WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

Altus Schools Southern California

Financial Statements (Revised)

June 30, 2025

Audeo Charter II
(Charter School #1835)

Altus Schools North County
(Charter School #1935)

Audeo Valley Charter School
(Charter School #2118)

Altus Schools East County
(Charter School #1889)

Mirus Secondary
(Charter School #0885)

Altus Schools South Bay
(Charter School #1903)

Altus Schools Coachella Valley
(Charter School #2166)

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WILKINSON HADLEY
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CPAs AND ADVISORS

BRIAN K. HADLEY, CPA
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Independent Auditor's Report

To the Board of Directors
Altus Schools Southern California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Altus Schools Southern California (the Corporation), a nonprofit 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 Corporation 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 (*Government Auditing Standards*). 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 the Corporation 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.

Other Matters

As discussed in Note A to the financial statements, the financial statements as originally issued have been revised to include disclosure of the 415(m) excess benefit plan, which was previously omitted. In addition, certain clerical corrections have been made. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's financial statements.

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.

The accompanying financial statements by school and additional accompanying supplementary information, as identified in the Table of Contents and as required by the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* is presented for purposes of additional analysis and is 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards 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 Other Information section of the report, as identified in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.

El Cajon, California
January 15, 2026

Financial Statements

Altus Schools Southern California

Statement of Financial Position

June 30, 2025

Assets	
Cash and cash equivalents	$ 35,826,670
Accounts receivable	3,386,503
Prepaid expenses	1,064,968
Security deposits	84,340
Property and equipment, net	3,020,699
Right-of-use assets, operating leases	
Facilities	7,443,273
Accumulated amortization	(2,426,101)
Accrued rent	(180,233)
Right-of-use assets, financing leases	
Equipment	375,853
Accumulated amortization	(210,348)
Total Assets	$ 48,385,624
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 826,454
Accrued payroll and related liabilities	236,425
Accrued vacation liability	52,269
Unearned revenue	841,403
Leases payable - operating	5,017,175
Leases payable - financing	167,628
Notes and loans payable	62,494
Total Liabilities	7,203,848
Net Assets	
Without donor restrictions	
Invested in capital assets, net	2,838,340
Undesignated	35,338,744
Total without donor restrictions	38,177,084
With donor restrictions	
Restricted for state programs	3,004,692
Total with donor restrictions	3,004,692
Total Net Assets	41,181,776
Total Liabilities and Net Assets	$ 48,385,624

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

Altus Schools Southern California

Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF)			
State aid	$ 22,795,126	$ -	$ 22,795,126
Education protection account state aid	2,770,284	-	2,770,284
Transfers in lieu of property taxes	1,553,169	-	1,553,169
Total LCFF sources	27,118,579	-	27,118,579
Federal contracts and grants	-	1,774,403	1,774,403
State contracts and grants	481,027	4,584,680	5,065,707
Local contracts and grants	651,646	57,783	709,429
Interest income	681,966	-	681,966
Fair market value adjustments	188,951	-	188,951
Net assets released from restriction -			
Grant restrictions satisfied	7,504,268	(7,504,268)	-
Total revenue, support, and gains	36,626,437	(1,087,402)	35,539,035
Expenses and Losses			
Program services expense	25,214,468	-	25,214,468
Supporting services expense	2,748,802	-	2,748,802
Total expenses and losses	27,963,270	-	27,963,270
Change in Net Assets	8,663,167	(1,087,402)	7,575,765
Net Assets - Beginning of Year	29,513,917	4,092,094	33,606,011
Net Assets - End of Year	$ 38,177,084	$ 3,004,692	$ 41,181,776

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

Altus Schools Southern California

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Supporting Services	
	Educational Programs	Management and General	Total
Salaries of Officers, Directors & Key Employees	$ 395,541	$ 88,348	$ 483,889
Other Salaries and Wages	10,044,717	608,905	10,653,622
Payroll Taxes	224,239	42,947	267,186
Pension Plan Accruals and Contributions	2,855,106	177,475	3,032,581
Other Employee Benefits	5,348,942	175,574	5,524,516
Fees for Services:			
Accounting	-	40,620	40,620
Legal	-	290,691	290,691
Professional Consulting Services	555,549	170,813	726,362
Temporary Agency Services	63,467	152,637	216,104
Special Education	637,344	-	637,344
Oversight Fees	-	259,887	259,887
Advertising and Promotion	283,365	-	283,365
Office Expenses	136,240	898	137,138
Information Technology	861,950	61,255	923,205
Occupancy	842,550	88,089	930,639
Travel	105,379	14,295	119,674
Conferences, Conventions and Meetings	54,683	51,104	105,787
Interest	3,854	1,504	5,358
Insurance	3,660	171,630	175,290
Other Expenses:			
Maintenance, Leases & Repairs	516,340	184,217	700,557
Books and Supplies	747,206	33,838	781,044
Miscellaneous Expenses	174,945	122,428	297,373
Amortization	993,016	-	993,016
Depreciation	366,375	11,647	378,022
Total expenses by function	$ 25,214,468	$ 2,748,802	$ 27,963,270

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

Altus Schools Southern California

Statement of Cash Flows

Year Ended June 30, 2025

Cash Flows from Operating Activities		
Receipts from federal, state, and local contracts and grants	$	32,735,908
Receipts from property taxes		1,589,850
Receipts from operating interest & FMV adjustments		792,879
Payments for salaries, benefits, and payroll taxes		(20,536,054)
Payments to vendors for goods and services		(7,611,597)
Net Cash Provided By Operating Activities		6,970,986
Cash Flows from Investing Activities		
Purchases of property and equipment		(1,714,801)
Acquisition of right-to-use assets		(1,845,635)
Net Cash Used For Investing Activities		(3,560,436)
Cash Flows from Financing Activities		
Proceeds from leases payable		1,845,635
Principal payments on loan payable		(62,494)
Principal payments on leases payable		(992,272)
Net Cash Provided By Financing Activities		790,869
Net Change in Cash and Cash Equivalents		4,201,419
Cash and Cash Equivalents, Beginning of Year		31,625,251
Cash and Cash Equivalents, End of Year	$	35,826,670
Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities		
Change in net assets	$	7,575,765
Adjustments to reconcile change in net assets to net cash:		
Depreciation		378,022
Amortization		993,016
Changes in operating assets and liabilities		
(Increase) Decrease in assets		
Accounts receivable		684,639
Prepaid expenses		(594,184)
Security deposits		(23,096)
Accrued rent		23,175
Increase (Decrease) in liabilities		
Accounts payable		(387,054)
Accrued payroll and related liabilities		(568,104)
Accrued vacation liability		(6,156)
Unearned revenue		(1,105,037)
Net Cash Provided By Operating Activities	$	6,970,986

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

A. Principal Activity and Summary of Significant Accounting Policies

Organization

Altus Schools Southern California (the Corporation) is a California Non-Profit Public Benefit Corporation which was formed on November 1, 2000. Under the Charter Schools Act of 1992, a charter school is authorized to elect to operate as, or be operated by, a nonprofit public benefit corporation. Audeo Charter II, Altus Schools North County, Audeo Valley Charter School, Altus Schools East County, Mirus Secondary, Altus Schools South Bay, and Altus Schools Coachella Valley elected to be operated by Altus Schools Southern California. The Corporation is organized and operated exclusively for educational and charitable purposes pursuant to and within the meaning of Section 501(c)(3) of the Internal Revenue Code. The specific purposes of this corporation are: (1) to manage, operate, guide, direct and promote one or more California public charter schools ("Related Public Charter Schools") as may be established to provide public education based on the Altus Model; (2) to manage, enhance, improve, disseminate, administer guide and direct the Altus Model and its use by Related Public Charter Schools; (3) to establish, manage, administer, guide and direct such other educational programs including without limitation, preschools, elementary, middle schools, secondary, alternative schools or community programs; (4) to perform and undertake any and all activities and functions, including soliciting contributions of money and property from the general public, as may be proper in connection with the Corporation's general and specific purposes. Also in the context of these purposes, the Corporation shall not, except to an insubstantial degree, engage in any other activities or exercise of power that do not further the purpose of the Corporation.

Audeo Charter II was formed on July 14, 2016 as a charter school pursuant to California Education Code §47600 under a charter agreement with the San Diego County Board of Education. It is a public school that offers independent study instruction to students in grades kindergarten through twelve at two resource centers in the geographic boundaries of Carlsbad Unified School District. Students receive a personalized and rigorous academic experience from multi-certificated and specially trained faculty. They learn in a safe and supportive environment. Audeo Charter II is fully accredited by the Western Association of Schools and Colleges.

Altus Schools North County was formed on March 14, 2018 as a charter school pursuant to California Education Code §47600 under a charter agreement with Escondido Union High School District ("District"). It is a public school that offers independent study instruction to students in grades six through twelve at one resource center in the geographic boundaries of the District. Students receive a personalized and rigorous academic experience from multi-certificated and specially trained faculty. They learn in a safe and supportive environment. Altus Schools North County is fully accredited by the Western Association of Schools and Colleges.

Audeo Valley Charter School was formed on March 3, 2021, as a charter school pursuant to the California Education Code §47600 under a charter agreement with Riverside County Board of Education. It is a public school that offers independent study instruction to students in grades six through twelve at one resource center in Riverside County beginning July 1, 2021. Students will receive a personalized and rigorous academic experience from multi-certificated and specially trained faculty. They learn in a safe and supportive environment. Audeo Valley Charter School is fully accredited by the Western Association of Schools and Colleges.

Altus Schools East County was formed on July 12, 2017, as a charter school pursuant to California Education Code §47600 under a charter agreement with the California State Board of Education. It is a public school that offers independent study instruction to students in grades seven through twelve at three resource centers in the geographic boundaries of Grossmont Union High School District. Students receive a personalized and rigorous academic experience from multi-certificated and specially trained faculty. They learn in a safe and supportive environment. Altus Schools East County is fully accredited by the Western Association of Schools and Colleges.

Mirus Secondary was formed on May 15, 2007, as a charter pursuant to California Education Code §47600 under an agreement with the Hesperia Unified School District. It is a public school that offers independent study to students in grades seven through twelve at two resource centers in San Bernardino County and one in Riverside County. Students receive a personalized and rigorous academic experience from multi-certificated and specially trained faculty. They learn in a safe and supportive environment. Mirus Secondary is fully accredited by the Western Association of Schools and Colleges.

Altus Schools South Bay was formed on September 13, 2017, as a charter school pursuant to California Education Code §47600 under a charter agreement with the California State Board of Education. It is a public school that offers independent study instruction to students in grades seven through twelve at four resource centers in the geographic boundaries of Sweetwater Union High School District. Students receive a personalized and rigorous academic experience from multi-certificated and specially trained faculty. They learn in a safe and supportive environment. Altus Schools South Bay is fully accredited by the Western Association of Schools and Colleges.

Altus Schools Coachella Valley was formed on June 30, 2025, as a charter school pursuant to California Education Code §47600 under a charter agreement with the Riverside County Office of Education to begin operations on July 1, 2025. It is a public school that offers independent study instruction to students in grades seven through twelve in Riverside County. Students will receive a personalized and rigorous academic experience from multi-certificated and specially trained faculty. They learn in a safe and supportive environment.

The Corporation's mission is to implement personalized education programs to facilitate student achievement. These educational programs will demonstrate that student-based educational reform can provide a prototype for changing the way teachers teach and students learn in the future. The Corporation operates under the oversight of a board of directors which is comprised of four members.

Charter School Name Change

Effective May 17, 2024, Audeo Charter School III officially changed its name to Altus Schools North County. On January 19, 2024, Grossmont Secondary School officially changed its name to Altus Schools East County and Sweetwater Secondary School officially changed its name to Altus Schools South Bay. There was no change in financial statements as a result of these name changes.

Nature of Activities

Audeo Charter II is an educational option designed for students in grades kindergarten through twelve. The core instructional method is a modified independent study program. The Corporation designs the students' course of study around their Pathway Personalized Education Plan ("PPEP").It offers students a rigorous academic experience taught by multi-certificated and specially trained teachers. The Corporation also offers small-group instruction that focuses on building skills around a curriculum that is standards based. The PPEP and the "university model" owes much of its positive outcomes to the unique collaboration between parents, students, and teachers.

Altus Schools North County is an educational option designed for students in grades six through twelve. The core instructional method is a modified independent study program. The Corporation designs the students' course of study around their own personalized education plans. It offers students a rigorous academic experience taught by multi-certificated and specially trained teachers. The Corporation also offers small-group instruction that focuses on building skills around a curriculum that is standards based. The "university model" owes much of its positive outcomes to the unique collaboration between parents, students, and teachers.

Audeo Valley Charter School is an educational option designed for students in grades six through twelve. The core instructional method is a modified independent study program. The Corporation designs the students' course of study around their own personalized education plans. It offers students a rigorous academic experience taught by multi-certificated and specially trained teachers. The Corporation also offers small-group instruction that focuses on building skills around a curriculum that is standards based. The "university model" owes much of its positive outcomes to the unique collaboration between parents, students, and teachers.

Altus Schools East County is an educational option designed for students in grades seven through twelve. The core instructional method is a modified independent study program. The Corporation designs the students' course of study around their own personalized education plans. It offers students a rigorous academic experience taught by multi-certificated and specially trained teachers. The Corporation also offers small-group instruction that focuses on building skills around a curriculum that is standards based. The "university model" owes much of its positive outcomes to the unique collaboration between parents, students, and teachers.

Mirus Secondary is an educational option designed for students in grades seven through twelve. The core instructional method is a modified independent study program. The Corporation designs the students' course of study around their own personalized education plans. It offers students a rigorous academic experience taught by multi-certificated and specially trained teachers. The Corporation also offers small-group instruction that focuses on building skills around a curriculum that is standards based. The "university model" owes much of its positive outcomes to the unique collaboration between parents, students, and teachers.

Altus Schools South Bay is an educational option designed for students in grades seven through twelve. The core instructional method is a modified independent study program. The Corporation designs the students' course of study around their own personalized education plans. It offers students a rigorous academic experience taught by multi-certificated and specially trained teachers. The Corporation also offers small-group instruction that focuses on building skills around a curriculum that is standards based. The "university model" owes much of its positive outcomes to the unique collaboration between parents, students, and teachers.

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 corporations. The Corporation uses the accrual basis of accounting, under which revenues are recognized when they are earned, and expenditures are recognized in the accounting period in which the liability is incurred.

Cash and Cash Equivalents

The Corporation considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of non-interest bearing amounts due to the Corporation for federal, state, and local grants and contracts receivable. The amounts in accounts receivable are considered fully collectable and as such there has not been an allowance for uncollectable accounts or discount established for the Corporation.

Property and Equipment

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

The Corporation reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2025.

Investments

The Corporation's method of accounting for investments, in accordance with generally accepted accounting principles, is the fair value method. Fair value is determined by published quotes. Changes in fair value of investments result in increases or decreases in unrealized fair values of equity investments. Adjustments to fair values are reflected as unrealized gain/loss on investments in the accompanying statement of activities. The Corporation's policy is to follow the fair value measurement and reporting requirements contained in FASB ASC 820 *Fair Value Measurements and Disclosures*.

Prepaid Expenses

Prepaid expenses are recorded to account for expenditures during the benefiting period.

Leases

The Corporation leases facilities and equipment which are utilized in its charitable purpose. The Corporation determines if an arrangement is a lease at inception. Operating leases are included in the operating lease right-of-use assets, other current liabilities, and operating lease liabilities in the Statement of Financial Position. Financing leases are included in the financing lease right-of-use assets, other current liabilities, and financing lease liabilities in the Statement of Financial Position.

Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. Our lease term may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

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

The Corporation has lease agreements with lease and non-lease components, which are generally accounted for separately. The Corporation has elected to apply the short-term lease exemption to any leases with terms of 12 months or less or any leases below the threshold of $5,000.

In evaluating contracts to determine if they qualify as a lease, the Corporation considers factors such as whether they have obtained substantially all of the rights to the underlying asset through exclusivity, if the Corporation 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.

In allocating consideration in the contract to the separate lease components and the non-lease components, the Corporation uses the stand-alone prices of the lease and non-lease components. Observable stand-alone prices are used, if available. If the stand-alone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Corporation. Accumulated sick leave benefits are not recognized as liabilities of the Corporation. The Corporation's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Net Assets

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 those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Corporation's program services, administrating, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended June 30, 2025.

Estimates

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

Revenue and Revenue Recognition

The Corporation follows the provisions of FASB ASC 958-605 thereby recognizing revenue when applicable performance-related barriers have been satisfied and the revenue is earned. A performance-related barrier represents something that must be achieved, performed or delivered in order to receive funds. Performance-related barriers are required to be measurable, limit discretion by recipient on the conduct of the activity, and the stipulations are related to the purpose of the agreement or grant. When funds are received and performance-related barriers are not satisfied, the Corporation records the funds as unearned revenue.

After the Corporation has determined that performance-related barriers have been satisfied, the revenue is recognized as either restricted or unrestricted based on the nature of the resources and conditions of the grantor. Restrictions on recognized revenue could constitute allowable uses of the resources that are narrower than the Corporation's mission but are not considered performance-related barriers. Restricted resources are released from their restriction once the restricted purpose has been satisfied.

The Corporation primarily receives funds from the California Department of Education (CDE). Local Control Funding Formula revenue and state revenues received from CDE are based on the Corporation's average daily attendance (ADA) of students and recognized in the period the ADA occurs. In addition, the Corporation receives state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

LCFF Revenues and Payments in Lieu of Property Taxes

The Corporation's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the local control funding formula (LCFF) on statewide charter school rates multiplied by the schools' average daily attendance (ADA) as reported at the second principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the School, which is funding in lieu of property taxes, and education protection account funds paid by the state under Proposition 30. The remaining balance is paid from the state general fund, in the form of LCFF State Aid. LCFF funding sources, inclusive of state and local sources, made up 76.3% of the Corporation's revenue.

The LCFF includes the following components applicable to the Corporation:

1. Provides a base grant for each school based on the school's ADA. The actual base grant varies based on grade span.
2. Provides an adjustment of 2.6 percent on the base grant amount for grades nine through twelve.
3. Provides a supplemental grant equal to 20 percent of the adjusted base grants for targeted disadvantaged students. Targeted students are those classified as English Learners (EL), eligible to receive a free or reduced-price meal (FRPM), foster youth, homeless youth, or any combination of these factors (unduplicated count).
4. Provides a concentration grant equal to 65 percent of the adjusted base grant for targeted students exceeding 55 percent of the school's enrollment.

The Corporation is not at risk of losing these funding sources, as long as the schools maintain a steady level of ADA, as these funding sources are mandated by the California State Constitution to fund schools.

Income Taxes

The Corporation is a 509(a)(1) publicly supported non-profit Corporation that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The Corporation is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The Corporation may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2025, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The Corporation follows provisions of uncertain tax positions as addressed in ASC 958. The Corporation recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2025.

The Corporation files informational and income tax returns in the United States and in the state of California. The federal income tax and informational returns are subject to examination by the Internal Revenue Service for three years after the returns are filed. State and local jurisdictions have statutes of limitation that generally range from three to five years.

Advertising

Advertising costs are expensed as incurred and approximated $283,365 during the year ended June 30, 2025.

Financial Instruments and Credit Risk

The Corporation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Corporation to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Corporation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable is limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from government agencies. Investments are made by diversified investment managers whose performance is monitored by the Corporation and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Corporation believes that the investment policies and guidelines are prudent for the long-term welfare of the organization.

New Accounting Guidance

The Financial Accounting Standards Board (FASB) issues accounting standards updates and additional guidance for not-for-profit and for-profit agencies to establish consistent accounting across all organizations in the United States. The following table represents items that have been issued by FASB that became effective in the 2024-25 fiscal year:

Description	Date Issued
FASB Accounting Standards Update 2018-12 - *Financial Services Insurance (Topic 944)*	Aug-18
FASB Accounting Standards Update 2019-09 - *Financial Services, Insurance (Topic 944)*	Nov-19
FASB Accounting Standards Update 2020-06 - *Debt (Topic 470-20)*	Aug-20
FASB Accounting Standards Update 2020-06 - *Derivatives and Hedging (Topic 815-40)*	Aug-20
FASB Accounting Standards Update 2021-08 - *Business Combinations (Topic 805)*	Oct-21
FASB Accounting Standards Update 2022-01 - *Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method*	Mar-22
FASB Accounting Standards Update 2023-01 - *Leases (Topic 842): Common Control Arrangements*	Mar-23
FASB Accounting Standards Update 2023-05 - *Business Combinations - Joint Venture Formations (Subtopic 805-60)*	Aug-23
FASB Accounting Standards Update 2023-07 - *Segment Reporting (Topic 280)*	Nov-23

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The Corporation has adopted provisions of effective Accounting Standards Updates. The issuance of these standards did not result in a presentation or accounting change that impacted these financial statements.

Subsequent Events

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through January 15, 2026, the date the financial statements were available to be issued.

Revision of Previously Issued Financial Statements

Subsequent to the original issuance of the financial statements for fiscal year ended June 30, 2025, management identified the need to revise the financial statements to (1) include a disclosure for the 415(m) excess benefit plan (see Note O), which was omitted in the original financial statements, (2) include Altus Schools Coachella Valley on the cover page and organization structure, and (3) correct certain clerical errors in the statement of activities, the Audeo Valley Charter Schools Statement of Financial Position, and note disclosures. These revisions did not affect the ending net assets reported in the financial statements. The revised financial statements were reissued on January 15, 2026.

These revised financial statements supersede the financial statements originally issued on January 12, 2026. Users should rely on these revised financial statements as the authoritative version.

B. Liquidity and Availability

The Corporation's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$ 35,826,670
Accounts receivable	3,386,502
Total	$ 39,213,172

As part of the Corporation's liquidity management plan, the Corporation invests cash in excess of daily requirements in short-term investments and money market funds.

C. Fair Value Measurements and Disclosures

The Corporation reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the Corporation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Corporation's assessment of the quality, risk, or liquidity profile of the asset or liability.

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2025:

Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments:				
Cash in County Treasury	$ 10,198,289	$ -	$ 10,198,289	$ -

D. Cash and Investments

The Corporation's cash and investments on June 30, 2025, consisted of the following:

Cash in county treasury	$ 10,193,427
Cash in county - FMV adjustment	4,862
Cash in bank accounts	25,628,381
Total	$ 35,826,670

Cash in County Treasury

The Corporation is a voluntary participant and therefore maintains a portion of its cash in the San Diego County Treasury as part of the common investment pool. The fair value of the Corporation's portion of this pool as of that date, as provided by the pool sponsor, was $10,198,289. The County Treasury is restricted by Government Code §53635 pursuant to §53601 to invest in time deposits, U.S. Government Securities, state registered warrants, notes or bonds, State Treasurer's investment pool, banker's acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse agreements.

The fair value of the Corporations' investment in this pool is reported in the accompanying financial statements at amounts based upon the Corporation's pro-rata share of the fair value provided by the County Treasury for the entire County Treasury portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasury, which are recorded on an amortized cost basis. Cash may be added or withdrawn from the investment pool without limitation.

Cash in Bank

The remainder of the Corporation's cash is held in financial institutions where the funds are 100% Federal Deposit Insurance Corporation (FDIC) insured via the Insured Cash Sweep (ICS) products which sweeps out any funds in excess of $250,000 each night into other secure FDIC insured financial institutions. The funds are liquid and sweep back as needed.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Corporation's name. Utilizing the ICS products protects the Corporation from custodial credit risk.

E. Accounts Receivable

As of June 30, 2025, the Corporation's accounts receivable consisted of the following:

Federal Government	
Special Education	$ 267,793
Title I	79,788
Other Federal Programs	9,783
State Government	
LCFF State Aid	2,027,087
Lottery	176,593
Career & Technical Education	283,394
Arts & Music	22,121
Special Education	219,332
Local Government	
Property Tax Transfers	133,615
Other Local Sources	
Interest	157,763
Related Party	4,352
Other Local Sources	4,882
Total	$ 3,386,503

F. Prepaid Expenses

As of June 30, 2025, the Corporation's prepaid expenses consisted of the following:

Prepaid software & technology	$ 832,924
Prepaid insurance	2,250
Prepaid rent & leases	164,031
Prepaid memberships	9,718
Other prepaid expenses	56,045
Total	$ 1,064,968

G. Property and Equipment

Property and equipment for the Corporation consisted of the following at June 30, 2025:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Property & Equipment				
Leasehold Improvements	$ 4,932,276	$ 120,528	$ 120,313	$ 4,932,491
Equipment, Furniture & Fixtures	254,422	180,105	-	434,527
Work in Progress	57,396	1,714,801	300,633	1,471,564
Less: Accumulated Depreciation	(3,560,174)	(378,022)	(120,313)	(3,817,883)
Property & Equipment, net	1,683,920	1,637,412	300,633	3,020,699
Right-of-Use Assets - Operating Leases				
Facilities & Equipment	6,535,953	1,626,258	718,938	7,443,273
Less: Accumulated Amortization	(1,649,433)	(952,423)	(175,755)	(2,426,101)
Less: Accrued Rent	(157,058)	(40,244)	(17,069)	(180,233)
Right-of-Use Assets - Operating Leases, net	4,729,462	633,591	526,114	4,836,939
Right-of-Use Assets - Financing Leases				
Facilities & Equipment	212,193	194,712	31,052	375,853
Less: Accumulated Amortization	(200,807)	(40,593)	(31,052)	(210,348)
Right-of-Use Assets - Financing Leases, net	11,386	154,119	-	165,505
Total Capital Assets, net	$ 6,424,768	$ 2,425,122	$ 826,747	$ 8,023,143

H. Intra-Company Payables and Receivables

As of June 30, 2025, the Corporation had the following intra-company payables and receivables:

Due From (Intracompany Payable)	Due To (Intracompany Receivable)	Amount	Purpose
Altus Schools North County	Audeo Charter II	$ 3,309	Reimburse operating expenses
Audeo Valley Charter School	Audeo Charter II	84	Reimburse operating expenses
Altus Schools East County	Audeo Charter II	122	Reimburse operating expenses
Mirus Secondary	Audeo Charter II	177	Reimburse operating expenses
Altus Schools South Bay	Audeo Charter II	2,829	Reimburse operating expenses
Altus Schools South Bay	Altus Schools North County	1,680	Reimburse operating expenses
Altus Schools South Bay	Altus Schools East County	6,126	Reimburse operating expenses
Altus Schools South Bay	Mirus Secondary	6,812	Reimburse operating expenses
Altus Schools South Bay	Audeo Valley Charter School	3,592	Reimburse operating expenses
	Total Intracompany Receivables & Payables	$ 24,731	

I. Accounts Payable

As of June 30, 2025, the Corporation's accounts payable consisted of the following:

Vendors Payable	$	574,390
Authorizing Agency		56,152
Apportionment Repayment		149,092
Related Party		46,820
Total	$	826,454

J. Accrued Payroll and Related Liabilities

As of June 30, 2025, the Corporation's accrued payroll and related liabilities consisted of the following:

Salaries & wages payable	$	19,090
Pension contributions payable		207,361
Payroll taxes payable		2,616
Other employee benefits payable		7,358
Total	$	236,425

K. Unearned Revenue

As of June 30, 2025, the Corporation's unearned revenue consisted of the following:

Federal Government		
ESSA School Improvement	$	167,455
Employee Retention Credit		480,541
Local Sources		
Children's Behavioral Health Grant		193,407
Total	$	841,403

The following table provides information about significant changes in unearned revenue for the year ended June 30, 2025:

Unearned Revenue, beginning of period	$	1,946,440
Changes due to:		
Cash received in current year		3,952,593
Performance obligations met		(5,057,630)
Unearned Revenue, end of period	$	841,403

L. Loans Payable

In July 2021, the Corporation entered into a $250,000 revolving loan, on behalf of Audeo Valley Charter School, with the California School Finance Authority. The loan has an interest rate of 0.382% and matures in July 2025. The balance as of June 30, 2025, is $62,494.

Future minimum payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 62,494	$ 186	$ 62,680

M. Leases

The Corporation entered into lease agreements for the use of facilities and equipment. The components of lease expense were as follows:

Operating lease cost	
Amortization of right-of-use assets	$ 1,014,415
Interest on lease liabilities	246,377
Total operating lease cost	1,260,792
Short-term lease cost	441,497
Finance lease cost	
Amortization of right-of-use assets	40,593
Interest on lease liabilities	4,931
Total finance lease cost	45,524
Total lease expense	$ 1,747,813

The following represents activity for the leases during the fiscal year ended June 30, 2025:

Description	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Leases Payable - Operating	$ 4,874,847	$ 1,692,647	$ 1,550,319	$ 5,017,175
Leases Payable - Financing	-	194,712	27,085	167,627
Total	$ 4,874,847	$ 1,887,359	$ 1,577,404	$ 5,184,802

The following represents additional information related to the Corporation's leases:

Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	$ 7,443,273
Finance leases	375,853
Total	$ 7,819,126
Weighted average remaining lease term:	
Operating leases	69 Months
Finance leases	51 Months
Weighted average discount rate:	
Operating leases	4.81%
Finance leases	3.50%

Future minimum lease payments on the Corporation's leases are as follows:

Year Ended June 30,	Operating Leases	Financing Leases
2026	$ 1,161,801	$ 42,504
2027	1,032,976	42,504
2028	1,009,119	42,504
2029	814,948	42,504
2030	645,134	10,626
Thereafter	1,102,701	-
Total future minimum lease payments	5,766,679	180,642
Less imputed interest	(749,504)	(13,015)
Net future minimum lease payments	$ 5,017,175	$ 167,627

N. Net Assets with Donor Restrictions

The Corporation receives grants from federal and state agencies that are restricted for specific purposes. Once the restricted purpose has been fulfilled, the assets are released from restriction. During the 2024-25 fiscal year the Corporation received multi-year grants restricted to specific purposes. At June 30, 2025, the Corporation had the following restricted net assets:

Restricted for state programs	
Learning Recovery	$ 1,888,912
CCAP Grant	508,452
A-G Access/Success Grant	192,093
Arts & Music in Schools (Prop 28)	133,198
Arts, Music & Instructional Materials	93,111
A-G Learning Loss Mitigation Grant	90,753
Ethnic Studies Block Grant	30,354
LEA BOP	30,182
California Clean Energy Jobs Act	29,882
Educator Effectiveness	6,015
Lottery Funds (Prop 20)	1,740
Total	$ 3,004,692

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended June 30, 2025:

Beginning restricted net assets	$ 4,092,094
Changes due to:	
Restricted grants received	6,474,337
Restricted purpose satisfied	(7,561,739)
Unearned Revenue, end of period	$ 3,004,692

O. Altus Schools 415(m) Excess Benefit Plan

Due to recent developments with CalSTRS, Altus Schools is concerned that CalSTRS may not pay some or all of accrued benefits to certain employees and their spouses and beneficiaries. Altus Schools Southern California wishes to establish a retirement arrangement that will provide the estimated value of any benefits that may be lost in the event that CalSTRS fails or refuses to pay future benefits (in whole or in part) or in the event that CalSTRS seeks to recover benefit paid on the basis that an employee was not eligible for benefits. Altus Schools has determined that the best way to provide such excess benefits is through a defined contribution plan that is a qualified governmental excess benefit arrangement within the meaning of IRS Code section 415(m).

Plan Description

The Corporation sponsors the Altus Schools 415(m) Excess Benefit Plan (the "Plan"), a governmental excess benefit arrangement established under Internal Revenue Code section 415(m). The Plan is designed to provide retirement benefits to certain employees whose contributions to the Altus Schools Defined Contribution Plan are limited by IRC section 415(c). Participation is limited to employees designated by Altus Schools as "Eligible Employees" who are also participants in the Defined Contribution Plan and whose contributions are affected by the IRC limits. As of June 30, 2025, initially the Superintendent of School Services and Founder is the designated Eligible Employee. The Plan Administrator has the authority to amend or terminate the Plan in accordance with the provisions of the Board Approved Plan Document and applicable law.

Funding Policy

The Plan is unfunded; all benefits are paid from the general assets of Altus Schools. No assets are segregated or held in trust for the Plan. The Plan may be amended to comply with legal requirements or, with broader consent, for other purposes.

Contributions

Contributions to the Plan are credited to participant accounts in amounts that would have been contributed to the Defined Contribution Plan but for the IRC section 415(c) limits. The Plan also provides for an initial credit based on the present value of estimated future CalSTRS retirement benefits lost due to the IRC limits. No contributions are required from plan members.

Status of Benefit Obligations

Participants vest in their accounts only after a "Triggering Event," which occurs when the participant separates from employment on or after their retirement date and CalSTRS fails or reduces the participant's retirement benefits. As of June 30, 2025, there have been no triggering events, no vested benefits, and no benefit payments or other activity under the Plan during the fiscal year.

P. Employee Retirement System

Qualified employees are covered under multiple-employer defined benefit pension plans by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the Corporation chooses to stop participating in some of its multi-employer plans, the Corporation may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Corporation's participation in these plans for the fiscal year ended June 30, 2025, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2025, 2024 and 2023 is for the plan's year-end at June 30, 2024, 2023 and 2022, respectively. The zone status is based on information that the Corporation and its schools received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Period to Period Comparability:

There are no economic or other factors that affect period to period comparability as presented below.

Pension Fund	Pension Plan Number	Pension Protection Act Zone Status Year Ended June 30, 2025	2024	2023	FIP/RP Status Pending/ Implemented
Audeo Charter II					
CalSTRS	37205	Green	Green	Green	No
CalPERS	5205480467	Green	Yellow	Yellow	No
Altus Schools North County					
CalSTRS	37216	Green	Green	Green	No
CalPERS	2905906925	Green	Yellow	Yellow	No
Audeo Valley Charter School					
CalSTRS	33117	Green	Green	Green	No
CalPERS	3601801091	Green	Yellow	Yellow	No
Altus Schools East County					
CalSTRS	37207	Green	Green	Green	No
CalPERS	1989668678	Green	Yellow	Yellow	No
Mirus Secondary					
CalSTRS	36233	Green	Green	Green	No
CalPERS	1786151641	Green	Yellow	Yellow	No
Altus Schools South Bay					
CalSTRS	37210	Green	Green	Green	No
CalPERS	4647994257	Green	Yellow	Yellow	No

Pension Fund	Number of Employees	Contributions 2025	2024	2023	Surcharge Imposed
Audeo Charter II					
CalSTRS	38	$ 296,260	$ 429,929	$ 396,170	No
CalPERS	42	56,330	64,111	56,524	No
Altus Schools North County					
CalSTRS	32	178,602	240,092	211,705	No
CalPERS	42	36,798	35,927	37,152	No
Audeo Valley Charter School					
CalSTRS	35	235,098	325,918	299,118	No
CalPERS	42	61,995	73,606	68,540	No
Altus Schools East County					
CalSTRS	36	282,464	413,958	444,284	No
CalPERS	45	97,435	102,713	97,065	No
Mirus Secondary					
CalSTRS	41	401,448	516,493	474,222	No
CalPERS	44	105,072	110,065	112,120	No
Altus Schools South Bay					
CalSTRS	42	402,565	554,314	534,522	No
CalPERS	44	103,285	109,126	79,260	No
Total	483	$ 2,257,352	$ 2,976,252	$ 2,810,682	

CalSTRS:

The Corporation contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level of percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2025, active plan members were required to contribute between 10.205% and 10.25% of their salary, depending on their membership date. The employer contribution rate was 19.10% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The Corporation made contributions as noted above. For the year ended June 30, 2025 the State contributed $775,186 (10.828% of certificated salaries) on behalf of the Corporation.

CalPERS:

The Corporation contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalPERS. 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, with the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Active plan members are required to contribute between 7% and 8% of their salary, depending on their membership date. The employer 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 fiscal year 2024-25 was 27.05% of classified salaries. The Corporation made contributions as noted above.

Q. Joint Ventures (Joint Powers Agreements)

The Corporation participates in two joint powers agreement (JPA) entities, the San Diego County Schools Risk Management (SDCSRM) and the San Diego County Schools Fringe Benefits Consortium (FBC).

The JPAs arrange for and provide for various types of insurances for its member districts and charter schools as requested. The JPAs are governed by boards consisting of one or more representatives from each member. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member districts and schools beyond their representation on the boards. Each member district and school pay a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPAs.

Information on JPAs financials can be obtained by contacting the JPAs directly at 6401 Linda Vista Road, San Diego, CA 92111.

R. Related Party Transactions

Related parties as defined by generally accepted accounting standards include:

1. Affiliates of the entity,
2. Management and members of their immediate families, or
3. Other parties that can significantly influence management or operating policies.

Altus Schools San Diego is affiliated with the Corporation through common executive management. To benefit from cost savings associated with sharing of employees, bulk purchasing, and other negotiations that benefit both organizations, the organizations reimburse such expenses to the organization paying the transaction if there are any.

The following represents transactions that occurred between the Corporation and Altus Schools San Diego during the fiscal year ended June 30, 2025:

	Related Party Payables			
	Balance July 1, 2024	Additions	Payments Received	Balance June 30, 2025
Altus Schools Charter School of San Diego	$ 141,950	$ 218,097	$ 313,238	$ 46,809
Altus Schools Audeo	-	1,226	1,215	11
Total Altus Schools San Diego	$ 141,950	$ 219,323	$ 314,453	$ 46,820

	Related Party Receivables			
	Balance July 1, 2024	Additions	Payments Submitted	Balance June 30, 2025
Altus Schools Charter School of San Diego	$ -	$ 22,019	$ 20,827	$ 1,192
Altus Schools Audeo	-	8,852	5,693	3,159
Total Altus Schools San Diego	$ -	$ 30,871	$ 26,520	$ 4,351

S. Other Charter School Requirements

1. Each of the Corporation's schools administers to each pupil the achievement test designed by the California State Board of Education, such as CAASPP, ELPAC, and Physical Fitness Test.
2. All teachers hold a valid California Teaching Credential.
3. Each of the Corporation's schools has complied with the state requirements relating to the number of instructional days.

T. Upcoming Changes in Accounting Pronouncements

The Financial Accounting Standards Board (FASB) has issued the following Accounting Standards Updates (ASU) that become effective over the next few fiscal years:

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2020-10 - *Codification Improvements*	Nov-20	2025-26
FASB Accounting Standards Update 2022-03 - *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*	Jun-22	2025-26
FASB Accounting Standards Update 2022-05 - *Financial Services - Insurance (Topic 944): Transition for Sold Contracts*	Dec-22	2025-26
FASB Accounting Standards Update 2023-02 - *Investments (Topic 323): Accounting for Investments in Tax Credit Structures*	Mar-23	2025-26
FASB Accounting Standards Update 2023-08 - *Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60)*	Dec-23	2025-26
FASB Accounting Standards Update 2023-09 - *Income Taxes (Topic 740)*	Dec-23	2026-27
FASB Accounting Standards Update 2024-01 - *Compensation - Stock Compensation (Topic 718)*	Mar-24	2026-27
FASB Accounting Standards Update 2024-02 - *Codification Improvements - Amendments to Remove References to the Concepts Statements*	Mar-24	2026-27
FASB Accounting Standards Update 2024-03 - *Income Statement - Reporting Comprehensive Income-Expense Disaggregation Disclosures*	Nov-24	2027-28
FASB Accounting Standards Update 2024-04 - *Debt with Conversion and Other Options*	Nov-24	2026-27
FASB Accounting Standards Update 2025-01 - *Income Statement - Reporting Comprehensive Income-Expense Disaggregation Disclosures*	Jan-25	2027-28
FASB Accounting Standards Update 2025-02 - *Liabilities Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122*	Mar-25	2025-26
FASB Accounting Standards Update 2025-03 - *Business Combinations and Consolidation*	May-25	2027-28
FASB Accounting Standards Update 2025-04 - *Stock Compensation and Revenue from Contracts with Customers*	May-25	2027-28
FASB Accounting Standards Update 2025-05 - *Measurement of Credit Losses for Accounts Receivable and Contract Assets*	Jul-25	2026-27
FASB Accounting Standards Update 2025-06 - *Intangibles - Goodwill and Other Internal Use Software*	Sep-25	2028-29

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The updates effective during the future fiscal years are not expected to impact the financial accounting or presentation for the Corporation.

Financial Statements by School as Supplementary Information

Audeo Charter II – Statement of Financial Position
June 30, 2025

Assets	
Cash and cash equivalents	$ 5,022,216
Accounts receivable	745,292
Intracompany receivable	6,521
Prepaid expenses	168,211
Security deposits	15,556
Property and equipment, net	173,297
Right-of-use assets, operating leases	
Facilities	1,050,351
Accumulated amortization	(336,013)
Accrued rent	(17,904)
Right-of-use assets, financing leases	
Equipment	58,869
Accumulated amortization	(35,225)
Total Assets	$ 6,851,171
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 63,166
Accrued payroll and related liabilities	48,165
Accrued vacation liability	6,657
Unearned revenue	97,187
Leases payable - operating	714,338
Leases payable - financing	23,947
Notes and loans payable	-
Total Liabilities	953,460
Net Assets	
Without donor restrictions	
Invested in capital assets, net	155,090
Undesignated	5,449,903
Total without donor restrictions	5,604,993
With donor restrictions	
Restricted for state programs	292,718
Total with donor restrictions	292,718
Total Net Assets	5,897,711
Total Liabilities and Net Assets	$ 6,851,171

Altus Schools Southern California

Audeo Charter II – Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF)			
State aid	$ 3,915,648	$ -	$ 3,915,648
Education protection account state aid	58,618	-	58,618
Transfers in lieu of property taxes	11,379	-	11,379
Total LCFF sources	3,985,645	-	3,985,645
Federal contracts and grants	-	311,167	311,167
State contracts and grants	88,702	770,635	859,337
Local contracts and grants	142,595	9,723	152,318
Interest income	138,157	-	138,157
Fair market value adjustments	50,416	-	50,416
Net assets released from restriction -			
Grant restrictions satisfied	1,223,004	(1,223,004)	-
Total revenue, support, and gains	5,628,519	(131,479)	5,497,040
Expenses and Losses			
Program services expense	3,855,891	-	3,855,891
Supporting services expense	402,741	-	402,741
Total expenses and losses	4,258,632	-	4,258,632
Change in Net Assets	1,369,887	(131,479)	1,238,408
Net Assets - Beginning of Year	4,235,106	424,197	4,659,303
Net Assets - End of Year	$ 5,604,993	$ 292,718	$ 5,897,711

Altus Schools Southern California

Audeo Charter II – Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Supporting Services	
	Educational Programs	Management and General	Total
Salaries of Officers, Directors & Key Employees	$ 59,331	$ 13,252	$ 72,583
Other Salaries and Wages	1,625,721	61,017	1,686,738
Payroll Taxes	34,545	3,985	38,530
Pension Plan Accruals and Contributions	471,228	19,988	491,216
Other Employee Benefits	772,222	932	773,154
Fees for Services:			
Accounting	-	6,770	6,770
Legal	-	37,658	37,658
Professional Consulting Services	93,428	31,098	124,526
Temporary Agency Services	10,667	80,205	90,872
Special Education	51,769	-	51,769
Oversight Fees	-	42,207	42,207
Advertising and Promotion	57,383	-	57,383
Office Expenses	24,054	-	24,054
Information Technology	130,003	11,335	141,338
Occupancy	131,980	11,301	143,281
Travel	13,938	438	14,376
Conferences, Conventions and Meetings	6,040	467	6,507
Interest	-	722	722
Insurance	650	27,739	28,389
Other Expenses:			
Maintenance, Leases & Repairs	66,707	28,799	95,506
Books and Supplies	55,532	4,215	59,747
Miscellaneous Expenses	13,946	20,613	34,559
Amortization	180,496	-	180,496
Depreciation	56,251	-	56,251
Total expenses by function	$ 3,855,891	$ 402,741	$ 4,258,632

Cash Flows from Operating Activities		
Receipts from federal, state, and local contracts and grants	$	4,926,093
Receipts from property taxes		25,819
Receipts from operating interest & FMV adjustments		168,942
Payments for salaries, benefits, and payroll taxes		(3,166,574)
Payments to vendors for goods and services		(1,090,035)
Net Cash Provided By Operating Activities		864,245
Cash Flows from Investing Activities		
Acquisition of right-to-use assets		(488,249)
Net Cash Used For Investing Activities		(488,249)
Cash Flows from Financing Activities		
Proceeds from leases payable		488,249
Principal payments on leases payable		(180,567)
Net Cash Provided by Financing Activities		307,682
Net Change in Cash and Cash Equivalents		683,678
Cash and Cash Equivalents, Beginning of Year		4,338,538
Cash and Cash Equivalents, End of Year	$	5,022,216
Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities		
Change in net assets	$	1,238,408
Adjustments to reconcile change in net assets to net cash:		
Depreciation		56,251
Amortization		180,496
Changes in operating assets and liabilities		
(Increase) Decrease in assets		
Accounts receivable		(384,959)
Intracompany receivable		(4,377)
Prepaid expenses		(92,349)
Security deposits		-
Accrued rent		(11,457)
Increase (Decrease) in liabilities		
Accounts payable		(22,188)
Accrued payroll and related liabilities		(105,097)
Accrued vacation liability		744
Unearned revenue		8,773
Net Cash Provided By Operating Activities	$	864,245

Altus Schools North County – Statement of Financial Position
June 30, 2025

Assets	
Cash and cash equivalents	$ 3,496,554
Accounts receivable	292,055
Intracompany receivable	1,680
Prepaid expenses	124,793
Security deposits	7,319
Property and equipment, net	182,685
Right-of-use assets, operating leases	
Facilities	718,103
Accumulated amortization	(197,118)
Accrued rent	(15,886)
Right-of-use assets, financing leases	
Equipment	29,434
Accumulated amortization	(17,612)
Total Assets	$ 4,622,007
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 25,492
Accrued payroll and related liabilities	27,984
Accrued vacation liability	3,769
Intracompany payable	3,309
Unearned revenue	56,273
Leases payable - operating	520,986
Leases payable - financing	11,973
Total Liabilities	649,786
Net Assets	
Without donor restrictions	
Invested in capital assets, net	166,647
Undesignated	3,393,771
Total without donor restrictions	3,560,418
With donor restrictions	
Restricted for state programs	411,803
Total with donor restrictions	411,803
Total Net Assets	3,972,221
Total Liabilities and Net Assets	$ 4,622,007

Altus Schools Southern California

Altus Schools North County – Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF)			
State aid	$ 1,520,676	$ -	$ 1,520,676
Education protection account state aid	34,002	-	34,002
Transfers in lieu of property taxes	1,013,494	-	1,013,494
Total LCFF sources	2,568,172	-	2,568,172
Federal contracts and grants	-	261,027	261,027
State contracts and grants	50,579	463,186	513,765
Local contracts and grants	60,860	3,659	64,519
Interest income	83,815	-	83,815
Fair market value adjustments	29,010	-	29,010
Net assets released from restriction -			
Grant restrictions satisfied	755,278	(755,278)	-
Total revenue, support, and gains	3,547,714	(27,406)	3,520,308
Expenses and Losses			
Program services expense	2,185,201	-	2,185,201
Supporting services expense	225,740	-	225,740
Total expenses and losses	2,410,941	-	2,410,941
Change in Net Assets	1,136,773	(27,406)	1,109,367
Net Assets - Beginning of Year	2,423,645	439,209	2,862,854
Net Assets - End of Year	$ 3,560,418	$ 411,803	$ 3,972,221

Altus Schools Southern California

Altus Schools North County – Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Supporting Services	
	Educational Programs	Management and General	Total
Salaries of Officers, Directors & Key Employees	$ 39,554	$ 8,835	$ 48,389
Other Salaries and Wages	982,883	39,842	1,022,725
Payroll Taxes	21,308	2,764	24,072
Pension Plan Accruals and Contributions	279,872	12,118	291,990
Other Employee Benefits	293,006	630	293,636
Fees for Services:			
Accounting	-	6,770	6,770
Legal	-	20,653	20,653
Professional Consulting Services	34,253	17,512	51,765
Temporary Agency Services	6,023	31,422	37,445
Special Education	38,057	-	38,057
Oversight Fees	-	2,341	2,341
Advertising and Promotion	31,511	-	31,511
Office Expenses	13,023	-	13,023
Information Technology	77,212	6,748	83,960
Occupancy	89,066	27,435	116,501
Travel	7,230	270	7,500
Conferences, Conventions and Meetings	4,758	435	5,193
Interest	-	355	355
Insurance	300	13,443	13,743
Other Expenses:			-
Maintenance, Leases & Repairs	30,903	19,503	50,406
Books and Supplies	82,010	4,429	86,439
Miscellaneous Expenses	9,616	10,235	19,851
Amortization	86,567	-	86,567
Depreciation	58,049	-	58,049
Total expenses by function	$ 2,185,201	$ 225,740	$ 2,410,941

Altus Schools North County – Statement of Cash Flows
Year Ended June 30, 2025

Cash Flows from Operating Activities		
Receipts from federal, state, and local contracts and grants	$	2,198,016
Receipts from property taxes		1,014,138
Receipts from operating interest & FMV adjustments		76,604
Payments for salaries, benefits, and payroll taxes		(1,737,564)
Payments to vendors for goods and services		(682,311)
Net Cash Provided By Operating Activities		868,883
Cash Flows from Investing Activities		
Purchases of property and equipment		(51,020)
Acquisition of right-to-use assets		(336,759)
Net Cash Used For Investing Activities		(387,779)
Cash Flows from Financing Activities		
Proceeds from leases payable		336,759
Principal payments on leases payable		(86,539)
Net Cash Used For Financing Activities		250,220
Net Change in Cash and Cash Equivalents		731,324
Cash and Cash Equivalents, Beginning of Year		2,765,230
Cash and Cash Equivalents, End of Year	$	3,496,554
Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities		
Change in net assets	$	1,109,366
Adjustments to reconcile change in net assets to net cash:		
Depreciation		58,049
Amortization		86,567
Changes in operating assets and liabilities		
(Increase) Decrease in assets		
Accounts receivable		(79,344)
Intracompany receivable		(1,680)
Prepaid expenses		(88,610)
Security deposits		(6,888)
Accrued rent		2,738
Increase (Decrease) in liabilities		
Accounts payable		(3,997)
Accrued payroll and related liabilities		(57,137)
Accrued vacation liability		385
Intracompany payable		1,639
Unearned revenue		(152,205)
Net Cash Provided By Operating Activities	$	868,883

Audeo Valley Charter School – Statement of Financial Position
June 30, 2025

Assets	
Cash and cash equivalents	$ 5,691,303
Accounts receivable	209,908
Intracompany receivable	3,592
Prepaid expenses	174,382
Security deposits	22,642
Property and equipment, net	133,290
Right-of-use assets, operating leases	
Facilities	1,407,921
Accumulated amortization	(297,848)
Accrued rent	(70,638)
Right-of-use assets, financing leases	
Equipment	24,259
Accumulated amortization	(12,437)
Total Assets	$ 7,286,374
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 153,120
Accrued payroll and related liabilities	9,398
Accrued vacation liability	6,502
Intracompany payable	84
Unearned revenue	-
Leases payable - operating	1,110,073
Leases payable - financing	11,974
Notes and loans payable	62,494
Total Liabilities	1,353,645
Net Assets	
Without donor restrictions	
Invested in capital assets, net	62,500
Undesignated	5,384,939
Total without donor restrictions	5,447,439
With donor restrictions	
Restricted for state programs	485,290
Total with donor restrictions	485,290
Total Net Assets	5,932,729
Total Liabilities and Net Assets	$ 7,286,374

Financial statements by school should be read in relation to the financial Statements as a whole, including the notes to the financial statements.

Altus Schools Southern California

Audeo Valley Charter School – Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF)			
State aid	$ 2,556,181	$ -	$ 2,556,181
Education protection account state aid	1,091,514	-	1,091,514
Transfers in lieu of property taxes	402,996	-	402,996
Total LCFF sources	4,050,691	-	4,050,691
Federal contracts and grants	-	138,986	138,986
State contracts and grants	70,593	580,079	650,672
Local contracts and grants	34,873	-	34,873
Interest income	21,787	-	21,787
Fair market value adjustments	-	-	-
Net assets released from restriction -			
Grant restrictions satisfied	855,967	(855,967)	-
Total revenue, support, and gains	5,033,911	(136,902)	4,897,009
Expenses and Losses			
Program services expense	3,076,307	-	3,076,307
Supporting services expense	348,979	-	348,979
Total expenses and losses	3,425,286	-	3,425,286
Change in Net Assets	1,608,625	(136,902)	1,471,723
Net Assets - Beginning of Year	3,838,814	622,192	4,461,006
Net Assets - End of Year	$ 5,447,439	$ 485,290	$ 5,932,729

Altus Schools Southern California

Audeo Valley Charter School – Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Supporting Services	
	Educational Programs	Management and General	Total
Salaries of Officers, Directors & Key Employees	$ 59,331	$ 13,252	$ 72,583
Other Salaries and Wages	1,289,385	98,051	1,387,436
Payroll Taxes	28,671	6,926	35,597
Pension Plan Accruals and Contributions	371,747	28,060	399,807
Other Employee Benefits	539,656	1,442	541,098
Fees for Services:			
Accounting	-	6,770	6,770
Legal	-	34,997	34,997
Professional Consulting Services	61,535	19,981	81,516
Temporary Agency Services	9,721	21,752	31,473
Special Education	79,747	-	79,747
Oversight Fees	-	40,856	40,856
Advertising and Promotion	28,843	-	28,843
Office Expenses	22,381	235	22,616
Information Technology	132,681	10,067	142,748
Occupancy	112,861	8,205	121,066
Travel	22,647	493	23,140
Conferences, Conventions and Meetings	10,108	443	10,551
Interest	355	427	782
Insurance	460	25,021	25,481
Other Expenses:			
Maintenance, Leases & Repairs	58,277	19,567	77,844
Books and Supplies	87,961	1,311	89,272
Miscellaneous Expenses	24,932	11,123	36,055
Amortization	119,595	-	119,595
Depreciation	15,413	-	15,413
Total expenses by function	$ 3,076,307	$ 348,979	$ 3,425,286

Audeo Valley Charter School – Statement of Cash Flows
Year Ended June 30, 2025

Cash Flows from Operating Activities		
Receipts from federal, state, and local contracts and grants	$	5,339,234
Receipts from property taxes		403,152
Receipts from operating interest & FMV adjustments		21,787
Payments for salaries, benefits, and payroll taxes		(2,515,365)
Payments to vendors for goods and services		(1,230,156)
Net Cash Provided By Operating Activities		2,018,652
Cash Flows from Investing Activities		
Purchases of property and equipment		(33,902)
Acquisition of right-to-use assets		(13,908)
Net Cash Used For Investing Activities		(47,810)
Cash Flows from Financing Activities		
Proceeds from leases payable		13,908
Principal payments on loan payable		(62,494)
Principal payments on leases payable		(119,578)
Net Cash Used For Financing Activities		(168,164)
Net Change in Cash and Cash Equivalents		1,802,678
Cash and Cash Equivalents, Beginning of Year		3,888,625
Cash and Cash Equivalents, End of Year	$	5,691,303
Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities		
Change in net assets	$	1,471,724
Adjustments to reconcile change in net assets to net cash:		
Depreciation		15,413
Amortization		119,595
Changes in operating assets and liabilities		
(Increase) Decrease in assets		
Accounts receivable		1,007,306
Intracompany receivable		(3,592)
Prepaid expenses		(104,176)
Security deposits		(9,473)
Accrued rent		10,456
Increase (Decrease) in liabilities		
Accounts payable		(269,623)
Accrued payroll and related liabilities		(76,171)
Accrued vacation liability		(2,673)
Intracompany payable		9
Unearned revenue		(140,143)
Net Cash Provided By Operating Activities	$	2,018,652

Altus Schools East County – Statement of Financial Position
June 30, 2025

Assets	
Cash and cash equivalents	$ 8,975,800
Accounts receivable	754,002
Intracompany receivable	6,126
Prepaid expenses	172,065
Security deposits	8,581
Property and equipment, net	111,106
Right-of-use assets, operating leases	
Facilities	667,206
Accumulated amortization	(329,062)
Accrued rent	(9,606)
Right-of-use assets, financing leases	
Equipment	88,303
Accumulated amortization	(52,838)
Total Assets	$ 10,391,683
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 85,580
Accrued payroll and related liabilities	55,491
Accrued vacation liability	8,110
Intracompany payable	122
Unearned revenue	59,652
Leases payable - operating	338,145
Leases payable - financing	35,920
Total Liabilities	583,020
Net Assets	
Without donor restrictions	
Invested in capital assets, net	101,044
Undesignated	9,122,200
Total without donor restrictions	9,223,244
With donor restrictions	
Restricted for state programs	585,419
Total with donor restrictions	585,419
Total Net Assets	9,808,663
Total Liabilities and Net Assets	$ 10,391,683

Altus Schools Southern California

Altus Schools East County – Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF)			
State aid	$ 4,658,103	$ -	$ 4,658,103
Education protection account state aid	61,530	-	61,530
Transfers in lieu of property taxes	-	-	-
Total LCFF sources	4,719,633	-	4,719,633
Federal contracts and grants	-	322,568	322,568
State contracts and grants	84,162	845,127	929,289
Local contracts and grants	177,310	10,765	188,075
Interest income	207,402	-	207,402
Fair market value adjustments	62,247	-	62,247
Net assets released from restriction -			
Grant restrictions satisfied	1,429,717	(1,429,717)	-
Total revenue, support, and gains	6,680,471	(251,257)	6,429,214
Expenses and Losses			
Program services expense	4,187,753	-	4,187,753
Supporting services expense	392,630	-	392,630
Total expenses and losses	4,580,383	-	4,580,383
Change in Net Assets	2,100,088	(251,257)	1,848,831
Net Assets - Beginning of Year	7,123,156	836,676	7,959,832
Net Assets - End of Year	$ 9,223,244	$ 585,419	$ 9,808,663

Altus Schools Southern California

Altus Schools East County – Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Supporting Services	
	Educational Programs	Management and General	Total
Salaries of Officers, Directors & Key Employees	$ 69,220	$ 15,461	$ 84,681
Other Salaries and Wages	1,664,760	89,612	1,754,372
Payroll Taxes	42,137	6,382	48,519
Pension Plan Accruals and Contributions	477,325	26,280	503,605
Other Employee Benefits	964,685	1,275	965,960
Fees for Services:			
Accounting	-	6,770	6,770
Legal	-	38,493	38,493
Professional Consulting Services	105,593	34,729	140,322
Temporary Agency Services	11,067	17,992	29,059
Special Education	144,216	-	144,216
Oversight Fees	-	51,849	51,849
Advertising and Promotion	59,047	-	59,047
Office Expenses	24,037	181	24,218
Information Technology	150,463	9,153	159,616
Occupancy	72,014	9,466	81,480
Travel	13,286	573	13,859
Conferences, Conventions and Meetings	8,636	1,912	10,548
Interest	1,052	-	1,052
Insurance	520	30,518	31,038
Other Expenses:			
Maintenance, Leases & Repairs	101,951	29,666	131,617
Books and Supplies	82,662	5,715	88,377
Miscellaneous Expenses	30,477	13,355	43,832
Amortization	149,504	-	149,504
Depreciation	15,101	3,248	18,349
Total expenses by function	$ 4,187,753	$ 392,630	$ 4,580,383

Altus Schools East County – Statement of Cash Flows
Year Ended June 30, 2025

Cash Flows from Operating Activities		
Receipts from federal, state, and local contracts and grants	$	5,646,341
Receipts from operating interest & FMV adjustments		256,516
Payments for salaries, benefits, and payroll taxes		(3,451,010)
Payments to vendors for goods and services		(1,167,130)
Net Cash Provided By Operating Activities		1,284,717
Cash Flows from Investing Activities		
Purchases of property and equipment		(114,599)
Acquisition of right-to-use assets		(41,724)
Net Cash Used For Investing Activities		(156,323)
Cash Flows from Financing Activities		
Proceeds from leases payable		41,724
Principal payments on leases payable		(149,297)
Net Cash Used For Financing Activities		(107,573)
Net Change in Cash and Cash Equivalents		1,020,821
Cash and Cash Equivalents, Beginning of Year		7,954,979
Cash and Cash Equivalents, End of Year	$	8,975,800
Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities		
Change in net assets	$	1,848,831
Adjustments to reconcile change in net assets to net cash:		
Depreciation		18,349
Amortization		149,504
Changes in operating assets and liabilities		
(Increase) Decrease in assets		
Accounts receivable		(243,892)
Intracompany receivable		(6,126)
Prepaid expenses		(95,575)
Accrued rent		2,310
Increase (Decrease) in liabilities		
Accounts payable		(12,354)
Accrued payroll and related liabilities		(92,548)
Accrued vacation liability		(1,325)
Intracompany payable		8
Unearned revenue		(282,465)
Net Cash Provided By Operating Activities	$	1,284,717

Mirus Secondary – Statement of Financial Position
June 30, 2025

Assets	
Cash and cash equivalents	$ 6,960,518
Accounts receivable	207,081
Intracompany receivable	6,812
Prepaid expenses	199,988
Security deposits	11,005
Property and equipment, net	1,524,768
Right-of-use assets, operating leases	
Facilities	1,824,666
Accumulated amortization	(591,213)
Accrued rent	(23,190)
Right-of-use assets, financing leases	
Equipment	72,777
Accumulated amortization	(37,312)
Total Assets	$ 10,155,900
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 378,004
Accrued payroll and related liabilities	23,181
Accrued vacation liability	16,972
Intracompany payable	1,421,447
Unearned revenue	564,917
Leases payable - operating	1,233,454
Leases payable - financing	35,920
Total Liabilities	3,673,895
Net Assets	
Without donor restrictions	
Invested in capital assets, net	1,501,122
Undesignated	4,370,448
Total without donor restrictions	5,871,570
With donor restrictions	
Restricted for state programs	610,435
Total with donor restrictions	610,435
Total Net Assets	6,482,005
Total Liabilities and Net Assets	$ 10,155,900

Altus Schools Southern California

Mirus Secondary – Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF)			
State aid	$ 4,045,825	$ -	$ 4,045,825
Education protection account state aid	1,441,802	-	1,441,802
Transfers in lieu of property taxes	125,300	-	125,300
Total LCFF sources	5,612,927	-	5,612,927
Federal contracts and grants	-	339,624	339,624
State contracts and grants	91,466	900,874	992,340
Local contracts and grants	74,457	15,387	89,844
Interest income	83,963	-	83,963
Fair market value adjustments	-	-	-
Net assets released from restriction -			
Grant restrictions satisfied	1,511,386	(1,511,386)	-
Total revenue, support, and gains	7,374,199	(255,501)	7,118,698
Expenses and Losses			
Program services expense	5,661,606	-	5,661,606
Supporting services expense	666,748	-	666,748
Transfer out to Altus Schools Cochella Valley	1,421,270	-	1,421,270
Total expenses and losses	7,749,624	-	7,749,624
Change in Net Assets	(375,425)	(255,501)	(630,926)
Net Assets - Beginning of Year	6,246,995	865,936	7,112,931
Net Assets - End of Year	$ 5,871,570	$ 610,435	$ 6,482,005

Altus Schools Southern California

Mirus Secondary – Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Supporting Services	
	Educational Programs	Management and General	Total
Salaries of Officers, Directors & Key Employees	$ 69,220	$ 15,461	$ 84,681
Other Salaries and Wages	2,274,500	156,318	2,430,818
Payroll Taxes	49,775	11,202	60,977
Pension Plan Accruals and Contributions	627,798	43,979	671,777
Other Employee Benefits	1,244,258	113,171	1,357,429
Fees for Services:			
Accounting	-	6,770	6,770
Legal	-	73,336	73,336
Professional Consulting Services	108,834	28,669	137,503
Temporary Agency Services	11,438	521	11,959
Special Education	77,027	-	77,027
Oversight Fees	-	56,152	56,152
Advertising and Promotion	31,946	-	31,946
Office Expenses	21,766	252	22,018
Information Technology	160,731	12,378	173,109
Occupancy	286,177	10,893	297,070
Travel	30,836	11,568	42,404
Conferences, Conventions and Meetings	11,845	2,006	13,851
Interest	1,052	-	1,052
Insurance	870	34,637	35,507
Other Expenses:			
Maintenance, Leases & Repairs	149,352	25,777	175,129
Books and Supplies	202,263	11,617	213,880
Miscellaneous Expenses	57,094	50,325	107,419
Amortization	192,908	-	192,908
Depreciation	51,916	1,716	53,632
Total expenses by function	$ 5,661,606	$ 666,748	$ 6,328,354

Altus Schools Southern California

Mirus Secondary – Statement of Cash Flows

Year Ended June 30, 2025

Cash Flows from Operating Activities		
Receipts from federal, state, and local contracts and grants	$	7,918,841
Receipts from property taxes		146,741
Receipts from operating interest & FMV adjustments		83,963
Payments for salaries, benefits, and payroll taxes		(4,730,698)
Payments to vendors for goods and services		(1,642,026)
Net Cash Provided By/(Used For) Operating Activities		1,776,821
Cash Flows from Investing Activities		
Purchases of property and equipment		(1,356,515)
Acquisition of right-to-use assets		(909,363)
Net Cash Provided By/(Used For) Investing Activities		(2,265,878)
Cash Flows from Financing Activities		
Proceeds from leases payable		909,363
Principal payments on leases payable		(192,702)
Net Cash Provided By/(Used For) Financing Activities		716,661
Net Change in Cash and Cash Equivalents		227,604
Cash and Cash Equivalents, Beginning of Year		6,732,914
Cash and Cash Equivalents, End of Year	$	6,960,518
Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities		
Change in net assets	$	(630,926)
Adjustments to reconcile change in net assets to net cash:		
Depreciation		53,632
Amortization		192,908
Changes in operating assets and liabilities		
(Increase) Decrease in assets		
Accounts receivable		1,266,317
Intracompany receivable		(6,812)
Prepaid expenses		(106,775)
Security deposits		(6,735)
Accrued rent		12,683
Increase (Decrease) in liabilities		
Accounts payable		(58,285)
Accrued payroll and related liabilities		(121,280)
Accrued vacation liability		(3,736)
Intracompany payable		1,421,300
Unearned revenue		(235,470)
Net Cash Provided By Operating Activities	$	1,776,821

Altus Schools South Bay – Statement of Financial Position
June 30, 2025

Assets	
Cash and cash equivalents	$ 5,680,279
Accounts receivable	1,178,165
Prepaid expenses	225,529
Security deposits	19,237
Property and equipment, net	895,553
Right-of-use assets, operating leases	
Facilities	1,775,026
Accumulated amortization	(674,847)
Accrued rent	(43,009)
Right-of-use assets, financing leases	
Equipment	102,211
Accumulated amortization	(54,924)
Total Assets	$ 9,103,220
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 121,092
Accrued payroll and related liabilities	72,206
Accrued vacation liability	10,259
Intracompany payable	21,039
Unearned revenue	63,374
Leases payable - operating	1,100,179
Leases payable - financing	47,894
Total Liabilities	1,436,043
Net Assets	
Without donor restrictions	
Invested in capital assets, net	851,937
Undesignated	6,196,213
Total without donor restrictions	7,048,150
With donor restrictions	
Restricted for state programs	619,027
Total with donor restrictions	619,027
Total Net Assets	7,667,177
Total Liabilities and Net Assets	$ 9,103,220

Altus Schools Southern California

Altus Schools South Bay – Statement of Activities

Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF)			
State aid	$ 6,098,693	$ -	$ 6,098,693
Education protection account state aid	82,818	-	82,818
Transfers in lieu of property taxes	-	-	-
Total LCFF sources	6,181,511	-	6,181,511
Federal contracts and grants	-	401,031	401,031
State contracts and grants	95,525	1,024,779	1,120,304
Local contracts and grants	161,551	18,249	179,800
Interest income	146,842	-	146,842
Fair market value adjustments	47,278	-	47,278
Net assets released from restriction -			
Grant restrictions satisfied	1,728,916	(1,728,916)	-
Total revenue, support, and gains	8,361,623	(284,857)	8,076,766
Expenses and Losses			
Program services expense	6,247,710	-	6,247,710
Supporting services expense	711,964	-	711,964
Total expenses and losses	6,959,674	-	6,959,674
Change in Net Assets	1,401,949	(284,857)	1,117,092
Net Assets - Beginning of Year	5,646,201	903,884	6,550,085
Net Assets - End of Year	$ 7,048,150	$ 619,027	$ 7,667,177

Altus Schools Southern California

Altus Schools South Bay – Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services	Supporting Services	
	Educational Programs	Management and General	Total
Salaries of Officers, Directors & Key Employees	$ 98,885	$ 22,087	$ 120,972
Other Salaries and Wages	2,207,468	164,065	2,371,533
Payroll Taxes	47,803	11,688	59,491
Pension Plan Accruals and Contributions	627,136	47,050	674,186
Other Employee Benefits	1,535,115	58,124	1,593,239
Fees for Services:			
Accounting	-	6,770	6,770
Legal	-	85,554	85,554
Professional Consulting Services	151,906	38,824	190,730
Temporary Agency Services	14,551	745	15,296
Special Education	246,528	-	246,528
Oversight Fees	-	66,482	66,482
Advertising and Promotion	74,635	-	74,635
Office Expenses	30,979	230	31,209
Information Technology	210,860	11,574	222,434
Occupancy	150,452	20,789	171,241
Travel	17,442	953	18,395
Conferences, Conventions and Meetings	13,296	45,841	59,137
Interest	1,395	-	1,395
Insurance	860	40,272	41,132
Other Expenses:			
Maintenance, Leases & Repairs	109,150	60,905	170,055
Books and Supplies	236,778	6,551	243,329
Miscellaneous Expenses	38,880	16,777	55,657
Amortization	263,946	-	263,946
Depreciation	169,645	6,683	176,328
Total expenses by function	$ 6,247,710	$ 711,964	$ 6,959,674

Altus Schools South Bay – Statement of Cash Flows
Year Ended June 30, 2025

Cash Flows from Operating Activities		
Receipts from federal, state, and local contracts and grants	$	6,707,383
Receipts from operating interest & FMV adjustments		185,067
Payments for salaries, benefits, and payroll taxes		(4,934,843)
Payments to vendors for goods and services		(1,799,939)
Net Cash Provided By Operating Activities		157,668
Cash Flows from Investing Activities		
Purchases of property and equipment		(158,765)
Acquisition of right-to-use assets		(55,632)
Net Cash Used For Investing Activities		(214,397)
Cash Flows from Financing Activities		
Proceeds from leases payable		55,632
Principal payments on leases payable		(263,589)
Net Cash Used For Financing Activities		(207,957)
Net Change in Cash and Cash Equivalents		(264,686)
Cash and Cash Equivalents, Beginning of Year		5,944,965
Cash and Cash Equivalents, End of Year	$	5,680,279
Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities		
Change in net assets	$	1,117,092
Adjustments to reconcile change in net assets to net cash:		
Depreciation		176,328
Amortization		263,946
Changes in operating assets and liabilities		
(Increase) Decrease in assets		
Accounts receivable		(880,789)
Prepaid expenses		(106,699)
Accrued rent		6,445
Increase (Decrease) in liabilities		
Accounts payable		(20,607)
Accrued payroll and related liabilities		(115,871)
Accrued vacation liability		449
Intracompany payable		20,901
Unearned revenue		(303,527)
Net Cash Provided By Operating Activities	$	157,668

Altus Schools Coachella Valley – Statement of Financial Position
June 30, 2025

Assets	
Intracompany receivable	$ 1,421,270
Total Assets	$ 1,421,270
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ -
Total Liabilities	-
Net Assets	
Without donor restrictions	
Undesignated	1,421,270
Total Net Assets	1,421,270
Total Liabilities and Net Assets	$ 1,421,270

Altus Schools Coachella Valley – Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Transfer in from Mirus Secondary School	$ 1,421,270	$ -	$ 1,421,270
Total revenue, support, and gains	1,421,270	-	1,421,270
Expenses and Losses			
Program services expense	-	-	-
Supporting services expense	-	-	-
Total expenses and losses	-	-	-
Change in Net Assets	1,421,270	-	1,421,270
Net Assets - Beginning of Year	-	-	-
Net Assets - End of Year	$ 1,421,270	$ -	$ 1,421,270

Altus Schools Coachella Valley – Statement of Functional Expenses
Year Ended June 30, 2025

There were no functional expenses for Altus Schools Coachella Valley for fiscal year ended June 30, 2025.

Altus Schools Coachella Valley – Statement of Cash Flows

Year Ended June 30, 2025

There were no cash transactions for Altus Schools Coachella Valley for fiscal year ended June 30, 2025.

Altus Schools Southern California
Combining Statement of Financial Position
June 30, 2025

	Total All Schools	Elimination	Total Altus Schools Southern California
Assets			
Cash and cash equivalents	$ 35,826,670	$ -	$ 35,826,670
Accounts receivable	3,386,503	-	3,386,503
Intracompany receivable	1,446,001	(1,446,001)	-
Prepaid expenses	1,064,968	-	1,064,968
Security deposits	84,340	-	84,340
Property and equipment, net	3,020,699	-	3,020,699
Right-of-use assets, operating leases	-		
Facilities	7,443,273	-	7,443,273
Accumulated amortization	(2,426,101)	-	(2,426,101)
Accrued rent	(180,233)	-	(180,233)
Right-of-use assets, financing leases	-		
Equipment	375,853	-	375,853
Accumulated amortization	(210,348)	-	(210,348)
Total Assets	$ 49,831,625	$ (1,446,001)	$ 48,385,624
Liabilities and Net Assets			
Liabilities			
Accounts payable	$ 826,454	$ -	$ 826,454
Accrued payroll and related liabilities	236,425	-	236,425
Accrued vacation liability	52,269	-	52,269
Intracompany payable	1,446,001	(1,446,001)	-
Unearned revenue	841,403	-	841,403
Leases payable - operating	5,017,175	-	5,017,175
Leases payable - financing	167,628	-	167,628
Notes and loans payable	62,494	-	62,494
Total Liabilities	8,649,849	(1,446,001)	7,203,848
Net Assets			
Without donor restrictions			
Invested in capital assets, net	2,838,340	-	2,838,340
Undesignated	35,338,744	-	35,338,744
Total without donor restrictions	38,177,084	-	38,177,084
With donor restrictions			
Restricted for state programs	3,004,692	-	3,004,692
Total with donor restrictions	3,004,692	-	3,004,692
Total Net Assets	41,181,776	-	41,181,776
Total Liabilities and Net Assets	$ 49,831,625	$ (1,446,001)	$ 48,385,624

Financial statements by school should be read in relation to the financial Statements as a whole, including the notes to the financial statements.

Altus Schools Southern California

Combining Statement of Activities

Year Ended June 30, 2025

	Total All Schools	Elimination	Total Altus Schools
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF)			
State aid	$ 22,795,126	$ -	$ 22,795,126
Education protection account state aid	2,770,284	-	2,770,284
Transfers in lieu of property taxes	1,553,169	-	1,553,169
Total LCFF sources	27,118,579	-	27,118,579
Federal contracts and grants	1,774,403	-	1,774,403
State contracts and grants	5,065,707	-	5,065,707
Local contracts and grants	709,429	-	709,429
Interest income	681,966	-	681,966
Fair market value adjustments	188,951	-	188,951
Transfer in from Mirus Secondary School	1,421,270	(1,421,270)	-
Net assets released from restriction -			
Grant restrictions satisfied	-	-	-
Total revenue, support, and gains	36,960,305	(1,421,270)	35,539,035
Expenses and Losses			
Program services expense	25,214,468	-	25,214,468
Supporting services expense	2,748,802	-	2,748,802
Transfer out to Altus Schools Cochella Valley	1,421,270	(1,421,270)	-
Total expenses and losses	29,384,540	(1,421,270)	27,963,270
Change in Net Assets	7,575,765	-	7,575,765
Net Assets - Beginning of Year	33,606,011	-	33,606,011
Net Assets - End of Year	$ 41,181,776	$ -	$ 41,181,776

Financial statements by school should be read in relation to the financial Statements as a whole, including the notes to the financial statements.

Additional Supplementary Information

Audeo Charter II - Charter #1835

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
	204E537	N/A	FE19DA5F	N/A
Non-Classroom Based Attendance				
Track A Grades 4-6	0.32	N/A	0.22	N/A
Track B Grades 4-6	5.16	N/A	5.41	N/A
Total Grades 4-6	5.48	N/A	5.63	N/A
Non-Classroom Based Attendance				
Track A Grades 7-8	9.30	N/A	8.85	N/A
Track B Grades 7-8	30.90	N/A	30.34	N/A
Total Grades 7-8	40.20	N/A	39.19	N/A
Non-Classroom Based Attendance				
Track A Grades 9-12	157.24	N/A	131.85	N/A
Track B Grades 9-12	90.17	N/A	97.87	N/A
Total Grades 9-12	247.41	N/A	229.72	N/A
Total Non-Classroom ADA	293.09	N/A	274.54	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Altus Schools North County - Charter #1935

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
	99317059	N/A	DCB652F8	N/A
Non-Classroom Based Attendance				
Track A Grades 4-6	0.65	N/A	0.44	N/A
Track B Grades 4-6	4.42	N/A	5.49	N/A
Total Grades 4-6	5.07	N/A	5.93	N/A
Non-Classroom Based Attendance				
Track A Grades 7-8	9.12	N/A	8.74	N/A
Track B Grades 7-8	15.42	N/A	15.12	N/A
Total Grades 7-8	24.54	N/A	23.86	N/A
Non-Classroom Based Attendance				
Track A Grades 9-12	102.94	N/A	90.25	N/A
Track B Grades 9-12	37.46	N/A	46.50	N/A
Total Grades 9-12	140.40	N/A	136.75	N/A
Total Non-Classroom ADA	170.01	N/A	166.54	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Audeo Valley Charter School - Charter #2118

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
	1C0A240F	N/A	83CEB55	N/A
Non-Classroom Based Attendance				
Track A Grades 4-6	4.19	N/A	3.47	N/A
Track B Grades 4-6	9.43	N/A	10.77	N/A
Total Grades 4-6	13.62	N/A	14.24	N/A
Non-Classroom Based Attendance				
Track A Grades 7-8	39.84	N/A	39.53	N/A
Track B Grades 7-8	25.87	N/A	29.89	N/A
Total Grades 7-8	65.71	N/A	69.42	N/A
Non-Classroom Based Attendance				
Track A Grades 9-12	143.34	N/A	131.35	N/A
Track B Grades 9-12	43.99	N/A	52.79	N/A
Total Grades 9-12	187.33	N/A	184.14	N/A
Total Non-Classroom ADA	266.66	N/A	267.80	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Altus Schools East County - Charter #1889

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
	C4F5A36C	N/A	B4311E2E	N/A
Non-Classroom Based Attendance				
Track A Grades 7-8	11.84	N/A	10.26	N/A
Track B Grades 7-8	24.19	N/A	26.78	N/A
Total Grades 7-8	36.03	N/A	37.04	N/A
Non-Classroom Based Attendance				
Track A Grades 9-12	200.46	N/A	174.87	N/A
Track B Grades 9-12	71.16	N/A	83.88	N/A
Total Grades 9-12	271.62	N/A	258.75	N/A
Total Non-Classroom ADA	307.65	N/A	295.79	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Mirus Secondary - Charter #0885

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
	4B377B00	N/A	C502D85A	N/A
Non-Classroom Based Attendance				
Track A Grades 7-8	15.70	N/A	14.49	N/A
Track B Grades 7-8	18.56	N/A	24.96	N/A
Total Grades 7-8	34.26	N/A	39.45	N/A
Non-Classroom Based Attendance				
Track A Grades 9-12	241.77	N/A	214.94	N/A
Track B Grades 9-12	77.98	N/A	99.59	N/A
Total Grades 9-12	319.75	N/A	314.53	N/A
Total Non-Classroom ADA	354.01	N/A	353.98	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Altus Schools South Bay - Charter #1903

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
	547CDC28	N/A	BF46F0D8	N/A
Non-Classroom Based Attendance				
Track A Grades 7-8	19.70	N/A	18.18	N/A
Track B Grades 7-8	30.69	N/A	37.69	N/A
Total Grades 7-8	50.39	N/A	55.87	N/A
Non-Classroom Based Attendance				
Track A Grades 9-12	245.44	N/A	219.92	N/A
Track B Grades 9-12	118.21	N/A	137.61	N/A
Total Grades 9-12	363.65	N/A	357.53	N/A
Total Non-Classroom ADA	414.04	N/A	413.40	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Audeo Charter II - Charter #1835

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes*	Total Minutes	Number of Actual Days Offered (Multitrack)	J-13A Days*	Total Instructional Days	Status
Track A & B								
6th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
7th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
8th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
9th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
10th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
11th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
12th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied

Audeo Charter II is authorized to serve students in grades K-12; however, for the current fiscal year only students in grades 6-12 were served by the school.

N/A – Audeo Charter II is a non-classroom based charter school; therefore, compliance for instructional time offering is not required to be audited.

*Audeo Charter II did not submit a request for a J-13A emergency waiver of instructional minutes or days.

Altus Schools North County - Charter #1935

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes*	Total Minutes	Number of Actual Days Offered (Multitrack)	J-13A Days*	Total Instructional Days	Status
Track A & B								
6th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
7th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
8th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
9th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
10th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
11th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
12th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied

N/A – Altus Schools North County is a non-classroom based charter school; therefore, compliance for instructional time offering is not required to be audited.

*Altus Schools North County did not submit a request for a J-13A emergency waiver of instructional minutes or days.

Audeo Valley Charter School - Charter #2118

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes*	Total Minutes	Number of Actual Days Offered (Multitrack)	J-13A Days*	Total Instructional Days	Status
Track A & B								
6th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
7th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
8th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
9th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
10th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
11th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
12th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied

N/A – Audeo Valley Charter School is a non-classroom based charter school; therefore, compliance for instructional time offering is not required to be audited.

*Audeo Valley Charter School did not submit a request for a J-13A emergency waiver of instructional minutes or days.

Altus Schools East County - Charter #1889

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes*	Total Minutes	Number of Actual Days Offered (Multitrack)	J-13A Days*	Total Instructional Days	Status
Track A & B								
7th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
8th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
9th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
10th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
11th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
12th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied

N/A – Altus Schools East County is a non-classroom based charter school; therefore, compliance for instructional time offering is not required to be audited.

*Altus Schools East County did not submit a request for a J-13A emergency waiver of instructional minutes or days.

Mirus Secondary - Charter #0885

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes*	Total Minutes	Number of Actual Days Offered (Multitrack)	J-13A Days*	Total Instructional Days	Status
Track A & B								
7th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
8th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
9th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
10th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
11th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
12th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied

N/A – Mirus Secondary is a non-classroom based charter school; therefore, compliance for instructional time offering is not required to be audited.

*Mirus Secondary did not submit a request for a J-13A emergency waiver of instructional minutes or days.

Altus Schools South Bay - Charter #1903

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes*	Total Minutes	Number of Actual Days Offered (Multitrack)	J-13A Days*	Total Instructional Days	Status
Track A & B								
7th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
8th Grade	54,000	N/A	N/A	N/A	175	0	175	Complied
9th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
10th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
11th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied
12th Grade	64,800	N/A	N/A	N/A	175	0	175	Complied

N/A – Altus Schools South Bay is a non-classroom based charter school; therefore, compliance for instructional time offering is not required to be audited.

*Altus Schools South Bay did not submit a request for a J-13A emergency waiver of instructional minutes or days.

Altus Schools Southern California

Schedule of Financial Trends & Analysis

Year Ended June 30, 2025

	Budget 2026 (See Note 1)	2025	2024 (See Note 1)	2023 (See Note 1)
Revenues	$ 37,401,184	$ 35,539,035	$ 39,302,709	$ 27,878,181
Expenses	35,010,987	27,963,270	25,172,791	26,231,507
Change in Net Assets	2,390,197	7,575,765	14,129,918	1,646,674
Ending Net Assets	$ 43,571,971	$ 41,181,774	$ 33,606,009	$ 19,476,091
Unrestricted Net Assets	$ 43,571,971	$ 38,177,084	$ 29,513,915	$ 19,199,721
Unrestricted net assets as a percentage of total expenses	124.45%	136.53%	117.25%	73.19%
Total Long Term Debt	$ -	$ 230,122	$ 137,756	$ 241,336
ADA at P2	1,900	1,805	1,780	1,601

The Corporation's ending net assets has increased by $21,705,683 (111.45%) over the past two fiscal years. The increase is in large due to additional funding received as a result of the COVID-19 pandemic, increases in enrollment, and conservative fiscal practices. Restricted ending net assets include multi-year grants that will be expended over the next one to three years.

Average daily attendance (ADA) has increased by 204 over the past two fiscal years.

Long-term debt includes loans and financing leases. Over the past two fiscal years it has decreased by $11,215.

Note 1:

AU-C §725.05 requires the following conditions be met to provide an opinion on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole:

1) The supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.
2) The supplementary information relates to the same period as the financial statements.
3) The auditor issued an audit report on the financial statements that contained neither an adverse opinion nor a disclaimer of opinion.
4) The supplementary information will accompany the audited financial statements or such audited financial statements will be made readily available by the Corporation.

Three of the above columns are not related to the same period as the financial statements and as such we do not provide an opinion on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. Additionally, the analysis presented utilizes information from periods outside the period of the financial statements and as such we do not provide an opinion on whether the analysis is fairly stated, in all material respects, to the financial statements as a whole. The information has been presented for analysis only and has not been audited.

Reconciliation of Unaudited Financial Report with Audited Financial Statements
Year Ended June 30, 2025

	Audeo Charter II	Altus Schools North County	Audeo Valley Charter School
June 30, 2025 annual financial alternative form net assets:	$ 5,897,711	$ 3,972,220	$ 5,932,730
Adjustments and reclassifications:			
Total adjustments and reclassifications	-	-	-
June 30, 2025 audited financial statements net assets:	$ 5,897,711	$ 3,972,220	$ 5,932,730

	Altus Schools East County	Mirus Secondary	Altus Schools South Bay
June 30, 2025 annual financial alternative form net assets:	$ 9,808,663	$ 7,903,275	$ 7,667,177
Adjustments and reclassifications:			
Transfer out to Altus Schools Cochella Valley	-	(1,421,270)	-
Total adjustments and reclassifications	-	(1,421,270)	-
June 30, 2025 audited financial statements net assets:	$ 9,808,663	$ 6,482,005	$ 7,667,177

A. Financial Statements by School

These schedules are provided to provide supplementary financial information by school for the benefit of oversight agencies and others who may have a need to see the information disaggregated. The statements should be read in relation to the financial statements as a whole, including the notes to the financial statements.

B. Schedule of Average Daily Attendance

Average daily attendance (ADA) is a measure of the number of pupils attending classes of each 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 and in different programs.

Apportionment credit for independent study programs, like the programs operated by charter schools within the Corporation, is earned on the basis of student's "work product" or academic assignments which are assessed by their competent credentialed certificated teacher (Education Code Section 51747.5(b)) as well as a record of the student's daily engagement in educational activities required of them by each charter school on a day when school is in session (Title 5 California Code of Regulations Section 11960(a)). The teacher determines the time value of completed assignments or work product and compares the time value of work to the students' contemporaneous logs of days the student engaged in educational activities so that Average Daily Attendance (ADA) can be earned.

C. Schedule of Instructional Time

This schedule provides information regarding compliance with Education Code §47612.

Compliance with Education Code §47612 includes the following:

1) Charter schools may operate up to 5 tracks for attendance reporting.
2) Each track must be operated for a minimum of 175 days.
3) Each track must offer the required number of instructional minutes specified in Education Code §47612.5.
4) No track shall have less than 55% of its school days before April 15 each school year.

Compliance with Education Code §47612.5 involves offering a minimum number of annual instructional minutes as defined by grade level. Non-classroom based charters do not have a requirement for auditing/testing offered instructional minutes, as a result the offerings are not reported in the schedule of instructional time.

An LEA that closed due to a qualifying emergency in the 2024-25 fiscal year may submit a Form J-13A to avoid a penalty for not meeting the annual instructional minutes or day requirements. The Corporation's schools did not have an emergency closure and as such there are no credited days to account for on the Schedule of Instructional Time.

D. Schedule of Financial Trends and Analysis

Budget information for 2026 is presented for analysis purposes only and is based on estimates of the 2025-26 fiscal year. The information has not been subject to audit.

This schedule discloses the Corporation's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the Corporation's ability to continue as a going concern for a reasonable period of time.

The Corporation will develop a budget for a single year that supports the goals of each school. When preparing the annual budget, the schools consider factors such as student population; past years' experience and trends; need for new services, expansion or curtailment of existing services; estimated revenues and proposed expenditures; and governing board priorities.

The budget process includes:

- Enrollment projections and staffing ratios
- Income projections and LCFF calculation
- Audit of personnel database: Changes in staffing, new positions, vacant positions, full-time equivalency calculation and salary movement in the salary schedule such as salary step increases
- Employee Benefits: Determine rates to use in projecting benefits for retirement contributions, social security, unemployment insurance and workers' compensation; and estimates increases regarding component costs of health and welfare benefit costs
- Monitor Governor's budget items for education program
- Monitor legislation or initiatives that impact funding
- Contracts in process and negotiations with key suppliers
- Non-personnel budgets based on goals and past years' experience and trends
- Fixed costs such as utilities, facility leases, service agreements and insurance

The Governing Board approves the budget by May or June of each year for the subsequent fiscal year. The budget is monitored and revised throughout the fiscal year to ensure that it depicts the financial operations and strategic goals are met. Normally, there are four cycles for adopted budget i.e. Preliminary Budget, Revised Preliminary Budget, February Revised Budget, and May Revised Budget.

Operating financial statements are provided to the governing board in its scheduled board meetings.

E. Reconciliation of Unaudited Financial Report Alternative Form with Audited Financial Statements

This schedule provides the information necessary to reconcile the net assets as reported on the Unaudited Financial Report Alternative Forms prepared by the schools to the net assets reported in the audited financial statements.

Altus Schools Southern California
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Federal Expenditures
SPECIAL EDUCATION (IDEA) CLUSTER:				
U.S. Department of Education				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	$ -	$ 250,658
IDEA Mental Health	84.027	15197	-	17,135
Total Special Education (IDEA) Cluster			-	267,793
OTHER PROGRAMS				
U.S. Department of Education				
Passed through State Department of Education				
ESSA Title I Basic	84.010	14329	-	454,298
ESSA Title I School Improvement Funding	84.010	15438	-	890,985
Subtotal ESSA Title I Funding			-	1,345,283
COVID-19 Homeless Children & Youth	84.425	15566	-	4,840
COVID-19 ESSER III	84.425D	15559	-	3,308
COVID-19 ESSER III Learning Loss	84.425U	10155	-	2,517
Subtotal COVID-19 Funding			-	10,665
Project Safe	84.184N	Unknown	-	
Title III - English Learner	84.365	14346	-	30,702
Title II - Supporting Effective Instruction	84.367	14341	-	60,540
Title IV - Student Support & Academic Enrichment	84.424	15396	-	59,420
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ -	$ 1,774,403

See Accompanying Notes to Schedule of Expenditures of Federal Awards

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 *Basis for Determining Federal Awards Expended* and 2CFR §200.510(b) *Schedule of Expenditures of Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the combined financial statements.

B. Summary of Significant Accounting Policies

The expenditures reported on the schedule 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. Negative amounts shown on the schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

C. Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs.* The Corporation did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs.* The California Department of Education approved an indirect cost rate of 7.36% for Audeo Valley Charter School and 5.94% for Audeo Charter II, Altus Schools North County, Altus Schools East County, Mirus Secondary and Altus Schools South Bay. Although indirect costs were approved for all schools within the Corporation, no indirect costs were charged to federal programs for the fiscal year ended June 30, 2025.

Other Information

Altus Schools Southern California

Organization Structure

Year Ended June 30, 2025

Altus Schools Southern California was formed on November 1, 2000 and operated six charter schools during the 2024-25 fiscal year and had one charter school opening in 2025-26 for which planning activities occurred.

CHARTER SCHOOLS

School	Charter Number	Authorizer
Audeo Charter II	#1835	San Diego County Board of Education
Altus Schools North County	#1935	Escondido Union High School District
Audeo Valley Charter School	#2118	Riverside County Office of Education
Altus Schools East County	#1889	California State Board of Education
Mirus Secondary	#0885	Hesperia Unified School District
Altus Schools South Bay	#1903	California State Board of Education
Altus Schools Coachella Valley	#2166	Riverside County Office of Education

GOVERNING BOARD

Name	Office	Term and Term Expiration
Wayland Myers	Chairman	Six Year Term Expires June 30, 2027
Chris Gordon	Member	Six Year Term Expires June 30, 2029
Jim Herr	Member	Six Year Term Expires June 30, 2029
Christina Stevens	Member	Six Year Term Expired June 30, 2030

ADMINISTRATION

Mary Searcy Bixby
Superintendent School Services & Founder

Lynne Herrero Alipio
CBO, CFO, Treasurer & Secretary

Other Independent Auditor’s Reports

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

BRIAN K. HADLEY, CPA
AUBREY W. MANN, CPA
KEVIN A. SPROUL, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Altus Schools Southern 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 Altus Schools Southern California (the Corporation) which comprise the Corporation's 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 January 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 or significant deficiencies. 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 Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

El Cajon, California
January 15, 2026

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

BRIAN K. HADLEY, CPA
AUBREY W. MANN, CPA
KEVIN A. SPROUL, CPA

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the *Uniform Guidance*

To the Board of Directors of
Altus Schools Southern California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Altus Schools Southern California's (the Corporation) 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 Corporation's major federal programs for the year ended June 30, 2025. The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation 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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation 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 Corporation'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 Corporation's federal programs.

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Auditor's 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 Corporation'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 Corporation'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 Corporation'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 Corporation'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 Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

El Cajon, California
January 15, 2026

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

BRIAN K. HADLEY, CPA
AUBREY W. MANN, CPA
KEVIN A. SPROUL, CPA

Independent Auditor's Report on State Compliance and on
Internal Controls over State Compliance

To the Board of Directors
Altus Schools Southern California

Report on Compliance for Applicable State Programs

Opinion on Each Applicable State Program

We have audited Audeo Charter II, Altus Schools North County, Audeo Valley Charter School, Altus Schools East County, Mirus Secondary and Altus Schools South Bay's (the Schools) compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 applicable to the School's statutory requirements identified below for the year ended June 30, 2025.

In our opinion, the Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of their applicable state programs for the year ended June 30, 2025.

Basis for Opinion on Each Applicable State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide 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 Schools 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 applicable state program. Our audit does not provide a legal determination of the Schools' 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 Schools' state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Schools' 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 generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists.

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The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Schools' compliance with the requirements of each applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide, 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 Schools' 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 Schools' internal control over state 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 Audit Guide, 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.
- Select and test transactions and records to determine the Schools' compliance with the state laws and regulations applicable to the following items:

		Procedures Performed		
		Audeo Charter II	Altus Schools North County	Audeo Valley Charter School
School Districts, County Offices of Education, and Charter Schools				
T.	Proposition 28 Arts & Music in Schools……	Yes	Yes	Yes
U.	After/Before School Education and Safety Program……	N/A	N/A	N/A
V.	Proper Expenditure of Education Protection Account Funds……	Yes	Yes	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts……	Yes	Yes	Yes
X.	Local Control and Accountability Plan……	Yes	Yes	Yes
Y.	Independent Study - Course Based……	N/A	N/A	N/A
Z.	Immunizations……	N/A	N/A	N/A
AZ.	Educator Effectiveness……	Yes	Yes	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G)……	Yes	Yes	Yes
CZ.	Career Technical Education Incentive Grant……	Yes	Yes	Yes
DZ.	Expanded Learning Opportunities Program (ELO-P)……	N/A	N/A	N/A
EZ.	Transitional Kindergarten……	N/A	N/A	N/A
FZ.	Kindergarten Continuance……	N/A	N/A	N/A
Charter Schools				
AA.	Attendance……	Yes	Yes	Yes
BB.	Mode of Instruction……	N/A	N/A	N/A
CC.	Nonclassroom-Based Instruction/Independent Study……	Yes	Yes	Yes
DD.	Determination of Funding for Nonclassroom-Based Instruction..	Yes	Yes	Yes
EE.	Annual Instructional Minutes - Classroom Based……	N/A	N/A	N/A
FF.	Charter School Facility Grant Program……	N/A	N/A	N/A

N/A – The School did not offer the program during the current fiscal year or the requirement applied to a different type of LEA.

		Procedures Performed		
		Altus Schools East County	Mirus Secondary School	Altus Schools South Bay
School Districts, County Offices of Education, and Charter Schools				
T.	Proposition 28 Arts & Music in Schools….	Yes	Yes	Yes
U.	After/Before School Education and Safety Program….	N/A	N/A	N/A
V.	Proper Expenditure of Education Protection Account Funds…...	Yes	Yes	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts…...	Yes	Yes	Yes
X.	Local Control and Accountability Plan….	Yes	Yes	Yes
Y.	Independent Study - Course Based….	N/A	N/A	N/A
Z.	Immunizations….	N/A	N/A	N/A
AZ.	Educator Effectiveness….	Yes	Yes	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G)….	Yes	Yes	Yes
CZ.	Career Technical Education Incentive Grant….	Yes	Yes	Yes
DZ.	Expanded Learning Opportunities Program (ELO-P)….	N/A	N/A	N/A
EZ.	Transitional Kindergarten….	N/A	N/A	N/A
FZ.	Kindergarten Continuance….	N/A	N/A	N/A
Charter Schools				
AA.	Attendance….	Yes	Yes	Yes
BB.	Mode of Instruction….	N/A	N/A	N/A
CC.	Nonclassroom-Based Instruction/Independent Study….	Yes	Yes	Yes
DD.	Determination of Funding for Nonclassroom-Based Instruction..	Yes	Yes	Yes
EE.	Annual Instructional Minutes - Classroom Based….	N/A	N/A	N/A
FF.	Charter School Facility Grant Program….	N/A	N/A	N/A

N/A – The School did not offer the program during the current fiscal year or the requirement applied to a different type of LEA.

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 State Compliance

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

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

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

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

El Cajon, California
January 15, 2026

Auditor’s Results, Findings & Recommendations

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
One or more material weakness(es) identified? ___ Yes X No
One or more significant deficiencies identified that are not considered material weakness(es)? ___ Yes X No

Noncompliance material to financial statements noted? ___ Yes X No

FEDERAL AWARDS

Internal control over major federal programs:
One or more material weakness(es) identified? ___ Yes X No
One or more significant deficiencies identified that are not considered material weakness(es)? ___ Yes X No

Type of auditor's report issued on compliance for major programs: Unmodified

Compliance supplement utilized for single audit November 2025

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? ___ Yes X No

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
84.010	ESSA: Title I Basic
84.010	ESSA: Title I School Improvement Funding

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

Auditee qualified as low-risk auditee? X Yes ___ No

STATE AWARDS

Type of auditor's report issued on compliance for state programs:	Unmodified	
Internal control over applicable state programs:		
One or more material weakness(es) identified?	____ Yes	X No
One or more significant deficiencies identified that are not considered material weakness(es)?	____ Yes	X No
Any audit findings disclosed that are required to be reported in accordance with *2024-25 Guide for Annual Audits of California K-12 Local Education Agencies?*	____ Yes	X No

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards,* Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

A. Financial Statement Findings

None

B. Federal Award Findings

None

C. State Award Findings

None

Schedule of Prior Year Audit Findings

Year Ended June 30, 2025

Finding/Recommendation	Status	Explanation if Not Implemented
There were no findings in the prior year audit.	N/A	N/A