

**EDISON-BETHUNE CHARTER ACADEMY - #0195  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)  
COUNTY OF FRESNO  
FRESNO, CALIFORNIA  
AUDIT REPORT**

**JUNE 30, 2024**

**BORCHARDT, CORONA, FAETH & ZAKARIAN  
Certified Public Accountants  
7088 N. Maple Ave., Ste. 103  
Fresno, California 93720-0391**

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**

AUDIT REPORT  
YEAR ENDED JUNE 30, 2024

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## Independent Auditor's Report

Board of Trustees  
Edison-Bethune Charter Academy  
Fresno, California

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Edison-Bethune Charter Academy (a nonprofit organization, the "Charter"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Edison-Bethune Charter Academy as of June 30, 2024, 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 Edison-Bethune Charter Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### 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, 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 Edison-Bethune Charter Academy's ability to continue as a going concern within one year after the date that the financial statement 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 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. 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 and 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 Edison-Bethune Charter Academy'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 schedules listed in the table of contents are presented for purposes of additional analysis including those required by the State's audit guide, *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 other supplementary information schedules listed in the table of contents and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information includes the Local Education Agency's Organization Structure as required by the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of Edison-Bethune Charter Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Edison-Bethune Charter Academy'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 Edison-Bethune Charter Academy's internal control over financial reporting and compliance.

*Borchardt Corona, Faeth  
& Hakavian*

Fresno, California  
December 9, 2024

## **Financial Section**

**EDISON-BETHUNE CHARTER ACADEMY**  
**(A CALIFORNIA NON-PROFIT PUBLIC**  
**BENEFIT CORPORATION)**  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2024

ASSETS

CURRENT ASSETS

Cash in Bank (Note C)	\$ 12,487,085
Cash in County Treasury (Note C)	1,060,504
Accounts Receivable	763,939
Prepaid Expenses	<u>277,238</u>

Total Current Assets 14,588,766

NON-CURRENT ASSETS

Lease Assets, Net (Note G)	50,452
Property and Equipment, Net (Note F)	<u>718,873</u>

Total Assets \$ 15,358,091

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 572,702
Accrued Expenses	547,828
Refundable Advances	120,824
Current Portion of Lease Payable (Note G)	<u>13,071</u>

Total Current Liabilities 1,254,425

NON-CURRENT LIABILITIES

Lease Payable (Note G)	<u>37,381</u>
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Total Liabilities 1,291,806

NET ASSETS

With Donor Restrictions (Note H)	2,494,548
Without Donor Restrictions	<u>11,571,737</u>

Total Net Assets 14,066,285

Total Liabilities and Net Assets \$ 15,358,091

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

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
LCFF Sources			
State Aid	\$ 4,746,788	\$ -	\$ 4,746,788
Education Protection Account	584,192	-	584,192
Transfers to Charter in Lieu of Property Tax	450,524	-	450,524
Federal Revenue	-	1,633,006	1,633,006
State Lottery	85,403	44,549	129,952
Other State Revenue	8,348	2,122,026	2,130,374
Other Local Revenue	35,429	130,269	165,698
Dividend Income	157,255	-	157,255
Net Assets Released from Restrictions (Note I)	<u>3,927,443</u>	<u>(3,927,443)</u>	<u>-</u>
<b>Total Revenues</b>	<u>9,995,382</u>	<u>2,407</u>	<u>9,997,789</u>
<b>EXPENSES</b>			
Program Services	6,963,010	-	6,963,010
Management and General	<u>1,337,250</u>	<u>-</u>	<u>1,337,250</u>
<b>Total Expenses</b>	<u>8,300,260</u>	<u>-</u>	<u>8,300,260</u>
Change in Net Assets	1,695,122	2,407	1,697,529
Beginning Net Assets	<u>9,876,615</u>	<u>2,492,141</u>	<u>12,368,756</u>
Ending Net Assets	<u>\$ 11,571,737</u>	<u>\$ 2,494,548</u>	<u>\$ 14,066,285</u>

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



**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Certificated Salaries	\$ 3,288,062	\$ -	\$ 3,288,062
Classified Salaries	885,750	148,804	1,034,554
Employee Benefits	1,309,021	35,586	1,344,607
Books and Supplies	697,740	21,326	719,066
Services and Other Operating Expenditures	782,437	1,106,514	1,888,951
Depreciation	-	25,020	25,020
	<u>\$ 6,963,010</u>	<u>\$ 1,337,250</u>	<u>\$ 8,300,260</u>

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

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**

STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2024

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in Net Assets	\$ 1,697,529
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Depreciation	25,020
(Increase) Decrease in:	
Accounts Receivable	30,291
Prepaid Expenses	(64,482)
Increase (Decrease) in:	
Accounts Payable	135,673
Accrued Expenses	99,043
Refundable Advances	(35,745)
Due to Grantor Governments	<u>(135,476)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,751,853</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of Fixed Assets	<u>(609,689)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>(609,689)</u>
<b>NET INCREASE IN CASH</b>	1,142,164
<b>BEGINNING CASH</b>	<u>12,405,425</u>
<b>ENDING CASH</b>	<u><u>\$ 13,547,589</u></u>
<b>FINANCIAL STATEMENT PRESENTATION</b>	
Cash in Bank	\$ 12,487,085
Cash in County Treasury	<u>1,060,504</u>
	<u><u>\$ 13,547,589</u></u>
<b>SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION</b>	
Cash Paid During the Year for:	
Interest	\$ 1,834

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

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

**A. ORGANIZATION**

Edison-Bethune Charter Academy (the Charter) started operating a single school site in 1999 and was incorporated in August 2013 under the laws of the State of California as a nonprofit benefit corporation and was formed to prepare a diverse cross section of children to be self-motivated, lifelong learners and successful students, workers, and citizens by providing them with a world-class education.

A charter was granted to the Charter for five years, with an opportunity to request a renewal. On July 1, 2014, the Fresno County Office of Education approved a renewal of the charter through the 2019-20 school year. In March 2019, Fresno County Office of Education approved a renewal of the charter through the 2023-24 school year. The Charter's most recent charter was renewed March 2024 by Fresno County Office of Education for the period commencing July 1, 2024, and ending June 30, 2027. A charter may be revoked by the sponsoring organization for material violations of the charter, failure to meet student outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Each sponsoring organization can receive a percentage of the annual charter revenue for supervisory oversight. Separately, the Charter has negotiated fees for sponsoring organization administrative and other services, according to their Memorandum of Understanding (MOU) for the period of July 2019 through June 2024. The rate for the sponsoring organization for 2023-24 was as follows:

<u>Sponsoring Organization</u>	<u>School</u>	<u>Oversight Fee</u>
Fresno County Office of Education	Edison-Bethune Charter Academy	1.00%

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Charter are prepared using the accrual method of accounting and the accounting policies of the Charter conform to accounting principles generally accepted in the United States of America as established by the American Institute of Certified Public Accountants.

**1. Basis of Presentation**

The financial statements of the Charter have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Charter are reported in the following net asset categories:

**Net Assets Without Donor Restrictions:**

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the Charter's discretion.

**Net Assets With Donor Restrictions:**

Net assets with donor restrictions are net assets subject to donor-imposed restrictions that may or will be met by either actions of the Charter or the passage of time. Once the restrictions are met they are reclassified as without donor restrictions.

**2. Revenue Recognition**

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

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

3. Use of Estimates

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

4. Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

5. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor as required by ASC Topic 958. Amounts received that are designated for specific use in future periods are reported as net assets with donor restrictions. When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions for expenditure and reported in the statement of activities and changes in net assets as net assets released from restrictions.

6. Property and Equipment

Property and equipment owned by the Charter are capitalized at cost and depreciated using the straight-line method over their estimated useful lives. It is the Charter's policy to capitalize expenditures for items exceeding \$5,000 in value. Lesser amounts are expensed. Major additions are capitalized; repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts, with the resulting gain or loss reflected in the statement of activities.

The Charter facilities are owned by Fresno Unified School District (the District) and the majority of the equipment is either owned by the District or the Charter. Some of which would revert back to the District in the event (for any reason whatsoever) the Charter is terminated.

7. Tax Exempt Status

The Charter has a tax-exempt status as provided by Internal Revenue Code Section 501(c) (3) and under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. The Charter files non-profit organization returns with both the Internal Revenue Service and the California Franchise Tax Board.

C. CASH

1. Cash in Banks

Cash balances in banks (\$12,487,085 as of June 30, 2024) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The Charter maintains its cash balances in one financial institution. As of June 30, 2024, the Charter's uninsured balance was \$11,986,557.

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

2. Cash in County Treasury

In accordance with Education Code Section 41001, the Charter maintains cash in the Fresno County Treasury as part of the common investment pool (the Charter's portion was \$1,060,504 as of June 30, 2024). The Charter is considered to be an involuntary participant in an external investment pool. The fair market value of the Charter's portion of this pool as of that date, as provided by the pool sponsor, was \$1,028,357. Assumptions made in determining the fair value of the Charter's pooled investment portfolios are available from the County Treasurer. The County is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The amount recorded on these financial statements is the balance available for withdrawal based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

3. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

4. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

5. Concentration of Credit Risk

The investment policy of the Charter contains no limitations on the amount that can be invested in any one issuer. The Charter has no investments.

6. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Charter's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits.

The Charter is considered to have custodial credit risk as of June 30, 2024. In the event of the failure of depository financial institution, \$11,986,557 is considered to be unrecoverable as previously reported in Note C1.

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

D. Fair Value

The Charter categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the Charter's own data. The Charter should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the Charter are not available to other market participants.

Uncategorized – Cash in County Treasury (Investments in county treasury) in the Fresno County Treasury Investment Pool are not measured using the input levels above because the Charter's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The Charter's fair value measurements at June 30, 2024, were as follows:

	<u>Uncategorized</u>	<u>Total</u>
Cash in County Treasury (Investments in county treasury)	\$ 1,060,504	\$ 1,060,504

E. ACCOUNTS RECEIVABLE

Accounts receivable primarily consists of funds due from state and federal governments, therefore no provisions for uncollectible accounts were recorded.

F. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2024, consisted of the following:

	Estimated Useful Life	Beginning Balance	Increases	Decreases	Ending Balance
Work in Progress		\$ -	\$ 412,683	\$ -	\$ 412,683
Buildings and Improvements	20 Years	-	111,646	-	111,646
Equipment	5-10 Years	285,693	85,360	-	371,053
Subtotal		<u>285,693</u>	<u>609,689</u>	<u>-</u>	<u>895,382</u>
Accumulated Depreciation		<u>(151,489)</u>	<u>(25,020)</u>	<u>-</u>	<u>(176,509)</u>
Property and Equipment, Net		<u>\$ 134,204</u>	<u>\$ 584,669</u>	<u>\$ -</u>	<u>\$ 718,873</u>

Depreciation expense for the year ended June 30, 2024, was \$25,020.

**EDISON-BETHUNE CHARTER ACADEMY  
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NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

**G. LEASES**

The Charter leases facilities used for administration and to provide education services to students under various noncancellable lease agreements. Facility leases are classified as operating leases, many provide for periodic rent increases, and may contain extension or early termination options. In calculating the lease liability, an option to extend or terminate the lease early is included in the lease term when it is reasonably certain the option will be exercised. Some of the facility leases are subject to variable lease payments which are recognized in the period in which obligations are incurred.

The Charter also leases office equipment under various noncancellable lease agreements which are classified as operating leases. Periodic rate increases are considered in determining ROU asset and lease liability amounts, and lease terms include extension or early termination options when it is reasonably certain they will be exercised.

The right of use assets and lease liabilities are based on the lease components as identified in the underlying agreements. When known or determinable, the Organization uses the rate implicit in the lease in determining the present value of lease payments. Otherwise, the Organization uses the incremental borrowing rate.

Total lease expense of \$13,071 is reported on these operating leases for the year ended June 30, 2024.

Right-of-use-assets and lease liabilities consisted of the following as of June 30, 2024:

Right-Of-Use Assets - Operating Leases, Net	<u>\$ 50,452</u>
Current Portion of Operating Lease Liabilities	<u>\$ 13,071</u>
Operating Lease Liabilities, Less Current Portion	<u>\$ 37,381</u>

Maturities on operating lease liabilities are as follows as of

Year Ending <u>June 30</u>	Operating Leases
2025	\$ 15,634
2026	15,147
2027	14,287
2028	<u>10,715</u>
Total	55,783
Less: present value discount	(5,331)
Present value of lease liabilities	<u>\$ 50,452</u>

Supplemental quantitative information related to finance and operating leases is as follows for the year ended June 30, 2024:

Cash paid for amounts included in the measurement of operating lease liabilities	<u>\$ -</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$ -</u>
Weighted-average remaining lease term in years for operating leases	<u>3.69</u>
Weighted-average discount rate for operating leases	<u>6.00%</u>

The Academy made an accounting election to not apply the lease accounting requirements to short-term lease arrangements with an initial term of 12 months or less. The Academy did not have short-term lease expense for the year ended June 30, 2024.

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

H. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at June 30, 2024, relate to the following purpose:

Expanded Learning Opportunities Program	\$ 927,432
Literacy Coaches and Reading Specialist Grant	560,586
Learning Recovery Emergency Block Grant	700,721
Arts and Music in Schools	76,869
Special Ed	59,998
Mental Health	168,942
Total	<u>\$ 2,494,548</u>

I. NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended June 30, 2024, net assets were released from donor and grantor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors or grantors as follows:

Federal Grants	\$ 1,633,006
State Grants	2,164,168
Local Grants	130,269
Total	<u>\$ 3,927,443</u>

J. LIQUIDITY

The Charter has \$14,588,766 of financial assets available within one year of the statement of financial position date consisting of cash of \$13,547,589, accounts receivable of \$763,939, and prepaid expenses of \$277,238. None of these financial assets are subject to donor-imposed restrictions that would make them unavailable for general expenditures within one year of the statement of financial position date. The receivables are subject to time restrictions but will be collected within one year. As part of the Charter's liquidity management, it invests cash in excess of daily requirements as described in Note C.

K. FACILITY LEASE

The Charter leases its facilities from the District on an annual basis. Under the terms of Proposition 39, the District may not charge the Charter rent; however, the District may charge a per square foot fee, calculated at \$4.03 per square foot per year. This amount is subject to change in future years. Lease fees for the year ended June 30, 2024, were \$196,196.

L. JOINT VENTURES (JOINT POWERS AGREEMENTS)

The Charter participates in a joint venture under a joint powers agreement (JPA) with the California Charter Schools Joint Powers Authority and Southwest Transportation Agency. The relationship between the Charter and the JPAs is such that the JPAs are not a component unit of the Academy for financial reporting purposes.

Condensed audited financial information for the above JPAs (the most current information available) can be obtained through each respective authority.



**EDISON-BETHUNE CHARTER ACADEMY  
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NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024

California Charter Schools Joint Powers Authority (CCS-JPA, DBA Charter SAFE)

The CCS-JPA arranges for and provides workers' compensation and property and liability insurance for its members. CCS-JPA is governed by a Board consisting of a representative from each member. The Board controls the operations of CCS-JPA, including budgets, independent of any influence by the members beyond their representation on the Board. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in the CCS-JPA.

Southwest Transportation Agency (STA)

STA operates the pupil transportation services for its member districts. STA is governed by a Board consisting of a representative from each member district. The Board controls the operations of STA, including the selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the Board. Each member district pays fees commensurate with the level of services requested and shares surpluses and deficits proportionately to their participation in STA.

**M. EMPLOYEE RETIREMENT SYSTEMS**

Qualified certificated employees are covered under the cost-sharing multiple-employer defined benefit pension plan maintained by the California State Teachers Retirement System (CalSTRS), an agency of the State of California. Although the Edison-Bethune Charter Academy has classified payroll, they do not participate in the California Public Employees' Retirement System (CalPERS).

The risks of participating in a multi-employer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- The required member, employer and state contribution rates are set by the California Legislature and detailed in the Teachers' Retirement Law.
- If Edison-Bethune Charter Academy chooses to stop participating in the multi-employer plan, which is not probable, they may be required to pay a withdrawal liability to the multi-employer plan.

Plan Description - CalSTRS

Edison-Bethune Charter Academy contributes to CalSTRS. The plan provides retirement, disability, annual cost of living adjustments and death benefits to plan members. Benefit provisions are established by state statute and Local Government resolution. According to the most recently available audited financial report for the year ended June 30, 2023, total plan assets are \$317 billion, the accumulated benefit obligation is \$393 billion, the plan is 80.6% funded and contributions from employers totaled approximately \$7.8 billion. Edison-Bethune Charter Academy did not contribute more than 5% of the total contributions to the plan. CalSTRS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on its respective websites.

Edison-Bethune Charter Academy participation in the Plan is outlined in the table below:

<u>Pension Fund</u>	<u>EIN/Pension Plan Number*</u>	<u>Rehabilitation Plan</u>	<u>School Contributions June 30, 2023</u>	<u>Surcharge Imposed</u>	<u>Expiration Date of Current Bargaining Agreement</u>
CalSTRS	94-6291617/N/A	No	\$ 495,184	No	N/A

\* Pension Plan Number information was not available or may not be applicable to CalSTRS.

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

Contributions – CalSTRS

For the year ended June 30, 2024, Section 22950 of the California Education code requires CalSTRS 2% at 60 and 2% at 62 members to contribute monthly to the system 10.25% and 10.205% of the creditable compensation, respectively, upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 19.10% of creditable compensation. Rates are defined in Section 22950.5 through measurement period ending June 30, 2024. Beginning in the fiscal year 2021-22 and for each year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Edison-Bethune Charter Academy contributions to the pension plan were \$586,412 for the year ended June 30, 2024, and equal 100% of the required contributions for the year.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the Charter. For the year ended June 30, 2024 the State contributed \$251,682 on behalf of the Charter to CalSTRS.

N. 401(a) OPTIONAL RETIREMENT PLAN

Effective July 1, 2014, the Charter adopted the Edison-Bethune Charter Academy 401(a) Optional Retirement Plan (the Plan), under Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, for the benefit of eligible employees. The Plan covers full-time classified employees of the Academy. Participants shall contribute 1.00%, 2.00%, 3.00%, 4.00%, 5.00%, or 6.00% of their annual compensation pursuant to a one-time irrevocable election by the Employee within the later of 30 days from the Employee's date of hire or the first day of the first Plan Year of the Plan. The total contributions made to the Plan during the 2023-24 year was \$77,716, of this amount the Employee contributions were \$36,887.

O. COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

The Charter 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 reimbursement will not be material.

Work in Progress

The Charter has the following commitments related to construction contracts that will be funded with general revenues:

	<u>Contracts Authorized</u>	<u>Expended to June 30, 2024</u>	<u>Committed</u>
Internet Cabling Project	\$ 397,489	\$ 345,858	\$ 51,631
Other Project Costs		66,825	
Total Work in Progress		<u>\$ 412,683</u>	

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

P. ADVERTISING

The Charter uses advertising to promote its programs among the community it serves. Advertising costs are expensed as incurred. During the 2023-24 fiscal year, advertising costs totaled \$20,352.

Q. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 9, 2024, which is the date the financial statements were available to be issued. Our evaluation through the time period noted above did not identify any items requiring disclosure.

## **Supplementary Information Section**

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**  
SCHEDULE OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2024

	<u>Student Body Fund</u>
<b>ASSETS</b>	
Cash in Bank	<u>\$ 9,616</u>
<b>LIABILITIES</b>	
Due to Student Groups	<u>(9,616)</u>
<b>NET ASSETS</b>	<u><u>\$ -</u></u>

This schedule is used to report resources held by the Charter in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations. These assets are held in a trustee or agent capacity and are, therefore, not available to support the Charter's programs and are not included in the Charter's financial statements.

**EDISON-BETHUNE CHARTER ACADEMY**  
**(A CALIFORNIA NON-PROFIT PUBLIC**  
**BENEFIT CORPORATION)**  
SCHEDULE OF EXPENSES BY STATE CATEGORIES  
YEAR ENDED JUNE 30, 2024

Certificated Salaries	\$ 3,288,062
Classified Salaries	1,034,554
Employee Benefits	1,344,607
Books and Supplies	719,066
Services and Other Operating Expenditures	1,888,951
Depreciation	<u>25,020</u>
	<u>\$ 8,300,260</u>

This schedule presents expenses by the object codes according to state categories for analysis purposes.

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2024**

<u>Grade Level</u>	<u>Ed. Code 47612 Minutes Requirement</u>	<u>2023-24 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Number of Days Multitrack Calendar</u>	<u>Status</u>
TK/Kindergarten	36,000	70,200	180	N/A	In Compliance
Grade 1	50,400	64,800	180	N/A	In Compliance
Grade 2	50,400	64,800	180	N/A	In Compliance
Grade 3	50,400	64,800	180	N/A	In Compliance
Grade 4	54,000	64,800	180	N/A	In Compliance
Grade 5	54,000	64,800	180	N/A	In Compliance
Grade 6	54,000	64,800	180	N/A	In Compliance

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts, including basic aid districts.

This schedule presents information on the amount of instruction time offered by the Charter and whether the Charter complied with the provisions of Education Code Sections 46200 through 46206.

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
YEAR ENDED JUNE 30, 2024**

	<u>*Second Period Report</u>	<u>*Annual Report</u>
TK/K-3:		
Regular ADA - Classroom-Based	206	205
Regular ADA - Non Classroom-Based	<u>1</u>	<u>1</u>
TK/K-3 Totals	<u>207</u>	<u>206</u>
Grades 4-6		
Regular ADA - Classroom-Based	178	176
Regular ADA - Non Classroom-Based	<u>1</u>	<u>1</u>
Grades 4-6 Totals	<u>179</u>	<u>177</u>
ADA Totals	<u>386</u>	<u>383</u>

Average daily attendance is a measurement of the number of pupils attending classes of the Academy. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

\*The average daily attendance above is the original and audited amounts, since the Academy did not have findings that impact the second period and annual reports average daily attendance.



**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Education:</b>			
Passed through California Department of Education (CDE):			
ESSA: Title I, Part A, Basic Grants Low-Income & Neglected	84.010	14329	\$ 194,437
ESSA: Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	16,633
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	102,413
ESSA: Title III, Immigrant Student Program	84.365	15146	178
ESSA: Title III, English Learner Student Program	84.365	14346	6,563
ESSA: Title II, Part A Supporting Effective Instruction	84.367	14341	18,017
COVID-19 - Elementary & Secondary School Emergency Relief (ESSER III) Fund	84.425	15559	824,318
COVID-19 - Elementary & Secondary School Emergency Relief (ESSER III) Fund: Learning Loss	84.425U	10155	371,460
COVID-19 - Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve	84.425	15620	36,341
COVID-19 - Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	84.425	15621	62,646
Subtotal			1,294,765
Total Passed Through CDE			1,633,006
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,633,006</b>

The accompanying notes are an integral part of this schedule.

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Edison-Bethune Charter Academy under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Charter, it is not intended to and does not present the financial position or changes in financial position of the Charter.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

The Charter has elected not to use the 10-percent de minimis indirect cost rate as allowable under the Uniform Guidance.

Non-Cash Assistance

Non-cash assistance in the form of donated foods was received from California Department of Education as a pass-through grant from the U.S. Department of Agriculture. The Charter reports the donated foods received on the Schedule at the fair value at time of receipt. There were no amounts received during 2023-24.

**EDISON-BETHUNE CHARTER ACADEMY  
 (A CALIFORNIA NON-PROFIT PUBLIC  
 BENEFIT CORPORATION)  
 RECONCILIATION OF UNAUDITED ACTUALS FINANCIAL  
 REPORT WITH AUDITED FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2024**

June 30, 2024 Unaudited Actuals Financial Report Fund Balance	<u>\$ 14,067,477</u>
Adjustments and Reclassifications:	
Increasing (Decreasing) the Fund Balance (Net Assets):	
Accrued Expenses Understatement	<u>1,192</u>
Net Adjustments and Reclassifications	<u>1,192</u>
June 30, 2024 Audited Financial Statement Net Assets	<u><u>\$ 14,066,285</u></u>

This schedule provides the information necessary to reconcile the fund balance (net assets) of the Charter as reported on the Unaudited Actuals Financial Report form to the audited financial statements.

## **Other Information Section**

**EDISON-BETHUNE CHARTER ACADEMY  
 (A CALIFORNIA NON-PROFIT PUBLIC  
 BENEFIT CORPORATION)  
 ORGANIZATION  
 YEAR ENDED JUNE 30, 2024**

The Charter was established in July 1999. The Charter is currently operating one charter elementary school.

**Board of Trustees**

<b><u>Name</u></b>	<b><u>Office</u></b>	<b><u>Term Expires</u></b>
Jere Runciman	President	June 2024
Keisha Shabazz	Vice President	June 2024
Gretchen Saldana	Board Member	June 2024
Frances Davis	Board Member	June 2024
Brenda Holly-Paxton	Board Member	June 2024

**Administration**

Rodolfo Garcia  
 Executive Director/Principal Since July 2011

Susan Bennett  
 Chief Business Officer Since July 2011

Karl Sprattling  
 Curriculum and Instruction Director Since August 2015

## **Other Independent Auditor's Reports**

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

Board of Trustees  
Edison-Bethune Charter Academy  
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Edison-Bethune Charter Academy, which comprise of the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2024.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Edison-Bethune Charter Academy's internal control over financial reporting (internal control) as a basis for designing the 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 Edison-Bethune Charter Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Edison-Bethune Charter Academy's internal control.

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Borchardt, Corona, Faeth  
& Gjakavian*

Fresno, California  
December 9, 2024

Independent Auditor's Report on State Compliance and on Internal Control  
over Compliance for State Programs

Board of Trustees  
Edison-Bethune Charter Academy  
Fresno, California

## **Report on State Compliance**

### **Opinion on State Compliance**

We have audited Edison-Bethune Charter Academy, (the Charter's) compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the California Education Audit Appeals Panel applicable to the District's state program requirements identified below for the fiscal year ended June 30, 2024.

In our opinion, Edison-Bethune Charter Academy complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

### **Basis for Opinion**

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 State's audit guide, *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the California Education Audit Appeals Panel. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### **Responsibilities of Management for State 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 Charter's state programs.

### **Auditor's Responsibilities for the Audit of State 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 Charter'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 *2023-24 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 state compliance about the Charter'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 *2023-24 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 Charter's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Charter's internal control over state compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 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 Charter's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Charter's compliance with the state laws and regulations applicable to the following items:

Procedures in  
Audit Guide  
Performed?

Compliance Requirements

**LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS:**

Attendance Accounting:	
Attendance Reporting	N/A
Teacher Certification and Misassignments	N/A
Kindergarten Continuance	N/A
Independent Study	N/A
Continuation Education	N/A
Instructional Time:	
School Districts	N/A
Instructional Materials	N/A
Ratios of Administrative Employees to Teachers	N/A
Classroom Teacher Salaries	N/A
Early Retirement Incentive	N/A
GANN Limit Calculation	N/A
School Accountability Report Card	N/A
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	N/A
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	N/A
District of Choice	N/A
Home to School Transportation Reimbursement	N/A

**SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS:**

Proposition 28 Arts and Music in Schools	Yes
After/Before school Education and Safety Program:	
After School	N/A
Before School	N/A
General Requirements	N/A
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	N/A
Immunizations	N/A
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	N/A
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes

**CHARTER SCHOOLS:**

Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	No*
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	N/A

The term "N/A" is used above to mean either the Charter did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

\*We did not perform testing for independent study because the independent study ADA was under the level that requires testing.

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 State Compliance**

*A deficiency in internal control over state 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 state 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 state compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of State Compliance section above and was not designed to identify all deficiencies in internal control over state compliance that might be a material weaknesses or significant deficiencies in internal control over state compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over state compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over state 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 state compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over state compliance is solely to describe the scope of our testing of internal control over state compliance and the results of that testing based on the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

*Berhardt, Corona, Faeth  
& Hakavian*

Fresno, California  
December 9, 2024

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

Board of Trustees  
Edison-Bethune Charter Academy  
Fresno, California

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

**Opinion on Each Major Federal Program**

We have audited Edison-Bethune Charter Academy's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Edison-Bethune Charter Academy's major federal programs for the year ended June 30, 2024. Edison-Bethune Charter Academy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Edison-Bethune Charter Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

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

**Responsibilities of Management for Compliance**

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

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Edison-Bethune Charter Academy '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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Edison-Bethune Charter Academy 's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Edison-Bethune Charter Academy'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 Edison-Bethune Charter Academy'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Edison-Bethune Charter Academy's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

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

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

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

*Berchardt, Corona, Faeth  
& Gjakavian*

Fresno, California  
December 9, 2024

## **Findings and Recommendations Section**

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**Summary of Auditor's Results**

1. Financial Statements

Type of auditor's opinion issued: Unmodified

Internal control over financial reporting:  
Material weakness (es) identified? \_\_\_\_\_ Yes  X  No  
Significant deficiency (ies) identified not considered  
to be material weakness (es) \_\_\_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

2. Federal Awards

Internal control over major programs:  
Material weakness (es) identified? \_\_\_\_\_ Yes  X  No  
Significant deficiency (ies) identified not considered  
to be material weakness(es) \_\_\_\_\_ Yes  X  None reported

Type of Auditor's opinion issued on compliance for  
major programs: Unmodified

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

Identification of major programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund
84.425	ESSER – Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve
84.425	ESSER – Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve
84.425U	Learning Loss Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss

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

Auditee qualified as low-risk Auditee?  X  Yes \_\_\_\_\_ No

3. State Awards

Internal control over state programs:  
Material weakness (es) identified? \_\_\_\_\_ Yes  X  No  
Significant deficiency (ies) identified not considered  
to be material weakness (es) \_\_\_\_\_ Yes  X  None reported

Type of auditor's opinion issued on compliance for  
state programs: Unmodified

**EDISON-BETHUNE CHARTER ACADEMY**  
**(A CALIFORNIA NON-PROFIT PUBLIC**  
**BENEFIT CORPORATION)**  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024

There are no current year findings.

**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2024

There are no current year findings.



**EDISON-BETHUNE CHARTER ACADEMY  
(A CALIFORNIA NON-PROFIT PUBLIC  
BENEFIT CORPORATION)**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024

There were no findings in the prior year.