

AUDIT COMMITTEE MEETING

DATE: December 4, 2025

TIME: 12:00 PM

LOCATION: 1920 Mariposa Street, Suite 310, Fresno, CA 93721

ZOOM: <https://fresnoeoc.zoom.us/meeting/register/Z5oXb2hCSlKEBfg7Gg-etw>

AGENDA

ITEM	SUBJECT	PRESENTER	ACTION
1.	CALL TO ORDER	Bonner, Committee Chair	
2. Page 2	ROLL CALL A. Monthly Attendance Record		
3. Page 3	SEPTEMBER 18, 2025, AUDIT COMMITTEE MEETING MINUTES	Bonner, Committee Chair	Approve
4. Page 6	PRESENTATION OF SCHOOL OF UNLIMITED LEARNING 2024-2025 AUDIT A. Supporting Document	Hudson/Nalia	Accept
5.	<u>PUBLIC COMMENTS</u> <i>(This is an opportunity for the members of the public to address the Board on any matter related to the Commission that is not listed on the Agenda. Limit three minutes per speaker)</i>		
6.	ADJOURNMENT	Bonner, Committee Chair	
NOTE:	NEXT COMMITTEE MEETING: TBD		



**Audit Committee Meeting
Monthly Attendance Record
2025**

Alysia Bonner
 Joaquin Arambula
 Charles Garabedian
 Jimi Rodgers
 Elizabeth Buckley

Jan.	4-Feb	27-Feb	Mar	April	May	June	July	Aug.	18-Sep	Oct	Nov	4-Dec	Attended
	T	T							O				3/3
	T	T							O				3/3
	N/A	N/A							O				1/1
	N/A	N/A							T				1/1
	N/A	N/A							T				1/1

O-Present X-Absent T-Teleconference

AUDIT COMMITTEE MEETING MINUTES

Date: September 18, 2025

Time: 12:00 PM

Location: 1920 Mariposa Street, Suite 300 Fresno, CA 93721

1. CALL TO ORDER

Committee Chair Alysia Bonner called the meeting to order at 12:02 PM.

2. ROLL CALL

Roll was called, and a quorum was established.

Committee Members:

Alysia Bonner
Joaquin Arambula
Charles Garabedian

Staff

Steven R. Lewis
Salam M. Nalia
Sherry Neil (T)
Greg Streets
Amanda Venegas
Steve Warnes
Andy Arredondo
Ana Medina
Elionora Vivanco

Charter Impact

Rebecca Heinricy (T)
Christopher Fisher (T)

Teleconference (T):

Jimi Rodgers
Elizabeth Buckley

Auditor

Kip Hudson

3. FEBRUARY 27, 2025, AUDIT COMMITTEE MEETING MINUTES

Public Comment: None heard.

Motion by: Garabedian **Second by:** Rodgers

Ayes: All in favor.

Nays: None heard.

4. FINANCIAL AUDIT REPORT YEAR ENDED DECEMBER 31, 2024

Kip Hudson, CPA, of Hudson & Company, Inc., provided an overview of the consolidated financial statements and independent auditor's reports for the year ended December 31, 2024.

Hudson indicated the issued independent auditor's report is currently marked as "date to be determined," with the possibility of issuing on Monday, September 22, 2025, during the full Board of Commissioners meeting. The report is expected to include an unmodified opinion

on the financial statements and single audit. The most sensitive estimate affecting the financial statements was the depreciable lives related to the capital assets. The financial statement disclosures are neutral, consistent, and clear. There were no significant difficulties encountered in performing the audit, other than some turnover in the finance department. Overall, there were no findings or compliance issues in the current year's audit.

Hudson stated the total assets totaled \$40,209,042, which is a decrease of about \$8 million from the prior year due to a decrease in your cash balance of about \$2.4 million. Liabilities totaled \$30,310,023 at the end of the year, which was a decrease of about \$7 million from the prior year. This reduction was primarily due to a decrease in accounts payable by approximately \$1.4 million, which was mainly attributable to the timing of payments. Additionally, there was a decrease of about \$2.5 million in the health insurance reserve, resulting from a transfer of \$3 million out of the reserve, as it was deemed to be overfunded, and ending in net assets of \$9,899,019. The change in net assets decreased by \$979,900, due to total expenses exceeding revenues. The total support and revenues were \$155,785,802, which was consistent with the prior year, showing a minor variance of just \$228,000. The total expenses for the year were a total of \$159,865,856, which was a slight increase of \$1.3 million.

Commissioner Arambula inquired whether the public can access the Audit Committee Packet or if it is available on the agency's website. Steven Lewis, Chief Executive Officer, confirmed that the packet is indeed posted on the agency's website for public access.

Commissioner Arambula inquired about the possibility of obtaining a line item for supporting services, general, and administration, totaling \$11,052,265. The goal is to establish a trend line to understand how this has evolved historically and to help anticipate future patterns, to get a sense of whether we expect these costs to remain controlled or if we should anticipate them continuing to increase over time. Steve Warnes, Financial Officer, responded that he does not currently have the information available but can provide it at a later time. Commissioner Arambula noted that the interim CEO had identified that administration had been a major driver of the agency's issues. He inquired whether we have expectations for 2025 and what the trend line might look like moving forward, as we are seeking to establish a baseline understanding and would appreciate it if the information could be provided during the upcoming Board meeting scheduled for Monday, September 22, 2025.

Commissioner Arambula inquired about the possibility of obtaining a general baseline from previous audit reports regarding the excess of support and revenues, in order to gain a clearer understanding of our financial position last year compared to this year.

Commissioner Arambula inquired whether our net assets have decreased by 10% or by 40% when factoring in the \$3 million drawn from the healthcare reserve account. Hudson responded that, from an accounting perspective, the reduction is approximately 10%, based on the net assets that were utilized, reflecting expenses that were previously overfunded in the healthcare reserve. Since the reserve was overfunded, earlier years were better than necessary. Overall, the impact on net assets is approximately 10%. Commissioner Arambula also asked about the healthcare reserves, and Warnes responded that Human Resources

and Finance are reviewing what the costs would be for the 2026 health plan. Warnes stated that the reserve is there to cover any claims that may arise.

Commissioner Arambula asked how many months the total cash and cash equivalents of \$2,597,536 would sustain the organization. Warnes responded that this amount would cover slightly more than one payroll period.

Public comment: None heard.

Motion by: Garabedian **Second by:** Rodgers

Ayes: All in favor.

Nays: None heard

5. **PUBLIC COMMENTS**

Public comment: None heard.

No action required.

6. **ADJOURNMENT**

Meeting adjourned at 12:30 PM.

AUDIT COMMITTEE MEETING

Date: December 4, 2025	Program: Finance
Agenda Item #: 4	Director: N/A
Subject: Presentation of School of Unlimited Learning 2024-2025 Audit	Officer: Salam M. Nalia

Recommended Action

Chief Executive Officer recommends Committee acceptance of the School of Unlimited Learning 2024-2025 Program Audit, to move forward for full Board acceptance.

Background

Contracted auditing firm, Hudson & Company, Inc. conducted an audit on the School of Unlimited Learning program to obtain reasonable assurance about whether the financial statements are in accordance with required accounting principles and to ensure they are free from material misstatement.

Fiscal Impact

A completed SOUL Audit Report is required for funding sources.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION**

CHARTER SCHOOL NUMBER 0149

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2025**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of
School of Unlimited Learning
Fresno Economic Opportunities Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the School of Unlimited Learning (the Organization), a project of the Fresno Economic Opportunities Commission, 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 present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Organization's financial statements and do not present fairly the financial position of Fresno Economic Opportunities Commission as of June 30, 2025, the changes in financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in pages 14 through 21 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (pages 22-23), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements, which are in conformity with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

HUDSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson + Company, Inc." with a stylized, cursive font.

Fresno, California
November 25, 2025

**SCHOOL OF UNLIMITED LEARNING
 FRESNO ECONOMIC OPPORTUNITIES COMMISSION
 STATEMENT OF FINANCIAL POSITION
 JUNE 30, 2025**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 300
Grants receivable	709,810
Interfund receivable	<u>2,222,255</u>
Total current assets	<u>2,932,365</u>
Noncurrent Assets	
Property and equipment, net	<u>173,546</u>
Total noncurrent assets	<u>173,546</u>
Total Assets	<u><u>\$ 3,105,911</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 29,825
Accrued compensation and benefits	79,214
Deferred revenue	<u>338,543</u>
Total Liabilities	<u>447,582</u>
Net Assets	
Net assets with donor restrictions	100,000
Net assets without donor restrictions	<u>2,558,329</u>
Total Net Assets	<u>2,658,329</u>
Total Liabilities and Net Assets	<u><u>\$ 3,105,911</u></u>

The accompanying notes are an integral part of these financial statements.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Local control funding formula	\$ 2,936,578	\$ -	\$ 2,936,578
Local revenue in lieu of property taxes	223,833	-	223,833
State lottery revenue	60,901	-	60,901
Federal title revenue	108,979	-	108,979
School nutrition program	11,389	-	11,389
Other federal revenue	89,255	-	89,255
Other state revenue	517,913	-	517,913
Other income	3,880	-	3,880
	<u>3,952,728</u>	<u>-</u>	<u>3,952,728</u>
EXPENSES			
Program services	3,810,179	-	3,810,179
General and administrative	200,599	-	200,599
	<u>4,010,778</u>	<u>-</u>	<u>4,010,778</u>
Excess (Deficit) of Revenues over Expenses	<u>(58,050)</u>	<u>-</u>	<u>(58,050)</u>
OTHER INCOME (EXPENSES)			
Increase in grant funded assets	101,009	-	101,009
Depreciation of grant funded assets	(23,475)	-	(23,475)
	<u>77,534</u>	<u>-</u>	<u>77,534</u>
Changes in Net Assets	19,484	-	19,484
Net Assets at Beginning of Year	<u>2,538,845</u>	<u>100,000</u>	<u>2,638,845</u>
Net assets at End of Year	<u>\$ 2,558,329</u>	<u>\$ 100,000</u>	<u>\$ 2,658,329</u>

The accompanying notes are an integral part of these financial statements.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services	General and Administrative	Total Expenses
Expenses:			
Salaries	\$ 1,705,432	\$ -	\$ 1,705,432
Employee benefits	501,856	-	501,856
Books and supplies	191,912	-	191,912
Travel and conferences	74,923	-	74,923
Insurance	29,321	-	29,321
Rentals, leases, and repairs	305,300	-	305,300
Utilities	59,042	-	59,042
Capital purchases	47,483	-	47,483
Professional services and operating	894,910	-	894,910
Administrative expense	-	200,599	200,599
Total expenses	<u>\$ 3,810,179</u>	<u>\$ 200,599</u>	<u>\$ 4,010,778</u>

The accompanying notes are an integral part of these financial statements.

**SCHOOL OF UNLIMITED LEARNING
 FRESNO ECONOMIC OPPORTUNITIES COMMISSION
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2025**

Cash Flows from Operating Activities	
Change in net assets	\$ 19,484
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	23,475
Changes in operating assets and liabilities:	
Grants receivable	6,730
Interfund receivable	385,842
Accounts payable	(15,745)
Accrued compensation and benefits	(22,757)
Deferred revenue	<u>(296,020)</u>
Net cash provided by operating activities	<u>101,009</u>
Cash Flows from Investing Activities:	
Purchases of equipment	<u>(101,009)</u>
Net cash used in investing activities	<u>(101,009)</u>
Increase (decrease) in cash and cash equivalents	-
Cash and Cash Equivalents, Beginning of Year	<u>300</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 300</u></u>

The accompanying notes are an integral part of these financial statements.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ACTIVITIES

Organization: The Fresno Economic Opportunities Commission (the FEOC) is a non-profit corporation incorporated in the State of California in 1965. The FEOC is a local community human services agency that provides assistance to economically and socially disadvantaged persons primarily in the Fresno County region through various types of health and welfare services and programs. The majority of the FEOC's funding is supported by grants from federal, state, and local governments, with additional sources of revenue from fees for services, in-kind contributions, and donor contributions.

The School of Unlimited Learning (the Organization) is a charter school that operates under Fresno Economic Opportunities Commission. The Organization is chartered under Fresno Unified School District. Consistent with the mission of Fresno Economic Opportunities Commission, the Organization's mission is to provide comprehensive learning experiences in a manner and environment that enables students to obtain the skills, knowledge, and motivation to be self-directed, life-long learners as they mature towards adult self-sufficiency. The Organization is a comprehensive high school comprised of a classroom-based program and independent study component. The academic program includes core classes, remedial classes, and CAHSEE intervention/review classes which prepare students for testing. In the summer of 2023, the Organization received a full program accreditation by the Western Association of Schools (WASC) for the maximum full six-year period until June 30, 2029. The Organization was granted a five-year charter renewal, effective July 1, 2018 through June 30, 2023. This charter renewal has been extended by the California Department of Education until June 30, 2026.

The Organization operates a classroom-based program and independent study program. During the 2024-2025 school year, both the classroom-based program and independent study programs were located at 2336 Calaveras Street, Fresno, California 93721.

In addition to the program audit of the Organization contained herein, Fresno Economic Opportunities Commission is audited on an organization wide basis annually. Accordingly, the accompanying financial statements contain only the financial information and disclosures pertaining to the Organization as of and for the year ended June 30, 2025.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*. Under Accounting Standard Codification (ASC) Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are the portion of net assets over which the governing board has discretionary control for the general operations of the Organization. The only limits on net assets without donor restrictions are limits resulting from contractual agreements.

Net assets with donor restrictions are the portion of net assets resulting from contribution, pledges, and other inflows of assets whose use by the Organization is limited by donor-imposed restrictions that expire by the passage of time or usage, and the portion of net assets restricted by external parties (donors, grantors, or laws and regulations) in ways that are not dependent on the passage of time.

Method of Accounting: The Organization uses the accrual basis method of accounting in accordance with accounting principles generally accepted in the United States of America.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Cash and Cash Equivalents: For purposes of reporting the Statement of Cash Flows, the Organization considers all cash accounts and all highly liquid debt instruments purchased with an original maturity of three (3) months or less to be cash equivalents.

Grants Receivable: Grants receivable consist of the amounts due from the State of California representing attendance apportionment. Management evaluates receivables using the “current expected credit loss” (CECL) model which requires all expected credit losses for financial instruments held at the reporting date to be based on historical experience, current conditions, and reasonable supportable forecasts. At June 30, 2025, management considered all grants receivable to be fully collectible and, therefore, no allowance for credit losses was recorded in the accompanying financial statements. During the year ended June 30, 2025, the Organization recorded credit losses totaling \$0.

Interfund Receivable: Interfund receivable consists of the amounts retained in the FEOC funds that are due to the Organization.

Property and Equipment: Contributed property and equipment are recorded at fair value on the date of donation. Contributions of property and equipment are recorded as unrestricted support, unless the donor stipulates how long the assets must be used.

Property and equipment purchased with Organization funds are capitalized at cost and depreciated over the useful estimated lives of the asset ranging from 5 to 15 years using the straight-line method. Amortization of building improvements is based on the estimated useful life of the improvements. Depreciation and amortization expense is charged against operations. Expenditures for property and equipment in excess of \$5,000 are capitalized.

Property and equipment purchased with grant funds are depreciated using the straight-line method over the estimated useful life of the assets. Depreciation of these assets is charged against grant funded assets in the Statement of Activities.

In the event of a contract termination, certain funding sources require title to property and equipment previously purchased with grant funds revert to the funding source. Certain funding sources also limit the use of property and equipment for specific programs and require approval for disposition of property and equipment.

Compensated Absences: The Organization recognizes compensated absences as a liability. As of June 30, 2025, the accrued vacation balance was \$71,640, which is recorded within the accrued compensation and benefits on the Statement of Financial Position. Sick leave is not vested and, therefore, is not accrued.

Deferred Revenue: Deferred revenue includes unearned grant revenues and advanced grant funding. Both represent monies received by the Organization, but not yet spent, or earned in accordance with the grant agreements.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions: Contributions consist primarily of amounts received from federal, state, and local agencies. The Organization recognizes all contributions when they are received or unconditionally promised, regardless of compliance with restrictions. Contributions without donor-imposed restrictions are reported as net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as net asset with donor restrictions. When the time or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Conditional contributions and promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. As of June 30, 2025, there were no conditional contributions. Contributions to be received after one year are discounted at an appropriate rate commensurate with the anticipated cash flow and risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. As of June 30, 2025, the Organization did not have contributions to be received after one year.

In June 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The update is to clarify and improve the scope and the accounting guidance for contributions received and contributions made, whether as a contribution or an exchange transaction, and whether a contribution is conditional. The Organization follows this ASU in these financial statements accordingly.

Revenue Recognition: In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The update is to remove inconsistencies and weaknesses in revenue requirements, provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, provide more useful information to users of financial statements through improved disclosure requirements, and simplify the preparation of financial statements by reducing the number of requirements to which an entity must refer. The Organization follows this ASU in these financials accordingly.

Functional Expenses: The costs of the Organization’s various activities have been summarized on a functional basis in the accompanying Statements of Activities and Functional Expenses. Expenses are allocated to program and supporting services based upon the purpose of each expenditure and service provided for each program.

Fundraising Expenses: Costs of acquiring or applying for a contract or grant are categorized as indirect expenses and not separately stated as fundraising expenses. Only direct fundraising expenses are recorded as fundraising (special events) expenses.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes: FEOC is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Corporate Code. The FEOC is subject to taxation on any unrelated business income.

Accounting principles generally accepted in the United States of America requires FEOC's management to evaluate tax positions taken by FEOC and recognize a tax liability (or asset) if FEOC has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. FEOC's management has analyzed the tax positions taken and has concluded that, as of June 30, 2025, there were no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. FEOC is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

FEOC files tax forms in the U.S. federal jurisdiction and the State of California and is generally no longer subject to examination by these agencies for three years and four years, respectively, after they are filed.

Fair Value of Financial Instruments: Financial instruments include cash and cash equivalents, grants receivable, interfund receivable, accounts payable, accrued compensation and benefits, and deferred revenue, none of which are held for trading purposes. The fair values of all financial instruments do not differ materially from the aggregate carrying values of the financial instruments recorded in the accompanying Statement of Financial Position. The carrying amounts of these financial instruments approximate fair value because of the short-term maturities of those instruments.

Subsequent Events: In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in these financial statements. Management has determined that the event as described in Note 8 occurred requiring disclosure in accordance with accounting standards. These subsequent events have been evaluated through November 25, 2025, which is the date the financial statements were available to be issued.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash and cash equivalents and grants receivable. Cash balances are held by Fresno Economic Opportunities Commission in several bank accounts at different banks. Interest and non-interest-bearing accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Concentrations of credit risk with respect to grants receivable are limited, as amounts are receivable from government agencies.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 4 – AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization’s financial assets as of June 30, 2025, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Other considerations of non-liquid assets are donor restricted assets for specific expenditures.

Financial Assets:

Cash and cash equivalents	\$	300
Grants receivable		709,810
Interfund receivable		<u>2,222,255</u>
 Total financial assets		 <u>2,932,365</u>
 Less amounts not available to be used within one year:		
Net assets with donor restrictions		<u>100,000</u>
 Financial assets not available to be used within one year		 <u>100,000</u>
 Total financial assets available for general expenditures within one year	 \$	 <u>2,832,365</u>

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions as of June 30, 2025, are related to funds designated by the Board for a special purpose or funds received with restrictions imposed on them by donors limiting their use to a specific purpose. Net assets with donor restrictions for the year ended June 30, 2025 are \$100,000.

NOTE 6 – PROPERTY AND EQUIPMENT

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

	Balances June 30, 2024	Additions	Deletions and Adjustments	Balances June 30, 2025
Buildings and improvements	\$ 421,901	\$ 53,526	\$ -	\$ 475,427
Equipment	<u>122,166</u>	<u>47,483</u>	<u>-</u>	<u>169,649</u>
 Total	 <u>544,067</u>	 <u>101,009</u>	 <u>-</u>	 <u>645,076</u>
 Less accumulated depreciation	 <u>(448,055)</u>	 <u>(23,475)</u>	 <u>-</u>	 <u>(471,530)</u>
 Property and equipment, net	 <u>\$ 96,012</u>	 <u>\$ 77,534</u>	 <u>\$ -</u>	 <u>\$ 173,546</u>

Depreciation expense for the year ended June 30, 2025 was \$23,475 for grant funded property and equipment, and \$0 for organization funded property and equipment.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 7 – PENSION PLAN

FEOC contributes to a defined contribution pension plan which covers substantially all employees of the Organization. Contributions are based on years of service and does not allow contributions to be made if programs sponsored by federal, state or local government does not allow for funding of such benefits. The amount contributed by the Organization for the year ended June 30, 2025 was \$76,787.

NOTE 8 – SUBSEQUENT EVENT

On September 22, 2025, the SOUL Governing Council approved the 2025-2026 CalSTRS Policy Adoption effective October 1, 2025. The Policy requires a contribution equivalency of 19.1% of educators' salaries by the Local Education Agency from their state allocation. Members are also required to make a pre-tax contribution of 10.25% of their salary.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION**

SUPPLEMENTARY INFORMATION

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

The School of Unlimited Learning (SOUL) is a charter school that operates under the Fresno Economic Opportunities Commission (Fresno EOC). SOUL is chartered under the Fresno Unified School District. Consistent with the mission of Fresno EOC, SOUL's mission is to provide holistic learning experiences in a manner and environment that enables students to obtain the skills, knowledge and motivation to be self-directed, life-long learners as they mature towards self-sufficiency. SOUL is a comprehensive high school comprised of a classroom-based program and an independent study component. The academic program includes core classes, remedial classes, and career preparation classes. In the spring of 2023, SOUL received a full program accreditation by the Western Association of Schools (WASC) for the maximum full six year period until June 30, 2029. SOUL was granted a five-year charter renewal, effective July 1, 2018 through June 30, 2023. This charter renewal has been extended by the California Department of Education until June 30, 2026. By June 2023, twenty-nine of SOUL's core and elective courses were included on the University of California course approved list.

SOUL offers a seated program and an independent study program for the 2024-2025 school year which are located at 2336 Calaveras St., Fresno, 93721. Total teacher staffing for the 2024-2025 school year includes 11 full-time, credentialed teachers. While SOUL is open to any student who wishes to enroll, most students who enroll are those who have not responded well to the traditional classroom settings and methods of instruction. Supportive services such as case management, mental health counseling, truancy prevention, social/emotional intervention, and career counseling, coupled with Fresno EOC agency-sponsored health care, childcare, and employment and training services help to remove barriers to success. Parent training is available throughout the year, where parents have access to a variety of community resources.

During the 2024-2025 school year, SOUL continued in its efforts to assess, review, and revise current curriculum and instructional practices to further improve student academic achievement and prepare students for post-secondary experiences.

**SCHOOL OF UNLIMITED LEARNING
 FRESNO ECONOMIC OPPORTUNITIES COMMISSION
 ORGANIZATIONAL STRUCTURE
 FOR THE YEAR ENDED JUNE 30, 2025**

The School of Unlimited Learning Charter School (SOUL) was established on July 1, 1998 as a charter school under the granting authority of the Fresno Unified School District provided on March 26, 1998. The charter number authorized by the State is 10-62166-1030642-C149.

During the 2024-25 school year, there were no changes in the applicable boundaries.

SOUL operates one comprehensive high school that is comprised of a classroom-based program and an independent study component. SOUL operates at one consolidated location.

Leadership is provided by the following individuals:

Steven R. Lewis, Chief Executive Officer

Dion Varnado, Principal

SOUL's Governing Council Committee Appointments for 2025 were:

<i>VOTING MEMBERS</i>	<i>TARGET AREA OR TRI-PARTATE REPRESENTATIVE</i>	<i>EXPIRES</i>
ALLEN, TERRY, ED.D.	Chair, Retired Teacher Representative	n/a
FAILLA, RENA	Staff Representative, Guidance Coordinator	n/a
GRIFFIN, COURTNEY	Staff Representative, Guidance Dean	n/a
LOMELINO, SANDY	Staff Representative, Vice Principal	n/a
VARNADO, DION	Staff Representative, Principal	n/a
LUTTRELL, LUCY	Parent Representative	n/a
MCALISTER, BRUCE	EOC Commissioner	Dec 2025
MCKENZIE, DEBRA	EOC Commissioner	Dec 2027
METZLER, LARRY	Cultural Arts Rotary Interact Club	n/a
OVERTON, HALLE	Student Representative	n/a
RODGERS, JIMI	EOC Commissioner	Dec 2025
ROMERO, JULIO	EOC Health Services	n/a
SALINAS, SANDRA	Student Representative	n/a
STARKS, JEANNE	Retired Law Enforcement, Juvenile Justice System	n/a
TURNER, PATRICK	EOC Training and Employment	n/a
WASHINGTON, BENITA	FSU Social Worker Representative	n/a

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
ORGANIZATIONAL STRUCTURE (continued)
FOR THE YEAR ENDED JUNE 30, 2025**

The governing board for Fresno Economic Opportunities Commission (Fresno EOC), under which SOUL operates, is comprised of the following members:

<i>COMMISSIONER</i>	<i>TARGET AREA OR TRI-PARTATE REPRESENTATIVE</i>	<i>EXPIRES</i>
ARAMBULA, AMY	31st Assembly District	Dec 2027
ARAMBULA-REYNA, KATHLEEN	Reel Pride	Dec 2025
BAINES, OLIVER	16th Congressional District	Dec 2027
BONNER, ALYSIA	Target Area F	Dec 2027
BROWN, EARL	Target Area G	Dec 2027
GARABEDIAN, JR., CHARLES	Board of Supervisors	Dec 2025
JENKINS-MCGILL, JALYSSA	Head Start County Wide Policy Council	Dec 2027
KING, BRIAN	Mayor's Appointment	Dec 2025
LEON, REY	Target Area B	Dec 2027
LIRA, DIANE	Fresno County Superintendent of Schools	Dec 2027
MARTINEZ, DANIEL	Target Area D	Dec 2025
MARTINEZ, LUIS	14th Senatorial District	Dec 2025
MCALISTER, BRUCE	West Fresno Faith Based Organization	Dec 2027
MCCOY, BARIGYE	Board of Supervisors	Dec 2027
MCKENZIE, DEBRA	Target Area H	Dec 2027
MITCHELL, LISA	Target Area E	Dec 2025
NIKKEL, LAUREN	Economic Development Corp	Dec 2027
PACHECO, ALENA	Target Area A	Dec 2025
PIMENTEL, ROBERT	SCCCD	Dec 2025
RODGERS, JIMI	Association of Black Social Workers	Dec 2027
ROGERS, MATT	Target Area C	Dec 2027
ROMERO, MANUEL	Central La Familia Advocacy Services	Dec 2025
RUIZ, DAVID	Juvenile Court	Dec 2027
TAYLOR, STEVEN	NAACP	Dec 2027

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
SCHEDULE OF BUDGETARY COMPARISONS
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Revenue limit sources	\$ 3,458,497	\$ 2,939,722	\$ 3,160,411	\$ 220,689
Other federal revenue	152,454	321,590	209,623	(111,967)
Other state revenue	300,650	190,150	578,814	388,664
Other local revenue	5,000	5,000	3,880	(1,120)
Total Revenues	3,916,601	3,456,462	3,952,728	496,266
EXPENSES				
Certificated salaries	1,434,484	1,272,120	1,296,128	(24,008)
Classified salaries	536,920	504,374	409,304	95,070
Employee benefits	586,501	528,223	501,856	26,367
Books and supplies	214,000	171,000	191,912	(20,912)
Services, other operating	1,144,696	980,745	1,611,578	(630,833)
Total Expenses	3,916,601	3,456,462	4,010,778	(554,316)
Other income (expenses)	-	-	77,534	77,534
Change in Net Assets	\$ -	\$ -	19,484	\$ 19,484
Net Assets, Beginning of Year			2,638,845	
Net Assets, End of Year			\$ 2,658,329	

**SCHOOL OF UNLIMITED LEARNING
 FRESNO ECONOMIC OPPORTUNITIES COMMISSION
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
 FOR THE YEAR ENDED JUNE 30, 2025**

	Second Period Report	Annual Report
Secondary		
Classroom-based	15.77	17.73
Independent study	165.49	160.85
Total	181.26	178.58

**SCHOOL OF UNLIMITED LEARNING
 FRESNO ECONOMIC OPPORTUNITIES COMMISSION
 SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE YEAR ENDED JUNE 30, 2025**

Grade Level	Actual Minutes	Minimum Instructional Minutes Required	Number of Days Traditional Calendar	Status
9th Grade	N/A	N/A	N/A	N/A
10th Grade	N/A	N/A	N/A	N/A
11th Grade	N/A	N/A	N/A	N/A
12th Grade	N/A	N/A	N/A	N/A

As SOUL was on independent study during fiscal year 2024-25, instructional time is not required to be reported.

**SCHOOL OF UNLIMITED LEARNING
 FRESNO ECONOMIC OPPORTUNITIES COMMISSION
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
Support and Revenues	\$ 3,269,136	\$ 4,017,847	3,952,728
Expenditures	(2,922,521)	(3,358,950)	(4,010,778)
Other Income/(Expenses)	<u>(21,238)</u>	<u>(17,950)</u>	<u>77,534</u>
Change in Net Assets	325,377	640,947	19,484
Net Assets, Beginning of Year	<u>1,672,521</u>	<u>1,997,898</u>	<u>2,638,845</u>
Net Assets, End of Year	<u><u>\$ 1,997,898</u></u>	<u><u>\$ 2,638,845</u></u>	<u><u>\$ 2,658,329</u></u>
Average Daily Attendance at P-2	<u>185.48</u>	<u>198.66</u>	<u>181.26</u>

**SCHOOL OF UNLIMITED LEARNING
 FRESNO ECONOMIC OPPORTUNITIES COMMISSION
 RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Unaudited Actual</u>	<u>Audited Actual</u>
Total revenue and other support	\$ 3,952,728	\$ 3,952,728
Total expenditures	(4,010,778)	(4,010,778)
Other income/(expenses)	<u>77,534</u>	<u>77,534</u>
Change in net assets	19,484	19,484
Beginning net assets	<u>2,638,845</u>	<u>2,638,845</u>
Ending net assets	<u><u>\$ 2,658,329</u></u>	<u><u>\$ 2,658,329</u></u>

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION**

ADDITIONAL SUPPLEMENTARY INFORMATION

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Assistance Listing Number	Grant/Agreement Number	Federal Expenditures	Expenditures to Subrecipients
Passed through California State Department of Education: Child and Adult Care Food Program	10.558	10-62166-1030642-01	\$ 11,389	\$ -
Total Department of Agriculture			11,389	-
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed through Fresno Unified School District: Title I, Part A Grants to Local Educational Agencies Title II, Part A Improving Teacher Quality State Grants Title IV, Part A Student Support and Academic Enrichment Comprehensive Support & Improvement 22-23 (CSI) Education Stabilization Fund (ESSER III)	84.010 84.367A 84.424A 84.010A 84.425U	S010A240005 S367A240005 S424A240005 S0104230005 S425U210016	88,745 10,234 10,000 174,382 79,754	- - - - -
Total Department of Education			363,115	-
TOTAL FEDERAL AWARDS			\$ 374,504	\$ -

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – BASIS OF ACCOUNTING & PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of School of Unlimited Learning (the Organization), a project of Fresno Economic Opportunities Commission, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 – INDIRECT COST RATE LIMITATION

The Organization does not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – ASSISTANCE LISTING NUMBERS

The Assistance Listing numbers included in the accompanying Schedule of Expenditures of Federal Awards were determined based on the program name, review of the grant or contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

NOTE 4 – PASS-THROUGH ENTITY IDENTIFYING NUMBERS

When Federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards show, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the Organization has either determined that no identifying number is assigned for the program or the Organization was unable to obtain an identifying number from the pass-through entity.

NOTE 5 – SUBRECIPIENTS

The Organization had no federal expenditures as presented in the Schedule of Expenditures of Federal Awards that were provided to subrecipients.



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

To the Board of Commissioners of
School of Unlimited Learning
Fresno Economic Opportunities Commission

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 the School of Unlimited Learning (the Organization), a project of the Fresno Economic Opportunities Commission, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 25, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

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

HUDSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson + Company, Inc." with a stylized flourish at the end.

Fresno, California
November 25, 2025



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

To the Board of Commissioners of
School of Unlimited Learning
Fresno Economic Opportunities Commission

Opinion on State Compliance

We have audited the School of Unlimited Learning's (the Organization), a project of the Fresno Economic Opportunities Commission, compliance with the types of compliance requirements described in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (K-12 Audit Guide), issued by the California Education Audit Appeals Panel, applicable to the Organization's statutory requirements identified below for the year ended June 30, 2025.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the state program for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State of California's *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in the *California Code of Regulations*, Title 5, section 19810 and following. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization'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 State of California's *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* 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. 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 Organization's compliance with the requirements of the state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Organization'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 State of California's *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Proposition 28 Arts and Music In Schools	Yes
After/Before School Education and Safety Program	No (see below)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Yes
Immunizations	No (see below)
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	No (see below)
Career Technical Education Incentive Grant	No (see below)
Expanded Learning Opportunities Program	No (see below)
Transitional Kindergarten Charter Schools	No (see below)
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	No (see below)

We did not test After/Before School Education and Safety Program, Immunizations, Expanded Learnings Opportunities Grant (ELO-G), Career Technical Education Incentive Grant, Expanded Learning Opportunities Program, Transitional Kindergarten Charter Schools, or Charter School Facility Grant Program because the Organization did not receive any funding from these sources for the year ended June 30, 2025.

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 identify during the audit.

Internal Control over Compliance

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

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

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

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

HUDSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson + Company, Inc." with a stylized, cursive script.

Fresno, California
November 25, 2025

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION**

FINDINGS AND QUESTIONED COSTS

**SCHOOL OF UNLIMITED LEARNING
 FRESNO ECONOMIC OPPORTUNITIES COMMISSION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2025**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting

- Material weakness identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2025**

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported in accordance with *Government Auditing Standards*.

SECTION III – FEDERAL AND STATE AWARD FINDINGS

There are no federal or state award findings to be reported in accordance with the K-12 Audit Guide.

**SCHOOL OF UNLIMITED LEARNING
FRESNO ECONOMIC OPPORTUNITIES COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported in accordance with *Government Auditing Standards*.

SECTION III – FEDERAL AND STATE AWARD FINDINGS

There are no federal or state award findings to be reported in accordance with the K-12 Audit Guide.