

**CALIBER PUBLIC SCHOOLS**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR**  
**THE YEAR ENDED JUNE 30, 2019)**

**OPERATING:**

**Caliber Beta Academy - #1622**  
**Caliber ChangeMakers Academy - #1779**



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CONSULTING

**CALIBER PUBLIC SCHOOLS  
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(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Caliber Public Schools  
Richmond, California

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Caliber Public Schools (the School), a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to on page 1 present fairly, in all material respects, the financial position of the School as of June 30, 2020, 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.

**Other Matters**

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School's consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The accompanying other supplementary schedules, as listing in the table of contents, are presented for purposes of additional analysis 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 consolidated 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 consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Report on Summarized Comparative Information*

We have previously audited the School's 2019 consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated December 9, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2020 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Glendora, California  
December 10, 2020

**CALIBER PUBLIC SCHOOLS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

<b>ASSETS</b>	2020	2019
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 8,478,439	\$ 7,410,893
Accounts Receivable - Federal and State	3,464,561	2,336,159
Accounts Receivable - Other	6,181	638
Pledges Receivable	801,154	509,825
Prepaid Expenses and Other Assets	52,947	122,148
Total Current Assets	12,803,282	10,379,663
<b>LONG-TERM ASSETS</b>		
Pledges Receivable	180,816	448,953
Right-Of-Use Assets - Operating	428,970	-
Property, Plant, and Equipment, Net	17,743,924	2,684,555
Total Long-Term Assets	18,353,710	3,133,508
Total Assets	\$ 31,156,992	\$ 13,513,171
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 898,664	\$ 1,253,091
Lease Liabilities - Operating, Current Portion	43,569	-
Long-Term Debt, Current Portion	291,895	-
Total Current Liabilities	1,234,128	1,253,091
<b>LONG-TERM LIABILITIES</b>		
Lease Liabilities - Operating	385,401	-
Long-Term Debt	17,310,688	1,299,607
Total Long-Term Liabilities	17,696,089	1,299,607
<b>NET ASSETS</b>		
Without Donor Restriction	10,832,819	8,954,755
With Donor Restriction	1,393,956	2,005,718
Total Net Assets	12,226,775	10,960,473
Total Liabilities and Net Assets	\$ 31,156,992	\$ 13,513,171

See accompanying Notes to Consolidated Financial Statements.

**CALIBER PUBLIC SCHOOLS  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
<b>REVENUES, WITHOUT DONOR RESTRICTION</b>		
State Revenue:		
State Aid	\$ 11,384,777	\$ 10,439,629
Other State Revenue	2,155,558	1,339,712
Federal Revenue:		
Grants and Entitlements	1,298,801	1,429,057
Local Revenue:		
In-Lieu Property Tax Revenue	4,241,925	3,731,013
Investment Income	41,668	49,834
Other Revenue	1,397,523	2,086,491
Amounts Released from Restrictions	1,076,180	-
Total Revenues, Without Donor Restriction	<u>21,596,432</u>	<u>19,075,736</u>
<b>EXPENSES</b>		
Program Services	16,041,408	15,152,627
Management and General	3,676,960	2,948,334
Total Expenses	<u>19,718,368</u>	<u>18,100,961</u>
<b>CHANGE IN NET ASSETS, WITHOUT DONOR RESTRICTION</b>	1,878,064	974,775
<b>REVENUES, WITH DONOR RESTRICTION</b>		
Other Revenue	464,418	2,244,697
Amounts Released from Restrictions	<u>(1,076,180)</u>	<u>-</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTION</b>	<u>(611,762)</u>	<u>2,244,697</u>
<b>CHANGE IN NET ASSETS</b>	1,266,302	3,219,472
Net Assets - Beginning of Year	<u>10,960,473</u>	<u>7,741,001</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 12,226,775</u></u>	<u><u>\$ 10,960,473</u></u>

See accompanying Notes to Consolidated Financial Statements.

**CALIBER PUBLIC SCHOOLS  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,266,302	\$ 3,196,188
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	159,122	26,656
Amortization of Loan Costs	3,722	-
Amortization of Lease Costs - Operating	6,537	-
(Increase) Decrease in Assets:		
Accounts Receivable - Federal and State	(1,128,402)	(322,041)
Accounts Receivable - Other	464,625	(500,638)
Pledges Receivable	(23,192)	-
Prepaid Expenses and Other Assets	(22,466)	66,989
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	(324,595)	206,366
Deferred Revenue	91,667	-
Net Cash Provided by Operating Activities	493,320	2,673,520
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property, Plant, and Equipment	(15,225,028)	(442,206)
Net Cash Used by Investing Activities	(15,225,028)	(442,206)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Debt	16,383,380	-
Repayments of Debt	(584,126)	-
Net Cash Provided by Financing Activities	15,799,254	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,067,546	2,231,314
Cash and Cash Equivalents - Beginning of Year	7,410,893	4,015,466
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 8,478,439	\$ 6,246,780
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 180,818	\$ 7,819

See accompanying Notes to Consolidated Financial Statements.

**CALIBER PUBLIC SCHOOLS**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Program Services	Management and General	2020 Total	2019 Total
Salaries and Wages	\$ 9,412,633	\$ 1,991,501	\$ 11,404,134	\$ 9,891,879
Pension Expense	228,384	48,321	276,705	186,067
Other Employee Benefits	1,022,528	216,344	1,238,872	1,054,062
Payroll Taxes	704,359	149,027	853,386	750,733
Management Fees	-	159,749	159,749	149,331
Legal Expenses	-	80,058	80,058	86,623
Accounting Expenses	-	31,615	31,615	30,090
Instructional Materials	529,827	-	529,827	577,932
Other Fees for Services	1,634,835	179,642	1,814,477	550,735
Office Expenses	-	337,661	337,661	340,063
Occupancy Expenses	1,879,227	-	1,879,227	1,672,863
Travel Expenses	125,738	10,173	135,911	169,354
Interest Expense	174,536	6,282	180,818	2,095
Depreciation and Amortization Expense	162,844	-	162,844	26,656
Insurance Expense	11,177	66,039	77,216	82,222
Other Expenses	155,320	400,548	555,868	2,530,256
Total Expenses by Function	<u>\$ 16,041,408</u>	<u>\$ 3,676,960</u>	<u>\$ 19,718,368</u>	<u>\$ 18,100,961</u>

See accompanying Notes to Consolidated Financial Statements.



**CALIBER PUBLIC SCHOOLS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Caliber Public Schools (the School) is a California nonprofit public benefit corporation and is organized to manage and operate public charter schools. The School is funded principally through State of California public education monies received through the California Department of Education. The charters may be revoked by the Sponsor for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of Caliber: Beta Academy (CBA), Caliber: ChangeMakers Academy (CCMA), Caliber Public Schools Charter Management (CMO), and Caliber East Bay Real Estate (CEBRE), a separate 501(c)(3) nonprofit corporation and sole member of Valle Vista Education, LLC (VVE). All significant intracompany and intercompany accounts and transactions between these entities have been eliminated in the consolidated financial statements.

**Basis of Accounting**

The consolidated financial statements have been prepared on the accrual method of accounting, and accordingly reflect all significant receivables and liabilities.

**Basis of Presentation**

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

**Use of Estimates**

The preparation of consolidated 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, and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the consolidated statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

**Cash and Cash Equivalents**

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**CALIBER PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Asset Classes**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2020. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

**Pledges Receivable**

Unconditional promises to give expected to be received in one year or less are recorded as pledges receivable at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded as pledges receivable at fair market value at the date of the promise.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost, if purchased or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The School capitalizes all expenditures for land, buildings, and equipment in excess of \$5,000. The useful lives range vary from 3 to 40 years.

**Revenue Recognition**

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

**CALIBER PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as contributions without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**Conditional Grants**

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the consolidated statement of financial position.

**Property Taxes**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of the School is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

**Compensated Absences**

The School does not allow employees to carry over unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2020.

**Income Taxes**

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files an exempt School return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

**CALIBER PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

The School determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statements of financial position.

ROU assets represent the School's right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the School has elected to use their incremental borrowing rate.

**Comparative Totals**

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2019, from which the summarized information was derived. Certain prior year totals have been adjusted to conform to the June 30, 2020 presentation.

**Allocations between Charter Schools and CMO**

For the year ended June 30, 2020, the School has chosen to identify each charter school and the CMO separately within the basic financial statements. In cases where specific identification of each charter's activities was not possible, items were allocated based upon identified criteria.

**Change in Accounting Principle**

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenues from Contracts with Customers* (Topic 606). The update establishes the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. The School has early adopted the implementation of ASU 2014-09 under the full retrospective approach. There was no material impact on the School's financial position and results of operations upon adoption of the new standard.

**CALIBER PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle (Continued)**

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit* In November 2016, FASB issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash*. The update requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalent and the amounts generally described as restricted cash or restricted cash equivalents. The School has implemented ASU 2016-18 under the full retrospective approach. The impact resulted in an increase in cash and cash equivalents and the addition of a reconciliation of cash the statement of cash flows.

*Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The School has implemented ASU 2018-08 under the full retrospective approach. There was no material impact on the School's financial position and results of operations upon adoption of the new standard.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The School adopted the requirements of the guidance effective July 1, 2019, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The School has not elected to adopt the package of practical expedients available in the year of adoption. The School has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the School's ROU assets.

**Evaluation of Subsequent Events**

The School has evaluated subsequent events through December 10, 2020, the date these consolidated financial statements were available to be issued.

**CALIBER PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and grants receivable for the total amount of \$11,537,195. As part of the School's liquidity management plan, the School invests cash in excess of daily requirements in short term investments and money market funds.

**NOTE 3 CONCENTRATION OF CREDIT RISK**

The School also maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 4 PLEDGES RECEIVABLE**

Unconditional promises to give expected to be received in one year or less are recorded as pledges receivable at net realizable value, which approximates fair market value. Unconditional promises to give expected to be received after one year are recorded as pledges receivable at fair value using estimated future cash flows discounted by 2 percent. At June 30, 2020, the School had pledges receivable expected to be received in the following periods:

In One Year or Less	\$ 825,000
Between One and Five Years	250,000
Total Gross Pledges Receivable	<u>1,075,000</u>
Less: Discount and Allowance on Pledges Receivable	(93,030)
Net Pledges Receivable	<u><u>\$ 981,970</u></u>

**NOTE 5 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment in the accompanying consolidated financial statements are presented net of accumulated depreciation. Depreciation expense was \$159,122 as of June 30, 2020. The contributions to depreciation expense as of June 30, 2020 were as follows:

Caliber: Beta Academy	\$ 18,482
Caliber: ChangeMakers Academy	8,174
CEBRE	132,466
Total Property, Plant, and Equipment	<u><u>\$ 159,122</u></u>

**CALIBER PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 5 PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)**

The components of property, plant, and equipment as of June 30, 2020 are as follows:

Building and Improvements	\$ 16,167,664
Furniture, Fixtures, and Equipment	26,268
Other and Construction in Progress	1,774,042
Total	<u>17,967,974</u>
Less: Accumulated Depreciation and Amortization	(224,050)
Total Property, Plant, and Equipment	<u><u>\$ 17,743,924</u></u>

**NOTE 6 LINE OF CREDIT**

The School has a 2 million dollar revolving line of credit from First Republic Bank at an approximately 5.25% interest rate. The line had no outstanding balance at June 30, 2020.

**NOTE 7 EMPLOYEE RETIREMENT**

**Defined Contribution Plan**

The School offers an Internal Revenue Code Section 401(k) retirement plan to each of its qualifying employees. Employer matching contributions are made at the rate equal 3% of salary for each employee who is eligible for employer contributions. The amount of employer contribution expense for the year ended June 30, 2020 was \$276,705.

**NOTE 8 CMO FEES**

In consideration for the provision of administration and management services, each active charter school pays a monthly "Services Fee" equal to 10% of certain state revenues of the School.

Caliber: Beta Academy paid a Service Fee of \$837,093 for the year ended June 30, 2020.

Caliber: ChangeMakers Academy paid a Service Fee of \$698,549 for the year ended June 30, 2020.

**NOTE 9 FUNCTIONALIZED EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort.

**CALIBER PUBLIC SCHOOLS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 10 MEASURE G PARCEL TAX REVENUE**

The Measure “G” was authorized by an election of the registered voters of West Contra Costa Unified School District (WCCUSD). Measure “G” was approved to protect core academics – reading, writing, math and science, attract and retain qualified teachers, prepare students for college and the workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries for WCCUSD and its sponsored charter schools by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property with the District or a tax of \$7.00 per unimproved parcel of taxable real property.

A summary of revenue and expenses for those charter schools that received these funds and spent on the required purposes is as follows:

	Caliber Beta					Total
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	
<b>REVENUE</b>						
Parcel Tax Revenue	\$ 44,221	\$ 106,966	\$ 107,743	\$ 162,239	\$ 225,430	\$ 646,599
<b>EXPENSES</b>						
Provide Classroom Computers and Technology Instructional Supplies	-	-	67,953	-	13,548	81,501
Total	-	-	67,953	-	13,548	81,501
Preparing Student for College and the Workforce						
Certificated Salaries	-	-	-	-	12,862	12,862
Classified Salaries	-	-	-	123,708	136,083	259,791
Employee Benefits	-	-	-	20,719	17,897	38,616
Books and Supplies	-	-	-	712	-	712
Services and Other Operating Expenses	-	-	-	3,600	31,859	35,459
Total	-	-	-	148,739	198,701	347,440
Supporting After-School Program						
Services and Other Operating Expenses	44,221	106,966	26,775	13,500	13,181	204,643
Total	44,221	106,966	26,775	13,500	13,181	204,643
Supporting Libraries						
Instructional Supplies	-	-	13,015	-	-	13,015
Total	-	-	13,015	-	-	13,015
Total Expenses	44,221	106,966	107,743	162,239	225,430	646,599
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTE 11 CONTINGENCIES, RISKS AND UNCERTAINTIES**

The School 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 disallowances under terms of the grants, it is believed that any required reimbursement would not be material.



**CALIBER PUBLIC SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 11 CONTINGENCIES, RISKS AND UNCERTAINTIES (CONTINUED)**

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the School, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, loss of revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the School is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**NOTE 12 LONG TERM DEBT**

**Prop 55 Loan**

The School received \$1,299,607 pursuant a funding agreement between the State Allocation Board and the California School Finance Authority collectively referred to as the State. The School applied to the State for financing of its charter school facilities project under the Charter School Facilities Program (CSFP) established pursuant to Article 12 of Chapter 12.5 of Part 10 of the California Education code. The preliminary apportionment in the amount of for the project has been approved by the state. The advance represents preliminary apportionment, for project design has been approved and disbursed by the state.

**Paycheck Protection Program Loan**

On April 22, 2020, the School obtained a loan in the amount of \$2,499,300 through the Paycheck Protection Program administrated by the U.S. Small Business Administration to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the organization fails to apply for forgiveness within ten months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the School will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date in April 2022.

**CALIBER PUBLIC SCHOOLS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 12 LONG TERM DEBT (CONTINUED)**

**Equitable Facilities Fund - CEBRE**

The School obtained a loan in the amount of \$14,219,046 bearing an interest rate of 3.6%. The loan was used to buyout their previous lease with PCSD 500 Oregon Street LLC and additional lease improvements. Closing costs of \$324,204 were associated with the loan are amortized over the term of the loan. The loan is presented in the financial statements net of the unamortized closing costs.

As of June 30, 2020, the total outstanding debt was as follows:

Prop 55 Loan	\$ 1,299,607
Paycheck Protection Program Loan	2,499,300
Equitable Facilities Fund - CEBRE	<u>14,134,920</u>
Total Debt, Gross	17,933,827
Unamortized Debt Issuance Costs	<u>(331,244)</u>
Total	<u><u>\$ 17,602,583</u></u>

Future minimum payments on debt are as follows:

<u>Year Ending June 30,</u>	
2021	\$ 270,769
2022	2,779,980
2023	290,952
2024	328,708
2025	342,920
Thereafter	<u>13,920,498</u>
Total	<u><u>\$ 17,933,827</u></u>

**NOTE 13 LEASES**

The School leases facility under a long-term, a non-cancelable operating lease agreement. This lease expires in June 30, 2027. In the normal course of business, it is expected that the lease will be renewed or replaced by a similar lease. The agreement generally require the School to comply with certain covenants and to maintain certain financial ratios. As of June 30, 2020, the School was in compliance with all ratios and covenants.

**CALIBER PUBLIC SCHOOLS  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 LEASES (CONTINUED)**

The following table provides quantitative information concerning the School's lease.

**Lease Cost**

Operating Lease Cost	\$	71,176
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**Other Information**

Operating cash flows from operating leases	\$	6,537
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liability	\$	481,049
Remaining Lease Term - Operating Lease		7 Years
Discount Rate - Operating Lease		5.25%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2020 is as follows:

<u>Year Ending June 30,</u>	<u>Operating Lease</u>
2021	\$ 64,556
2022	67,140
2023	69,820
2024	72,618
2025	75,525
Thereafter	167,078
Total	<u>\$ 516,737</u>

**SUPPLEMENTARY INFORMATION**

**CALIBER PUBLIC SCHOOLS  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
YEAR ENDED JUNE 30, 2020**

Caliber Schools (the School) is a California nonprofit public benefit corporation and is organized to manage and operate public charter schools.

The School began serving students at Caliber: Beta Academy in August 2014. Caliber: Beta Academy (#1622) is sponsored by the Contra Costa County Office of Education. The current charter expires June 30, 2024.

The School began serving students at Caliber: ChangeMakers Academy in August 2016. Caliber: ChangeMakers Academy (#1779) is sponsored by Vallejo City United School District. The current charter expires June 30, 2021.

**CALIBER PUBLIC SCHOOLS  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)  
 YEAR ENDED JUNE 30, 2020**

The Board of Directors and the Administrators as of the year ended June 30, 2020 were as follows:

**BOARD OF DIRECTORS**

<b><u>Member</u></b>	<b><u>Office</u></b>	<b><u>Term Expires (3 year term)</u></b>
Ron Beller	Co-Founder and Secretary	2020
Jennifer Moses	Co-Founder and Board Chair	2021
Anthony Adams	Member	2021
Carolyn Hack	Member	2021
Jonathan Mariner	Treasurer/CFO	2020
Robin De Gracia	Parent Member	2020
Nolan Highbaugh	Member	2023

**ADMINISTRATORS**

Terence Johnson	CEO
Ric Zappa	Chief Schools Officer
Markus Mullarkey	Chief Operating Officer

**CALIBER PUBLIC SCHOOLS  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2020**

	<u>Instructional Minutes</u>		<u>Credited Minutes</u>	<u>Total Actual Plus</u>	<u>Traditional</u>	<u>Credited Days</u>	<u>Total Actual Plus</u>	<u>Status</u>
	<u>Requirement</u>		<u>COVID-19 School</u>	<u>Credited Minutes</u>	<u>Instructional</u>	<u>COVID-19 School</u>	<u>Credited Days</u>	
			<u>Closure Certification</u>		<u>Days</u>	<u>Closure Certification</u>		
Caliber: Beta Academy								
Kindergarten	36,000	57,285	18,420	38,865	121	59	180	In compliance
Grade 1	50,400	57,920	18,615	39,305	121	59	180	In compliance
Grade 2	50,400	59,190	19,005	40,185	121	59	180	In compliance
Grade 3	50,400	59,825	19,200	40,625	121	59	180	In compliance
Grade 4	54,000	59,825	19,200	40,625	121	59	180	In compliance
Grade 5	54,000	59,825	19,200	40,625	121	59	180	In compliance
Grade 6	54,000	61,084	19,570	41,514	121	59	180	In compliance
Grade 7	54,000	61,084	19,570	41,514	121	59	180	In compliance
Grade 8	54,000	61,084	19,570	41,514	121	59	180	In compliance
Caliber: ChangeMakers Academy								
TK/Kindergarten	36,000	56,040	21,815	34,225	120	60	180	In compliance
Grade 1	50,400	56,940	18,770	38,170	120	60	180	In compliance
Grade 2	50,400	58,160	19,120	39,040	120	60	180	In compliance
Grade 3	50,400	58,480	19,160	39,320	120	60	180	In compliance
Grade 4	54,000	57,870	18,985	38,885	120	60	180	In compliance
Grade 5	54,000	57,260	18,810	38,450	120	60	180	In compliance
Grade 6	54,000	60,476	20,002	40,474	120	60	180	In compliance
Grade 7	54,000	60,476	20,002	40,474	120	60	180	In compliance
Grade 8	54,000	60,476	20,002	40,474	120	60	180	In compliance

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER PUBLIC SCHOOLS  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
YEAR ENDED JUNE 30, 2020**

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Caliber: Beta Academy				
K-Grade 3	384.68	384.87	384.68	384.87
Grades 4-6	275.90	276.71	275.90	276.71
Grades 7-8	155.22	155.68	155.22	155.68
ADA Totals	815.80	817.26	815.80	817.26
Caliber: ChangeMakers Academy				
TK-Grade 3	398.26	400.42	398.26	400.42
Grades 4-6	154.63	155.15	154.63	155.15
Grades 7-8	149.82	150.21	149.82	150.21
ADA Totals	702.71	705.78	702.71	705.78
ADA Totals	1,518.51	1,523.04	1,518.51	1,523.04



**CALIBER PUBLIC SCHOOLS  
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

There were no differences between the Annual Financial Report and the Audited Financial Statements.

**CALIBER PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Caliber: Beta Academy	Caliber: ChangeMakers Academy	Total
<b>U.S. Department of Education</b>					
Pass-Through Program From					
California Department of Education:					
No Child Left Behind Act					
Title I, Part A, Basic Grants:					
Low-Income and Neglected	84.010	14329	\$ 289,276	\$ 160,297	\$ 449,573
Title II, Part A, Teacher Quality	84.367	14341	35,818	25,856	61,674
Title III, Part A, Limited English Proficiency	84.365	N/A	21,151	11,738	32,889
Special Education - IDEA Cluster	84.027	13379	141,447	94,225	235,672
<i>Total U.S Department of Education</i>			<u>487,692</u>	<u>292,116</u>	<u>779,808</u>
<b>U.S. Department of Health and Human Services</b>					
Pass-Through Program From					
California Department of Education:					
Title IV	93.658	N/A	21,579	11,958	33,537
<i>Total U.S Department of Agriculture</i>			<u>21,579</u>	<u>11,958</u>	<u>33,537</u>
<b>U.S. Department of Agriculture</b>					
Pass-Through Program From					
California Department of Education:					
Child Nutrition Programs Cluster	10.555	N/A	293,068	192,388	485,456
<i>Total U.S Department of Agriculture</i>			<u>293,068</u>	<u>192,388</u>	<u>485,456</u>
Total Federal Expenditures			<u>\$ 802,339</u>	<u>\$ 496,462</u>	<u>\$ 1,298,801</u>

N/A - Pass-through entity number not readily available or not applicable.

**CALIBER PUBLIC SCHOOLS**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION BY LOCATION**  
**JUNE 30, 2020**

<b>ASSETS</b>	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2020 Consolidated
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	\$ 3,488,336	\$ 1,006,992	\$ 3,750,882	\$ 232,229	\$ -	\$ 8,478,439
Accounts Receivable - Federal and State	2,071,127	1,393,434	-	-	-	3,464,561
Accounts Receivable - Other	6,080	-	101	29,832	(29,832)	6,181
Pledges Receivable	-	93,137	708,017	-	-	801,154
Prepaid Expenses and Other Assets	1,584	91,430	46,987	4,613	(91,667)	52,947
Total Current Assets	<u>5,567,127</u>	<u>2,584,993</u>	<u>4,505,987</u>	<u>266,674</u>	<u>(121,499)</u>	<u>12,803,282</u>
<b>LONG-TERM ASSETS</b>						
Pledges Receivable	-	-	180,816	-	-	180,816
Right-Of-Use Assets - Operating	-	21,741,542	428,970	-	(21,741,542)	428,970
Property, Plant, and Equipment, Net	1,870,500	103,476	6,537	15,763,411	-	17,743,924
Total Long-Term Assets	<u>1,870,500</u>	<u>21,845,018</u>	<u>616,323</u>	<u>15,763,411</u>	<u>(21,741,542)</u>	<u>18,353,710</u>
Total Assets	<u>\$ 7,437,627</u>	<u>\$ 24,430,011</u>	<u>\$ 5,122,310</u>	<u>\$ 16,030,085</u>	<u>\$ (21,863,041)</u>	<u>\$ 31,156,992</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 456,031	\$ 301,824	\$ 167,055	\$ 3,586	\$ (29,832)	\$ 898,664
Deferred Revenue	-	-	-	91,667	(91,667)	-
Lease Liabilities - Operating, Current Portion	-	334,504	43,569	-	(334,504)	43,569
Long-Term Debt, Current Portion	43,320	-	-	248,575	-	291,895
Total Current Liabilities	<u>499,351</u>	<u>636,328</u>	<u>210,624</u>	<u>343,828</u>	<u>(456,003)</u>	<u>1,234,128</u>
<b>LONG-TERM LIABILITIES</b>						
Lease Liabilities - Operating	-	21,430,334	385,401	-	(21,430,334)	385,401
Long-Term Debt	2,510,810	981,238	263,539	13,555,101	-	17,310,688
Total Long-Term Liabilities	<u>2,510,810</u>	<u>22,411,572</u>	<u>648,940</u>	<u>13,555,101</u>	<u>(21,430,334)</u>	<u>17,696,089</u>
<b>NET ASSETS</b>						
Without Donor Restriction	4,014,880	1,288,974	3,374,513	2,131,156	23,296	10,832,819
With Donor Restriction	412,586	93,137	888,233	-	-	1,393,956
Total Net Assets	<u>4,427,466</u>	<u>1,382,111</u>	<u>4,262,746</u>	<u>2,131,156</u>	<u>23,296</u>	<u>12,226,775</u>
Total Liabilities and Net Assets	<u>\$ 7,437,627</u>	<u>\$ 24,430,011</u>	<u>\$ 5,122,310</u>	<u>\$ 16,030,085</u>	<u>\$ (21,863,041)</u>	<u>\$ 31,156,992</u>

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER PUBLIC SCHOOLS  
CONSOLIDATING SCHEDULE OF ACTIVITIES BY LOCATION  
YEAR ENDED JUNE 30, 2020**

	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2020 Consolidated	2019 Consolidated
<b>REVENUES, WITHOUT DONOR RESTRICTION</b>							
State Revenue:							
State Aid	\$ 6,092,997	\$ 5,291,780	\$ -	\$ -	\$ -	\$ 11,384,777	\$ 10,439,629
Other State Revenue	831,465	1,324,093	-	-	-	2,155,558	1,339,712
Federal Revenue:							
Grants and Entitlements	802,339	496,462	-	-	-	1,298,801	1,429,057
Local Revenue:							
In-Lieu Property Tax Revenue	2,456,151	1,785,774	-	-	-	4,241,925	3,731,013
Investment Income	-	28,056	13,494	118	-	41,668	49,834
Other Revenue	260,781	5,151	2,642,221	398,217	(1,908,847)	1,397,523	2,086,491
Amounts Released from Restrictions	657,638	100,000	318,542	-	-	1,076,180	215,695
Total Revenues Without Donor Restriction	<u>11,101,371</u>	<u>9,031,316</u>	<u>2,974,257</u>	<u>398,335</u>	<u>(1,908,847)</u>	<u>21,596,432</u>	<u>19,291,431</u>
<b>EXPENSES</b>							
Program Services	8,054,017	7,261,714	745,336	376,842	(396,501)	16,041,408	15,152,627
Management and General	1,839,503	1,619,181	1,750,136	3,782	(1,535,642)	3,676,960	2,948,334
Total Expenses	<u>9,893,520</u>	<u>8,880,895</u>	<u>2,495,472</u>	<u>380,624</u>	<u>(1,932,143)</u>	<u>19,718,368</u>	<u>18,100,961</u>
<b>CHANGE IN NET ASSETS, WITHOUT DONOR RESTRICTION</b>	1,207,851	150,421	478,785	17,711	23,296	1,878,064	1,190,470
<b>REVENUES, WITH DONOR RESTRICTION</b>							
Local Revenue:							
Other Revenue	-	93,137	371,281	-	-	464,418	2,244,697
Amounts Released from Restrictions	(657,638)	(100,000)	(318,542)	-	-	(1,076,180)	(215,695)
<b>CHANGE IN NET ASSETS, WITH DONOR RESTRICTION</b>	<u>(657,638)</u>	<u>(6,863)</u>	<u>52,739</u>	<u>-</u>	<u>-</u>	<u>(611,762)</u>	<u>2,029,002</u>
<b>CHANGE IN NET ASSETS</b>	550,213	143,558	531,524	17,711	23,296	1,266,302	3,219,472
Net Assets - Beginning of Year	3,877,253	1,238,553	3,731,222	2,113,445	-	10,960,473	7,741,001
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,427,466</u>	<u>\$ 1,382,111</u>	<u>\$ 4,262,746</u>	<u>\$ 2,131,156</u>	<u>\$ 23,296</u>	<u>\$ 12,226,775</u>	<u>\$ 10,960,473</u>

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER PUBLIC SCHOOLS  
CONSOLIDATING SCHEDULE OF CASH FLOWS BY LOCATION  
YEAR ENDED JUNE 30, 2020**

	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2020 Consolidated	2019 Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Change in Net Assets	\$ 550,213	\$ 143,558	\$ 531,524	\$ 17,711	\$ 23,296	\$ 1,266,302	\$ 3,196,188
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:							
Depreciation	18,483	8,174	-	132,465	-	159,122	26,656
Amortization of Loan Costs	-	-	-	3,722	-	3,722	-
Amortization of Lease Costs - Operating	-	29,833	-	-	(23,296)	6,537	-
(Increase) Decrease in Assets:							
Accounts Receivable - Federal and State	(868,733)	(259,669)	-	-	-	(1,128,402)	(322,041)
Accounts Receivable - Other	(6,068)	-	500,525	(29,832)	-	464,625	(500,638)
Pledges Receivable	-	6,863	(53,339)	23,284	-	(23,192)	(635,494)
Prepaid Expenses and Other Assets	9,993	(19,421)	(10,790)	(2,248)	-	(22,466)	66,989
Increase (Decrease) in Liabilities:							
Accounts Payable and Accrued Liabilities	(182,510)	(223,639)	85,950	(4,396)	-	(324,595)	206,366
Deferred Revenue	-	-	-	91,667	-	91,667	-
Net Cash Provided (Used) by Operating Activities	(478,622)	(314,301)	1,053,870	232,373	-	493,320	2,038,026
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchases of Property, Plant, and Equipment	(1,342,651)	-	(6,537)	(13,875,840)	-	(15,225,028)	(442,206)
Net Cash Used by Investing Activities	(1,342,651)	-	(6,537)	(13,875,840)	-	(15,225,028)	(442,206)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Proceeds from Debt	1,254,523	981,238	263,539	13,884,080	-	16,383,380	1,799,607
Repayments of Debt	-	-	-	(584,126)	-	(584,126)	-
Net Cash Provided by Financing Activities	1,254,523	981,238	263,539	13,299,954	-	15,799,254	1,799,607
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(566,750)	666,937	1,310,872	(343,513)	-	1,067,546	3,395,427
Cash and Cash Equivalents - Beginning of Year	4,055,086	340,055	2,440,010	575,742	-	7,410,893	4,015,466
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,488,336</u>	<u>\$ 1,006,992</u>	<u>\$ 3,750,882</u>	<u>\$ 232,229</u>	<u>\$ -</u>	<u>\$ 8,478,439</u>	<u>\$ 7,410,893</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>							
Cash Paid for Interest	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ 3,555</u>	<u>\$ 177,172</u>	<u>\$ -</u>	<u>\$ 180,818</u>	<u>\$ 7,819</u>

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER PUBLIC SCHOOLS  
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES BY ENTITY  
YEAR ENDED JUNE 30, 2020**

	Program Services			Management and General			2020	2019
	Schools and CMO	CEBRE	Total	Schools and CMO	CEBRE	Total	Total	Total
Salaries and Wages	\$ 9,412,633	\$ -	\$ 9,412,633	\$ 1,991,501	\$ -	\$ 1,991,501	\$ 11,404,134	\$ 9,891,879
Pension Expense	228,384	-	228,384	48,321	-	48,321	276,705	186,067
Other Employee Benefits	1,022,528	-	1,022,528	216,344	-	216,344	1,238,872	1,054,062
Payroll Taxes	704,359	-	704,359	149,027	-	149,027	853,386	750,733
Management Fees	-	-	-	159,749	-	159,749	159,749	149,331
Legal Expenses	-	-	-	79,555	503	80,058	80,058	86,623
Accounting Expenses	-	-	-	29,395	2,220	31,615	31,615	30,090
Instructional Materials	529,827	-	529,827	-	-	-	529,827	577,932
Other Fees for Services	1,634,835	-	1,634,835	179,642	-	179,642	1,814,477	1,950,904
Office Expenses	-	-	-	336,724	937	337,661	337,661	340,063
Occupancy Expenses	1,824,285	54,942	1,879,227	-	-	-	1,879,227	1,672,863
Travel Expenses	125,738	-	125,738	10,173	-	10,173	135,911	169,354
Interest Expense	-	174,536	174,536	6,282	-	6,282	180,818	2,095
Depreciation Expense	26,657	136,187	162,844	-	-	-	162,844	26,656
Insurance Expense	-	11,177	11,177	66,039	-	66,039	77,216	82,222
Other Expenses	551,821	-	551,821	1,936,068	122	1,936,190	2,488,011	2,530,256
Total Before Eliminations	16,061,067	376,842	16,437,909	5,208,820	3,782	5,212,602	21,650,511	19,501,130
Eliminations	(396,501)	-	(396,501)	(1,535,642)	-	(1,535,642)	(1,932,143)	(1,400,169)
Total Expenses by Function	\$ 15,664,566	\$ 376,842	\$ 16,041,408	\$ 3,673,178	\$ 3,782	\$ 3,676,960	\$ 19,718,368	\$ 18,100,961

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER PUBLIC SCHOOLS  
NOTES TO SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2020**

**PURPOSE OF SCHEDULES**

**NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME**

This schedule presents information on the amount of instructional time offered by the School and whether the School complied with the provisions of California Education Code.

**NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE**

Average daily attendance is a measurement of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

**NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS**

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited consolidated financial statements.

**NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal governmental for the year ended June 30, 2020. 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, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected to use a rate other than the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

**NOTE 5 SUPPLEMENTARY STATEMENTS BY LOCATION AND ENTITY**

The supplementary consolidating statements of financial position, activities, cash flows, and functional expenses are presented as required by the state.



**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  
Caliber Public Schools  
Richmond, 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 of America, the consolidated financial statements of Caliber Public Schools (the School), a nonprofit California public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 10, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 consolidated 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 may exist that have not been identified.

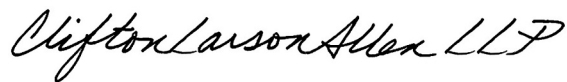


**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School’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 determination of financial statement amounts. 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 *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Glendora, California  
December 10, 2020



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE**

Board of Directors  
Caliber Public Schools  
Richmond, California

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

We have audited the compliance of Caliber Public Schools (the School) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal program.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. 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 of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the School 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, 2020.


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

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's 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, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



**CliftonLarsonAllen LLP**

Glendora, California  
December 10, 2020



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors  
Caliber Public Schools  
Richmond, California

We have audited Caliber Public Schools' (the School) compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2020. The School's state compliance requirements are identified in the table below.

### Management's Responsibility

Management is responsible for the compliance with the state laws and regulations as identified below.

### Auditors' Responsibility

Our responsibility is to express an opinion on the School's compliance based on our audit of the types of compliance requirements referred to below. 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 of America, and the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. Our audit does not provide a legal determination of the School's compliance.

### Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not applicable
Before/After School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes

<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	No <sup>1</sup>
Determination of funding for nonclassroom-based instruction	Not applicable
Annual instructional minutes – classroom based	Yes
Charter School Facility Grant Program	Yes

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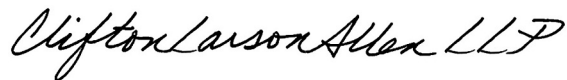
<sup>1</sup> We did not perform testing for independent study because the independent study ADA was under the level which requires testing.

### **Opinion on State Compliance**

In our opinion, the School complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2020.

### **Purpose of this Report**

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Glendora, California  
December 10, 2020

**CALIBER PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ Yes        x   No
  - Significant deficiency(ies) identified? \_\_\_\_\_ Yes        x   None reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        x   No

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ Yes        x   No
  - Significant deficiency(ies) identified? \_\_\_\_\_ Yes        x   None reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes        x   No

***Identification of Major Federal Programs***

**CFDA Number(s)**

10.555

**Name of Federal Program or Cluster**

Child Nutrition Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

  x   Yes      \_\_\_\_\_ No

**CALIBER PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**CALIBER PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2020**

**FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no financial statement findings in the prior year.

**FINDINGS— FEDERAL AWARD PROGRAMS AUDITS**

There were no federal award program audit findings in the prior year.



