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NEW OPPORTUNITIES ORGANIZATION

AUDIT REPORT

June 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Opportunities Organization
Los Angeles, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit, 12500 Ramona LLC, of New Opportunities Organization (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statement of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit, 12500 Ramona LLC of the Organization as of June 30, 2025, and the changes to its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 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.

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 opinions on the financial statements as a whole. The accompanying 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 GAAS. In our opinion, the accompanying supplementary information, is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 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, 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.

CWDL, Certified Public Accountants

San Diego, California
December 10, 2025

FINANCIAL SECTION

**NEW OPPORTUNITIES ORGANIZATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025**

| | New Opportunities Charter School | Family First Charter School | New Opportunities Organization |
|---|-------------------------------------|--------------------------------|-----------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 9,644,465 | \$ 5,379,686 | \$ 15,024,151 |
| Accounts receivable | 1,241,007 | 1,070,441 | 2,311,448 |
| Prepaid expenses | 69,048 | 29,425 | 98,473 |
| Capital assets, net | 544,850 | 2,168,355 | 2,713,205 |
| Other current assets | 20,000 | 1,546 | 21,546 |
| Right-of-use assets, net | 1,130,176 | 4,750,725 | 5,880,901 |
| TOTAL ASSETS | \$ 12,649,546 | \$ 13,400,178 | \$ 26,049,724 |
| LIABILITIES | | | |
| Accounts payable | \$ 168,915 | \$ 274,122 | \$ 443,037 |
| Deferred revenue | 462,403 | 549,616 | 1,012,019 |
| Lease liabilities | 1,134,313 | 3,193,902 | 4,328,215 |
| Total liabilities | 1,765,631 | 4,017,640 | 5,783,271 |
| NET ASSETS | | | |
| Without donor restriction | 10,883,915 | 9,382,538 | 20,266,453 |
| Total net assets | 10,883,915 | 9,382,538 | 20,266,453 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 12,649,546 | \$ 13,400,178 | \$ 26,049,724 |

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

**NEW OPPORTUNITIES ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2025**

| | New Opportunities Charter School | Family First Charter School | New Opportunities Organization |
|--|-------------------------------------|--------------------------------|-----------------------------------|
| SUPPORT AND REVENUES | | | |
| Federal and state support and revenues: | | | |
| General purpose entitlement | \$ 2,255,353 | \$ 3,597,547 | \$ 5,852,900 |
| Education protection account entitlement | 50,326 | 69,086 | 119,412 |
| Other federal revenues | 522,462 | 123,778 | 646,240 |
| Other state revenues | 672,054 | 823,502 | 1,495,556 |
| Local support and revenues: | | | |
| Payments in lieu of property taxes | 1,069,858 | 1,468,668 | 2,538,526 |
| Other local revenue | 475,103 | 35,679 | 510,782 |
| TOTAL SUPPORT AND REVENUES | 5,045,156 | 6,118,260 | 11,163,416 |
| EXPENSES | | | |
| Program services | 4,065,291 | 4,100,446 | 8,165,737 |
| Management and general | 717,442 | 1,040,224 | 1,757,666 |
| TOTAL EXPENSES | 4,782,733 | 5,140,670 | 9,923,403 |
| CHANGE IN NET ASSETS | 262,423 | 977,590 | 1,240,013 |
| NET ASSETS, BEGINNING | 10,621,492 | 8,404,948 | 19,026,440 |
| NET ASSETS, ENDING | \$ 10,883,915 | \$ 9,382,538 | \$ 20,266,453 |

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

**NEW OPPORTUNITIES ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

| | New Opportunities Charter School | | |
|--------------------------------------|---|-------------------|---------------------|
| | Program | Management | Total |
| | Services | and General | |
| EXPENSES | | | |
| Personnel expenses | | | |
| Certificated salaries | \$ 1,328,621 | \$ 49,100 | \$ 1,377,721 |
| Classified salaries | 833,498 | 18,901 | 852,399 |
| Other employee benefits | 634,846 | 25,116 | 659,962 |
| Total personnel expenses | <u>2,796,965</u> | <u>93,117</u> | <u>2,890,082</u> |
| Non-personnel expenses | | | |
| Books and supplies | 248,221 | 47,729 | 295,950 |
| Travel and conference | 32,652 | - | 32,652 |
| Dues and memberships | 15,431 | - | 15,431 |
| Insurance | - | 42,060 | 42,060 |
| Operation and housekeeping services | 81,015 | 31,838 | 112,853 |
| Rental, leases and repairs | 290,032 | 118,089 | 408,121 |
| Depreciation and amortization | 34,152 | 109,167 | 143,319 |
| Professional services | 430,348 | 190,889 | 621,237 |
| Communications | 136,475 | 34,118 | 170,593 |
| Interest on lease liabilities | - | 16,680 | 16,680 |
| Direct support/indirect cost charges | - | 33,755 | 33,755 |
| Total non-personnel expenses | <u>1,268,326</u> | <u>624,325</u> | <u>1,892,651</u> |
| TOTAL EXPENSES | <u>\$ 4,065,291</u> | <u>\$ 717,442</u> | <u>\$ 4,782,733</u> |

| | Family First Charter School | | |
|--------------------------------------|------------------------------------|---------------------|---------------------|
| | Program | Management | Total |
| | Services | and General | |
| EXPENSES | | | |
| Personnel expenses | | | |
| Certificated salaries | \$ 1,538,408 | \$ 67,857 | \$ 1,606,265 |
| Classified salaries | 677,652 | 26,123 | 703,775 |
| Other employee benefits | 773,369 | 31,073 | 804,442 |
| Total personnel expenses | <u>2,989,429</u> | <u>125,053</u> | <u>3,114,482</u> |
| Non-personnel expenses | | | |
| Books and supplies | 119,518 | 43,575 | 163,093 |
| Travel and conference | 29,780 | - | 29,780 |
| Dues and memberships | 23,772 | - | 23,772 |
| Insurance | - | 42,060 | 42,060 |
| Operation and housekeeping services | 127,296 | 83,370 | 210,666 |
| Rental, leases and repairs | 84,663 | 158,757 | 243,420 |
| Depreciation and amortization | 236,168 | 238,448 | 474,616 |
| Professional services | 369,601 | 166,210 | 535,811 |
| Communications | 120,219 | 30,054 | 150,273 |
| Interest on lease liabilities | - | 101,344 | 101,344 |
| Direct support/indirect cost charges | - | 51,353 | 51,353 |
| Total non-personnel expenses | <u>1,111,017</u> | <u>915,171</u> | <u>2,026,188</u> |
| TOTAL EXPENSES | <u>\$ 4,100,446</u> | <u>\$ 1,040,224</u> | <u>\$ 5,140,670</u> |

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

**NEW OPPORTUNITIES ORGANIZATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

| | New Opportunities Charter School | Family First Charter School | New Opportunities Organization |
|---|---|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Change in net assets | \$ 262,423 | \$ 977,590 | \$ 1,240,013 |
| Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities: | | | |
| Depreciation and amortization | 143,319 | 474,616 | 617,935 |
| Interest on lease liabilities | 16,680 | 101,344 | 118,024 |
| (Increase)/Decrease in operating assets | | | |
| Accounts receivable | 46,341 | 596,820 | 643,161 |
| Prepaid expenses | (56,169) | (19,211) | (75,380) |
| Other current assets | (20,000) | - | (20,000) |
| Increase/(Decrease) in operating liabilities | | | |
| Accounts payable | (8,482) | 140,330 | 131,848 |
| Deferred revenue | (81,392) | (68,469) | (149,861) |
| Net cash provided by/(used in) operating activities | 302,720 | 2,203,020 | 2,505,740 |
| CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES | | | |
| Purchase of capital assets | (577,505) | (1,187,810) | (1,765,315) |
| Net cash provided by/(used in) investing activities | (577,505) | (1,187,810) | (1,765,315) |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | |
| Payment of lease liabilities | (111,950) | (215,368) | (327,318) |
| Net cash provided by/(used in) financing activities | (111,950) | (215,368) | (327,318) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (386,735) | 799,842 | 413,107 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 10,031,200 | 4,579,844 | 14,611,044 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 9,644,465 | \$ 5,379,686 | \$ 15,024,151 |

**NEW OPPORTUNITIES ORGANIZATION
DISCRETELY PRESENTED COMPONENT UNIT – 12500 RAMONA LLC
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025**

ASSETS

| | | |
|---------------------------|-----------|------------------|
| Cash and cash equivalents | \$ | 327,424 |
| Prepaid expenses | | 9,534 |
| Land | | 1,122,012 |
| Lease receivable | | 4,052,020 |
| TOTAL ASSETS | \$ | 5,510,990 |

LIABILITIES

| | | |
|--------------------------|----|------------------|
| Accounts payable | \$ | 19,583 |
| Due to Schools | | 1,753,408 |
| Long-term liability | | 1,551,896 |
| Total liabilities | | 3,324,887 |

NET ASSETS

| | | |
|---|-----------|------------------|
| Net assets | | 2,186,103 |
| Total net assets | | 2,186,103 |
| TOTAL LIABILITIES AND NET ASSETS | \$ | 5,510,990 |

**NEW OPPORTUNITIES ORGANIZATION
DISCRETELY PRESENTED COMPONENT UNIT – 12500 RAMONA LLC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

| | |
|------------------------------------|---------------------|
| UNRESTRICTED REVENUES | |
| Interest income | \$ 33,925 |
| TOTAL UNRESTRICTED REVENUES | <u>33,925</u> |
| EXPENSES | |
| Interest expense | 67,053 |
| Other expenses | 3,373 |
| TOTAL EXPENSES | <u>70,426</u> |
| CHANGE IN NET ASSETS | (36,501) |
| NET ASSETS, BEGINNING | <u>2,222,604</u> |
| NET ASSETS, ENDING | <u>\$ 2,186,103</u> |

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

**NEW OPPORTUNITIES ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

New Opportunities Organization (the "Organization") was formed as a non-profit public benefit corporation on June 17, 2013 for the purpose of operating as a California public school located in Los Angeles County. Originally formed as New Opportunities Charter School, the Organization amended its Articles of Incorporation on February 18, 2015, formally becoming the Organization which manages New Opportunities Charter School and Family First Charter School. New Opportunities and Family First Charters were approved by the State Board of Education on July 1, 2013 as California Charter No. 1557 and 1558, respectively. During the year ended June 30, 2025, the Charters served grades 9-12. Funding sources primarily consist of local control funding formula (LCFF) state apportionments, in lieu of property tax revenues, and grants and donations from the public.

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.

Net Assets

The financial statements report amounts separately by class of net assets as follows:

- Net assets without donor restrictions are those resources that are currently available for operations.
- Net assets with donor restrictions are those resources which are stipulated by donors for various scholarships or other programmatic uses.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Organization's Board. The Organization considers its endowments to be underwater if their fair value is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the endowment and (2) any accumulations to the endowment required to be held in perpetuity per donor direction. The Organization had no underwater endowment funds at June 30, 2025.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs and occupancy expenses are allocated based on time and effort. The financial statements also report categories of expenses that are attributed to program service activities or supporting services activities. These expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

NEW OPPORTUNITIES ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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.

Accounts Receivable

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.

Prepaid Expenses

Prepaid expenses are recorded at the carrying amount(s) as of financial position date. Prepaid expenses are made in advance of when the economic benefit of the cost will be realized, and which will be expensed in future periods with the passage of time or when a triggering event occurs.

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 unrestricted contributions unless the donor has restricted the donated asset to a specific purpose or is requiring the Organization to hold the asset for a specified period of time. Capital assets are depreciated using the straight-line method over the estimated useful life of the depreciable assets. The building and improvements have an estimated useful life of 5-10 years as of June 30, 2025.

Right-of-Use Assets and Lease Liabilities

The Organization has recorded right-of-use ("ROU") assets and lease liabilities as a result of implementing the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2021-09, *Leases* (Topic 842). ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date and are based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, a risk-free rate is utilized in lieu of determining an incremental borrowing rate at the commencement date in deciding the present value of lease payments. The ROU assets also include any lease payments made and exclude lease incentives. Amortization expense is recognized on a straight-line basis over the lease term. Lease agreements with lease and non-lease components are generally accounted for separately.

**NEW OPPORTUNITIES ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Payable

Accounts payable are amounts owed to vendors or suppliers for services incurred for which payment is made in a timely manner and in full from current financial resources.

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.

Payment in Lieu of Property Taxes

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 authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to the Organization. Revenues are recognized by the Organization when earned.

Contributions

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

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.

Income Taxes

The Organization is a 170(b)(1)(A)(ii) publicly supported nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and classified by the Internal Revenue Service as a public charity. The Organization is exempt from state franchise or income tax under Section 23701(d) of the *California Revenue and Taxation Code*. As a school, the Organization 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.

**NEW OPPORTUNITIES ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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). 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.

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.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2025, consist of the following:

| | New Opportunities Charter School | Family First Charter School | New Opportunities Organization |
|--|---|--|---|
| Cash in banks | \$ 9,644,465 | \$ 5,379,686 | \$ 15,024,151 |
| Total Cash and Cash Equivalents | \$ 9,644,465 | \$ 5,379,686 | \$ 15,024,151 |

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 Organization has adopted a cash management policy that addresses investment options as well as actions to be taken in the event that deposits exceed Federal Deposit Insurance Corporation (FDIC) insurance limits. The FDIC insures 100% of non-interest bearing accounts and up to \$250,000 per depositor on interest bearing accounts per insured bank. The *California Government Code* also requires that a financial institution secure deposit made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, the Organization's bank balance was exposed to custodial credit risk as there were deposits over \$250,000. The amount exceeding \$250,000 was collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the Organization.

**NEW OPPORTUNITIES ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for program services that could be drawn upon if the Board approves that action.

| | New Opportunities Charter School | Family First Charter School | New Opportunities Organization |
|---|---|--|---|
| Financial assets, at year end: | | | |
| Cash and cash equivalents | \$ 9,644,465 | \$ 5,379,686 | \$ 15,024,151 |
| Accounts receivable | 1,241,007 | 1,070,441 | 2,311,448 |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 10,885,472</u> | <u>\$ 6,450,127</u> | <u>\$ 17,335,599</u> |

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2025, consists of the following:

| | New Opportunities Charter School | Family First Charter School | New Opportunities Organization |
|------------------------------------|---|--|---|
| Due From Grantor Governments: | | | |
| California Department of Education | \$ 859,273 | \$ 1,029,047 | \$ 1,888,320 |
| Other federal receivables | 226,909 | 24,425 | 251,334 |
| Other local receivables | 154,825 | 16,969 | 171,794 |
| Total Accounts Receivable | <u>\$ 1,241,007</u> | <u>\$ 1,070,441</u> | <u>\$ 2,311,448</u> |

NOTE 5 – CAPITAL ASSETS AND RIGHT-OF-USE ASSETS

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

| New Opportunities Charter School | Balance | | | Balance |
|---|---------------------|-------------------|-------------------|----------------------|
| | July 1, 2024 | Additions | Deductions | June 30, 2025 |
| Capital Assets Being Depreciated | | | | |
| Building | \$ - | \$ 577,505 | \$ - | \$ 577,505 |
| Leasehold improvements | 21,256 | - | - | 21,256 |
| Total Capital Assets Being Depreciated | 21,256 | 577,505 | - | 598,761 |
| Less: Accumulated Depreciation | 9,999 | 43,912 | - | 53,911 |
| Capital Assets, Net | <u>\$ 11,257</u> | <u>\$ 533,593</u> | <u>\$ -</u> | <u>\$ 544,850</u> |

| Family First Charter School | Balance | | | Balance |
|--|---------------------|-------------------|-------------------|----------------------|
| | July 1, 2024 | Additions | Deductions | June 30, 2025 |
| Capital Assets Being Depreciated | | | | |
| Building | \$ 937,482 | \$ 1,187,810 | \$ - | \$ 2,125,292 |
| Leasehold improvements | 701,797 | - | - | 701,797 |
| Total Capital Assets Being Depreciated | 1,639,279 | 1,187,810 | - | 2,827,089 |
| Less: Accumulated Depreciation | 363,775 | 294,959 | - | 658,734 |
| Capital Assets, Net | <u>\$ 1,275,504</u> | <u>\$ 892,851</u> | <u>\$ -</u> | <u>\$ 2,168,355</u> |

**NEW OPPORTUNITIES ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 – CAPITAL ASSETS AND RIGHT-OF-USE ASSETS, continued

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

| New Opportunities Charter School | Balance July 1, 2024 | Additions | Deductions | Balance June 30, 2025 |
|---|---------------------------------|---------------------|-------------------|----------------------------------|
| Right-of-Use Assets | \$ 481,994 | \$ 1,216,188 | \$ - | \$ 1,698,182 |
| Less: Accumulated Amortization | 468,599 | 99,407 | - | 568,006 |
| Right-of-Use Assets, Net | \$ 13,395 | \$ 1,116,781 | \$ - | \$ 1,130,176 |

| Family First Charter School | Balance July 1, 2024 | Additions | Deductions | Balance June 30, 2025 |
|------------------------------------|---------------------------------|---------------------|-------------------|----------------------------------|
| Right-of-Use Assets | \$ 5,246,859 | \$ 13,056 | \$ - | \$ 5,259,915 |
| Less: Accumulated Amortization | 329,533 | 179,657 | - | 509,190 |
| Right-of-Use Assets, Net | \$ 4,917,326 | \$ (166,601) | \$ - | \$ 4,750,725 |

NOTE 6 – LEASES

The Organization leases certain real property for the operation of charter schools with various terms under long-term, non-cancelable finance lease agreements. The leases expire at various dates through the year 2025 and provide renewal options. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The agreements generally require the Organization to pay insurance and repairs.

The Organization elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate.

The Organization has elected the short-term lease exemption for all leases with a term of twelve (12) months or less for both existing and ongoing finance leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The Organization has real property short term lease agreements for the year ended June 30, 2025.

The Organization elected the practical expedient to not separate lease and non-lease components for real estate leases.

Total lease costs for the year ended June 30, 2025 were as follows:

| | |
|-------------------------------------|------------|
| Lease cost: | |
| Operating lease | \$ 372,954 |
| Financing lease | |
| Interest expense | 2,578 |
| Amortization of right-of-use assets | 21,555 |

NEW OPPORTUNITIES ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 – LEASES, continued

The following table summarizes the supplemental cash flow information for the year ended June 30, 2025:

| | |
|--|------------|
| Operating cash flows from operating leases | \$ 372,954 |
| Operating cash flows from finance leases | 24,133 |

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

| | |
|--|-------------|
| Weighted-average remaining lease term: | |
| Operating leases | 20.84 years |
| Finance lease | 2.88 years |
| Weighted-average discount rate: | |
| Operating leases | 3.25% |
| Finance lease | 4.35% |

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2025.

| Year Ending June 30, | Operating Lease |
|------------------------------------|---------------------|
| 2026 | \$ 441,357 |
| 2027 | 445,328 |
| 2028 | 429,119 |
| 2029 | 432,444 |
| 2030 | 412,264 |
| Thereafter | 3,534,000 |
| Total lease payments | <u>5,694,512</u> |
| Less: Interest | (1,421,200) |
| Present value of lease liabilities | <u>\$ 4,273,312</u> |

| Year Ending June 30, | Financing Lease |
|------------------------------------|------------------|
| 2026 | \$ 24,577 |
| 2027 | 17,789 |
| 2028 | 9,984 |
| 2029 | 4,820 |
| 2030 | 1,355 |
| Total lease payments | <u>58,525</u> |
| Less: Interest | (3,622) |
| Present value of lease liabilities | <u>\$ 54,903</u> |

**NEW OPPORTUNITIES ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 – RELATED PARTY TRANSACTIONS

Authorizing Agency

The two Charter schools authorized to operate through Centinela Valley Union High School District (the "Authorizing Agency"). On March 5, 2013, the Board of Directors of the Authorizing Agency approved a Charter renewal for both of the Organization's schools for a 5-year term beginning July 1, 2013 and expiring on June 30, 2018.

On August 21, 2014, the Board of Directors of the Organization approved a Charter management agreement with EdTec Inc. to provide administrative function services to the Organization.

On November 14, 2017, the Board of Directors of the Authorizing Agency approved a Charter renewal for both of the Organization's schools for a second 5-year term beginning on July 1, 2018 and expiring on June 30, 2023 extended to June 30, 2026 pursuant to the *California Education Code* Section 47607.4, which was amended by Senate Bill 114 (Chapter 48, Statutes of 2023).

12500 Ramona LLC

New Opportunities Support Corporation, an affiliate of the Organization, is the sole member of 12500 Ramona LLC (the "LLC") which holds title to the property at 12500 Ramona Avenue, Hawthorne, California 90250 and functions as the Organization's landlord. The lease structured between the LLC and the Organization shall commence on July 1, 2019 and end on June 30, 2049. Base rent consists of monthly payments of \$15,500.

NOTE 8 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plan maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and non-certificated employees are covered by an alternative plan.

California State Teachers' Retirement System (CalSTRS)

Plan Description

The Organization 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 comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard, Sacramento, California 95826.

**NEW OPPORTUNITIES ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 – EMPLOYEE RETIREMENT PLANS, continued

California State Teachers' Retirement System (CalSTRS), continued

Funding Policy

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for year 2025 and the Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for year 2025 was 19.1% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the Organization's schools were \$256,153 for New Opportunities and \$289,499 for Family First for the year ended June 30, 2025.

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 the Organization is \$177,825 for New Opportunities and \$66,473 for Family First.

Alternative Plan

As established by federal law, all public sector employees who are not members of their employer's existing retirement plan (CalSTRS) must be covered by social security or an alternative plan. The Organization uses social security as their alternative plan.

NOTE 9 – DONATED MATERIALS AND SERVICES

During the year, many parents, administrators and other individuals donated significant amounts of time and services to the Organization in an effort to advance the Organization's programs and objectives. These services have not been recorded in the Organization's financial statements because they do not meet the criteria required by generally accepted accounting principles.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Governmental Funds

The Organization 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.

NOTE 11 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events from June 30, 2025 through December 10, 2025, the date the financial statements were issued. The Organization concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

**NEW OPPORTUNITIES ORGANIZATION
ORGANIZATIONAL STRUCTURE
JUNE 30, 2025**

New Opportunities Organization (the "Organization") approved by the State Board of Education on July 1, 2013. The Organization was authorized to operate two Charter schools through Centinela Valley Union High School District. Classes began in 2013 for grades 9 to 12. The Organization's charter number is 1557 for New Opportunities and 1558 for Family First.

BOARD OF DIRECTORS

| <u>Name</u> | <u>Office</u> | <u>Term and Term Expiration</u> |
|----------------------|---------------|---------------------------------|
| Bernie Konig | President | 12/12/2025 |
| Nora Roque | Treasurer | 12/12/2025 |
| Francisco Carrillo | Clerk | 12/12/2025 |
| Lulu Camberos | Member | 12/12/2025 |
| Mary Agnes Erlandson | Member | 12/12/2025 |

ADMINISTRATION

Paul Guzman
Executive Director

**NEW OPPORTUNITIES ORGANIZATION
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2025**

| | Second Period | Annual Report |
|--|--------------------------|--------------------------|
| Classroom Based ADA: | | |
| Grades 9 through 12 | | |
| New Opportunities Charter School Regular ADA | 226.69 | 230.87 |
| Family First Charter School Regular ADA | 287.34 | 272.86 |
| Total Classroom Based ADA | 514.03 | 503.73 |
| Non-Classroom Based ADA: | | |
| Grades 9 through 12 | | |
| New Opportunities Charter School Regular ADA | 23.25 | 24.60 |
| Family First Charter School Regular ADA | 57.68 | 52.93 |
| Total Non-Classroom Based ADA | 80.93 | 77.53 |
| Total Average Daily Attendance | 594.96 | 581.26 |

**NEW OPPORTUNITIES ORGANIZATION
 SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE YEAR ENDED JUNE 30, 2025**

New Opportunities Charter School

| Grade Level | 2024-25 Minutes | | Number of Days Traditional Calendar | Status |
|-------------|-----------------|--------|---|----------|
| | Requirement | Actual | | |
| Grades 9-12 | 64,800 | 64,800 | 175 | Complied |

Family First Charter School

| Grade Level | 2024-25 Minutes | | Number of Days Traditional Calendar | Status |
|-------------|-----------------|--------|---|----------|
| | Requirement | Actual | | |
| Grades 9-12 | 64,800 | 64,800 | 175 | Complied |

**NEW OPPORTUNITIES ORGANIZATION
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT – ALTERNATIVE FORM
(UNAUDITED TOTALS) WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

There were no reconciling items to the audited financial statements for the year ended June 30, 2025.

**NEW OPPORTUNITIES ORGANIZATION
MULTI-YEAR FUNDING ANALYSIS – BASE APPORTIONMENT AND WIOA GRANT
FOR THE YEAR ENDED JUNE 30, 2025**

| Fiscal Year | New Opportunities Charter School | | Family First Charter School | | New Opportunities Organization | |
|-------------|----------------------------------|------------|-----------------------------|------------|--------------------------------|--------------|
| | Base | WIOA Grant | Base | WIOA Grant | Base | WIOA Grant |
| FY1516 | \$ 2,992,160 | \$ 137,562 | \$ 3,282,597 | \$ - | \$ 6,274,757 | \$ 137,562 |
| FY1617 | \$ 3,383,092 | \$ 170,949 | \$ 3,034,826 | \$ - | \$ 6,417,918 | \$ 170,949 |
| FY1718 | \$ 4,286,548 | \$ 304,630 | \$ 3,342,836 | \$ 304,630 | \$ 7,629,384 | \$ 609,260 |
| FY1819 | \$ 3,662,809 | \$ 529,369 | \$ 3,407,463 | \$ 529,369 | \$ 7,070,272 | \$ 1,058,738 |
| FY1920 | \$ 4,370,097 | \$ 397,598 | \$ 3,305,882 | \$ 397,598 | \$ 7,675,978 | \$ 795,196 |
| FY2021 | \$ 4,370,097 | \$ 408,244 | \$ 3,305,882 | \$ 533,756 | \$ 7,675,978 | \$ 942,000 |
| FY2122 | \$ 1,814,886 | \$ 530,000 | \$ 2,009,489 | \$ 530,001 | \$ 3,824,375 | \$ 1,060,001 |
| FY2223 | \$ 2,840,801 | \$ 574,500 | \$ 3,132,867 | \$ 574,500 | \$ 5,973,668 | \$ 1,149,000 |
| FY2324 | \$ 2,937,894 | \$ 785,862 | \$ 4,151,734 | \$ 261,955 | \$ 7,089,628 | \$ 1,047,816 |
| FY2425 | \$ 3,135,310 | \$ 393,919 | \$ 4,304,058 | \$ - | \$ 7,439,368 | \$ 393,919 |

**NEW OPPORTUNITIES ORGANIZATION
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Organizational Structure

This schedule provides information about the Organization’s authorizing agency, grades served, and members of the governing body, and administration.

Schedule of Average Daily Attendance (ADA)

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.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the Organization.

Reconciliation of Annual Financial and Budget Report – Alternative Form (Unaudited Totals) with Audited Financial Statements

This schedule provides the information necessary to reconcile fund balance reported on the Annual Financial and Budget Report – Alternative Form (Unaudited Totals) to net assets on the audited financial statements.

Multi-Year Funding Analysis – Base Apportionment and WIOA Grant

This schedule presents information on funding awarded to the Organization through Base Apportionment and the WIOA Grant during FY1516, FY1617, FY1718, FY1819, FY1920, FY2021, FY2122, FY2223, FY2324 and FY2425.

OTHER INDEPENDENT AUDITORS' REPORTS



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

To the Board of Directors
New Opportunities Organization
Los Angeles, 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 financial statements of the business-type activities and the aggregate discretely presented component unit, 12500 Ramona LLC, of New Opportunities Organization (the "Organization"), which comprise the statement of financial position of June 30, 2025, and the related statement of activities, and cash flows for the year then ended and the related notes to financial statements, and have issued our report thereon dated December 10, 2025.

Report on Internal Controls 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 opinions 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 Organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

CWDL, Certified Public Accountants

San Diego, California

December 10, 2025



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAM

To the Board of Directors
New Opportunities Organization
Los Angeles, California

Report on State Compliance

Opinion on State Compliance

We have audited New Opportunities Organization's (the "Organization") 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 the Organization's state program requirements identified below for the year ended June 30, 2025.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the 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*. 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 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 Organization's compliance with the requirements described in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in 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 programs as a whole.

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

- Exercise professional 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 considered 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine the Organization’s compliance with the state laws and regulations applicable to the following items:

| PROGRAM NAME | PROCEDURES PERFORMED |
|--|-----------------------------|
| School Districts, County Offices of Education, and Charter Schools: | |
| T. Proposition 28 Arts and Music in Schools | Yes |
| U. After/Before School Education and Safety Program | Not applicable |
| V. Proper Expenditure of Education Protection Account Funds | Yes |
| W. Unduplicated Local Control Funding Formula Pupil Counts | Yes |
| X. Local Control and Accountability Plan | Yes |
| Y. Independent Study-Coursed Based | Not applicable |
| Z. Immunizations | Not applicable |
| AZ. Educator Effectiveness | Yes |
| BZ. Expanded Learning Opportunities Grant (ELO-G) | Yes |
| CZ. Career Technical Education Incentive Grant | Not applicable |
| DZ. Expanded Learning Opportunities Program | Not applicable |
| EZ. Transitional Kindergarten | Not applicable |
| FZ. Kindergarten Continuance | Not applicable |

| PROGRAM NAME | | PROCEDURES PERFORMED |
|-------------------------|---|----------------------|
| Charter Schools: | | |
| AA. | Attendance | Yes |
| BB. | Mode of Instruction | Yes |
| CC. | Nonclassroom-Based Instruction/Independent Study | Yes |
| DD. | Determination of Funding for Nonclassroom-Based Instruction | Yes |
| EE. | Annual Instructional Minutes - Classroom Based | Yes |
| FF. | Charter School Facility Grant Program | Yes |

The term not applicable above is used to mean the Organization did not offer the program during the year or did not receive any funding for the program.

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.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

CWDL, Certified Public Accountants

San Diego, California
December 10, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SECTION

**NEW OPPORTUNITIES ORGANIZATION
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENTS

| | |
|---|----------------------|
| Type of auditors' report issued: | <u>Unmodified</u> |
| Is a going concern emphasis-of-matter paragraph included in the auditors' report? | <u>No</u> |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | <u>No</u> |
| Significant deficiency(ies) identified? | <u>None Reported</u> |
| Non-compliance material to financial statements noted? | <u>No</u> |

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? | <u>No</u> |
| Significant deficiency(ies) identified? | <u>None Reported</u> |
| Type of auditors' report issued on compliance for state programs: | <u>Unmodified</u> |

**NEW OPPORTUNITIES ORGANIZATION
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

| <u>Five Digit Code</u> | <u>AB 3627 Finding Type</u> |
|------------------------|-----------------------------|
| 20000 | Inventory of Equipment |
| 30000 | Internal Control |
| 60000 | Miscellaneous |

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

**NEW OPPORTUNITIES ORGANIZATION
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

| <u>Five Digit Code</u> | <u>AB 3627 Finding Type</u> |
|------------------------|------------------------------------|
| 10000 | Attendance |
| 40000 | State Compliance |
| 42000 | Charter School Facilities Programs |
| 60000 | Miscellaneous |
| 61000 | Classroom Teacher Salaries |
| 70000 | Instructional Materials |
| 71000 | Teacher Misassignments |
| 72000 | School Accountability Report Card |

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

**NEW OPPORTUNITIES ORGANIZATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

There were no audit findings and questioned costs for the year ended June 30, 2024.