

**EDUCATION FOR CHANGE**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2025**

**OPERATING:**

**CHARTER SCHOOLS:**  
**ACHIEVE ACADEMY (#0780)**  
**ASCEND (#1443)**  
**COX ACADEMY (#0740)**  
**LATITUDE 37.8 HIGH SCHOOL (#2015)**  
**LAZEAR CHARTER ACADEMY (#1464)**  
**LEARNING WITHOUT LIMITS (#1442)**

**PROPERTY HOLDING LLC:**  
**EPIC 1112 LLC**



CPAs | CONSULTANTS | WEALTH ADVISORS

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Education for Change  
Oakland, California

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Education for Change (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2025, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the School 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 Opinion***

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

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

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

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

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

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

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

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

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

***Report on Summarized Comparative Information***

We have previously audited the School's 2024 consolidated financial statements, and expressed an unmodified opinion on those statements in our report dated December 12, 2024 except for footnote 4 which was dated October 15, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

**Supplementary Information**

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

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2025 on our consideration of the School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Ontario, California  
December 10, 2025

**EDUCATION FOR CHANGE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

<b>ASSETS</b>	2025	2024
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 7,802,760	\$ 18,215,943
Accounts Receivable - Federal and State	9,272,368	11,601,350
Accounts Receivable - Other	141,174	98,222
Prepaid Expenses and Other Assets	148,523	133,394
Total Current Assets	17,364,825	30,048,909
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Property, Plant, and Equipment, Net		
Land	1,066,938	1,066,938
Buildings and Building Improvements	39,915,215	38,170,272
Equipment	388,864	381,118
Construction in Progress	33,986,115	30,182,847
Accumulated Depreciation	(5,031,226)	(3,608,057)
Total Property, Plant, and Equipment, Net	70,325,906	66,193,118
Operating Right-of Use (ROU) Asset	724,103	873,449
Total Assets	\$ 88,414,834	\$ 97,115,476
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 4,681,927	\$ 10,541,801
Deferred Revenue	6,311,277	9,470,156
Notes Payable, Current Portion	227,023	216,370
Prop 1D Liability, Current Portion	232,576	227,977
Prop 51 Liability, Current Portion	397,018	-
Operating Lease Liabilities, Current Portion	284,244	262,413
Total Current Liabilities	12,134,065	20,718,717
<b>LONG-TERM LIABILITIES</b>		
Notes Payable	8,751,463	8,978,486
Prop 1D Liability	7,633,414	7,865,233
Prop 51 Liability	15,179,733	16,215,104
Operating Lease Liabilities Long-term	464,377	628,729
Total Long-Term Liabilities	32,028,987	33,687,552
Total Liabilities	44,163,052	54,406,269
<b>NET ASSETS</b>		
Without Donor Restriction	44,251,782	42,709,207
Total Net Assets	44,251,782	42,709,207
Total Liabilities and Net Assets	\$ 88,414,834	\$ 97,115,476

See accompanying Notes to Consolidated Financial Statements.

**EDUCATION FOR CHANGE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

	2025	2024
<b>REVENUES, WITHOUT DONOR RESTRICTION</b>		
State Revenue:		
State Aid	\$ 29,713,159	\$ 28,225,335
Other State Revenue	20,985,826	22,227,977
Federal Revenue:		
Grants and Entitlements	3,633,799	8,091,078
Local Revenue:		
In-Lieu Property Tax Revenue	8,583,024	8,040,928
Contributions	2,460,213	2,808,277
Measure G1	585,729	549,427
ERC Revenue	-	3,658,144
Interest Income	-	334,504
Other Revenue	31,000	38,901
Total Revenues	65,992,750	73,974,571
<b>EXPENSES</b>		
Program Services	50,531,232	46,565,355
Management and General	13,918,943	14,319,393
Total Expenses	64,450,175	60,884,748
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION</b>	1,542,575	13,089,823
Net Assets Without Donor Restriction - Beginning of Year	42,709,207	29,619,384
<b>NET ASSETS WITHOUT DONOR RESTRICTION - END OF YEAR</b>	\$ 44,251,782	\$ 42,709,207

See accompanying Notes to Consolidated Financial Statements.

**EDUCATION FOR CHANGE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)**

	Program Services	Management and General	Eliminations	Total 2025	Total 2024
Salaries and Wages	\$ 23,708,788	\$ 10,096,256	\$ -	\$ 33,805,044	\$ 32,337,799
Pension Expense	6,477,251	-	-	6,477,251	5,256,715
Other Employee Benefits	3,762,608	-	-	3,762,608	3,316,908
Payroll Taxes	1,438,811	-	-	1,438,811	1,589,797
District Oversight Fees	-	290,355	-	290,355	281,784
Legal Expenses	-	177,235	-	177,235	421,777
Accounting Expenses	-	7,415	-	7,415	-
Other Fees for Services	7,856,845	11,950	-	7,868,795	6,798,830
Advertising and Promotion Expenses	-	-	-	-	107,575
Office Expenses	-	130,220	-	130,220	197,644
Information Technology Expenses	-	81,332	-	81,332	70,748
Occupancy Expenses	3,316,302	208,004	(702,400)	2,821,906	2,744,201
Travel Expenses	212,261	-	-	212,261	653,650
Conference and Meeting Expenses	105,059	-	-	105,059	74,682
Interest Expense	-	597,920	-	597,920	793,460
Depreciation Expense	-	1,423,170	-	1,423,170	1,543,993
Insurance Expense	-	294,311	-	294,311	284,986
Instructional Materials	2,543,531	81,377	-	2,624,908	2,140,880
Home Office Service Fees	-	5,440,185	(5,440,185)	-	-
Other Expenses	1,812,176	519,398	-	2,331,574	2,269,319
Subtotal	51,233,632	19,359,128	(6,142,585)	64,450,175	60,884,748
Eliminations	(702,400)	(5,440,185)	6,142,585	-	-
Total Functional Expenses 2025	<u>\$ 50,531,232</u>	<u>\$ 13,918,943</u>	<u>\$ -</u>	<u>\$ 64,450,175</u>	
Total Functional Expenses 2024		<u>\$ 14,319,393</u>	<u>\$ -</u>		<u>\$ 60,884,748</u>

See accompanying Notes to Consolidated Financial Statements.

**EDUCATION FOR CHANGE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)**  
**JUNE 30, 2025**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,542,575	\$ 13,089,823
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Prop 51 Liability Converted to Grant Revenue	(3,507,848)	(9,107,018)
Depreciation Expense	1,423,170	1,543,993
Change in Operating Assets:		
Accounts Receivable - Federal and State	2,328,982	(477,440)
Accounts Receivable - Other	(42,952)	(53,894)
Prepaid Expenses and Other Assets	(15,129)	(45,843)
Operating Right-of-Use Asset	149,346	129,183
Change in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	(5,859,874)	(625,515)
Deferred Revenue	(3,158,879)	1,756,131
Operating Lease Liabilities	(142,521)	(119,309)
Net Cash Provided (Used) by Operating Activities	(7,283,130)	6,090,111
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property, Plant, and Equipment	(5,555,959)	(19,151,457)
Net Cash Used by Investing Activities	(5,555,959)	(19,151,457)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Notes Payable	(443,590)	(6,687,764)
Proceeds from Notes Payable	2,869,496	25,322,122
Net Cash Provided by Financing Activities	2,425,906	18,634,358
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(10,413,183)	5,573,012
Cash and Cash Equivalents - Beginning of Year	18,215,943	12,642,931
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 7,802,760	\$ 18,215,943
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 597,920	\$ 793,460
Noncash Investing and Financing Transactions:		
Prop 51 Liability Converted to Grant Revenue	\$ 3,507,848	\$ 9,107,018

See accompanying Notes to Consolidated Financial Statements.

**EDUCATION FOR CHANGE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Education for Change (the School) is a California nonprofit public benefit corporation and is organized to manage and operate public charter schools. The School began serving students in September 2011 and is funded principally through state of California public education monies received through the California Department of Education.

The charters may be revoked by the District, the Alameda County Office of Education (ACOE), or the California State Board of Education for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Education for Change, a charter management organization, was incorporated on January 21, 2005, under the laws of the state of California as a nonprofit benefit corporation. During the year ended June 30, 2025 the School managed six (6) charter schools, Achieve Academy (Achieve), ASCEND, Cox, Lazear Charter Academy (Lazear), Learning Without Limits (LWL), and Latitude 37.8 High School (the Schools). Cox was granted its charter in 2005; Achieve in 2006; ASCEND, Lazear, and LWL in 2012; and Latitude 37.8 High School in 2018, all pursuant to the terms of the Charter Schools Act of 1992, as amended. Achieve, ASCEND, and LWL are all sponsored by the Oakland Unified School District (the District); Cox and Lazear are sponsored by the Alameda County Office of Education (ACOE). Latitude 37.8 High School is sponsored by the California State Board of Education and began serving students in August 2018. The mission of the School is to achieve an excellent, high quality, free public education for all children with its focus on traditionally underserved children in the Oakland geographical area.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of Epic 1112 LLC (the LLC), of which the School is the sole member. The LLC was formed to hold title to property located in Oakland, California. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as Education for Change.

**Cash and Cash Equivalents**

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

**Use of Estimates**

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

**EDUCATION FOR CHANGE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**Basis of Accounting**

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

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. During the year ended June 30, 2025 all expenses were directly applied and not allocated.

**Basis of Presentation**

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

**Net Asset Classes**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2025. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost if purchased or at estimated fair value, if donated. The School capitalizes all expenditures for land, buildings, and equipment in excess of \$2,000.

**EDUCATION FOR CHANGE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**Property, Plant, and Equipment (Continued)**

Depreciation expense was \$1,423,170 for the year ended June 30, 2025. Depreciation is calculated on the straight-line basis over the following useful lives:

Buildings	30 Years
Improvements	15 Years
Equipment	5 Years

**Property Taxes**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of the School is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

**Compensated Absences**

Accumulated unpaid employee vacation benefits are recognized as a liability of the School. Employees of the School are paid for days or hours worked based upon Board approved schedules which include vacation. Sick leave is accumulated without limit for each employee at the equivalent rate of one day for each full month of service. Sick leave with pay is provided when employees are absent for health reasons. Accrued sick leave is not paid out upon termination and therefore, not recorded on the consolidated financial statements.

**Revenue Recognition**

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

**Contributions**

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

**EDUCATION FOR CHANGE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**Conditional Grants**

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2025, the School has conditional grants of \$9,507,501 of which \$6,311,277 is recognized as deferred revenue in the consolidated statement of financial position.

**Income Taxes**

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

The LLC is considered a disregarded entity and, therefore, exempt from the payment of income taxes. Additionally, the LLC is in the process of obtaining exemption from the California state LLC fee under California Revenue and Taxation Code Section 23701h.

**Subsequent Events**

The School has evaluated subsequent events through December 10, 2025, the date these consolidated financial statements were available to be issued.

**Comparative Totals**

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School's consolidated financial statements for the year ended June 30, 2024, from which the summarized information was derived.

**Leases**

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

**EDUCATION FOR CHANGE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**Leases (Continued)**

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

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

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

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures are comprised of the following as of June 30, 2025:

Cash and Cash Equivalents	\$ 7,802,760
Accounts Receivable - Federal and State	9,272,368
Accounts Receivable - Other	141,174
Financial Assets Available for General Expenditure	<u>\$ 17,216,302</u>

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

**EDUCATION FOR CHANGE**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 3 CONCENTRATION OF CREDIT RISK**

The School maintains an interest-bearing cash account with a financial institution. The account at this institution is insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash in this account exceeds the maximum insured amount. The School has not experienced any losses regarding this account and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 4 EMPLOYEE RETIREMENT**

**Multiemployer Defined Benefit Pension Plans**

Qualified employees are covered under multiemployer defined benefit pension plans maintained by agencies of the state of California.

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

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

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability, and survivor benefits to beneficiaries.

Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2024 total STRS plan net assets are \$341 billion, the total actuarial present value of accumulated plan benefits is \$482 billion, contributions from all employers totaled \$8.577 billion, and the plan is 76.7% funded. The School did not contribute more than 5% of the total contributions to the plan.

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

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for the year ended June 30, 2025 was 19.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

**EDUCATION FOR CHANGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 EMPLOYEE RETIREMENT (CONTINUED)**

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

The School's contributions to STRS are as follows:

<u>Year Ended June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2023	\$ 3,175,828	100%
2024	3,194,001	100%
2025	3,908,187	100%

**Public Employees' Retirement System (PERS)**

Plan Description

The School contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by CalPERS. Plan information for PERS is not publicly available. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. According to the most recently available Actuarial Valuation Report for the year ended June 30, 2024, the School Employer Pool total plan assets are \$93.2 billion, the present value of accumulated plan benefits is \$129 billion, contributions from all employers totaled \$5.369 billion, and the plan is 72.3% funded. The School did not contribute more than 5% of the total contributions to the plan.

Copies of the CalPERS' annual financial reports may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814 and [www.calpers.ca.gov](http://www.calpers.ca.gov).

Funding Policy

Active plan members are required to contribute 8.0% of their salary for Public Employees' Pension Reform Act (PEPRA) members and 7.0% of their salary for classic members. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for year ended June 30, 2025 was 27.05%. The contribution requirements of the plan members are established and may be amended by state statute.

The School 's contributions to PERS for each of the last three years are as follows:

<u>Year Ended June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2023	\$ 1,900,298	100%
2024	2,062,714	100%
2025	2,569,064	100%

**EDUCATION FOR CHANGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 4 EMPLOYEE RETIREMENT (CONTINUED)**

**Defined Contribution Plan**

The School offers an Internal Revenue Code Section 403(b) retirement plan to each of its qualifying employees. Employee contributions are used to purchase annuity contracts for each participant employee. Additionally, the employer may elect to make a discretionary contribution for each qualifying employee for each plan year. The School did not contribute to the plan for the year ended June 30, 2025.

**NOTE 5 LEASES**

The School leases equipment as well as certain office facilities for various terms under long-term, non-cancelable lease agreements. The School also has a lease for school facilities with the LLC. The leases expire at various dates through 2028 and provide for renewal options ranging from 12 months to 5 years. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. The agreements generally require the School to pay real estate taxes, insurance, and repairs. Some lease agreements also require the School to comply with certain covenants and to maintain certain financial ratios. As of June 30, 2025, the School believes it was in compliance with all ratios and covenants.

The following table provides quantitative information concerning the School's lease for the year ended June 30, 2025:

	<u>Amount</u>
Lease Costs	
Operating Lease Costs	<u>\$ 313,019</u>
Total Lease Costs	<u>\$ 313,019</u>
Other Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating Cash Flows from Operating Leases	\$ 308,075
Right-Of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 122,617
Weighted-Average Remaining Lease Term - Operating Leases	2.18 Years
Weighted-Average Discount Rate - Operating	4.14%

**EDUCATION FOR CHANGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 5 LEASES (CONTINUED)**

The School classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025, is as follows:

<u>Year Ending June 30,</u>	<u>Unrelated Operating Leases</u>	<u>Related Operating Leases</u>
2026	\$ 298,087	\$ 702,400
2027	309,502	702,400
2028	182,558	-
Total Lease Payments	<u>790,147</u>	<u>1,404,800</u>
Less: Interest	(41,526)	(52,645)
Present Value of Lease Liabilities	<u>\$ 748,621</u>	<u>\$ 1,352,155</u>

**NOTE 6 FACILITY USE AGREEMENTS**

The School has facility use agreements with Oakland Unified School District (OUSD) for its facilities at the following charter schools: Achieve Academy, Ascend, Cox Academy, Lazear Charter Academy, and Learning Without Limits. The agreements expire at various dates through 2035. Payment amounts vary and are negotiated annually or are based on a percentage of the charter school's revenue and are dependent on the number of in-district and out-of-district students enrolled in the charter school. Total payments related to these agreements paid to OUSD for the year ended June 30, 2025 was \$1,009,152.

**NOTE 7 COMMITMENTS (PROP 1D LIABILITY)**

The School was awarded \$17,068,510 through Proposition 1D at Lazear of which \$8,534,255 is a grant and \$8,534,255 is long-term debt. As the School incurs construction costs, the grant portion of the award is recognized. During the year ended June 30, 2022 the entire amount of the award was recognized as revenue and repayments of the liability began in 2023. Total liabilities related to Prop 1D total \$7,865,990 as of June 30, 2025.

Future payments of Proposition 1D liability are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 232,576
2027	237,268
2028	242,054
2029	246,937
2030	251,919
Thereafter	<u>6,655,236</u>
Total	<u>\$ 7,865,990</u>

**EDUCATION FOR CHANGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025**

**NOTE 8 COMMITMENTS (PROP 51 LIABILITY)**

The School was awarded \$27,557,324 through Proposition 51 at Achieve Academy of which \$13,778,662 is a grant and \$13,778,662 is long-term debt. As the School incurs construction costs, the grant portion of the award is recognized. During the year ended June 30, 2025, the entire amount of the award was recognized and repayment of the liability portion will commence in August 2025. Total liabilities related to Prop 51 at Achieve Academy as of June 30, 2025 total \$13,778,662.

Future payments of Proposition 51 liability are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 397,018
2027	358,404
2028	365,336
2029	373,011
2030	380,537
Thereafter	11,904,356
Total	<u><u>\$ 13,778,662</u></u>

Additionally, the School was awarded \$2,869,496 through Proposition 51 at Cox Academy of which \$1,434,748 will be a grant and \$1,434,748 will be long-term debt. As the School incurs construction costs, the grant portion of the award is recognized. For the year ended June 30, 2025, \$1,071,407 of the Proposition 51 liability was recognized as grant revenue. Repayment of the debt portion will commence approximately one year after occupancy of the project. Total liabilities related to Prop 51 at Cox Academy as of June 30, 2025 total \$1,798,089.

**NOTE 9 NOTES PAYABLE**

**Banc of California**

In November 2022, the LLC obtained a loan from Banc of California in the amount of \$9,500,000 that carries an interest rate of 4.75% per annum. The loan matures in November 2027 and requires monthly payments of principal and interest of \$54,540 with a balloon payment due upon maturity. As of June 30, 2025 the loan balance outstanding is \$8,978,486.

Future maturities under these notes are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 227,023
2027	238,201
2028	8,513,262
Total	<u><u>\$ 8,978,486</u></u>

**EDUCATION FOR CHANGE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2025**

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

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

## **SUPPLEMENTARY INFORMATION**

**EDUCATION FOR CHANGE  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2025**

	Instructional Minutes		Traditional Calendar	Status
	Requirement	Actual	Days	
<b>Achieve Academy:</b>				
TK	36,000	59,385	177	In Compliance
Kindergarten	36,000	58,500	177	In Compliance
Grade 1	50,400	52,305	177	In Compliance
Grade 2	50,400	54,960	177	In Compliance
Grade 3	50,400	54,960	177	In Compliance
Grade 4	54,000	54,960	177	In Compliance
Grade 5	54,000	54,960	177	In Compliance
<b>ASCEND:</b>				
TK - Kindergarten	36,000	55,050	177	In Compliance
Grade 1	50,400	51,105	177	In Compliance
Grade 2	50,400	51,105	177	In Compliance
Grade 3	50,400	51,105	177	In Compliance
Grade 4	54,000	54,570	177	In Compliance
Grade 5	54,000	54,570	177	In Compliance
Grade 6	54,000	56,365	177	In Compliance
Grade 7	54,000	56,365	177	In Compliance
Grade 8	54,000	56,365	177	In Compliance
<b>Cox Academy:</b>				
TK	36,000	53,220	177	In Compliance
Kindergarten	36,000	58,305	177	In Compliance
Grade 1	50,400	53,910	177	In Compliance
Grade 2	50,400	53,910	177	In Compliance
Grade 3	50,400	55,145	177	In Compliance
Grade 4	54,000	55,145	177	In Compliance
Grade 5	54,000	54,525	177	In Compliance
<b>Lazear Charter Academy:</b>				
TK	36,000	54,945	177	In Compliance
Kindergarten	36,000	59,110	177	In Compliance
Grade 1	50,400	51,725	177	In Compliance
Grade 2	50,400	54,380	177	In Compliance
Grade 3	50,400	55,860	177	In Compliance
Grade 4	54,000	55,860	177	In Compliance
Grade 5	54,000	57,050	177	In Compliance
Grade 6	54,000	57,050	177	In Compliance
Grade 7	54,000	56,760	177	In Compliance
Grade 8	54,000	56,760	177	In Compliance
<b>Learning Without Limits:</b>				
TK - Kindergarten	36,000	60,495	177	In Compliance
Grade 1	50,400	54,300	177	In Compliance
Grade 2	50,400	54,300	177	In Compliance
Grade 3	50,400	56,070	177	In Compliance
Grade 4	54,000	56,070	177	In Compliance
Grade 5	54,000	56,070	177	In Compliance
<b>Latitude:</b>				
Grade 9	64,800	66,270	178	In Compliance
Grade 10	64,800	66,270	178	In Compliance
Grade 11	64,800	66,270	178	In Compliance
Grade 12	64,800	66,270	178	In Compliance

**EDUCATION FOR CHANGE  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
YEAR ENDED JUNE 30, 2025**

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Achieve Academy:				
TK/K-3	357.69	361.63	360.09	363.67
Grades 4 and 5	157.61	158.86	159.16	160.24
Total Achieve Academy	<u>515.30</u>	<u>520.49</u>	<u>519.25</u>	<u>523.91</u>
ASCEND:				
TK/K-3	205.88	208.69	206.03	208.42
Grades 4 through 6	150.85	152.23	150.73	152.01
Grades 7 and 8	104.27	105.18	104.19	104.90
Total ASCEND Academy	<u>461.00</u>	<u>466.10</u>	<u>460.95</u>	<u>465.33</u>
Cox Academy:				
TK/K-3	283.16	287.01	281.76	285.35
Grades 4 and 5	131.76	133.06	131.30	132.44
Total Cox Academy	<u>414.92</u>	<u>420.07</u>	<u>413.06</u>	<u>417.79</u>
Lazear Charter Academy:				
TK/K-3	200.07	200.53	199.62	200.23
Grades 4 through 6	157.19	157.48	156.83	157.14
Grades 7 through 8	107.85	108.04	107.61	107.89
Total Lazear Charter Academy	<u>465.11</u>	<u>466.05</u>	<u>464.06</u>	<u>465.26</u>
Learning Without Limits:				
TK/K-3	191.30	191.70	191.06	191.70
Grades 4 through 5	119.26	119.41	118.34	118.51
Total Learning Without Limits	<u>310.56</u>	<u>311.11</u>	<u>309.40</u>	<u>310.21</u>
Latitude:				
Grade 9 through 12	356.05	359.04	356.45	359.47
Total Latitude	<u>356.05</u>	<u>359.04</u>	<u>356.45</u>	<u>359.47</u>
Total Average Daily Attendance	<u><u>2,522.94</u></u>	<u><u>2,542.86</u></u>	<u><u>2,523.17</u></u>	<u><u>2,541.97</u></u>

**EDUCATION FOR CHANGE  
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

	<u>Achieve Academy</u>	<u>ASCEND</u>	<u>Cox Academy</u>	<u>Lazear Charter Academy</u>	<u>Learning Without Limits</u>	<u>Latitude</u>
June 30, 2025 Annual Financial Report Fund Balances (Net Assets)	\$ 22,431,926	\$ 3,037,002	\$ 5,710,963	\$ 10,183,902	\$ 4,956,673	\$ 2,205,189
Adjustments and Reclassifications:						
Increase (Decrease) of Fund Balance (Net Assets):						
Cash and Cash Equivalents	5,425,844	(3,352,909)	(4,855,998)	16,041,118	(4,972,606)	3,129,217
Accounts Receivable - Federal and State	-	3,352,909	4,855,998	-	4,956,606	-
Operating Right-of-Use (ROU) Asset	35,041	19,255	32,203	28,882	28,882	1,367,635
Accounts Payable and Accrued Liabilities	-	-	-	-	-	(3,113,218)
Intercompany Payable	(5,425,844)	-	-	(16,041,118)	-	-
Prop 51 Liability	(1,117,601)	-	(363,341)	-	-	-
Operating Lease Liabilities	<u>(35,041)</u>	<u>(19,263)</u>	<u>(32,203)</u>	<u>(28,894)</u>	<u>(28,894)</u>	<u>(1,367,635)</u>
Net Adjustments and Reclassifications	<u>(1,117,601)</u>	<u>(8)</u>	<u>(363,341)</u>	<u>(12)</u>	<u>(16,012)</u>	<u>15,999</u>
June 30, 2025 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 21,314,325</u>	<u>\$ 3,036,994</u>	<u>\$ 5,347,622</u>	<u>\$ 10,183,890</u>	<u>\$ 4,940,661</u>	<u>\$ 2,221,188</u>

See the independent auditors' report and the notes to supplementary information

**EDUCATION FOR CHANGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Additional Award Identification	Achieve Academy	ASCEND	Cox Academy	Lazear Charter Academy	Learning Without Limits	Latitude	Total Federal Expenditures
<b>U.S. Department of Education</b>										
Pass-Through the California Department of Education										
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329		\$ 208,113	\$ 173,755	\$ 193,247	\$ 169,419	\$ 143,547	\$ 87,461	\$ 975,542
Title II, Part A, Improving Teacher Quality	84.367	14341		21,878	20,383	17,789	19,153	11,940	12,210	103,353
Title III, English Learner Student Program	84.365	14346		58,206	38,849	33,776	25,365	25,766	12,149	194,111
Title III, Immigrant Student Program	84.365	15146		15,648	4,784	6,169	3,273	5,791	2,014	37,679
Title IV, Student Support & Academic Enrichment Program	84.424	14941		15,713	7,313	15,170	3,120	11,331	10,000	62,647
Special Education Cluster:										
IDEA Basic Local Assistance Entitlement, Part B	84.027	13379		88,056	78,290	161,894	77,802	66,896	56,968	529,906
Total Special Education Cluster				88,056	78,290	161,894	77,802	66,896	56,968	529,906
Coronavirus Aid, Relief, and Economic Security Act (CARES Act):										
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	COVID-19	-	337,493	-	5,694	-	-	343,187
ARP Homeless Children and Youth										
Statewide Activities (ARP-HCY Statewide Activities)	84.425U	15566	COVID-19	4,760	-	4,090	-	-	137,960	146,810
Total Coronavirus Aid, Relief, and Economic Security Act (CARES Act)				4,760	337,493	4,090	5,694	-	137,960	489,997
Total U.S. Department of Education				412,374	660,867	432,135	303,826	265,271	318,762	2,393,235
<b>U.S. Department of Agriculture</b>										
Pass-Through the California Department of Education										
Child Nutrition Cluster:										
School Breakfast Program	10.553	13390		51,392	51,405	61,228	61,228	18,937	61,228	305,418
National School Lunch Program	10.555	23165		231,971	176,696	204,397	148,868	138,946	34,268	935,146
Total Child Nutrition Cluster				283,363	228,101	265,625	210,096	157,883	95,496	1,240,564
Total U.S. Department of Agriculture				283,363	228,101	265,625	210,096	157,883	95,496	1,240,564
Total Expenditures of Federal Awards				\$ 695,737	\$ 888,968	\$ 697,760	\$ 513,922	\$ 423,154	\$ 414,258	\$ 3,633,799

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

See the independent auditors' report and the notes to supplementary information

**EDUCATION FOR CHANGE  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
YEAR ENDED JUNE 30, 2025**

<b>ASSETS</b>	Achieve Academy	ASCEND	Cox Academy	Lazear Charter Academy	Learning Without Limits	Latitude	Home Office	Epic 1112 LLC	Eliminations	Total
<b>CURRENT ASSETS</b>										
Cash and Cash Equivalents	\$ 10,040,242	\$ (368,455)	\$ 44,684	\$ 18,553,504	\$ (135,209)	\$ 4,554,389	\$ (25,225,278)	\$ 338,883	\$ -	\$ 7,802,760
Accounts Receivable - Federal and State	1,771,765	1,662,801	1,374,236	1,299,371	1,110,764	2,049,231	4,200	-	-	9,272,368
Accounts Receivable - Other	(9,169)	(319)	5,966	(319)	(319)	5,363	139,971	-	-	141,174
Intercompany Receivable	-	3,352,909	4,855,999	-	4,956,606	-	12,236,534	-	(25,402,048)	-
Prepaid Expenses and Other Assets	21,595	19,900	20,540	18,536	14,409	6,286	47,257	-	-	148,523
Total Current Assets	<u>11,824,433</u>	<u>4,666,836</u>	<u>6,301,425</u>	<u>19,871,092</u>	<u>5,946,251</u>	<u>6,615,269</u>	<u>(12,797,316)</u>	<u>338,883</u>	<u>(25,402,048)</u>	<u>17,364,825</u>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>										
Land	-	-	-	-	-	-	-	1,066,938	-	1,066,938
Buildings and Building Improvements	192,958	188,683	266,967	17,941,434	196,739	41,160	-	21,087,274	-	39,915,215
Equipment	57,878	53,826	56,931	26,320	25,187	168,722	-	-	-	388,864
Construction In Progress	31,247,271	-	2,142,814	562,020	-	31,919	2,091	-	-	33,986,115
Accumulated Depreciation	(124,339)	(125,061)	(150,611)	(2,464,986)	(77,504)	(180,980)	(2,445)	(1,905,300)	-	(5,031,226)
Total Property, Plant, and Equipment, Net	<u>31,373,768</u>	<u>117,448</u>	<u>2,316,101</u>	<u>16,064,788</u>	<u>144,422</u>	<u>60,821</u>	<u>(354)</u>	<u>20,248,912</u>	<u>-</u>	<u>70,325,906</u>
Investment in Subsidiary	-	-	-	-	-	-	10,786,940	-	(10,786,940)	-
Operating Right-of-Use (ROU) Asset	35,041	19,255	32,203	28,882	28,882	1,367,635	564,360	-	(1,352,155)	724,103
Total Assets	<u>\$ 43,233,242</u>	<u>\$ 4,803,539</u>	<u>\$ 8,649,729</u>	<u>\$ 35,964,762</u>	<u>\$ 6,119,555</u>	<u>\$ 8,043,725</u>	<u>\$ (1,446,370)</u>	<u>\$ 20,587,795</u>	<u>\$ (37,541,143)</u>	<u>\$ 88,414,834</u>
<b>LIABILITIES AND NET ASSETS</b>										
<b>CURRENT LIABILITIES</b>										
Accounts Payable and Accrued Liabilities	\$ 1,259,714	\$ 768,481	\$ 342,702	\$ 680,629	\$ 530,054	\$ 342,165	\$ 757,682	\$ 500	\$ -	\$ 4,681,927
Deferred Revenue	1,419,656	978,801	1,129,113	1,164,241	619,946	999,520	-	-	-	6,311,277
Intercompany Payable	5,425,844	-	-	16,041,118	-	3,113,217	-	821,869	(25,402,048)	-
Notes Payable, Current Portion	-	-	-	-	-	-	-	227,023	-	227,023
Prop 1D Liability, Current Portion	-	-	-	232,576	-	-	-	-	-	232,576
Prop 51 Liability, Current Portion	397,018	-	-	-	-	-	-	-	-	397,018
Operating Lease Liabilities, Current Portion	17,171	9,046	15,780	13,569	13,569	670,164	207,524	-	(662,579)	284,244
Total Current Liabilities	<u>8,519,403</u>	<u>1,756,328</u>	<u>1,487,595</u>	<u>18,132,133</u>	<u>1,163,569</u>	<u>5,125,066</u>	<u>965,206</u>	<u>1,049,392</u>	<u>(26,064,627)</u>	<u>12,134,065</u>
Total Liabilities										
<b>LONG-TERM LIABILITIES</b>										
Prop 1D Liability	-	-	-	7,633,414	-	-	-	-	-	7,633,414
Prop 51 Liability	13,381,644	-	1,798,089	-	-	-	-	-	-	15,179,733
Notes Payable	-	-	-	-	-	-	-	8,751,463	-	8,751,463
Operating Lease Liabilities	17,870	10,217	16,423	15,325	15,325	697,471	381,322	-	(689,576)	464,377
Total Long-Term Liabilities	<u>13,399,514</u>	<u>10,217</u>	<u>1,814,512</u>	<u>7,648,739</u>	<u>15,325</u>	<u>697,471</u>	<u>381,322</u>	<u>8,751,463</u>	<u>(689,576)</u>	<u>32,028,987</u>
Total Liabilities	<u>21,918,917</u>	<u>1,766,545</u>	<u>3,302,107</u>	<u>25,780,872</u>	<u>1,178,894</u>	<u>5,822,537</u>	<u>1,346,528</u>	<u>9,800,855</u>	<u>(26,754,203)</u>	<u>44,163,052</u>
<b>NET ASSETS</b>										
Without Donor Restriction	21,314,325	3,036,994	5,347,622	10,183,890	4,940,661	2,221,188	(2,792,898)	10,786,940	(10,786,940)	44,251,782
Total Net Assets	<u>21,314,325</u>	<u>3,036,994</u>	<u>5,347,622</u>	<u>10,183,890</u>	<u>4,940,661</u>	<u>2,221,188</u>	<u>(2,792,898)</u>	<u>10,786,940</u>	<u>(10,786,940)</u>	<u>44,251,782</u>
Total Liabilities and Net Assets	<u>\$ 43,233,242</u>	<u>\$ 4,803,539</u>	<u>\$ 8,649,729</u>	<u>\$ 35,964,762</u>	<u>\$ 6,119,555</u>	<u>\$ 8,043,725</u>	<u>\$ (1,446,370)</u>	<u>\$ 20,587,795</u>	<u>\$ (37,541,143)</u>	<u>\$ 88,414,834</u>

See the independent auditors' report and the notes to supplementary information

**EDUCATION FOR CHANGE  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

	Achieve Academy	ASCEND	Cox Academy	Lazear Charter Academy	Learning Without Limits	Latitude	Home Office	Epic 1112 LLC	Eliminations	Total
<b>REVENUES, WITHOUT DONOR RESTRICTION</b>										
State Revenue:										
State Aid	\$ 5,730,715	\$ 5,036,971	\$ 4,677,616	\$ 5,010,223	\$ 3,388,250	\$ 5,869,384	\$ -	\$ -	\$ -	\$ 29,713,159
Other State Revenue	5,964,742	3,137,341	4,243,989	2,511,765	2,257,919	2,870,070	-	-	-	20,985,826
Federal Revenue:										
Grants And Entitlements	695,737	888,968	697,760	513,922	423,154	414,258	-	-	-	3,633,799
Local Revenue:										
In-Lieu Property Tax Revenue	2,045,671	1,831,904	1,650,993	1,831,707	1,222,749	-	-	-	-	8,583,024
Contributions	136,565	72,779	406,977	1,276	132,249	198,129	1,512,238	-	-	2,460,213
Measure G1	104,502	168,317	86,117	159,254	67,539	-	-	-	-	585,729
Home Office Service Fees	-	-	-	-	-	-	5,440,185	-	(5,440,185)	-
Loss from Ownership in Subsidiary	-	-	-	-	-	-	(518,295)	-	518,295	-
Other Revenue	-	-	-	-	16,000	-	15,000	702,400	(702,400)	31,000
Total Revenues Without Donor Restriction	<u>14,677,932</u>	<u>11,136,280</u>	<u>11,763,452</u>	<u>10,028,147</u>	<u>7,507,860</u>	<u>9,351,841</u>	<u>6,449,128</u>	<u>702,400</u>	<u>(5,624,290)</u>	<u>65,992,750</u>
<b>EXPENSES</b>										
Program Services	9,803,805	8,854,795	8,695,737	7,836,883	6,016,105	7,283,093	2,743,214	-	(702,400)	50,531,232
Management and General	2,450,961	2,345,463	2,031,420	2,802,300	1,510,427	2,092,354	4,905,508	1,220,695	(5,440,185)	13,918,943
Total Expenses	<u>12,254,766</u>	<u>11,200,258</u>	<u>10,727,157</u>	<u>10,639,183</u>	<u>7,526,532</u>	<u>9,375,447</u>	<u>7,648,722</u>	<u>1,220,695</u>	<u>(6,142,585)</u>	<u>64,450,175</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION</b>	2,423,166	(63,978)	1,036,295	(611,036)	(18,672)	(23,606)	(1,199,594)	(518,295)	518,295	1,542,575
Net Assets without Donor Restriction - Beginning of Year	<u>18,891,159</u>	<u>3,100,972</u>	<u>4,311,327</u>	<u>10,794,926</u>	<u>4,959,333</u>	<u>2,244,794</u>	<u>(1,593,304)</u>	<u>11,305,235</u>	<u>(11,305,235)</u>	<u>42,709,207</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTION - END OF YEAR</b>	<u>\$ 21,314,325</u>	<u>\$ 3,036,994</u>	<u>\$ 5,347,622</u>	<u>\$ 10,183,890</u>	<u>\$ 4,940,661</u>	<u>\$ 2,221,188</u>	<u>\$ (2,792,898)</u>	<u>\$ 10,786,940</u>	<u>\$ (10,786,940)</u>	<u>\$ 44,251,782</u>

See the independent auditors' report and the notes to supplementary information

**EDUCATION FOR CHANGE  
CONSOLIDATING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2025**

	Achieve Academy	ASCEND	Cox Academy	Lazear Charter Academy	Learning Without Limits	Latitude	Home Office	Epic 1112 LLC	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Change in Net Assets	\$ 2,423,166	\$ (63,978)	\$ 1,036,295	\$ (611,036)	\$ (18,672)	\$ (23,606)	\$ (1,199,594)	\$ (518,295)	\$ 518,295	\$ 1,542,575
Adjustments to Reconcile Change in Net Assets to Net Cash Flows Provided (Used) by Operating Activities:										
Prop 51 Liability Converted to Grant Revenue	(2,436,441)	-	(1,071,407)	-	-	-	-	-	-	(3,507,848)
Depreciation Expense	23,332	23,393	35,252	613,162	4,116	49,462	-	674,453	-	1,423,170
Change in Investment in Subsidiary	-	-	-	-	-	-	518,295	-	(518,295)	-
(Increase) Decrease in Operating Assets:										
Accounts Receivable - Federal and State	420,383	220,331	514,145	1,021,685	335,585	(539,543)	356,396	-	-	2,328,982
Accounts Receivable - Other	2,250	-	(13,292)	-	-	(5,363)	(26,547)	-	-	(42,952)
Intercompany Receivable	641,835	1,261,178	318,703	-	806,242	1,684,094	(12,236,534)	-	7,524,482	-
Prepaid Expenses and Other Assets	(1,547)	(537)	(1,209)	848	3,694	8,335	(24,713)	-	-	(15,129)
Operating Right-of-Use Asset	18,467	(24,490)	12,802	(17,656)	(28,882)	628,821	183,218	-	(622,934)	149,346
Increase (Decrease) in Operating Liabilities:										
Accounts Payable and Accrued Liabilities	(2,149,985)	(846,444)	(1,201,762)	(731,858)	(826,405)	(67,968)	(34,276)	(1,176)	-	(5,859,874)
Deferred Revenue	(756,039)	(984,224)	(936,266)	(410,352)	(464,322)	392,324	-	-	-	(3,158,879)
Intercompany Payable	5,425,844	-	-	3,955,118	-	3,113,217	(5,068,208)	98,511	(7,524,482)	-
Operating Lease Liabilities	(18,467)	24,498	(12,802)	17,668	28,894	(628,821)	(176,425)	-	622,934	(142,521)
Net Cash Provided (Used) by Operating Activities	3,592,798	(390,273)	(1,319,541)	3,837,579	(159,750)	4,610,952	(17,708,388)	253,493	-	(7,283,130)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Purchases of Property, Plant, and Equipment	(3,873,341)	(7,746)	(1,514,411)	(103,657)	(1)	(56,802)	-	(1)	-	(5,555,959)
Net Cash Used by Investing Activities	(3,873,341)	(7,746)	(1,514,411)	(103,657)	(1)	(56,802)	-	(1)	-	(5,555,959)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Repayment of Notes Payable	-	-	-	(227,220)	-	-	-	(216,370)	-	(443,590)
Proceeds from Notes Payable	-	-	2,869,496	-	-	-	-	-	-	2,869,496
Net Cash Provided (Used) by Financing Activities	-	-	2,869,496	(227,220)	-	-	-	(216,370)	-	2,425,906
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(280,543)	(398,019)	35,544	3,506,702	(159,751)	4,554,150	(17,708,388)	37,122	-	(10,413,183)
Cash and Cash Equivalents - Beginning of Year	10,320,785	29,564	9,140	15,046,802	24,542	239	(7,516,890)	301,761	-	18,215,943
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 10,040,242</u>	<u>\$ (368,455)</u>	<u>\$ 44,684</u>	<u>\$ 18,553,504</u>	<u>\$ (135,209)</u>	<u>\$ 4,554,389</u>	<u>\$ (25,225,278)</u>	<u>\$ 338,883</u>	<u>\$ -</u>	<u>\$ 7,802,760</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>										
Cash Paid for Interest	\$ -	\$ -	\$ -	\$ 159,808	\$ -	\$ -	\$ -	\$ 438,112	\$ -	\$ 597,920
Prop 51 Liability Converted to Grant Revenue	\$ 2,436,441	\$ -	\$ 1,071,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,507,848

See the Independent Auditors' Report and the Notes to Supplementary Information

**EDUCATION FOR CHANGE  
NOTES TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2025**

**PURPOSE OF SCHEDULES**

**NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME**

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

**NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE**

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

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

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

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

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the School, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the School. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 5 INDIRECT COST RATE**

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

**NOTE 6 CONSOLIDATING FINANCIAL STATEMENTS**

These statements report the financial position, activities, and cash flows for each of Education for Change's charter schools and its single member LLC.

**EDUCATION FOR CHANGE  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
JUNE 30, 2025**

Education for Change (the School), a charter management organization, was incorporated on January 21, 2005, under the laws of the state of California as a nonprofit benefit corporation and is the founder of Cox Academy which was formerly named E. Morris Cox Elementary Charter School. During the year ended June 30, 2025 the School managed six (6) charter schools: Achieve Academy, ASCEND, Cox Academy, Lazear Charter Academy, Learning Without Limits, and Latitude. Each charter was granted pursuant to the terms of the Charter Schools Act of 1992, as amended.

The School's charters are as follows:

Achieve Academy

Charter granted in 2006 by Oakland Unified School District and renewed in 2011.  
State charter number: 0780

ASCEND

Charter granted in 2012 by Oakland Unified School District.  
State charter number: 1443

Cox Academy

Charter granted in 2005 by Oakland Unified School District and renewed in 2015 by Alameda County Office of Education.  
State charter number: 0740

Lazear Charter Academy

Charter granted in 2012 by Alameda County Office of Education.  
State Charter Number: 1464

Learning Without Limits

Charter granted in 2012 by Oakland Unified School District.  
State Charter number: 1442

Latitude 37.8 High School

Charter granted in 2018 by California State Board of Education  
State Charter number: 2015

**EDUCATION FOR CHANGE  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)  
JUNE 30, 2025**

The Board of Directors and the Administrators as of the year ended June 30, 2025 were as follows:

**BOARD OF DIRECTORS**

<b>Member</b>	<b>Office</b>	<b>Term Expires</b>
Eva Camp	Chair	August 2025 (3 Years)
Nick Driver	Member	June 2028 (3 Years)
Damon Grant	Member	August 2027 (3 Years)
Mike Barr	Member	October 2026 (3 Years)
Lauren Weston	Member	October 2026 (3 Years)
Erika Cisneros	Member	October 2026 (3 Years)
Niloy Gangopadhyay	Member	August 2026 (3 Years)
Sonia Urzua	Member	February 2026 (3 Years)
Stephisha Ycoy-Walton	Member	October 2025 (1 Year)
Chris Campbell	Member	April 2027 (3 Years)
Kimmy Ovalle	Member	October 2025 (1 Year)

**ADMINISTRATORS**

Larissa Adam	Superintendent of Schools
Abigail Nunez	Chief of Schools
Brandee Stewart	Assistant Superintendent
Ernest Peterson	Chief Talent and Strategy Officer
Sundar Chari	Chief Business Officer
Tavita Robles	Director of Site Operations



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

Board of Directors  
Education for Change  
Oakland, 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 Education for Change (the School), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

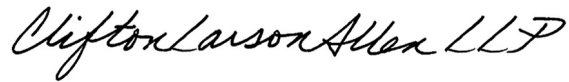
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 School’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Ontario, California  
December 10, 2025



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

Board of Directors  
Education for Change  
Oakland, California

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

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

We have audited Education for Change(the School) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2025. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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



**CliftonLarsonAllen LLP**

Ontario, California  
December 10, 2025



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

Board of Directors  
Education for Change  
Oakland, California

### **Report on Compliance**

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

We have audited Education for Change's (the School) compliance with the types of compliance requirements applicable to the School described in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2025. The School's applicable State compliance requirements are identified in the table below.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that are applicable to the School for the year ended June 30, 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 standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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

### **Auditors' Responsibility for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Compliance Requirements Tested**

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

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable
Career Technical Education Incentive Grant (CTEIG)	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	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Not Applicable: The School did not receive program funding or did not otherwise operate the program during the fiscal year.

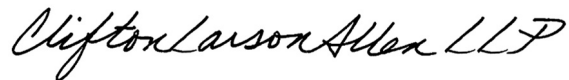
**Report on Internal Control over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Ontario, California  
December 10, 2025

**EDUCATION FOR CHANGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2025**

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

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**Consolidated Financial Statements**

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

**Federal Awards**

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

**Identification of Major Federal Programs**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
10.553, 10.555	Child Nutrition Cluster

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

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

**EDUCATION FOR CHANGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025**

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

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

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

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

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

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

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

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There were no findings or questioned costs related to state awards for June 30, 2025.

**EDUCATION FOR CHANGE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2025**

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the prior year.

**2024-001 After School Education and Safety 40000**  
**Achieve Academy #0780, Cox Academy #0740, ASCEND #1443, Lazear #1464 & Learning Without Limits #1442**

**Criteria:** Per Education code section 8483 (a)(1)(B) every after school component of the program shall establish a policy regarding reasonable early daily release of pupils from the program. Additionally, per the 2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting this includes maintaining records to support a pupils early release from the program is in line with its established policy. Education code section 8484 states accurate attendance data is required to be reported on a semi-annual and annual basis.

**Condition:** During our testing of attendance records, it was noted that documentation was not kept for some students who did not participate in the full day of the ASES program in line with the early release policy. Of the students sampled 11 of the 19 students had sign-out times before the end of the program but no documentation of the reason to verify it was in line with the early release policy for 35 of the 177 days sampled from 9/5/23 to 9/19/23. Additionally, of the students sampled 5 of the 19 did not have sign-outs in the attendance records for 28 of the 177 days sampled from 9/5/23 to 9/19/23 so we were unable to verify if any student attended less than the full day.

**Status:** Implemented.

**2024-002 Expanded Learning Opportunities Program 40000**  
**Achieve Academy #0780, Cox Academy #0740, ASCEND #1443, Lazear #1464 & Learning Without Limits #1442**

**Criteria:** Pursuant to Education Code Section 46120(b), LEAs should provide access to expanded learning opportunity programs and furthermore per EC Section 46120(g)(6), "Provide access," with respect to an "expanded learning opportunity program," means to enroll in the expanded learning opportunity program. If a parent or guardian has a signed expanded learning opportunity program registration form and that form is on file, the pupil shall be considered enrolled in the expanded learning opportunity program.

**Condition:** During ELOP testing, we selected a representative sample of students with submitted registration forms and found that 48 out of the 69 students sampled did not have completed program registration forms.

**Status:** Implemented.



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