

**CALIBER SCHOOLS**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2018**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR  
THE YEAR ENDED JUNE 30, 2017)**

**OPERATING:**

**Caliber Beta Academy**  
**Caliber ChangeMakers Academy**

**CALIBER SCHOOLS  
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(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Caliber Schools  
Richmond, California

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

We have audited the accompanying consolidated financial statements of Caliber Schools (the School), a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2018, 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. 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, 2018, 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 supplementary schedules 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 2017 consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated September 20, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 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 November 2, 2018 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  
November 2, 2018

**CALIBER SCHOOLS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2018**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

<b>ASSETS</b>	2018	2017
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,015,466	\$ 2,763,146
Accounts Receivable - Federal and State	2,014,118	1,789,508
Accounts Receivable - Other	300,000	113,489
Prepaid Expenses and Other Assets	186,419	272,858
Total Current Assets	6,516,003	4,939,001
<b>LONG-TERM ASSETS</b>		
Property, Plant, and Equipment, Net	2,271,723	2,027,835
Total Long-Term Assets	2,271,723	2,027,835
Total Assets	\$ 8,787,726	\$ 6,966,836
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 1,046,725	\$ 975,032
Total Current Liabilities	1,046,725	975,032
<b>NET ASSETS</b>		
Unrestricted	7,741,001	5,355,529
Temporarily Restricted	-	636,275
Total Net Assets	7,741,001	5,991,804
Total Liabilities and Net Assets	\$ 8,787,726	\$ 6,966,836

See accompanying Notes to Consolidated Financial Statements.

**CALIBER SCHOOLS**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
<b>UNRESTRICTED REVENUES</b>		
State Revenue:		
State Aid	\$ 8,400,010	\$ 6,818,392
Other State Revenue	1,618,247	1,089,298
Federal Revenue:		
Grants and Entitlements	1,299,964	1,668,031
Local Revenue:		
In-Lieu Property Tax Revenue	3,057,631	2,418,817
Investment Income	11,930	83,459
Other Revenue	2,858,930	2,450,360
Amounts released from restrictions	636,275	-
Total Unrestricted Revenues	<u>17,882,987</u>	<u>14,528,357</u>
<b>EXPENSES</b>		
Program Services	13,976,637	10,863,105
Management and General	1,520,878	1,918,350
Total Expenses	<u>15,497,515</u>	<u>12,781,455</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	2,385,472	1,746,902
<b>TEMPORARILY RESTRICTED REVENUES</b>		
Other Revenue	-	636,275
Amounts released from restrictions	<u>(636,275)</u>	<u>-</u>
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	(636,275)	636,275
Net Assets - Beginning of Year	<u>5,991,804</u>	<u>3,608,627</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 7,741,001</u>	<u>\$ 5,991,804</u>

See accompanying Notes to Consolidated Financial Statements.

**CALIBER SCHOOLS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2018**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,749,197	\$ 2,383,177
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	30,164	4,054
(Increase) Decrease in Assets:		
Accounts Receivable - Federal and State	(224,610)	(684,458)
Accounts Receivable - Other	(186,511)	(65,356)
Prepaid Expenses and Other Assets	86,439	(231,379)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	71,693	553,282
Net Cash Provided (Used) by Operating Activities	<u>1,526,372</u>	<u>1,959,320</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property, Plant, and Equipment	(274,052)	(1,373,782)
Net Cash Used by Investing Activities	<u>(274,052)</u>	<u>(1,373,782)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of Debt	-	(735,508)
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>(735,508)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,252,320	(149,970)
Cash and Cash Equivalents - Beginning of Year	<u>2,763,146</u>	<u>2,913,116</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,015,466</u>	<u>\$ 2,763,146</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	<u>\$ 7,819</u>	<u>\$ 26,672</u>

See accompanying Notes to Consolidated Financial Statements.

**CALIBER SCHOOLS**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2018**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)**

	Program Services	Management and General	2018 Total	2017 Total
Salaries and Wages	\$ 7,346,141	\$ 751,789	\$ 8,097,930	\$ 6,451,391
Pension Expense	208,179	34,734	242,913	154,594
Other Employee Benefits	744,837	86,714	831,551	701,260
Payroll Taxes	521,291	84,971	606,262	539,330
Management Fees	185	117,654	117,839	89,386
Legal Expenses	1,756	30,460	32,216	80,679
Accounting Expenses	-	16,790	16,790	11,520
Instructional Materials	908,308	-	908,308	900,968
Other Fees for Services	1,449,284	182,509	1,631,793	2,678,536
Office Expenses	337,885	56,878	394,763	168,480
Printing and Postage Expenses	-	-	-	107,085
Information Technology Expenses	-	-	-	48,962
Occupancy Expenses	1,048,969	-	1,048,969	392,101
Travel Expenses	171,197	13,095	184,292	129,775
Conference and Meeting Expenses	-	-	-	103,408
Interest Expense	7,819	-	7,819	26,672
Depreciation Expense	22,345	7,819	30,164	4,054
Insurance Expense	2,234	67,121	69,355	40,822
Other Expenses	1,206,207	70,344	1,276,551	152,432
Total Expenses by Function	<u>\$ 13,976,637</u>	<u>\$ 1,520,878</u>	<u>\$ 15,497,515</u>	<u>\$ 12,781,455</u>

See accompanying Notes to Consolidated Financial Statements.



**CALIBER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Caliber 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 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.

**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.

**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.

**Basis of Accounting**

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

**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.

**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.

**CALIBER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**Net Asset Classes**

The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets of the School are defined as:

**Unrestricted**

All resources over which the governing board has discretionary control to use in carrying on the general operations of the School.

**Temporarily Restricted**

These net assets are restricted by donors to be used for specific purposes. The School has temporarily restricted net assets for their capital campaign.

**Permanently Restricted**

These net assets are permanently restricted by donors and cannot be used by the School. The School does not currently have any permanently restricted net assets.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2018. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

**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.

**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, 2018.

**CALIBER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**Revenue Recognition**

Amounts received from the California Department of Education are 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 unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as temporarily restricted. Restricted contributions that are received and released in the same period are reported as unrestricted revenue. 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 market value at the date of the promise. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met.

**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. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files informational returns in the U.S. federal jurisdiction, and the state of California.

**Allocations between Charter Schools and CMO**

For the year ended June 30, 2018, 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.

**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, 2017, from which the summarized information was derived. Certain prior year totals have been adjusted to conform to the June 30, 2018 presentation.

**CALIBER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**Evaluation of Subsequent Events**

The School has evaluated subsequent events through November 2, 2018, the date these consolidated financial statements were available to be issued.

**NOTE 2 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 3 PROPERTY, PLANT AND EQUIPMENT**

Property, plant, and equipment in the accompanying consolidated financial statements are presented net of accumulated depreciation. Depreciation expense was \$30,164 as of June 30, 2018.

The components of property, plant, and equipment as of June 30, 2018 are as follows:

Building and Improvements	\$ 2,256,350
Furniture, Fixtures, and Equipment	26,268
Other and Construction in Progress	27,376
Total	<u>2,309,994</u>
Less: Accumulated Depreciation and Amortization	(38,271)
Total Property, Plant, and Equipment	<u><u>\$ 2,271,723</u></u>

**NOTE 4 LINE OF CREDIT**

The School has a 1.8 million dollar revolving line of credit from Heritage Bank of Commerce at an approximately 5.75% interest rate. The line was paid in full at June 30, 2018.

**NOTE 5 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 contributions for the year ended June 30, 2018 was \$242,913.

**CALIBER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 6 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 \$698,177 for the year ended June 30, 2018.

Caliber: ChangeMakers Academy paid a Service Fee of \$440,464 for the year ended June 30, 2018.

**NOTE 7 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	
<b>REVENUE</b>				
Parcel Tax Revenue	\$ 44,221	\$ 106,966	\$ 107,743	\$ 258,930
<b>EXPENSES</b>				
Provide Classroom Computers and Technology Instructional Supplies	-	-	67,953	67,953
Supporting After-School Program Services and Other Operating Expenses	44,221	106,966	26,775	177,962
Supporting Libraries Instructional Supplies	-	-	13,015	13,015
Total Expenses	<u>44,221</u>	<u>106,966</u>	<u>107,743</u>	<u>258,930</u>
Net Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CALIBER SCHOOLS**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 8 CONTINGENCIES**

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.

## **SUPPLEMENTARY INFORMATION**

**CALIBER SCHOOLS  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
YEAR ENDED JUNE 30, 2018**

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 SCHOOLS  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

The Board of Directors and the Administrators as of the year ended June 30, 2018 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 CEO	2021
Dr. Jose Lopez	Board Chair	2021
Anthony Adams	Member	2021
Pete Briger	Member	2019
Dr. Margaret Harris	Member	2020
Jonathan Mariner	Treasurer/CFO	2020
Robin De Gracia	Parent Member	2020

**ADMINISTRATORS**

Nengi Yilpet	CMA Co-School Leader
Rachael Weingarten	CMA Co-School Leader
Ashlee Gutierrez	CBA Upper School Leader
Andrew Grossman	CBA Lower School Leader
Ric Zappa	Chief Schools Officer
Markus Mullarkey	Chief Operating Officer

**CALIBER SCHOOLS  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2018**

	Instructional Minutes		Traditional Instructional	Status
	Requirement	Actual	Days	
Caliber: Beta Academy				
Kindergarten	36,000	60,020	179	In compliance
Grade 1	50,400	60,020	179	In compliance
Grade 2	50,400	60,020	179	In compliance
Grade 3	50,400	60,020	179	In compliance
Grade 4	54,000	59,125	179	In compliance
Grade 5	54,000	58,230	179	In compliance
Grade 6	54,000	59,511	179	In compliance
Grade 7	54,000	59,511	179	In compliance
Grade 8	54,000	59,511	179	In compliance
Caliber: ChangeMakers Academy				
TK/Kindergarten	36,000	52,990	175	In compliance
Grade 1	50,400	53,865	175	In compliance
Grade 2	50,400	57,260	175	In compliance
Grade 3	50,400	56,630	175	In compliance
Grade 4	54,000	58,275	175	In compliance
Grade 6	54,000	61,635	175	In compliance
Grade 7	54,000	61,635	175	In compliance

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER SCHOOLS  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
YEAR ENDED JUNE 30, 2018**

	<u>Second Period Report</u>		<u>Annual Report</u>	
	<u>Classroom Based</u>	<u>Total</u>	<u>Classroom Based</u>	<u>Total</u>
Caliber: Beta Academy				
K-Grade 3	362.35	364.22	364.20	367.00
Grades 4-6	261.87	263.30	263.75	265.47
Grades 7-8	113.70	113.90	113.71	114.65
ADA Totals	<u>737.92</u>	<u>741.42</u>	<u>741.66</u>	<u>747.12</u>
Caliber: ChangeMakers Academy				
TK-Grade 3	288.92	289.73	290.63	291.80
Grades 4-6	117.75	118.07	117.32	117.76
Grades 7-8	52.52	52.58	52.07	52.16
ADA Totals	<u>459.19</u>	<u>460.38</u>	<u>460.02</u>	<u>461.72</u>
ADA Totals	<u><u>1,197.11</u></u>	<u><u>1,201.80</u></u>	<u><u>1,201.68</u></u>	<u><u>1,208.84</u></u>

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER SCHOOLS  
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

	Caliber: Beta Academy	ChangeMakers Academy
June 30, 2018 Annual Financial Report Fund Balances (Net Assets)	\$ 1,892,687	\$ 906,524
Adjustments and Reclassifications:		
Increase (Decrease) of Fund Balance (Net Assets):		
Accounts Payable and Accrued Liabilities	51,289	32,928
Net Adjustments and Reclassifications	51,289	32,928
June 30, 2018 Audited Financial Statement Fund Balances (Net Assets)	\$ 1,943,976	\$ 939,452

*See accompanying Auditors' Report and the Notes to Supplementary Information*

**CALIBER SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2018**

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	\$ 319,697	\$ 136,991	\$ 456,688
Title II, Part A, Teacher Quality	84.367	14341	36,190	17,971	54,161
Title III	84.365	N/A	28,089	8,810	36,899
Special Education - IDEA	84.027	13379	135,997	39,550	175,547
<i>Total U.S Department of Education</i>			<u>519,973</u>	<u>203,322</u>	<u>723,295</u>
<b>U.S. Department of Agriculture</b>					
Pass-Through Program From					
California Department of Education:					
Child Nutrition Programs	10.555	N/A	410,034	166,635	576,669
<i>Total U.S Department of Agriculture</i>			<u>410,034</u>	<u>166,635</u>	<u>576,669</u>
Total Federal Expenditures			<u>\$ 930,007</u>	<u>\$ 369,957</u>	<u>\$ 1,299,964</u>

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

**CALIBER SCHOOLS**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION BY LOCATION**  
**JUNE 30, 2018**

<b>ASSETS</b>	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	2018 Consolidated	2017 Consolidated
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	\$ 1,063,943	\$ 341,061	\$ 2,525,034	\$ 85,428	\$ 4,015,466	\$ 2,763,146
Accounts Receivable - Federal and State	1,184,118	830,000	-	-	2,014,118	1,789,508
Accounts Receivable - Other	-	-	300,000	-	300,000	113,489
Prepaid Expenses and Other Assets	67,566	104,728	11,799	2,326	186,419	272,858
Total Current Assets	<u>2,315,627</u>	<u>1,275,789</u>	<u>2,836,833</u>	<u>87,754</u>	<u>6,516,003</u>	<u>4,939,001</u>
<b>LONG-TERM ASSETS</b>						
Property, Plant, and Equipment, Net	160,800	120,905	-	1,990,018	2,271,723	2,027,835
Total Long-Term Assets	<u>160,800</u>	<u>120,905</u>	<u>-</u>	<u>1,990,018</u>	<u>2,271,723</u>	<u>2,027,835</u>
Total Assets	<u>\$ 2,476,427</u>	<u>\$ 1,396,694</u>	<u>\$ 2,836,833</u>	<u>\$ 2,077,772</u>	<u>\$ 8,787,726</u>	<u>\$ 6,966,836</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 532,451	\$ 457,242	\$ 57,007	25	1,046,725	\$ 975,032
Total Current Liabilities	<u>532,451</u>	<u>457,242</u>	<u>57,007</u>	<u>25</u>	<u>1,046,725</u>	<u>975,032</u>
<b>NET ASSETS</b>						
Unrestricted:	1,943,976	939,452	2,779,826	2,077,747	7,741,001	5,355,529
Temporarily Restricted	-	-	-	-	-	636,275
Total Net Assets	<u>1,943,976</u>	<u>939,452</u>	<u>2,779,826</u>	<u>2,077,747</u>	<u>7,741,001</u>	<u>5,991,804</u>
Total Liabilities and Net Assets	<u>\$ 2,476,427</u>	<u>\$ 1,396,694</u>	<u>\$ 2,836,833</u>	<u>\$ 2,077,772</u>	<u>\$ 8,787,726</u>	<u>\$ 6,966,836</u>

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER SCHOOLS**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES BY LOCATION**  
**YEAR ENDED JUNE 30, 2018**

	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2018 Consolidated	2017 Consolidated
<b>UNRESTRICTED REVENUES</b>							
State Revenue:							
State Aid	\$ 5,007,590	\$ 3,392,420	\$ -	\$ -	\$ -	\$ 8,400,010	\$ 6,818,392
Other State Revenue	973,613	644,634	-	-	-	1,618,247	1,089,298
Federal Revenue:							
Grants and Entitlements	930,007	369,957	-	-	-	1,299,964	1,668,031
Local Revenue:							
In-Lieu Property Tax Revenue	2,039,019	1,018,612	-	-	-	3,057,631	2,418,817
Investment Income	-	8,124	3,408	398	-	11,930	83,459
Other Revenue	166,015	592,662	3,213,894	25,000	(1,138,641)	2,858,930	2,450,360
Amounts released from restrictions	-	-	636,275	-	-	636,275	-
Total Unrestricted Revenues	<u>9,116,244</u>	<u>6,026,409</u>	<u>3,853,577</u>	<u>25,398</u>	<u>(1,138,641)</u>	<u>17,882,987</u>	<u>14,528,357</u>
<b>EXPENSES</b>							
Program Services	7,784,606	5,508,638	683,393	-	-	13,976,637	10,863,105
Management and General	835,064	552,055	1,264,226	8,174	(1,138,641)	1,520,878	1,918,350
Total Expenses	<u>8,619,670</u>	<u>6,060,693</u>	<u>1,947,619</u>	<u>8,174</u>	<u>(1,138,641)</u>	<u>15,497,515</u>	<u>12,781,455</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	496,574	(34,284)	1,905,958	17,224	-	2,385,472	1,746,902
<b>TEMPORARILY RESTRICTED REVENUES</b>							
Local Revenue:							
Other Revenue	-	-	-	-	-	-	636,275
Amounts released from restrictions	-	-	(636,275)	-	-	(636,275)	-
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>-</u>	<u>-</u>	<u>(636,275)</u>	<u>-</u>	<u>-</u>	<u>(636,275)</u>	<u>636,275</u>
<b>CHANGE IN NET ASSETS</b>	496,574	(34,284)	1,269,683	17,224	-	1,749,197	2,383,177
Net Assets - Beginning of Year	1,447,402	973,736	1,510,143	2,060,523	-	5,991,804	3,608,627
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,943,976</u>	<u>\$ 939,452</u>	<u>\$ 2,779,826</u>	<u>\$ 2,077,747</u>	<u>\$ -</u>	<u>\$ 7,741,001</u>	<u>\$ 5,991,804</u>

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER SCHOOLS**  
**CONSOLIDATING SCHEDULE OF CASH FLOWS BY LOCATION**  
**YEAR ENDED JUNE 30, 2018**

	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2018 Consolidated	2017 Consolidated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Change in Net Assets	\$ 496,574	\$ (34,284)	\$ 1,269,683	\$ 17,224	\$ -	\$ 1,749,197	\$ 2,383,177
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:							
Depreciation	30,164	-	-	-	-	30,164	4,054
(Increase) Decrease in Assets:							
Accounts Receivable - Federal and State	(196,388)	(28,222)	-	-	-	(224,610)	(684,458)
Accounts Receivable - Other	106,809	4,375	(297,695)	-	-	(186,511)	(65,356)
Prepaid Expenses and Other Assets	65,033	(43,935)	42,667	22,674	-	86,439	(231,379)
Increase (Decrease) in Liabilities:							
Accounts Payable and Accrued Liabilities	(144,184)	243,131	(27,279)	25	-	71,693	553,282
Net Cash Provided (Used) by Operating Activities	358,008	141,065	987,376	39,923	-	1,526,372	1,959,320
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchases of Property, Plant, and Equipment	(153,147)	(120,905)	-	-	-	(274,052)	(1,373,782)
Net Cash Provided (Used) by Investing Activities	(153,147)	(120,905)	-	-	-	(274,052)	(1,373,782)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Repayments of Debt	-	-	-	-	-	-	(735,508)
Net Cash Provided (Used) by Financing Activities	-	-	-	-	-	-	(735,508)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>							
	204,861	20,160	987,376	39,923	-	1,252,320	(149,970)
Cash and Cash Equivalents - Beginning of Year	859,082	320,901	1,537,658	45,505	-	2,763,146	2,913,116
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>							
	<u>\$ 1,063,943</u>	<u>\$ 341,061</u>	<u>\$ 2,525,034</u>	<u>\$ 85,428</u>	<u>\$ -</u>	<u>\$ 4,015,466</u>	<u>\$ 2,763,146</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>							
Cash Paid for Interest	<u>\$ 7,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,819</u>	<u>\$ 26,672</u>

See accompanying Auditors' Report and the Notes to Supplementary Information



**CALIBER SCHOOLS**  
**CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES BY ENTITY**  
**YEAR ENDED JUNE 30, 2018**

	Program Services			Management and General			2018 Total	2017 Total
	Schools and CMO	CEBRE	Total	Schools and CMO	CEBRE	Total		
Salaries and Wages	\$ 7,346,141	\$ -	\$ 7,346,141	\$ 751,789	\$ -	\$ 751,789	\$ 8,097,930	\$ 6,451,391
Pension Expense	208,179	-	208,179	34,734	-	34,734	242,913	154,594
Other Employee Benefits	744,837	-	744,837	86,714	-	86,714	831,551	701,260
Payroll Taxes	521,291	-	521,291	84,971	-	84,971	606,262	539,330
Management Fees	185	-	185	117,654	-	117,654	117,839	89,386
Legal Expenses	1,756	-	1,756	30,460	-	30,460	32,216	80,679
Accounting Expenses	-	-	-	13,725	3,065	16,790	16,790	11,520
Instructional Materials	908,308	-	908,308	-	-	-	908,308	900,968
Other Fees for Services	1,449,284	-	1,449,284	182,509	-	182,509	1,631,793	3,602,257
Office Expenses	337,885	-	337,885	56,878	-	56,878	394,763	168,480
Printing and Postage Expenses	-	-	-	-	-	-	-	107,085
Information Technology Expenses	-	-	-	-	-	-	-	48,962
Occupancy Expenses	1,048,969	-	1,048,969	-	-	-	1,048,969	392,101
Travel Expenses	171,197	-	171,197	13,095	-	13,095	184,292	129,775
Conference and Meeting Expenses	-	-	-	-	-	-	-	103,408
Interest Expense	7,819	-	7,819	-	-	-	7,819	26,672
Depreciation Expense	22,345	-	22,345	7,819	-	7,819	30,164	4,054
Insurance Expense	2,234	-	2,234	67,121	-	67,121	69,355	40,822
Other Expenses	1,206,207	-	1,206,207	1,203,876	5,109	1,208,985	2,415,192	152,432
Total Before Eliminations	13,976,637	-	13,976,637	2,651,345	8,174	2,659,519	16,636,156	13,705,176
Eliminations	-	-	-	(1,138,641)	-	(1,138,641)	(1,138,641)	(923,721)
Total Expenses by Function	\$ 13,976,637	\$ -	\$ 13,976,637	\$ 1,512,704	\$ 8,174	\$ 1,520,878	\$ 15,497,515	\$ 12,781,455

See accompanying Auditors' Report and the Notes to Supplementary Information

**CALIBER SCHOOLS  
NOTES TO SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2018**

**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, 2018. 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 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, the consolidated financial statements of Caliber Schools (the School), a nonprofit California public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2018, 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 November 2, 2018.

**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  
November 2, 2018



**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 Schools  
Richmond, California

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

We have audited the compliance of Caliber 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, 2018. 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; 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, 2018.

### **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  
November 2, 2018

**INDEPENDENT AUDITORS’ REPORT ON STATE COMPLIANCE**

Board of Directors  
 Caliber Schools  
 Richmond, California

We have audited Caliber Schools’s (the School) compliance with the types of compliance requirements described in the *2017-2018 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, 2018. 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, and the *2017-2018 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:	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
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	Not applicable

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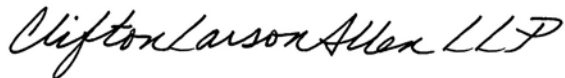
<sup>1</sup> We did not perform testing for independent study because the independent study ADA was under the level which requires testing.

### **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, 2018.

### **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 *2017-2018 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  
November 2, 2018



**CALIBER SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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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***

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.010	Title I
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>  750,000  </u>
Auditee qualified as low-risk auditee?	_____ <u>  x  </u> Yes      _____ No

**CALIBER SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018**

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
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 SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2018**

**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.