

LIFE LEARNING ACADEMY

FINANCIAL STATEMENTS

June 30, 2025 and 2024



LIFE LEARNING ACADEMY

T A B L E O F C O N T E N T S

	Page(s)
Independent Auditors' Report	1–3
Management's Discussion and Analysis of Financial Condition and Results of Operations	4–7
Financial Statements:	
Statements of Financial Position	8
Statement of Activities for the year ended June 30, 2025	9
Statement of Activities for the year ended June 30, 2024	10
Statements of Cash Flows	11
Notes to Financial Statements	12–20
Required Supplementary Information:	
Schedules of Budgetary Comparison Data	21
Supplementary Information:	
Organization	22
Schedules of Average Daily Attendance	23
Schedules of Instructional Time	24
Notes to Supplementary Information	25
Independent Auditors' Report on State Compliance and on Internal Control Over Compliance	26–28
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 <i>Government Auditing Standards</i>	29–30
Schedule of Findings and Questioned Costs	31
Schedule of Prior Year Findings	32



3800 Kilroy Airport Way, Suite 250, Long Beach, CA 90806
Phone 562-420-3100 | Fax 562-420-3232 | bpm@bpm.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Life Learning Academy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Life Learning Academy, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Life Learning Academy as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 Life Learning Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 U.S. GAAP, 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 Life Learning Academy's ability to continue as a going concern for 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 U.S. 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 U.S. GAAS, 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 Life Learning 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 Life Learning Academy'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.

Required Supplementary Information

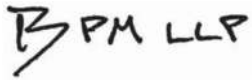
The *State of California's 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that the Management's Discussion and Analysis on pages 4 through 6 and the Schedules of Budgetary Comparison Data on page 21 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by *State of California's 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The organizational information and the accompanying Average Daily Attendance and Instructional Time presented on pages 22 through 25 are presented for purposes of additional analysis as required by the *State of California's 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, and are not a required part of the basic 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 U.S. GAAS. In our opinion, the 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 Date on our consideration of Life Learning 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 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 Life Learning Academy's internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "BPM LLP". The "B" is stylized with a long horizontal stroke.

Long Beach, California
November 19, 2025

LIFE LEARNING ACADEMY
MANAGEMENT’S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS,
June 30, 2025 and 2024

Overview and Operation

Life Learning Academy (“LLA”) is an accredited San Francisco Unified School District (“SFUSD”) charter high school located on Treasure Island, a former Naval Base that sits in the middle of the San Francisco Bay. Founded in 1998 out of the acclaimed Delancey Street model as part of a city-wide solution to address an overcrowded juvenile hall, LLA’s programs are guided by the core belief that every young person deserves relentless love, accountability, and the chance to make a good life.

Originally established as a charter school offering a comprehensive academic and job readiness program, LLA has expanded into a youth and young-adult serving organization offering a range of supportive services. In addition to a Western Association of Schools and Colleges accredited high school program, LLA provides onsite mental health counseling, workforce development, culinary and carpentry courses, concurrent college enrollment, paid employment, homemade meals, and transition planning.

In 2019, LLA opened a student dormitory that created an exciting new model to support Bay Area teens who lack safe, stable housing. The student dormitory provides what no other public school in California can offer - a no fee, safe, stable home for students.

LLA serves the region’s most disconnected youth who are invisible and falling through gaps between systems, have been unsuccessful in traditional education environments, and those experiencing profound isolation. The success of LLA’s uniquely holistic model is rooted in an ability to engage and teach students with a wide range of learning styles and backgrounds. LLA provides a non-traditional learning environment with personalized instruction. The curriculum uses hands-on lessons in real-life environments (e.g., commercial kitchen and organic garden) to make content standards relevant to practical settings.

This financial statement report must be read in its entirety: Management’s Discussion and Analysis, financial statements, related notes, supplementary information, and Independent Auditors’ Reports, to obtain a thorough understanding of the program, its financial condition, and results of operations as of, or for the years ended, June 30, 2025 and 2024. This section, Management’s Discussion and Analysis, provides an overview of LLA’s financial activities for the years ended June 30, 2025 and 2024.

LIFE LEARNING ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS, Continued
June 30, 2025 and 2024

Condensed Statements of Financial Position

The statements of net assets includes all assets and liabilities using the accrual basis of accounting, similar to accounting methods used by most private-sector entities.

	2025	2024	Change
ASSETS			
Cash and cash equivalents	\$ 4,230,633	\$ 3,788,483	12%
Contributions receivable	351,918	594,046	(41%)
Prepaid expenses and other current assets	24,928	26,713	(7%)
Net capital assets	3,654,719	3,810,015	(4%)
Total assets	\$ 8,262,198	\$ 8,219,257	1%
LIABILITIES AND NET ASSETS			
Accounts payable and accrued liabilities	\$ 89,836	\$ 48,960	83%
Notes payable, net	431,478	617,069	(30%)
Total liabilities	521,314	666,029	
Net assets	7,740,884	7,553,228	2%
Total liabilities and net assets	\$ 8,262,198	\$ 8,219,257	

All assets and liabilities are current except for a portion of contributions receivable, capital assets and notes payable. Net assets of \$7,740,884 on June 30, 2025 and \$7,553,228 on June 30, 2024 have donor restrictions of \$342,961 and \$390,924, respectively, which are restricted for time and purpose. The remainder of the net assets may be used for any matters authorized in the bylaws or as otherwise approved by the Board of Directors. The major year-to-year changes in the components of net assets are due primarily to timing of payments to vendors and receipt of contributions and payments from the SFUSD.

LIFE LEARNING ACADEMY
MANAGEMENT’S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS, Continued
June 30, 2025 and 2024

Condensed Statements of Activities

The statements of activities present the revenues received by LLA along with costs associated in generating the revenues and other costs of managing the programs.

	2025	2024	Change
State aid	\$ 539,812	\$ 522,877	3%
Contributions	3,796,821	3,657,014	4%
Salaries and benefits	(2,459,806)	(2,667,349)	(8%)
Books and supplies	(29,343)	(36,653)	(20%)
Services, operating, and depreciation	(1,659,828)	(1,705,589)	(3%)
Change in net assets	\$ 187,656	\$ (229,700)	(182%)

LLA’s charter is granted by the SFUSD under the Charter School Act of 1992, which requires the apportionment of public funds by the California State Superintendent of Public Inspection and the payment of funds so apportioned to LLA by SFUSD.

From SFUSD, LLA is apportioned funds from a general purpose entitlement (Educations Code (“Ed Code”) 47633), a block grant (Ed Code 47634), as well as from the State Lottery and Proposition H (Ed Code 47638); such funds are received in accordance with the Locally Funded Model established by Ed Code 47651(a)(2).

In addition, LLA receives contributions from state and local sources, including the San Francisco Department of Children Youth & Their Families (“DCYF”), private foundations and individuals. Contributions increased by 4% this year, driven by an increase in both the number and value of donations received due to more grant proposals being submitted and a high success rate in securing them.

Entitlements as well as federal, state and (municipal) local sources are based on availability.

Total expenses are primarily driven by varying operational needs year over year. Services, operating, and depreciation expenses decreased by 3%, primarily because facilities repair and maintenance costs were lower this year. This reduction is linked to fewer development projects compared to the previous year.

LIFE LEARNING ACADEMY
MANAGEMENT’S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS, Continued
June 30, 2025 and 2024

Condensed Statements of Cash Flows

The condensed statements of cash flows presents information about cash activity during the year. The statements are divided into sections that detail cash provided or used by all activities affecting the program operating, investing, and financing plus the beginning and ending cash balances.

	2025	2024
Cash provided by (used in):		
Operating activities	\$ 691,374	\$ 162,957
Investing activities	(56,034)	-
Financing activities	(193,190)	(178,439)
Net change in cash	442,150	(15,482)
Cash and cash equivalents, beginning of year	3,788,483	3,803,965
Cash and cash equivalents, end of year	\$ 4,230,633	\$ 3,788,483

The major changes in cash provided by operations by LLA are the result of the timing of state aid and contribution receipts. There was no cash used in investing. The main change in cash used in financing activities was the result of payments on notes payable.

Prospective Outlook Affecting Fiscal Years 2025 and Beyond

Upon the time of financial statement issuance on November 19, 2025, LLA continues to see continued support in funding from apportionment, city, and other state and local sources. The programs of LLA have received local and international attention and, although a significant amount of funding is contingent upon state, city and SFUSD affairs, private funding and net asset equity reserves continue to help sustain LLA in the case of funding decreases in general purpose entitlements.

LIFE LEARNING ACADEMY
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,230,633	\$ 3,788,483
Contributions receivable:		
State aid	80,506	127,195
Other state source	-	50,000
Local sources	231,412	366,851
Prepaid expenses and other current assets	24,928	26,713
Total current assets	4,567,479	4,359,242
Contributions receivable, net of current portion	40,000	50,000
Capital assets, net	3,654,719	3,810,015
Total assets	\$ 8,262,198	\$ 8,219,257
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 89,836	\$ 48,960
Notes payable, net of debt discount, current portion	100,186	584,668
Total current liabilities	190,022	633,628
Commitments and contingencies (Note 11)		
Notes payable, net of debt discount, net of current portion	331,292	32,401
Total liabilities	521,314	666,029
Net assets:		
Without donor restrictions	7,397,923	7,162,304
With donor restrictions	342,961	390,924
Total net assets	7,740,884	7,553,228
Total liabilities and net assets	\$ 8,262,198	\$ 8,219,257

LIFE LEARNING ACADEMY

STATEMENT OF ACTIVITIES

For the year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and contributions:			
State aid	\$ 539,812	\$ -	\$ 539,812
Local sources	727,927	2,987,377	3,715,304
In-kind contributions	7,600	-	7,600
Investment and other income	73,917	-	73,917
Total revenues and contributions	1,349,256	2,987,377	4,336,633
Net assets released from restrictions	3,035,340	(3,035,340)	-
Total revenues, contributions and net assets released from restrictions	4,384,596	(47,963)	4,336,633
Expenses:			
Certificated salaries	729,417	-	729,417
Noncertificated salaries	1,330,151	-	1,330,151
Employee benefits	400,238	-	400,238
Books and supplies	29,343	-	29,343
Professional services	737,794	-	737,794
Other operating expenses	703,105	-	703,105
Depreciation and amortization	218,929	-	218,929
Total expenses	4,148,977	-	4,148,977
Change in net assets	235,619	(47,963)	187,656
Net assets, beginning of year	7,162,304	390,924	7,553,228
Net assets, end of year	\$ 7,397,923	\$ 342,961	\$ 7,740,884

LIFE LEARNING ACADEMY

STATEMENT OF ACTIVITIES

For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and contributions:			
State aid	\$ 522,877	\$ -	\$ 522,877
Other state sources	11,453	-	11,453
Local sources	892,916	2,654,725	3,547,641
In-kind contributions	26,328	-	26,328
Investment and other income	71,592	-	71,592
Total revenues and contributions	1,525,166	2,654,725	4,179,891
Net assets released from restrictions	3,374,013	(3,374,013)	-
Total revenues, contributions and net assets released from restrictions	4,899,179	(719,288)	4,179,891
Expenses:			
Certificated salaries	388,003	-	388,003
Noncertificated salaries	1,845,270	-	1,845,270
Employee benefits	434,076	-	434,076
Books and supplies	36,653	-	36,653
Professional services	593,618	-	593,618
Other operating expenses	894,479	-	894,479
Depreciation and amortization	217,492	-	217,492
Total expenses	4,409,591	-	4,409,591
Change in net assets	489,588	(719,288)	(229,700)
Net assets, beginning of year	6,672,716	1,110,212	7,782,928
Net assets, end of year	\$ 7,162,304	\$ 390,924	\$ 7,553,228

LIFE LEARNING ACADEMY

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 187,656	\$ (229,700)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	211,330	209,893
Amortization of loan fees	7,599	7,599
Change in operating assets and liabilities:		
Contributions receivable	242,128	188,439
Prepaid expenses and other current assets	1,785	(4,841)
Accounts payable and accrued liabilities	40,876	(8,433)
Net cash provided by operating activities	<u>691,374</u>	<u>162,957</u>
Cash flows from investing activities:		
Cash payments for purchase of capital assets	<u>(56,034)</u>	<u>-</u>
Net cash used in investing activities	<u>(56,034)</u>	<u>-</u>
Cash flows from financing activities:		
Payments on note payable	(167,600)	(158,439)
Payment of loan fees	(5,590)	-
Payments on related party loans	<u>(20,000)</u>	<u>(20,000)</u>
Net cash used in financing activities	<u>(193,190)</u>	<u>(178,439)</u>
Net change in cash and cash equivalents	442,150	(15,482)
Cash and cash equivalents, beginning of year	<u>3,788,483</u>	<u>3,803,965</u>
Cash and cash equivalents, end of year	<u>\$ 4,230,633</u>	<u>\$ 3,788,483</u>
Supplementary disclosure of cash flow information:		
Cash paid for interest	<u>\$ 27,256</u>	<u>\$ 36,417</u>

LIFE LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

1. Organization

The Life Learning Academy (“LLA”) is a diploma-granting California charter high school, which is part of the San Francisco Unified School District (“SFUSD”), designed to serve 14- to 18-year-old youths who are involved or at risk of involvement in the juvenile justice system and/or who are experiencing serious school failure. LLA offers extended school days and small class sizes to allow the students to catch up to their grade level while receiving academic and vocational assistance. LLA provides an integrated curriculum that combines traditional academic classes, such as english, history, mathematics, and science, with vocationally oriented themes and community service activities to demonstrate the integration of learning required in the real world. There are three key novel elements of LLA: (1) the degree to which students are involved in school management, (2) the ability to re-engage youth who were previously disconnected from school and community, and (3) the project-based curriculum, through which students operate an organic mini-farm and a culinary academy. Rather than treating students as passive recipients of learning and discipline, students are taught to take responsibility for the school community.

LLA receives a majority of its funding from SFUSD and other local government source in the form of apportionments, entitlements, and grants. In addition, LLA receives funding from other funders in the San Francisco Bay Area. The school building is owned by the Treasure Island Development Authority (the “Authority”) and it sits on city property. LLA maintains an operating agreement with the Authority (see Note 11).

Additionally, LLA operates a student dormitory that has been operational since 2019. The student dormitory provides what no other public school in California can offer – a no-fee, safe, stable home for students. In 2023, in response to participant feedback, impact data, and the reality that life does not become less complicated after high school graduation, LLA launched a post-graduation housing pilot program also on Treasure Island which can provide subsidized housing to up to 8 LLA alumni.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are presented on the accrual basis of accounting and reflect net assets without donor restrictions and with donor restrictions.

Net Asset Accounting

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of LLA are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net assets that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset group.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are unrestricted resources available to support LLA activities and restricted resources that become available for use by LLA in accordance with the intentions of donors.

Net Assets With Donor Restrictions

Net assets with donor restrictions are contributions that are limited in use by LLA in accordance with donor-imposed stipulations. These stipulations may expire with time or may be satisfied and removed by the actions of LLA according to the terms of the contribution. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

LIFE LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

2. Summary of Significant Accounting Policies, continued

Fair Value Measurements

Fair Value Measurement - Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants at the measurement date.

In determining fair value, LLA uses various valuation approaches. A hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of LLA. Unobservable inputs are inputs that reflect LLA's assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Other significant observable inputs (including quoted prices for similar assets and liabilities in active markets, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Unobservable inputs that are significant to the valuation of assets or liabilities and are supported by little or no market data. This includes discounted cash flow methodologies, pricing models, and similar techniques.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Cash and Cash Equivalents

For purposes of the statements of cash flows, LLA considers certain highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions Receivable

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. An allowance for contributions receivable is not recognized, as management has determined that amounts will be fully collectible. There were no conditional promises to give outstanding for the years ended June 30, 2025 and 2024.

LLA calculates an allowance for doubtful accounts based on specific identification and management's review of the aging of outstanding receivables considering known delinquencies, historical experience, and general economic conditions. Receivables are charged against the allowance for doubtful accounts when management believes that its ability to collect is unlikely.

LIFE LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

2. Summary of Significant Accounting Policies, continued

Capital Assets

Capital assets are recorded at cost and depreciated on a straight-line basis over the estimated useful life of five years. Leasehold improvements are depreciated over the life of the building lease. LLA has used an established capitalization threshold of \$5,000.

Loan Origination Fee

LLA capitalizes and amortizes external costs associated with the issuance of notes payable using the effective interest rate method or the straight-line method, which approximates the effective interest rate method over the term of the related debt. Loan origination fees are deducted from the carrying amount of notes payable on the statements of financial position. Amortization of the loan origination fee was \$7,599 for each of the years ended June 30, 2025 and 2024.

Revenue Recognition

Local Control Funding Formula (“LCFF”)

One of the LLA’s primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the LCFF on statewide charter school rates multiplied by the School’s average daily attendance (“ADA”) as reported at the Second Principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the School, which is funding in lieu of property taxes and education protection account funds paid by the State of California (the “State”) under proposition 30. The remaining balance is paid from the State General Fund, in the form of LCFF State Aid.

Government Grants

LLA receives government funds and has determined that the asset transfers are contributions, as the resource provider does not receive commensurate value in exchange for the assets transferred. A contribution is considered to be conditional when one or more barriers exist and the right to receive or retain payment or delivery of the promised asset is conditioned on meeting those barriers. The funds are considered conditional contributions due to the limited discretion as a result of the specific requirements on how the assets may be spent. The majority of LLA’s revenue is derived from fees for service and cost-reimbursable State and local funds, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when LLA has incurred expenditures in compliance with specific funding provisions.

Contributions

Contributions received are recorded as an increase in net assets without or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Upon satisfaction of such stipulations, the associated net assets are released from net assets with donor restrictions and recognized as net assets without donor restrictions. Contributions received for the purchase and construction of capital assets are released when the assets are placed in service.

LIFE LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

2. Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

In-Kind Contributions

LLA records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no contributed services received for the years ended June 30, 2025 and 2024.

Contributions of tangible assets are reflected as contributions at their estimated fair value at the date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. LLA received various school supplies, furniture, and equipment as in-kind contribution for school programs. The fair value of these donated goods has been estimated using the value of comparable items on the market and amounted to \$7,600 and \$26,328 for the years ended June 30, 2025 and 2024, respectively. There are no donor restrictions associated with the donated goods.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis (see Note 9). Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Nonprofit Tax Status

As of July 1, 2013, LLA is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and Section 170 of the Revenue and Taxation Code of the State. Although there are no taxes attributable directly to LLA, any unrelated business income tax liability, if any, generated by LLA is the responsibility of LLA, as well as the evaluation of any uncertain tax positions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Liquidity and Availability

LLA receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. LLA manages its liquidity and reserves following three guiding principles: (1) operating within a prudent range of financial soundness and stability, (2) maintaining adequate liquid assets to fund near-term operating needs, and (3) maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. LLA has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 60 days operating salaries. LLA has a policy to target a year-end balance of reserves of unrestricted, undesignated net assets to meet 60 to 75 days of expected expenditures. To achieve these targets, LLA forecasts its future cash flows and monitors its liquidity quarterly and its reserves annually.

LIFE LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

3. Liquidity and Availability, continued

For the years ended June 30, 2025 and 2024, the level of liquidity and reserves was managed within the policy requirements. LLA's financial assets available for general expenditures within one year of financial statement date were as follows as of June 30:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	\$ 4,230,633	\$ 3,788,483
Contributions receivable	351,918	594,046
	4,582,551	4,382,529
Less: amounts unavailable for general expenditures over the next 12 months:		
Contributions receivable in more than one year	(40,000)	(50,000)
Financial assets available to meet general expenditures within one year	\$ 4,542,551	\$ 4,332,529

4. Contributions Receivable

Unconditional promises to give, which are not expected to be collected until after the year promised, are reflected in the accompanying financial statements as contributions receivable and support in the appropriate net asset category. No discount is recorded for contributions expected to be received after one year, as the amount is deemed immaterial.

Contributions receivable consisted of the following as of June 30:

	2025	2024
Receivable in less than one year	\$ 311,918	\$ 544,046
Receivable in one to five years	40,000	40,000
Receivable in more than five years	-	10,000
	\$ 351,918	\$ 594,046

LIFE LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

5. Capital Assets

Capital assets are summarized below as of June 30:

	2025	2024
Building	\$ 4,242,222	\$ 4,242,222
Machinery and equipment	508,819	508,819
Leasehold improvements	185,611	129,577
	4,936,652	4,880,618
Less: accumulated depreciation and amortization	(1,281,933)	(1,070,603)
Capital assets, net	\$ 3,654,719	\$ 3,810,015

Depreciation expense was \$211,330 and \$209,893 for the years ended June 30, 2025 and 2024, respectively.

6. Notes Payable

On June 5, 2018, LLA entered into a note payable agreement with an interest rate of 5.5% on a principal amount of \$1,600,000 with an original maturity date of June 5, 2021. On August 17, 2020, the loan was renegotiated with a new maturity date of June 4, 2025 and an interest rate of 5.5%. On June 26, 2025, the loan was renegotiated with a new maturity date of June 4, 2029 and an interest of 6.25%. The principal amount outstanding on the note is \$397,068 and \$564,668 as of June 30, 2025 and 2024, respectively. The note also requires LLA to meet several loan covenants, including providing the lender with timely quarterly and annual financial statements, among other things. LLA was compliant with all other covenants in the note payable agreement.

In October 2018, two loans of \$50,000 from two related parties were executed by LLA. Both loans are payable in equal installments over 5 years with no interest accruing on the outstanding principal. The principal amount outstanding on the notes is \$40,000 and \$60,000 as of June 30, 2025 and 2024, respectively.

As of June 30, 2025, the notes payable provide for minimum payment commitments as follows:

Year ending June 30:	
2026	\$ 100,186
2027	105,988
2028	122,162
2029	108,732
	437,068
Less: unamortized deferred financing costs	(5,590)
	\$ 431,478

LIFE LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

7. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of June 30:

	2025	2024
Subject to expenditure for specified purpose:		
Education	\$ 62,848	\$ 114,663
Transitional housing	-	21,674
Other funding	230,113	44,587
	292,961	180,924
Subject to the passage of time	50,000	210,000
Total	\$ 342,961	\$ 390,924

Net assets were released from donor restrictions by incurring expenses to satisfy the purpose of the restriction, by the passage of time, or by the occurrence of other specific events as shown in the table below for the years ended June 30:

	2025	2024
Satisfaction of purpose restrictions:		
Education	\$ 2,269,076	\$ 2,506,773
Other funding	459,590	338,914
Transitional housing	146,674	303,326
	2,875,340	3,149,013
Expiration of time restrictions	160,000	225,000
Total	\$ 3,035,340	\$ 3,374,013

8. Concentration of Credit Risk

Cash

LLA maintains cash in bank deposit accounts that at times may exceed Federal Deposit Insurance Corporation limits. LLA has not experienced any losses on such accounts and LLA believes they are not exposed to any significant credit risk on cash.

Revenues and Contributions

Approximately 18% of LLA's revenues and contributions is derived from SFUSD for both June 30, 2025 and 2024, and approximately another 45% and 49% of LLA's revenues and contributions is derived from the San Francisco Department of Children Youth & Their Families ("DCYF") for the years ended June 30, 2025 and 2024, respectively. In addition, approximately 23% of LLA's revenues and contributions is derived from one foundation for the year ended June 30, 2025.

LIFE LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

8. Concentration of Credit Risk, continued

Contributions Receivable

Approximately 23% and 13% of LLA's contributions receivable balance as of June 30, 2025 and 2024, respectively, is attributable to SFUSD, and approximately another 7% and 5% of LLA's contributions receivable balance as of June 30, 2025 and 2024, respectively, is attributable to the DCYF. In addition, approximately 23% of LLA's contributions receivable is derived from one foundation for the year ended June 30, 2025.

9. Functional Expenses

Expenses are summarized and categorized based upon their natural classification on the statements of activities. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function; therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel expenses which are allocated on the basis of estimated time and effort by employees. Professional services, certain office expenses and indirect operating expenses are allocated on the basis of estimated time and cost of services received. Depreciation and amortization and occupancy are allocated on the basis of square footage.

LLA's functional expenses, displayed by natural expense classification, were as follows for the year ended June 30, 2025:

	Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 1,782,986	\$ 176,198	\$ 100,384	\$ 276,582	\$ 2,059,568
Employee benefits	343,744	35,990	20,504	56,494	400,238
Books and supplies	28,321	650	372	1,022	29,343
Professional services	182,125	250,579	305,090	555,669	737,794
Other operating expenses	647,334	38,437	17,334	55,771	703,105
Depreciation and amortization	191,167	15,864	11,898	27,762	218,929
Total expenses	\$ 3,175,677	\$ 517,718	\$ 455,582	\$ 973,300	\$ 4,148,977

LLA's functional expenses, displayed by natural expense classification, were as follows for the year ended June 30, 2024:

	Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 1,772,647	\$ 168,205	\$ 292,421	\$ 460,626	\$ 2,233,273
Employee benefits	340,641	34,119	59,316	93,435	434,076
Books and supplies	34,356	839	1,458	2,297	36,653
Professional services	160,147	231,067	202,404	433,471	593,618
Other operating expenses	813,601	51,137	29,741	80,878	894,479
Depreciation and amortization	189,912	15,760	11,820	27,580	217,492
Total expenses	\$ 3,311,304	\$ 501,127	\$ 597,160	\$ 1,098,287	\$ 4,409,591

LIFE LEARNING ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

10. Retirement Plan

LLA participates in a tax deferred 403(b) retirement plan to provide retirement benefits for all eligible employees. The plan provides for LLA matching contributions of up to 5% of eligible employee compensation. LLA contributions to the retirement plan were \$91,576 and \$98,954 for the years ended June 30, 2025 and 2024, respectively.

11. Commitments and Contingencies

The LLA has received federal, state, and district 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 and similar agreements, it is believed that disallowances, if any, will not be material.

Property Maintenance

LLA maintains an operating agreement with the Authority that includes the responsibility for the maintenance and insurance of the property. The Authority does not charge base rent for use of the property, but LLA pays a monthly maintenance fee that covers operation, maintenance, repair and management of common areas, including, but not limited to, the streets, sidewalks, walkways, driveways, curbs, and lighting systems. The in-kind rent received from the Authority during the years ended June 30, 2025 and 2024 has not been recorded, as the amounts are indeterminable. For each of the years ended June 30, 2025 and 2024, LLA has paid \$9,180 in maintenance fees. The operating agreement was extended to November 2026.

As of June 30, 2025, future minimum payments due under the agreement are as follows:

Year ending June 30:		
2026	\$	12,040
2027		<u>5,100</u>
	\$	<u>17,140</u>

12. Subsequent Events

In accordance with accounting standards affecting disclosures of subsequent events, LLA evaluated subsequent events for recognition and disclosure through November 19, 2025, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025 that require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

LIFE LEARNING ACADEMY

SCHEDULES OF BUDGETARY COMPARISON DATA

For the years ended June 30, 2025 and 2024

	2025		
	Budget	Actual	Variance
Revenue:			
Apportionments and contributions	\$ 3,301,864	\$ 4,336,633	\$ 1,034,769
Expenses:			
Personnel related	2,238,833	2,459,806	220,973
Books and supplies	220,127	29,343	(190,784)
Professional services and other operating expenses	887,966	1,440,899	552,933
Depreciation and amortization	-	218,929	218,929
Total expenses	3,346,926	4,148,977	802,051
Change in net assets	\$ (45,062)	\$ 187,656	\$ 232,717
	2024		
	Budget	Actual	Variance
Revenue:			
Apportionments and contributions	\$ 3,260,889	\$ 4,179,891	\$ 919,002
Expenses:			
Personnel related	2,219,896	2,667,349	447,453
Books and supplies	133,900	36,653	(97,247)
Professional services and other operating expenses	708,832	1,488,097	779,265
Depreciation and amortization	-	217,492	217,492
Total expenses	3,062,628	4,409,591	1,346,963
Change in net assets	\$ 198,261	\$ (229,700)	\$ (427,961)

SUPPLEMENTARY INFORMATION

LIFE LEARNING ACADEMY

ORGANIZATION

For the years ended June 30, 2025 and 2024

CHARTER SCHOOL NAME: Life Learning Academy #140

CHARTER NUMBER: 38 68478 3830429

Life Learning Academy (“LLA”) charter was approved by the San Francisco Unified School District on January 13, 1998.

The charter was renewed on March 25, 2014 by the San Francisco Unified School District.

<u>NAME</u>	<u>BOARD OF DIRECTORS</u>	<u>TERM</u>
Joanne Brown	President	Term expires 11/2025
Keith Brock	Treasurer	Term expires 11/2026
Ricardo Franco	Secretary	Term expires 10/2027
Nate Farris	Member	Term expires 11/2025
Randal Seriguchi	Member	Term expires 3/2026
Robert Williams	Member	Term expires 3/2027
Steve Arcelona	Member	Term expires 11/2026
Sue Shalvey	Member	Term expires 3/2026
Steve Carnevale	Member	Term expires 3/2026
Will Mulcahy	Member	Term expires 3/2026
Jack Scott	Member	Term expires 3/2026

<u>NAME</u>	<u>ADMINISTRATION</u>
Teri Lynch DeLane	Co-Executive Director, Head of School
Craig Miller	Co-Executive Director, Operations and Development

LIFE LEARNING ACADEMY
SCHEDULES OF AVERAGE DAILY ATTENDANCE
For the years ended June 30, 2025 and 2024

2025		
Grade Level (9 - 12) *	Second Period Report	Annual Report
In District	36.19	36.19
Out of District	0.00	0.00
Total	36.19	36.19

2024		
Grade Level (9 - 12) *	Second Period Report	Annual Report
In District	35.23	35.23
Out of District	0.00	0.00
Total	35.23	35.23

* LLA did not have non-classroom-based instruction during for years ended June 30, 2025 and 2024.

LIFE LEARNING ACADEMY

SCHEDULES OF INSTRUCTIONAL TIME

For the years ended June 30, 2025 and 2024

2025				
<u>Grade Level</u>	<u>Minimum Minutes Requirements</u>	<u>Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Grades 9 - 12	64,800	65,700	180	In compliance

2024				
<u>Grade Level</u>	<u>Minimum Minutes Requirements</u>	<u>Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Grades 9 - 12	64,800	65,700	180	In compliance

LIFE LEARNING ACADEMY
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2025 and 2024

1. Purpose of Schedules

A. Schedules of Average Daily Attendance

The supplementary schedules present information on the amount of instructional time offered by LLA, and whether LLA complied with the provisions of Education Code Sections 46201 through 46206 for the years ended June 30, 2025 and 2024.

B. Schedules of Instructional Time

The supplementary schedule presents information on the amount of instructional time offered by LLA, and whether LLA complied with the provisions of Education Code Sections 46201 through 46206 for the years ended June 30, 2025 and 2024.



**INDEPENDENT AUDITORS' REPORT
ON STATE COMPLIANCE AND
ON INTERNAL CONTROL OVER COMPLIANCE**

Board of Directors
Life Learning Academy

Report on Compliance

Opinion

We have audited the Life Learning Academy's ("LLA") compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, LLA 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, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("U.S. 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 LLA 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 LLA'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 LLA's state programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on LLA'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 U.S. 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 LLA's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with U.S. 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 LLA’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 LLA’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 LLA’s internal controls over compliance. Accordingly, we express no such opinion.
- Select and test transactions and records to determine the LLA’s compliance with the state laws and regulations applicable to the following items:

2024-25 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other than Charter Schools:	
A. Attendance	N/A
B. Teacher Certification and Misassignments	N/A
C. (reserved)	N/A
D. Independent Study	N/A
E. Continuation Education	N/A
F. Instructional Time	N/A
G. Instructional Materials	N/A
H. Ratio of Administrative Employees to Teachers	N/A
I. Classroom Teacher Salaries	N/A
J. Early Retirement Incentive	N/A
K. GANN Limit Calculation	N/A
L. School Accountability Report Card	N/A
M. Juvenile Court Schools	N/A
N. Middle or Early College High Schools	N/A
O. K-3 Grade Span Adjustment	N/A
P. (reserved)	N/A
Q. Apprenticeship: Related and Supplemental Instruction	N/A
R. Comprehensive School Safety Plan	N/A
S. District of Choice	N/A
TT. Home to School Transportation Reimbursement	N/A
School Districts, County Offices of Education, and Charter Schools	N/A
T. Proposition 28 Arts and Music in Schools	N/A
U. After/Before School Education and Safety Program	N/A
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-Course Based	N/A
Z. Immunizations	N/A
AZ. Educator Effectiveness	N/A
BZ. Expanded Learning Opportunity Grant (ELO-G)	N/A
CZ. Career Technical Education Incentive Grant	N/A
EZ. Transitional Kindergarten	N/A
FZ. Kindergarten Continuance	N/A

2024-25 K-12 Audit Guide Procedures 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	N/A
EE. Annual Instructional Minutes – Classroom Based	Yes
FF. Charter School Facility Grant Program	Yes

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

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.

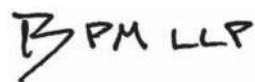
Report on Internal Control over Compliance

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, 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.



Long Beach, California
November 19, 2025



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

Board of Directors
Life Learning Academy
San Francisco, 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 Life Learning Academy ("LLA"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2025.

Report on Internal Control Over Financial Reporting

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

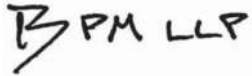
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 LLA's financial statements are free of 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 LLA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LLA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in black ink that reads "BPM LLP". The "B" is stylized with a diagonal slash.

Long Beach, California
November 19, 2025

LIFE LEARNING ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2025

There were no findings or questioned costs for the year ended June 30, 2025.

LIFE LEARNING ACADEMY
SCHEDULE OF PRIOR YEAR FINDINGS
For the year ended June 30, 2024

There were no prior year audit findings.