JULIAN CHARTER SCHOOL, INC.

CONSOLIDATED
AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2025

A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING THE FOLLOWING CALIFORNIA CHARTER SCHOOLS

Julian Charter (Charter No. 0267)
JCS – Mountain Oaks (Charter No. 1992)
JCS – Pine Hills (Charter No. 2018)
JCS – Pine Valley (Charter No. 2021)
JCS – Cedar Cove (Charter No. 2022)
JCS – Manzanita (Charter No. 2024

AND CONSOLIDATED WITH

SDORI Charter School Properties, LLC

JCS FAMILY
25 YEARS OF EMPOWERING LEARNERS

FINANCIAL SECTION

SUPPLEMENTARY INFORMATION

OTHER INFORMATION

OTHER INDEPENDENT AUDITORS' REPORTS

FINDINGS AND QUESTIONED COSTS SECTION

FINANCIAL SECTION

CHRISTY WHITE
Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Julian Charter School, Inc.
Julian, California

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Julian Charter School, Inc. and its subsidiary, SDORI Charter School Properties, LLC, (collectively, the "Organization") which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Julian Charter School, Inc. and its subsidiary 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 Auditor's 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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 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.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 listed in the table of contents 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

<u>Other Reporting Required by *Government Auditing Standards*</u>

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 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.

Other Reporting Required by *Government Auditing Standards* (continued)

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.

Christy White, Inc.

San Diego, California
December 1, 2025

JULIAN CHARTER SCHOOL, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS	
Current assets	
Cash and cash equivalents	$ 3,291,912
Restricted cash	931,875
Accounts receivable	2,772,793
Prepaid expenses	314,530
Total current assets	7,311,110
Noncurrent assets	
Restricted cash, less current portion	2,155,829
Deposits	28,685
Right-of-use assets	1,402,060
Capital assets, net	19,084,162
Total noncurrent assets	22,670,736
Total Assets	$ 29,981,846
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	$ 1,890,123
Deferred revenue	160,862
Loans payable	67,400
Lease liabilities, current portion	636,053
Bonded debt (net), current portion	625,000
Total current liabilities	3,379,438
Noncurrent liabilities	
Lease liabilities, less current portion	707,353
Bonded debt (net), less current portion	20,822,280
Total noncurrent liabilities	21,529,633
Total liabilities	24,909,071
Net assets	
Without donor restrictions	5,072,775
Total net assets	5,072,775
Total Liabilities and Net Assets	$ 29,981,846

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

JULIAN CHARTER SCHOOL, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Federal and state support and revenues			
Local control funding formula, state aid	$ 18,553,597	$ -	$ 18,553,597
Federal revenues	666,253	-	666,253
Other state revenues	4,378,954	-	4,378,954
Total federal and state support and revenues	23,598,804	-	23,598,804
Local support and revenues			
Payments in lieu of property taxes	2,189,343	-	2,189,343
Investment income, net	228,898	-	228,898
Other local revenues	221,832	-	221,832
Total local support and revenues	2,640,073	-	2,640,073
Donor restrictions satisfied	8,999	(8,999)	-
Total Support and Revenues	26,247,876	(8,999)	26,238,877
EXPENSES			
Program services	19,469,540	-	19,469,540
Management and general	7,303,868	-	7,303,868
Total Expenses	26,773,408	-	26,773,408
CHANGE IN NET ASSETS	(525,532)	(8,999)	(534,531)
Net Assets - Beginning	5,598,307	8,999	5,607,306
Net Assets - Ending	$ 5,072,775	$ -	$ 5,072,775

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

JULIAN CHARTER SCHOOL, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Management and General	Eliminations	Total
EXPENSES				
Personnel expenses				
Certificated salaries	$ 9,253,604	$ 1,253,141	$ -	$ 10,506,745
Non-certificated salaries	682,294	1,359,580	-	2,041,874
Pension plan contributions	2,679,877	704,358	-	3,384,235
Payroll taxes	312,214	82,069	-	394,283
Other employee benefits	1,628,507	428,165	-	2,056,672
Total personnel expenses	14,556,496	3,827,313	-	18,383,809
Non-personnel expenses				
Books and supplies	938,813	155,394	-	1,094,207
Insurance	104,815	27,617	-	132,432
Facilities	2,405,043	638,222	(1,888,646)	1,154,619
Professional services	2,129,489	937,645	-	3,067,134
Interest expense	-	1,326,568	-	1,326,568
Depreciation and amortization	130,888	433,389	-	564,277
Fees to authorizing agencies	292,967	76,736	-	369,703
Other operating expenses	425,723	254,936	-	680,659
Total non-personnel expenses	6,427,738	3,850,507	(1,888,646)	8,389,599
Eliminations	(1,514,694)	(373,952)	1,888,646	-
Total Expenses	$ 19,469,540	$ 7,303,868	$ -	$ 26,773,408

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

JULIAN CHARTER SCHOOL, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	(534,531)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Noncash items		
Depreciation and amortization		564,277
Lease expense - amortization of operating right-of-use asset		20,647
Interest expense - amortization of premium and debt issuance costs		36,192
(Increase) decrease in operating assets		
Accounts receivable		(1,701,397)
Prepaid expenses		(142,032)
Increase (decrease) in operating liabilities		
Accounts payable		206,674
Deferred revenue		(1,048,397)
Net cash provided by (used in) operating activities		(2,598,567)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets		(412,694)
Net cash provided by (used in) investing activities		(412,694)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance lease		(50,444)
Principal payments on loans payable		(394,391)
Principal payments on bonds payable		(610,000)
Net cash provided by (used in) financing activities		(1,054,835)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		(4,066,096)
Cash and cash equivalents and Restricted Cash - Beginning		10,445,712
Cash and cash equivalents and Restricted Cash - Ending	$	6,379,616
Cash and cash equivalents	$	3,291,912
Restricted cash		3,087,704
Total Cash and cash equivalents and Restricted Cash	$	6,379,616
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	$	1,300,542

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Julian Charter School, Inc. (JCS) was formed as a nonprofit public benefit corporation on November 3, 1999 for the purpose of providing education through operation of one or more California public schools. JCS currently operates six (6) public charter schools. The charter schools are each numbered by the California State Board of Education and authorized by a local school district or county office of education through an approved charter petition. Information for each charter school operated by JCS is as follows:

Charter No.	Charter School Name	Grades Served	Authorizer	Charter Petition End Date
0267	Julian Charter - LIVE	TK - 12	Julian Union SD	June 30, 2027
1992	JCS - Mountain Oaks	TK - 8	Julian Union SD	June 30, 2026
2018	JCS - Pine Hills	TK - 12	Riverside COE	June 30, 2026
2021	JCS - Pine Valley	TK - 12	Mountain Empire USD	June 30, 2026
2022	JCS - Cedar Cove	TK - 12	Julian Union SD	June 30, 2026
2024	JCS - Manzanita	TK - 12	San Diego COE	June 30, 2027

The JCS mission is to empower learners with educational choice in a supportive, resource-rich environment. "We are dedicated to excellence and committed to nurturing passionate lifelong learners." Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public.

In May 2013, articles of organization were filed to establish a limited liability corporation under SDORI Charter School Properties, LLC, whereby Julian Charter School, Inc. is the sole statutory member of the LLC. As such, the LLC is deemed a disregarded entity and its financial statements are consolidated with Julian Charter School, Inc.

JCS and the LLC are collectively referred to as the "Organization". The accompanying consolidated financial statements include the accounts of Julian Charter School, Inc. and SDORI Charter School Properties, LLC, which comprise the Organization as a whole. Intercompany accounts and transactions have been eliminated in consolidation.

B. Basis of Accounting

The Organization's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

C. Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. The Organization reports 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 – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Financial Statement Presentation (continued)

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

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

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

E. Contributions

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

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

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

F. In Lieu of Property Tax Revenue

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Functional Expenses

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenses have been allocated between program and supporting services based on management's estimates.

H. Cash and Cash Equivalents

The Organization considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents.

I. Restricted Cash

Amounts included in restricted cash represent funds required to be set aside by a donor or contractual agreement. Cash that is restricted and not available for use within one year is classified as a noncurrent asset.

J. Investments

The Organization's method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities. Investment return is presented net of any investment fees.

K. Receivables and Allowances

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Organization establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2025, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

L. Prepaid Expenses

Prepaid expenses consist of payments made in advance for goods and services to be received in future periods, such as insurance, subscriptions, and program-related costs. These amounts are recorded as assets when paid and are expensed over the periods in which the related benefits are received.

M. Capital Assets

The Organization has adopted a policy to capitalize asset purchases over $5,000. Lesser amounts are expensed. Donations of capital assets are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions. Capital assets are depreciated using the straight-line method over the estimated useful lives of the property and equipment or the related lease terms.

N. Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the organization prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Lease Arrangements

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, a new lease standard effective no later than the fiscal year 2022-23. Under FASB ASC 842, a right-of-use asset and a related lease liability must be recorded on the statement of financial position (balance sheet) for proper recognition of any operating or finance lease. A right-of-use asset is an intangible asset that pertains to the lessee's right to occupy, operate, and hold a leased asset during the agreed rental period. A lease liability is the financial obligation for the payments required by the lease, discounted to present value.

P. Income Taxes

Julian Charter School, Inc. is a 509(a)(1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. JCS is exempt from state franchise or income tax under Section 23701(d) and the LLC is exempt under Section 23701(h) of the California Revenue and Taxation Code. As an educational institution, JCS is not required to register with the California Attorney General as a charity.

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

Q. Fair Value Measurements

The Fair Value Measurements Topic of the FASB *Accounting Standards Codification* establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2	Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents, as of June 30, 2025, consists of the following for Julian Charter School, Inc.:

Cash in county treasury	$	2,075,746
County treasury fair value adjustment		20,763
Cash in banks		1,195,360
Cash on hand (petty cash)		43
Total Cash and Cash Equivalents	$	3,291,912

Restricted cash, as of June 30, 2025, consists of $3,087,704 in cash with fiscal agent for SDORI Charter School Properties, Inc.

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Cash in Banks

Custodial Credit Risk
Custodial credit risk is the risk that in the event of a bank failure, an organization's deposits may not be returned to it. The FDIC insures up to $250,000 per depositor per insured bank. As of June 30, 2025, $1,045,309 of Julian Charter School, Inc.'s bank balance was exposed to custodial credit risk as there were deposits over $250,000 in accounts held at one or more banks. The Organization does not currently have a policy for custodial credit risk for deposits; however, the Organization has not and does not expect to experience any losses in such accounts.

Cash with Fiscal Agent

The Organization, specifically the LLC, maintains $3,087,704 of its cash with Zion Bank in money market investment funds. Cash with fiscal agent is carried at amortized cost on behalf of the Organization. These funds are restricted for debt service, including principal and interest payments, and are not available for general operating use (see Note 10). These types of investments do not qualify as securities as defined in FASB ASC 820, *Investments – Debt and Equity Securities*, thus the fair value disclosures required by ASC 820 are not provided.

Cash in County Treasury

Policies and Practices
Julian Charter School, Inc. is a voluntary participant in an external investment pool. The fair value of the JCS charter schools' investments in the pool is reported in the financial statements at amounts based upon the JCS's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio in relation to the amortized cost of that portfolio. The balance available for withdrawal is recorded on the amortized cost basis and is based on the accounting records maintained by the County Treasurer.

General Authorizations
Except for investments by trustees of debt proceeds, the authority to invest JCS funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies examples of the investment types permitted in the California Government Code:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Cash in County Treasury (continued)

Interest Rate Risk
Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in the market interest rates. JCS has managed its exposure to interest rate risk by investing in the county treasury. JCS's investments in the San Diego and Riverside County Treasury Investment Pools, which combines the JCS's share of the portfolio, has a combined fair value of $2,096,509 and an amortized book value of $2,075,746 as of June 30, 2025. The average weighted maturity for the San Diego pool is 562 days and 467 days for the Riverside pool.

Fair Value Measurement
Cash in county treasury is measured at Level 1 using the fair value input levels noted in Note 1Q. The funds were not previously measured. JCS has reclassified these funds as Level 1 because the amounts invested in the county treasury pooled investment fund primarily consist of investment types having observable inputs that reflect quoted prices. The investment types include those noted under the general authorizations section.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025, consists of the following for Julian Charter School, Inc.:

Local control funding sources, state aid	$ 1,521,632
Federal sources	358,937
Other state sources	396,397
In lieu property tax payments	448,744
Other local sources	47,083
Total Accounts Receivable	$ 2,772,793

NOTE 4 – CAPITAL ASSETS

A summary of activity related to capital assets during the year ended June 30, 2025 consists of the following:

Julian Charter School, Inc.	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Property and equipment				
Leasehold improvements	$ 400,539	$ 108,114	$ -	$ 508,653
Furniture and fixtures	729,364	18,500	-	747,864
Computer equipment	66,256	130,416	-	196,672
Transportation equipment	38,589	-	-	38,589
Construction in progress	74,008	155,664	-	229,672
Total property and equipment	1,308,756	412,694	-	1,721,450
Less accumulated depreciation	(568,336)	(147,529)	-	(715,865)
Capital Assets, net	$ 740,420	$ 265,165	$ -	$ 1,005,585

NOTE 4 – CAPITAL ASSETS (continued)

SDORI Charter School Properties LLC	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Property and equipment				
Land	$ 8,109,933	$ -	$ -	$ 8,109,933
Buildings	8,683,018	-	-	8,683,018
Building improvements	6,001,549	-	-	6,001,549
Total property and equipment	22,794,500	-	-	22,794,500
Less accumulated depreciation	(4,315,495)	(400,428)	-	(4,715,923)
Capital Assets, net	$ 18,479,005	$ (400,428)	$ -	$ 18,078,577
Consolidated Capital Assets, net	$ 19,219,425	$ (135,263)	$ -	$ 19,084,162

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable by entity as of June 30, 2025, consists of the following:

	Julian Charter School, Inc.	SDORI Charter School Properties LLC	Total
Salaries and benefits	$ 373,411	$ -	$ 373,411
Vendor payables	463,721	-	463,721
Due to grantor government	607,382	-	607,382
Accrued interest expense	-	412,917	412,917
Tenant security deposit	32,692	-	32,692
Total Accounts Payable	$ 1,477,206	$ 412,917	$ 1,890,123

NOTE 6 – DEFERRED REVENUE

Deferred revenue as of June 30, 2025, consists of the following for Julian Charter School, Inc.:

State sources	$ 122,321
Local sources	38,541
Total Deferred Revenue	$ 160,862

NOTE 7 – LEASE AGREEMENTS

During the fiscal year ended June 30, 2025, JCS held several lease agreements for copier equipment and facilities with third parties. The lease agreements hold term end dates no later than June 30, 2030. The equipment and sites are utilized for instructional services by each of the charter schools operated by JCS. All but one lease was deemed an operating lease. JCS has accounted for its operating lease agreements using implied discount rates from 2.88 to 4.14%. At June 30, 2025, the operating right-of-use assets balance was $1,168,140 and the operating lease liabilities balance was $1,246,041.

JCS held one finance lease for equipment. The asset associated with the finance lease is amortized over the useful life of the asset (30 years) whereas, the finance lease liability is payable over a term ending in March 2027. At June 30, 2025, the finance right-of-use asset was $233,920 and the finance lease liability was $97,365.

NOTE 7 – LEASE AGREEMENTS (continued)

The lease liabilities and right-of-use assets under JCS are amortized over the remaining terms of the leases as follows:

Fiscal Year Ending June 30,	Operating Lease Liabilities	Right-of-Use Assets	Finance Lease Liability	Right-of-Use Asset
2026	$ 615,020	$ 579,162	$ 59,340	$ 16,320
2027	372,992	350,966	44,505	16,320
2028	152,498	144,310	-	16,320
2029	157,360	144,310	-	16,320
2030	12,472	13,693	-	16,320
Thereafter	-	-	-	152,320
Total lease payments	1,310,342	1,232,441	103,845	233,920
NPV adjustment	(64,301)	(64,301)	(6,480)	-
Total	$ 1,246,041	$ 1,168,140	$ 97,365	$ 233,920

NOTE 8 – LOANS PAYABLE

A summary of activity related to loans payable during the year ended June 30, 2025 consists of the following for Julian Charter School, Inc.:

	Balance July 1, 2024	Draws	Payments	Balance June 30, 2025
Charter school revolving loans	$ 214,391	$ -	$ 166,970	$ 47,421
CAM loan	247,400	-	227,421	19,979
Total Loans Payable	$ 461,791	$ -	$ 394,391	$ 67,400

Charter School Revolving Loans

In the 2020-21 fiscal year, JCS received loan proceeds totaling $750,000 through the Charter Revolving Loan Fund Program administered by the California School Finance Authority (CSFA). The proceeds were issued as $250,000 per school to JCS – Cedar Cove, JCS – Manzanita, and JCS – Pine Valley. Repayment began on August 1, 2021. The original loans were to be repaid over a two-year period; however, a term extension was requested and granted in August 2021 to extend repayment through January 2026. The revolving notes bear an annualized interest rate equal to the “prime rate” of 0.468%. During the fiscal year ended June 30, 2025, JCS made payments of $167,809, which included $166,970 of principal and $839 of interest expense. As of June 30, 2025, the outstanding principal balance on the loans were $47,421 with repayment obligation of the remaining amount due no later than January 2026..

CAM Loan

On February 28, 2020, JCS entered into a revolving loan and security agreement with Charter Asset Management (CAM). The agreement allows for JCS to draw up to $1,000,000 in financing at an interest rate of 9.5%. The loan matures on June 30, 2026. The CAM revolving loan is secured by the charter schools' present and future assets, including future state revenue. During the fiscal year ended June 30, 2025, JCS made payments of $241,407, which included $227,421 of principal and $13,985 of interest expense. As of June 30, 2025, the outstanding principal balance on the loan was $19,979 with repayment obligation of the remaining amount due no later than June 2026.

NOTE 9 – BONDS PAYABLE

A summary of activity related to bonds payable during the year ended June 30, 2025 consists of the following for SDORI Charter School Properties LLC:

	Balance July 1, 2024	Draws	Payments	Balance June 30, 2025
CMFA 2015 Series A	$ 22,760,000	$ -	$ 610,000	$ 22,150,000
Unamortized issuance costs	(793,219)	-	(38,844)	(754,375)
Unamortized premium	54,307	-	2,652	51,655
Total Bonded Debt, Net	$ 22,021,088	$ -	$ 573,808	$ 21,447,280

In March 2015, SDORI Charter School Properties, LLC entered into a loan agreement with the California Municipal Finance Authority (CMFA) for the issuance of $25,905,000 tax-exempt Charter School Revenue Bonds, Series A and $760,000 taxable Charter School Revenue Bonds, Series B. The funds were used to acquire, construct, improve, furnish, and equip the school facilities at 39665 Avenida Acacias in Murrieta, California and 27235 Madison Avenue in Temecula, California.

The bonds were sold at a premium of $78,617 and had issuance costs of approximately $1,210,237. Interest is payable monthly and commenced in March 2016. In accordance with ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*, debt issuance costs are to be presented in the balance sheet as a direct deduction from the carrying value of the associated liability. Additionally, the amortization of debt issuance costs is required to be reported as interest expense.

Future minimum payments associated with debt service obligations on the bonds payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 625,000	$ 1,238,750	$ 1,863,750
2027	655,000	1,207,500	1,862,500
2028	700,000	1,173,937	1,873,937
2029	740,000	1,134,563	1,874,563
2030	780,000	1,092,938	1,872,938
2031-2045	18,650,000	9,453,375	28,103,375
Unamortized issuance costs	(754,375)	754,375	-
Unamortized premium	51,655	(51,655)	-
Total	$ 21,447,280	$ 16,003,783	$ 37,451,063

NOTE 10 – NET ASSETS

As of June 30, 2025, the Organization did not hold any net assets with donor restrictions. Certain designations or reserves have been made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Charter. At June 30, 2025, the Organization's net assets without donor restrictions consists of the following:

Net investment in capital assets	$ (2,363,118)
Board designations	
Reserve for economic uncertainty	2,610,567
Undesignated	4,825,326
Total Net Assets without Donor Restrictions	$ 5,072,775

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Financial Assets	
Cash and cash equivalents and restricted cash	$ 6,379,616
Accounts receivable	2,772,793
Prepaid expenses	314,530
Contractual or donor-imposed restrictions	
Cash restricted for bonded debt	(3,087,704)
Cash held for conditional contributions	(160,862)
Board designations	
Reserve for economic uncertainty	(2,610,567)
Financial Assets available to meet cash needs for expenditures within one year	$ 3,607,806

NOTE 12 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. In accordance with *California Education Code* 47605, charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. JCS has made such election for its charter schools. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and non-certificated employees are members of the California Public Employees' Retirement System (CalPERS). JCS also offers social security as an alternative plan to all employees who may not qualify for the CalSTRS or CalPERS retirement plans.

California State Teachers' Retirement System (CalSTRS)

Plan Description
Julian Charter School, Inc. 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. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275.

Funding Policy
Active plan members are required to contribute 10.25% or 10.205% of their 2024-25 salary depending on the employee's membership date in the plan. The required employer contribution rate for fiscal year 2024-25 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. JCS's contributions to CalSTRS for the fiscal year ended June 30, 2025 was $1,923,780; 100% of the required contribution.

On-Behalf Payments
The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all school agencies in California. The amount of on-behalf payments made for JCS charter schools is estimated at $875,137. The on-behalf payment amount is computed as the proportionate share of total 2023-24 State on-behalf contributions.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (continued)

California Public Employees' Retirement System (CalPERS)

Plan Description

Julian Charter School, Inc. 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, within the Public Employees' Retirement Law. CalPERS issues a separate annual comprehensive 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 Q Street, Sacramento, California 95811.

Funding Policy

Active plan members, who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA), specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

Julian Charter School, Inc. 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 for fiscal year 2024-25 was 27.05% of annual payroll. The contribution requirements of the plan members are established by state statute. JCS's contributions to CalPERS for the fiscal year ended June 30, 2025 was $585,318; 100% of the required contribution.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Charter School Authorization

As mentioned in Note 1A, the charter schools operated by Julian Charter Schools are approved to operate as a public charter schools through authorization by each school district or county office of education. As such, the charter schools are subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

JCS makes payments to the authorizing agencies to provide required services for oversight. In accordance with California Education Code Section 47613(b), the authorizing agency may charge actual costs of oversight not to exceed 3% of revenue from local control funding formula sources if the authorizing agency also provides substantially free facilities; Julian Union School District provides such facilities for its authorized charter schools. Fees associated with oversight consisted of 1% of revenue from local control funding formula sources for all other charter schools. Total fees for oversight amounted to $369,703 for the fiscal year ending June 30, 2025.

Multiemployer Defined Benefit Plan Participation

Under current law on multiemployer defined benefit plans, the charter schools' voluntary withdrawal from any underfunded multiemployer defined benefit plan would require the charter schools to make payments to the plan, which would approximate the charter schools' proportionate share of the multiemployer plan's unfunded vested liabilities. CalSTRS has estimated that the Organization's share of withdrawal liability is approximately $9,446,169 as of June 30, 2024. Also as of June 30, 2024, CalPERS has estimated the Organization's share of withdrawal liability to be $3,818,256. The Organization does not currently intend to withdraw its charter schools from CalSTRS or CalPERS. Refer to Note 12 for additional information on employee retirement plans.

NOTE 13 – COMMITMENTS AND CONTINGENCIES (continued)

Governmental Funds

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

Pending or Threatened Litigation

The Organization is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Organization as of June 30, 2025.

NOTE 14 – DONATED GOODS AND SERVICES

During the year, many parents, administrators and other individuals donated significant amounts of time and services to Julian Charter School, Inc. in an effort to advance the charter schools' programs and objectives. These services have not been recorded in the financial statements because they do not meet the criteria required by generally accepted accounting principles. The Organization did not receive any donated items during the year ended June 30, 2025.

NOTE 15 – INTERAGENCY TRANSACTIONS

As mentioned in Note 1A, Julian Charter School, Inc. is the sole statutory member of SDORI Charter School Properties, LLC. The entities are considered financially interrelated under generally accepted accounting principles because of the statutory relationship. As such, interagency transactions and balances are eliminated in the consolidated financial statements of the Organization to better reflect the true activities of the corporation. Transactions during the fiscal year that were eliminated included lease payments recorded as a lease expense to JCS and rental income to the LLC. Additional information concerning the leased property is noted below.

On March 1, 2015, JCS entered into a lease agreement with the LLC for use of facilities. The agreement provides for varying monthly payments ending June 2040. Future minimum lease payments under the agreement are directly associated with the Series A and Series B principal and interest payments as disclosed in Note 9. Site descriptions and locations include:

- JCS – Pine Hills: (Murrieta Academies) 39665 Avenida Acacias in Murrieta, California, (Resource Center) 27235 Madison Avenue and (Innovation Center) 29141 Vallejo Ave in Temecula, California.
- JCS – Mountain Oaks: (Pheonix Learning Center) 539 Encinitas Boulevard in Encinitas, California.

Total revenues to the LLC from JCS amounted to $1,888,646 during the fiscal year. As part of the lease agreement, JCS holds a right-of-use asset of $19,810,703 and an operating lease liability of $19,800,138 and the difference of $10,565 is presented as deferred revenue for the LLC. These transactions and balances have been presented as eliminations on the consolidating statement of financial statements.

At July 1, 2023, a prior period reclassification of $12,169 was booked to decrease the LLC's beginning net assets balance to properly allocate deferred revenue related to the lease agreement and implementation of ASC 842.

NOTE 16 – SUBSEQUENT EVENTS

Julian Charter School, Inc. has evaluated subsequent events for the period from June 30, 2025 through December 1, 2025, the date the financial statements were available to be issued. Management did not identify any transactions or events that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTARY INFORMATION

JULIAN CHARTER SCHOOL, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

	Julian Charter School Inc.	SDORI Charter School Properties LLC	Eliminations	Consolidated Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 3,291,912	$ -	$ -	$ 3,291,912
Restricted cash	-	931,875	-	931,875
Accounts receivable	2,772,793	-	-	2,772,793
Prepaid expenses	314,530	-	-	314,530
Total current assets	6,379,235	931,875	-	7,311,110
Noncurrent assets				
Restricted cash, less current portion	-	2,155,829	-	2,155,829
Deposits	28,685	-	-	28,685
Right-of-use assets	21,212,763	-	(19,810,703)	1,402,060
Capital assets, net	1,005,585	18,078,577	-	19,084,162
Total noncurrent assets	22,247,033	20,234,406	(19,810,703)	22,670,736
Total Assets	$ 28,626,268	$ 21,166,281	$ (19,810,703)	$ 29,981,846
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	$ 1,477,206	$ 412,917	$ -	$ 1,890,123
Deferred revenue	160,862	10,565	(10,565)	160,862
Loans payable	67,400	-	-	67,400
Lease liabilities, current portion	1,536,836	-	(900,783)	636,053
Bonded debt, current portion	-	625,000	-	625,000
Total current liabilities	3,242,304	1,048,482	(911,348)	3,379,438
Noncurrent liabilities				
Lease liabilities, less current portion	19,606,708	-	(18,899,355)	707,353
Bonded debt (net), less current portion	-	20,822,280	-	20,822,280
Total noncurrent liabilities	19,606,708	20,822,280	(18,899,355)	21,529,633
Total liabilities	22,849,012	21,870,762	(19,810,703)	24,909,071
Net assets				
Without donor restrictions	5,777,256	(704,481)	-	5,072,775
Total net assets	5,777,256	(704,481)	-	5,072,775
Total Liabilities and Net Assets	$ 28,626,268	$ 21,166,281	$ (19,810,703)	$ 29,981,846

JULIAN CHARTER SCHOOL, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Julian Charter School, Inc.			SDORI		
	Without Donor Restrictions	With Donor Restrictions	Total	Charter School Properties LLC	Eliminations	Consolidated Total
SUPPORT AND REVENUES						
Federal and state support and revenues						
Local control funding formula, state aid	$ 18,553,597	$ -	$ 18,553,597	$ -	$ -	$ 18,553,597
Federal revenues	666,253	-	666,253	-	-	666,253
Other state revenues	4,378,954	-	4,378,954	-	-	4,378,954
Total federal and state support and revenues	23,598,804	-	23,598,804	-	-	23,598,804
Local support and revenues						
Payments in lieu of property taxes	2,189,343	-	2,189,343	-	-	2,189,343
Rental income	-	-	-	1,888,646	(1,888,646)	-
Investment income, net	81,692	-	81,692	147,206	-	228,898
Other local revenues	221,832	-	221,832	-	-	221,832
Total local support and revenues	2,492,867	-	2,492,867	2,035,852	(1,888,646)	2,640,073
Donor restrictions satisfied	8,999	(8,999)	-	-	-	-
Total Support and Revenues	26,100,670	(8,999)	26,091,671	2,035,852	(1,888,646)	26,238,877
EXPENSES						
Program services	20,984,234	-	20,984,234	-	(1,514,694)	19,469,540
Management and general	5,832,990	-	5,832,990	1,844,830	(373,952)	7,303,868
Total Expenses	26,817,224	-	26,817,224	1,844,830	(1,888,646)	26,773,408
CHANGE IN NET ASSETS	(716,554)	(8,999)	(725,553)	191,022	-	(534,531)
Net Assets - Beginning	6,493,810	8,999	6,502,809	(883,334)	(12,169)	5,607,306
Prior period reclassification	-	-	-	(12,169)	12,169	-
Net Assets - Beginning, as restated	6,493,810	8,999	6,502,809	(895,503)	-	5,607,306
Net Assets - Ending	$ 5,777,256	$ -	$ 5,777,256	$ (704,481)	$ -	$ 5,072,775

JULIAN CHARTER SCHOOL, INC.
STATEMENT OF FINANCIAL POSITION BY CHARTER SCHOOL
JUNE 30, 2025

Charter No.	0267	1992	2018	2021	2022	2024			
	Julian Charter - LIVE	JCS - Mountain Oaks	JCS - Pine Hills	JCS - Pine Valley	JCS - Cedar Cove	JCS - Manzanita	Home Office	Eliminations	Julian Charter School Inc. Total
ASSETS									
Current assets									
Cash and cash equivalents	$ 906,518	$ 696,831	$ 43,613	$ 681,033	$ 660,785	$ 303,132	$ -	$ -	$ 3,291,912
Accounts receivable	234,561	524,919	1,116,165	262,978	237,959	396,211	-	-	2,772,793
Interagency receivables	9,101	30,616	99,060	51,591	24,095	-	-	(214,463)	-
Prepaid expenses	96,120	10,801	26,558	11,864	2,143	49,112	117,932	-	314,530
Total current assets	1,246,300	1,263,167	1,285,396	1,007,466	924,982	748,455	117,932	(214,463)	6,379,235
Noncurrent assets									
Deposits	-	-	-	950	-	27,735	-	-	28,685
Right-of-use assets	25,213	5,589,042	14,622,329	336,252	17,696	622,231	-	-	21,212,763
Capital assets, net	7,580	118,695	822,134	29,673	-	27,503	-	-	1,005,585
Total noncurrent assets	32,793	5,707,737	15,444,463	366,875	17,696	677,469	-	-	22,247,033
Total Assets	$ 1,279,093	$ 6,970,904	$ 16,729,859	$ 1,374,341	$ 942,678	$ 1,425,924	$ 117,932	$ (214,463)	$ 28,626,268
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable	$ 625,484	$ 135,147	$ 423,755	$ 70,010	$ 79,925	$ 83,508	$ 59,377	$ -	$ 1,477,206
Interagency payables	-	-	-	-	-	155,908	58,555	(214,463)	-
Deferred revenue	318	1,101	101,505	29,094	27,447	1,397	-	-	160,862
Loans payable	400	3,596	8,990	1,798	1,998	50,618	-	-	67,400
Lease liabilities	22,493	5,449,339	14,615,157	360,109	17,564	678,882	-	-	21,143,544
Total liabilities	648,695	5,589,183	15,149,407	461,011	126,934	970,313	117,932	(214,463)	22,849,012
Net assets									
Without donor restrictions	630,398	1,381,721	1,580,452	913,330	815,744	455,611	-	-	5,777,256
Total net assets	630,398	1,381,721	1,580,452	913,330	815,744	455,611	-	-	5,777,256
Total Liabilities and Net Assets	$ 1,279,093	$ 6,970,904	$ 16,729,859	$ 1,374,341	$ 942,678	$ 1,425,924	$ 117,932	$ (214,463)	$ 28,626,268

JULIAN CHARTER SCHOOL, INC.
STATEMENT OF ACTIVITIES BY CHARTER SCHOOL
FOR THE YEAR ENDED JUNE 30, 2025

Charter No.	0267 Julian Charter - LIVE	1992 JCS - Mountain Oaks	2018 JCS - Pine Hills	2021 JCS - Pine Valley	2022 JCS - Cedar Cove	2024 JCS - Manzanita	Home Office	Julian Charter School Inc. Total
SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS								
Federal and state support and revenues								
Local control funding formula, state aid	$ 2,218,911	$ 2,588,221	$ 8,863,601	$ 1,755,223	$ 1,437,577	$ 1,690,064	$ -	$ 18,553,597
Federal revenues	114,823	66,029	257,946	86,601	47,575	93,279	-	666,253
Other state revenues	467,396	630,111	2,042,034	470,730	276,541	492,142	-	4,378,954
Total federal and state support and revenues	2,801,130	3,284,361	11,163,581	2,312,554	1,761,693	2,275,485	-	23,598,804
Local support and revenues								
Payments in lieu of property taxes	260,629	335,056	17,097	406,221	168,121	1,002,219	-	2,189,343
Investment income, net	20,147	19,071	279	15,462	12,210	14,523	-	81,692
Other local revenues	8,516	162,248	31,909	6,739	4,362	8,058	-	221,832
Total local support and revenues	289,292	516,375	49,285	428,422	184,693	1,024,800	-	2,492,867
Donor restrictions satisfied	8,999	-	-	-	-	-	-	8,999
Total Support and Revenues	3,099,421	3,800,736	11,212,866	2,740,976	1,946,386	3,300,285	-	26,100,670
EXPENSES								
Program services	2,573,070	2,962,756	9,163,461	2,302,379	1,532,011	2,450,557	-	20,984,234
Management and general	625,971	777,597	2,490,334	673,330	547,312	718,446	-	5,832,990
Total Expenses	3,199,041	3,740,353	11,653,795	2,975,709	2,079,323	3,169,003	-	26,817,224
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(99,620)	60,383	(440,929)	(234,733)	(132,937)	131,282	-	(716,554)
SUPPORT AND REVENUES WITH DONOR RESTRICTIONS								
Donor restrictions satisfied	$ (8,999)	$ -	$ -	$ -	$ -	$ -	$ -	$ (8,999)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(8,999)	-	-	-	-	-	-	(8,999)
CHANGE IN NET ASSETS	(108,619)	60,383	(440,929)	(234,733)	(132,937)	131,282	-	(725,553)
Net Assets - Beginning	739,017	1,321,338	2,021,381	1,148,063	948,681	324,329	-	6,502,809
Net Assets - Ending	$ 630,398	$ 1,381,721	$ 1,580,452	$ 913,330	$ 815,744	$ 455,611	$ -	$ 5,777,256

JULIAN CHARTER SCHOOL, INC.
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter 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.

	Julian Charter (Charter No. 0267)		**JCS - Pine Valley (Charter No. 2021)**	
	Second Period Report	Annual Report	Second Period Report	Annual Report
	Nonclassroom-Based		Nonclassroom-Based	
Grade Span				
Regular				
Kindergarten* through third	22.14	22.22	44.57	44.53
Fourth through sixth	40.50	41.09	39.35	39.56
Seventh through eighth	43.92	44.59	38.45	38.49
Ninth through twelfth	93.50	93.17	53.41	53.55
Total Average Daily Attendance - Nonclassroom-Based	200.06	201.07	175.78	176.13
Total Average Daily Attendance	200.06	201.07	175.78	176.13

	JCS - Pine Hills (Charter No. 2018)		**JCS - Cedar Cove (Charter No. 2022)**	
	Second Period Report	Annual Report	Second Period Report	Annual Report
	Nonclassroom-Based		Nonclassroom-Based	
Grade Span				
Regular				
Kindergarten* through third	215.61	215.35	88.67	88.78
Fourth through sixth	167.86	167.38	24.52	25.16
Seventh through eighth	100.19	100.37	5.55	5.46
Ninth through twelfth	241.18	241.20	10.31	10.09
Total Average Daily Attendance - Nonclassroom-Based	724.84	724.30	129.05	129.49
Total Average Daily Attendance	724.84	724.30	129.05	129.49

	JCS - Mountain Oaks (Charter No. 1992)		**JCS - Manzanita (Charter No. 2024)**	
	Second Period Report	Annual Report	Second Period Report	Annual Report
	Nonclassroom-Based		Nonclassroom-Based	
Grade Span				
Regular				
Kindergarten* through third	104.43	104.96	106.26	106.46
Fourth through sixth	98.37	98.70	55.82	55.81
Seventh through eighth	54.39	54.37	43.57	43.99
Ninth through twelfth	-	-	16.79	16.53
Total Average Daily Attendance - Nonclassroom-Based	257.19	258.03	222.44	222.79
Total Average Daily Attendance	257.19	258.03	222.44	222.79

*Includes Transitional Kindergarten (TK).

The Charter Schools had no Classroom-Based ADA in 2024-25.

JULIAN CHARTER SCHOOL, INC.
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025

This schedule presents information on the amount of instructional days offered per grade level by the charter school and whether the charter school complied with the provisions of *Education Code Section* 47612.5. The charter schools only provided nonclassroom-based instruction; therefore, no annual instructional minutes by grade level are presented below.

Charter School / Grade Level	2024-25 Number of Days	Status
Julian Charter (Charter No. 0267)		
Kindergarten*	175	Complied
Grade 1	175	Complied
Grade 2	175	Complied
Grade 3	175	Complied
Grade 4	175	Complied
Grade 5	175	Complied
Grade 6	175	Complied
Grade 7	175	Complied
Grade 8	175	Complied
Grade 9	175	Complied
Grade 10	175	Complied
Grade 11	175	Complied
Grade 12	175	Complied
JCS - Pine Hills (Charter No. 2018)		
Kindergarten*	175	Complied
Grade 1	175	Complied
Grade 2	175	Complied
Grade 3	175	Complied
Grade 4	175	Complied
Grade 5	175	Complied
Grade 6	175	Complied
Grade 7	175	Complied
Grade 8	175	Complied
Grade 9	175	Complied
Grade 10	175	Complied
Grade 11	175	Complied
Grade 12	175	Complied
JCS - Mountain Oaks (Charter No. 1992)		
Kindergarten*	175	Complied
Grade 1	175	Complied
Grade 2	175	Complied
Grade 3	175	Complied
Grade 4	175	Complied
Grade 5	175	Complied
Grade 6	175	Complied
Grade 7	175	Complied
Grade 8	175	Complied

Charter School / Grade Level	2024-25 Number of Days	Status
JCS - Pine Valley (Charter No. 2021)		
Kindergarten*	175	Complied
Grade 1	175	Complied
Grade 2	175	Complied
Grade 3	175	Complied
Grade 4	175	Complied
Grade 5	175	Complied
Grade 6	175	Complied
Grade 7	175	Complied
Grade 8	175	Complied
Grade 9	175	Complied
Grade 10	175	Complied
Grade 11	175	Complied
Grade 12	175	Complied
JCS - Cedar Cove (Charter No. 2022)		
Kindergarten*	175	Complied
Grade 1	175	Complied
Grade 2	175	Complied
Grade 3	175	Complied
Grade 4	175	Complied
Grade 5	175	Complied
Grade 6	175	Complied
Grade 7	175	Complied
Grade 8	175	Complied
Grade 9	175	Complied
Grade 10	175	Complied
Grade 11	175	Complied
Grade 12	175	Complied
JCS - Manzanita (Charter No. 2024)		
Kindergarten*	175	Complied
Grade 1	175	Complied
Grade 2	175	Complied
Grade 3	175	Complied
Grade 4	175	Complied
Grade 5	175	Complied
Grade 6	175	Complied
Grade 7	175	Complied
Grade 8	175	Complied
Grade 9	175	Complied
Grade 10	175	Complied
Grade 11	175	Complied
Grade 12	175	Complied

*Includes Transitional Kindergarten (TK)

This schedule provides the information necessary to reconcile fund balance/net position reported on the Annual Financial and Budget Report (Unaudited Actuals) by charter school to net assets on the audited financial statements.

As of June 30, 2025, there were no adjustments to reconcile fund balance/net position on Unaudited Actuals to net assets per the audited financial statements for any of the six (6) public charter schools. Refer to the financial statements by charter school within the supplementary information for activity and balances by charter school.

OTHER INFORMATION

This schedule provides information about the local education agency (LEA or charter school), including the charter school's authorizing agency, grades served, members of the governing body, and members of the administration.

Julian Charter School, Inc. (JCS) was formed as a nonprofit public benefit corporation on November 3, 1999 for the purpose of providing education through operation of one or more California public schools. JCS currently operates six (6) public charter schools. During 2024-25, the charter schools collectively served over 1,740 students in grades TK to 12. The charter schools are each numbered by the California State Board of Education and authorized by a local school district or county office of education through an approved charter petition. Information for each charter school operated by JCS is as follows:

Charter No.	Charter School Name	Grades Served	Authorizer	Charter Petition End Date
0267	Julian Charter - LIVE	TK - 12	Julian Union SD	June 30, 2027
1992	JCS - Mountain Oaks	TK - 8	Julian Union SD	June 30, 2026
2018	JCS - Pine Hills	TK - 12	Riverside COE	June 30, 2026
2021	JCS - Pine Valley	TK - 12	Mountain Empire USD	June 30, 2026
2022	JCS - Cedar Cove	TK - 12	Julian Union SD	June 30, 2026
2024	JCS - Manzanita	TK - 12	San Diego COE	June 30, 2027

BOARD OF DIRECTORS

Name	Office	Term Expiration
Tanya Rogers	President	June 30, 2025
Bryan Mills	Treasurer	June 30, 2025
Lisa Simmons	Secretary	June 30, 2026
Rebecca Van Cleave	Member	June 30, 2025
Janet Wilson	Member	June 30, 2026
Lili-Ann Mooneyham	Member	June 30, 2026
Cristina Martinez Camacho	Member	June 30, 2026

ADMINISTRATION

Jennifer Cauzza
Superintendent

Cam Lay
Financial Controller

OTHER INDEPENDENT AUDITORS' REPORTS

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*

Independent Auditors' Report

To the Board of Directors of
Julian Charter School, Inc.
Julian, California

We have audited, 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, the consolidated financial statements of Julian Charter School, Inc. and its subsidiary, SDORI Charter School Properties, LLC, (collectively, the "Organization") as of and for the year ended June 30, 2025, and the related notes to the consolidated financial statements, which collectively comprise the Organization's financial statements and have issued our report thereon dated December 1, 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 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.

Christy White, Inc.

San Diego, California
December 1, 2025

REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Independent Auditors' Report

To the Board of Directors of
Julian Charter School, Inc.
Julian, California

Report on State Compliance

Opinion on State Compliance

We have audited Julian Charter School, Inc.'s compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to Julian Charter School, Inc.'s state program requirements for the fiscal year ended June 30, 2025. Reference to Julian Charter School, Inc. within this letter is inclusive of the six (6) public charter schools listed in Note 1A of the financial statements.

In our opinion, Julian Charter School, Inc. complied, in all material respects, with the laws and regulations of the applicable state programs for the year ended June 30, 2025, as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

Basis for Opinion on State Compliance

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Julian Charter School, Inc. and to meet certain 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 on state compliance. Our audit does not provide a legal determination of Julian Charter School, Inc.'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 internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Julian Charter School, Inc.'s state programs.

Auditor's Responsibilities for the Audit for State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Julian Charter School, Inc.'s compliance based on our audit.

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Auditor's Responsibilities for the Audit for State Compliance (continued)

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 K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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, they would influence the judgment made by a reasonable user of the report on compliance about Julian Charter School, Inc.'s compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* and the K-12 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 Julian Charter School, Inc.'s compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Julian Charter School, Inc.'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 K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Julian Charter School, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine Julian Charter School, Inc.'s compliance with the state laws and regulations to the following items:

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

"Not applicable" is used in the table above to indicate that the charter schools either did not receive program funding or did not otherwise operate the program during the fiscal year.

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 or 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 State Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
December 1, 2025

FINDINGS AND QUESTIONED COSTS SECTION

PART I – SUMMARY OF AUDITORS' RESULTS

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

The Organization did not expend more than $750,000 in federal awards; therefore, a Federal Single Audit under OMB Uniform Grant Guidance is not applicable.

State Awards	
Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None Reported
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* ?	No
Type of auditors' report issued on compliance for state programs:	Unmodified

All audit year findings, if any, are assigned an appropriate finding code 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 Programs
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

PART II – FINANCIAL STATEMENT FINDINGS

There were no audit findings related to the financial statements for the year ended June 30, 2025.

PART III – STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings and questioned costs related to state awards for the year ended June 30, 2025.

This section presents the status of actions taken by the Organization on each of the findings and recommendations reported in the prior year audit; however, there were no audit findings reported in the year ended June 30, 2024.