingly, we express no such opinion; and

Auditors' Responsibility for the Audit of Compliance (Continued)

- Select and test transactions and recorded to determine the School's compliance with the state laws and regulation applicable to the following items:

| 2024-25 K-12 Audit Guide Procedures | Procedures Performed |
|--|-----------------------------|
| School Districts, Country Offices of Education, and Charter Schools: | |
| Proposition 28 Arts and Music in Schools | Yes |
| After/Before School Education and Safety Program | Not |
| Proper Expenditure of Education Protection Account Funds | Applicable* |
| Unduplicated Local Control Funding Formula Pupil Counts | Yes |
| Local Control and Accountability Plan | Yes |
| Independent Study-Course Based | Not |
| Immunizations | Applicable* |
| Educator Effectiveness | Yes |
| Expanded Learning Opportunities Grant (ELO-G) | Yes |
| Career Technical Education Incentive Grant | Yes |
| Expanded Learning Opportunities Program | Yes |
| Transitional Kindergarten | Yes |
| Kindergarten Continuance | Yes |
| Charter Schools: | |
| Attendance | Yes |
| Mode of Instruction | Yes |
| Nonclassroom-Based Instruction/Independent Study | Yes |
| Determination of Funding for Nonclassroom-Based Instruction | Yes |
| Annual Instructional Minutes- Classroom Based | Yes |
| Charter School Facility Grant Program | Not |
| | Applicable* |

*The school did not participate in program listed; therefore, no audit procedures were performed

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 noncompliance that we identify during the audit.

Other matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying Schedule of Audit Findings and Questioned Costs as item 2025-001.

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, 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 Auditors' Responsibilities for the Audit of Compliance section 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 2024-25 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Matthew Lemas CPA & Associates
San Diego, California
January 5, 2026

LONG VALLEY CHARTER SCHOOL
FINDINGS AND RECOMMENDATIONS SECTION
FOR THE YEAR ENDED JUNE 30, 2025

**LONG VALLEY CHARTER SCHOOL
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

40000 - State Compliance

Finding 2025-1

Criteria:

Education Code, Section 46120 - Expanded Learning Opportunities Program

Condition:

The school did not offer Expanded Learning Opportunities Program Instruction for all days as required by Education Code, Section 46120(b) (1) (C).

Effect:

The school received Expanded Learning Opportunities Program funding for days that instruction was not offered.

Quantification:

For the year ended June 30, 2025, Expanded Learning Opportunities Program revenues were overstated by the following amount:

| | QUESTIONED COSTS |
|---------------------------------|--|
| Noncompliant Instructional Days | <u>30</u> <u>24,198</u> * |
| TOTAL | <u>30</u> <u>\$ 24,198</u> |

* Amount was determined using CDE Worksheet Penalty Calculator for (ELO-P)

Recommendation:

If the school continues to participate in Expanded Learning Opportunities Program they must modify their program calander to include all required instructional days in order to avoid funding penalties.

Corrective Action Plan:

The school has opted out of ELO-P for the 2026-27 school year. The will continue the same school schedule and be subject to the penalty for the 2025-26 school year.

**LONG VALEY CHARTER SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

| <u>Findings/Recommendations</u> | <u>Current Status</u> | <u>Explanation If Not Implemented</u> |
|--|------------------------------|--|
| NONE | N/A | N/A |