

CALIBER PUBLIC SCHOOLS
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR
THE YEAR ENDED JUNE 30, 2020)

OPERATING:

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



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**CALIBER PUBLIC SCHOOLS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENT	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENT OF ACTIVITIES	4
CONSOLIDATED STATEMENT OF CASH FLOWS	5
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	17
SCHEDULE OF INSTRUCTIONAL TIME	19
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	20
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	21
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION BY LOCATION	22
CONSOLIDATING SCHEDULE OF ACTIVITIES BY LOCATION	23
CONSOLIDATING SCHEDULE OF CASH FLOWS BY LOCATION	24
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES BY ENTITY	25
NOTES TO SUPPLEMENTARY INFORMATION	26
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	27
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE	29
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE	31
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	33
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	35



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, 2021, 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, 2021, 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

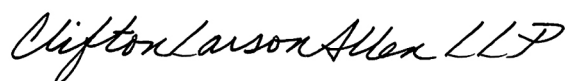
Our audit was conducted for the purpose of forming an opinion on the School's consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The accompanying other supplementary schedules, as listed 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 2020 consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated December 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 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 14, 2021 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 14, 2021

CALIBER PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

ASSETS	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,191,862	\$ 8,478,439
Accounts Receivable - Federal and State	9,412,587	3,464,561
Accounts Receivable - Other	804,415	6,181
Pledges Receivable	403,865	801,154
Prepaid Expenses and Other Assets	246,535	52,947
Total Current Assets	16,059,264	12,803,282
LONG-TERM ASSETS		
Pledges Receivable	-	180,816
Right-Of-Use Assets - Operating	382,620	428,970
Property, Plant, and Equipment, Net	21,611,452	17,743,924
Total Long-Term Assets	21,994,072	18,353,710
Total Assets	\$ 38,053,336	\$ 31,156,992
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 4,128,434	\$ 898,664
Deferred Revenue	446,060	-
Lease Liabilities - Operating, Current Portion	48,502	43,569
Long-Term Debt, Current Portion	2,779,980	291,895
Total Current Liabilities	7,402,976	1,234,128
LONG-TERM LIABILITIES		
Lease Liabilities - Operating	336,899	385,401
Long-Term Debt	14,562,186	17,310,688
Total Long-Term Liabilities	14,899,085	17,696,089
Total Liabilities	22,302,061	18,930,217
NET ASSETS		
Without Donor Restriction	12,638,616	10,832,819
With Donor Restriction	3,112,659	1,393,956
Total Net Assets	15,751,275	12,226,775
Total Liabilities and Net Assets	\$ 38,053,336	\$ 31,156,992

See accompanying Notes to Consolidated Financial Statements.

**CALIBER PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)**

	2021	2020
REVENUES, WITHOUT DONOR RESTRICTION		
State Revenue:		
State Aid	\$ 11,938,536	\$ 11,384,777
Other State Revenue	1,866,988	2,155,558
Federal Revenue:		
Grants and Entitlements	2,674,377	1,298,801
Local Revenue:		
In-Lieu Property Tax Revenue	4,542,014	4,241,925
Investment Income	30,394	41,668
Contributions	498,420	1,148,707
Other Revenue	254,120	248,816
Amounts Released from Restrictions	981,370	1,076,180
Total Revenues, Without Donor Restriction	22,786,219	21,596,432
EXPENSES		
Program Services	17,558,872	16,041,408
Management and General	3,403,627	3,676,960
Fundraising and Development	17,923	-
Total Expenses	20,980,422	19,718,368
CHANGE IN NET ASSETS, WITHOUT DONOR RESTRICTION	1,805,797	1,878,064
REVENUES, WITH DONOR RESTRICTION		
Other State Revenue	2,669,573	-
Federal Revenue	20,000	-
Contributions	10,500	464,418
Amounts Released from Restrictions	(981,370)	(1,076,180)
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	1,718,703	(611,762)
CHANGE IN NET ASSETS	3,524,500	1,266,302
Net Assets - Beginning of Year	12,226,775	10,960,473
NET ASSETS - END OF YEAR	\$ 15,751,275	\$ 12,226,775

See accompanying Notes to Consolidated Financial Statements.

**CALIBER PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,524,500	\$ 1,266,302
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	419,351	159,122
Amortization of Loan Costs	11,165	3,722
Amortization of Lease Costs - Operating	122,111	6,537
(Increase) Decrease in Assets:		
Accounts Receivable - Federal and State	(5,948,026)	(1,128,402)
Accounts Receivable - Other	(887,732)	464,625
Pledges Receivable	578,105	(23,192)
Prepaid Expenses and Other Assets	(140,812)	(22,466)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	3,199,938	(324,595)
Deferred Revenue	393,284	91,667
Net Cash Provided by Operating Activities	1,271,884	493,320
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property, Plant, and Equipment	(4,286,879)	(15,225,028)
Net Cash Used by Investing Activities	(4,286,879)	(15,225,028)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Debt	-	16,383,380
Repayments of Debt	(271,582)	(584,126)
Net Cash Provided (Used) by Financing Activities	(271,582)	15,799,254
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,286,577)	1,067,546
Cash and Cash Equivalents - Beginning of Year	8,478,439	7,410,893
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,191,862	\$ 8,478,439
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 509,266	\$ 180,818

See accompanying Notes to Consolidated Financial Statements.

CALIBER PUBLIC SCHOOLS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	Program Services	Management and General	Fundraising and Development	2021 Total	2020 Total
Salaries and Wages	\$ 10,983,873	\$ 1,728,289	\$ -	\$ 12,712,162	\$ 11,404,134
Pension Expense	279,068	53,097	-	332,165	276,705
Other Employee Benefits	1,104,987	180,302	-	1,285,289	1,238,872
Payroll Taxes	827,850	122,986	-	950,836	853,386
Management Fees	-	165,842	-	165,842	159,749
Legal Expenses	14,053	53,211	-	67,264	80,058
Accounting Expenses	-	33,996	-	33,996	31,615
Instructional Materials	840,904	8,851	-	849,755	529,827
Other Fees for Services	1,192,601	570,732	13,770	1,777,103	1,814,477
Office Expenses	289,821	148,190	-	438,011	337,661
Occupancy Expenses	614,565	76,377	-	690,942	1,879,227
Travel Expenses	3,972	53,587	63	57,622	135,911
Interest Expense	515,570	4,861	-	520,431	180,818
Depreciation and Amortization Expense	397,397	21,954	-	419,351	162,844
Insurance Expense	76,530	14,989	-	91,519	77,216
Other Expenses	417,681	166,363	4,090	588,134	2,488,011
Total Expenses by Function	\$ 17,558,872	\$ 3,403,627	\$ 17,923	\$ 20,980,422	\$ 21,650,511

See accompanying Notes to Consolidated Financial Statements.

**CALIBER PUBLIC SCHOOLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021

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, 2021. 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, 2021

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. As of June 30, 2021, the School has conditional grants of \$16,314,027 of which \$446,060 is recognized as deferred revenue 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, 2021.

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, 2021

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, 2020, from which the summarized information was derived. Certain prior year totals have been adjusted to conform to the June 30, 2021 presentation.

Allocations between Charter Schools and CMO

For the year ended June 30, 2021, 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.

Evaluation of Subsequent Events

The School has evaluated subsequent events through December 14, 2021, the date these consolidated financial statements were available to be issued.

**CALIBER PUBLIC SCHOOLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

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 were comprised of the following as of June 30, 2021:

Cash and Cash Equivalents	\$ 5,191,862
Accounts Receivable - Federal and State	9,412,587
Accounts Receivable - Other	804,415
Pledges Receivable	403,865
Less: Net Assets With Donor Restriction	<u>(3,112,659)</u>
Financial Assets Available for General Expenditure	<u><u>\$ 12,700,070</u></u>

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities, and other obligations come due.

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%. At June 30, 2021, the School had pledges receivable expected to be received in the following periods:

In One Year or Less	\$ 430,500
Between One and Five Years	-
Total Gross Pledges Receivable	<u>430,500</u>
Less: Discount and Allowance on Pledges Receivable	<u>(26,635)</u>
Net Pledges Receivable	<u><u>\$ 403,865</u></u>

CALIBER PUBLIC SCHOOLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

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 \$419,351 for the year ended June 30, 2021. The contributions to depreciation expense as of June 30, 2021 were as follows:

Caliber: Beta Academy	\$ 13,780
Caliber: ChangeMakers Academy	8,174
CEBRE	397,397
Total Property, Plant, and Equipment	<u>\$ 419,351</u>

The components of property, plant, and equipment as of June 30, 2021 are as follows:

Building and Improvements	\$ 16,167,664
Furniture, Fixtures, and Equipment	26,268
Other and Construction in Progress	6,060,921
Total	<u>22,254,853</u>
Less: Accumulated Depreciation and Amortization	(643,401)
Total Property, Plant, and Equipment	<u>\$ 21,611,452</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, 2021.

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, 2021 was \$332,165.

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 \$880,171 for the year ended June 30, 2021.

Caliber: ChangeMakers Academy paid a Service Fee of \$767,326 for the year ended June 30, 2021.

**CALIBER PUBLIC SCHOOLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

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.

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	June 30, 2021	
REVENUE							
Parcel Tax Revenue	\$ 44,221	\$ 106,966	\$ 107,743	\$ 162,239	\$ 225,430	\$ 253,721	\$ 900,320
EXPENSES							
Provide Classroom Computers and Technology Instructional Supplies	-	-	67,953	-	13,548	30,005	111,506
Total	-	-	67,953	-	13,548	30,005	111,506
Preparing Student for College and the Workforce							
Certificated Salaries	-	-	-	-	12,862	180,873	193,735
Classified Salaries	-	-	-	123,708	136,083	8,287	268,078
Employee Benefits	-	-	-	20,719	17,897	33,306	71,922
Books and Supplies	-	-	-	712	-	-	712
Services and Other Operating Expenses	-	-	-	3,600	31,859	1,250	36,709
Total	-	-	-	148,739	198,701	223,716	571,156
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	253,721	900,320
Net Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CALIBER PUBLIC SCHOOLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 LONG-TERM DEBT

Prop 51 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 24 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.

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 \$334,966 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, 2021, the total outstanding debt was as follows:

Prop 55 Loan	\$ 1,299,607
Paycheck Protection Program Loan	2,499,300
Equitable Facilities Fund - CEBRE	13,863,338
Total Debt, Gross	<u>17,662,245</u>
Unamortized Debt Issuance Costs	(320,079)
Total	<u><u>\$ 17,342,166</u></u>

CALIBER PUBLIC SCHOOLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 LONG-TERM DEBT (CONTINUED)

Equitable Facilities Fund – CEBRE (Continued)

Future minimum payments on debt are as follows:

<u>Year Ending June 30.</u>	
2022	\$ 2,779,980
2023	290,952
2024	328,708
2025	342,920
2026	355,120
Thereafter	<u>13,564,565</u>
Total	<u>\$ 17,662,245</u>

NOTE 12 LEASES

The School leases a facility under a long-term, a noncancelable 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 requires the School to comply with certain covenants and to maintain certain financial ratios. As of June 30, 2021, the School was in compliance with all ratios and covenants.

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

Lease Cost

Operating Lease Cost	\$ 64,556
----------------------	-----------

Other Information

Operating Cash Flows from Operating Leases	\$ 89,497
Remaining Lease Term - Operating Lease	6 Years
Discount Rate - Operating Lease	5.25%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2021 is as follows:

<u>Year Ending June 30.</u>	<u>Operating Lease</u>
2022	\$ 67,140
2023	69,820
2024	72,618
2025	75,525
2026	78,551
Thereafter	<u>88,527</u>
Total	<u>\$ 452,181</u>

**CALIBER PUBLIC SCHOOLS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2021:

Subject to Specific Purpose:	
Other State Revenue	\$ 3,082,159
Federal Revenue	20,000
Subject to the Passage of Time:	
Contributions	<u>10,500</u>
Total Net Assets With Donor Restriction	<u><u>\$ 3,112,659</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2021:

Release of Restriction	
Satisfied the Passage of Time	<u><u>\$ 981,370</u></u>

NOTE 14 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.

In the prior 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 2022 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 15 SUBSEQUENT EVENTS

In August 2021, the PPP loan principal amount of \$2,499,300 along with accrued interest was forgiven by the financial institution and the U.S. Small Business Administration (SBA). The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the School's consolidated financial position.

SUPPLEMENTARY INFORMATION

**CALIBER PUBLIC SCHOOLS
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2021**

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, 2026.

**CALIBER PUBLIC SCHOOLS
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE (CONTINUED)
 YEAR ENDED JUNE 30, 2021**

The Board of Directors and the Administrators as of the year ended June 30, 2021 were as follows:

BOARD OF DIRECTORS

<u>Member</u>	<u>Office</u>	<u>Term Expires (3 Year Term)</u>
Ron Beller	Co-Founder and Secretary	2023
Jennifer Moses	Co-Founder and Board Chair	2021
Anthony Adams	Treasurer/CFO	2021
Carolyn Hack	Member	2021
Nolan Highbaugh	Member	2023
Margarita Flores	Member	2023
Andrya Huntsman	Parent Representative	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, 2021
 (SEE INDEPENDENT AUDITORS' REPORT)**

	Traditional Instructional Days	Status
Caliber: Beta Academy		
Kindergarten	181	In compliance
Grade 1	181	In compliance
Grade 2	181	In compliance
Grade 3	181	In compliance
Grade 4	181	In compliance
Grade 5	181	In compliance
Grade 6	181	In compliance
Grade 7	181	In compliance
Grade 8	181	In compliance
Caliber: ChangeMakers Academy		
TK/Kindergarten	181	In compliance
Grade 1	181	In compliance
Grade 2	181	In compliance
Grade 3	181	In compliance
Grade 4	181	In compliance
Grade 5	181	In compliance
Grade 6	181	In compliance
Grade 7	181	In compliance
Grade 8	181	In compliance

See accompanying Notes to Supplementary Information.

**CALIBER PUBLIC SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Caliber: Beta Academy	ChangeMakers Academy
June 30, 2021 Annual Financial Report Fund Balances (Net Assets)	\$ 7,646,363	\$ 2,519,190
Adjustments and Reclassifications:		
Increase (Decrease) of Fund Balance (Net Assets):		
Property, Plant, and Equipment, Net	169,312	-
Accounts Payable and Accrued Liabilities	(169,312)	-
Net Adjustments and Reclassifications	-	-
June 30, 2021 Audited Financial Statement Fund Balances (Net Assets)	\$ 7,646,363	\$ 2,519,190

See accompanying Notes to Supplementary Information.

CALIBER PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Caliber: Beta Academy	Caliber: ChangeMakers Academy	Total
U.S. Department of Education					
Pass-Through Program From					
California Department of Education:					
Every Student Succeeds Act					
Title I, Part A, Basic Grants:					
Low-Income and Neglected	84.010	14329	\$ 294,825	\$ 178,424	\$ 473,249
Title II, Part A, Teacher Quality	84.367	14341	35,577	26,669	62,246
Title III, English Learner Student Program	84.365	14346	26,170	14,231	40,401
Title IV, Part A, Student Support & Academic Enrichment	84.424	15391	22,144	12,271	34,415
Special Education - IDEA Cluster	84.027	13379	119,522	100,122	219,644
Coronavirus Aid, Relief, and Economic Security Act (CARES Act):					
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	239,829	132,897	372,726
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	25,712	41,442	67,154
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	42,321	39,561	81,882
<i>Total U.S. Department of Education</i>			<u>806,100</u>	<u>545,617</u>	<u>1,351,717</u>
U.S. Department of the Treasury					
Pass-Through Program From					
California Department of Education:					
Coronavirus Relief Fund	21.019	25516	686,104	528,205	1,214,309
<i>Total U.S. Department of the Treasury</i>			<u>686,104</u>	<u>528,205</u>	<u>1,214,309</u>
U.S. Department of Agriculture					
Pass-Through Program From					
California Department of Education:					
School Breakfast Program Severe Need	10.553	13526	21,874	19,262	41,136
National School Lunch Program	10.555	13396	46,375	40,840	87,215
Child Nutrition Cluster Subtotal			<u>68,249</u>	<u>60,102</u>	<u>128,351</u>
<i>Total U.S. Department of Agriculture</i>			<u>68,249</u>	<u>60,102</u>	<u>128,351</u>
Total Federal Expenditures			<u>\$ 1,560,453</u>	<u>\$ 1,133,924</u>	<u>\$ 2,694,377</u>

See accompanying Notes to Supplementary Information.

CALIBER PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION BY LOCATION
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2021 Consolidated	2020 Consolidated
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 998,551	\$ 1,334,280	\$ 2,491,344	\$ 367,687	\$ -	\$ 5,191,862	\$ 8,478,439
Accounts Receivable - Federal and State	5,915,560	3,497,027	-	-	-	9,412,587	3,464,561
Accounts Receivable - Other	-	-	804,415	119,330	(119,330)	804,415	6,181
Pledges Receivable	9,765	-	394,100	-	-	403,865.00	801,154
Prepaid Expenses and Other Assets	87,182	116,371	81,873	-	(38,891)	246,535	52,947
Total Current Assets	<u>7,011,058</u>	<u>4,947,678</u>	<u>3,771,732</u>	<u>487,017</u>	<u>(158,221)</u>	<u>16,059,264</u>	<u>12,803,282</u>
LONG-TERM ASSETS							
Pledges Receivable	-	-	-	-	-	-	180,816
Right-Of-Use Assets - Operating	-	21,311,004	382,620	-	(21,311,004)	382,620	428,970
Property, Plant, and Equipment, Net	6,143,599	101,839	-	15,366,014	-	21,611,452	17,743,924
Total Long-Term Assets	<u>6,143,599</u>	<u>21,412,843</u>	<u>382,620</u>	<u>15,366,014</u>	<u>(21,311,004)</u>	<u>21,994,072</u>	<u>18,353,710</u>
Total Assets	<u>\$ 13,154,657</u>	<u>\$ 26,360,521</u>	<u>\$ 4,154,352</u>	<u>\$ 15,853,031</u>	<u>\$ (21,469,225)</u>	<u>\$ 38,053,336</u>	<u>\$ 31,156,992</u>
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 2,723,039	\$ 1,214,824	\$ 159,013	\$ 31,558	\$ -	\$ 4,128,434	\$ 898,664
Deferred Revenue	231,125	214,935	-	38,891	(38,891)	446,060	-
Lease Liabilities - Operating, Current Portion	-	354,938	48,502	-	(354,938)	48,502	43,569
Long-Term Debt, Current Portion	1,254,523	981,238	263,539	280,680	-	2,779,980	291,895
Total Current Liabilities	<u>4,208,687</u>	<u>2,765,935</u>	<u>471,054</u>	<u>351,129</u>	<u>(393,829)</u>	<u>7,402,976</u>	<u>1,234,128</u>
LONG-TERM LIABILITIES							
Lease Liabilities - Operating	-	21,075,396	336,899	-	(21,075,396)	336,899	385,401
Long-Term Debt	1,299,607	-	-	13,262,579	-	14,562,186	17,310,688
Total Long-Term Liabilities	<u>1,299,607</u>	<u>21,075,396</u>	<u>336,899</u>	<u>13,262,579</u>	<u>(21,075,396)</u>	<u>14,899,085</u>	<u>17,696,089</u>
Total Liabilities	5,508,294	23,841,331	807,953	13,613,708	(21,469,225)	22,302,061	18,930,217
NET ASSETS							
Without Donor Restriction	4,670,059	2,382,835	3,346,399	2,239,323	-	12,638,616	10,832,819
With Donor Restriction	2,976,304	136,355	-	-	-	3,112,659	1,393,956
Total Net Assets	<u>7,646,363</u>	<u>2,519,190</u>	<u>3,346,399</u>	<u>2,239,323</u>	<u>-</u>	<u>15,751,275</u>	<u>12,226,775</u>
Total Liabilities and Net Assets	<u>\$ 13,154,657</u>	<u>\$ 26,360,521</u>	<u>\$ 4,154,352</u>	<u>\$ 15,853,031</u>	<u>\$ (21,469,225)</u>	<u>\$ 38,053,336</u>	<u>\$ 31,156,992</u>

See accompanying Notes to Supplementary Information.

CALIBER PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF ACTIVITIES BY LOCATION
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2021 Consolidated	2020 Consolidated
REVENUES, WITHOUT DONOR RESTRICTION							
State Revenue:							
State Aid	\$ 6,199,374	\$ 5,739,162	\$ -	\$ -	\$ -	\$ 11,938,536	\$ 11,384,777
Other State Revenue	207,465	1,659,523	-	-	-	1,866,988	2,155,558
Federal Revenue:							
Grants and Entitlements	1,540,453	1,133,924	-	-	-	2,674,377	1,298,801
Local Revenue:							
In-Lieu Property Tax Revenue	2,602,337	1,939,677	-	-	-	4,542,014	4,241,925
Investment Income	-	18,716	11,581	97	-	30,394	41,668
Contributions	768	7,063	490,589	-	-	498,420	1,148,707
Other Revenue	253,721	399	1,647,497	1,189,502	(2,836,999)	254,120	248,816
Amounts Released from Restrictions	-	93,137	888,233	-	-	981,370	1,076,180
Total Revenues Without Donor Restriction	<u>10,804,118</u>	<u>10,591,601</u>	<u>3,037,900</u>	<u>1,189,599</u>	<u>(2,836,999)</u>	<u>22,786,219</u>	<u>21,596,432</u>
EXPENSES							
Program Services	9,046,743	8,607,881	-	1,070,454	(1,166,206)	17,558,872	16,041,408
Management and General	1,102,196	889,859	3,048,091	10,978	(1,647,497)	3,403,627	3,676,960
Fundraising	-	-	17,923	-	-	17,923	-
Total Expenses	<u>10,148,939</u>	<u>9,497,740</u>	<u>3,066,014</u>	<u>1,081,432</u>	<u>(2,813,703)</u>	<u>20,980,422</u>	<u>19,718,368</u>
CHANGE IN NET ASSETS, WITHOUT DONOR RESTRICTION	655,179	1,093,861	(28,114)	108,167	(23,296)	1,805,797	1,878,064
REVENUES, WITH DONOR RESTRICTION							
Other State Revenue	2,533,218	136,355	-	-	-	2,669,573	-
Federal Revenue	20,000	-	-	-	-	20,000	-
Contributions	10,500	-	-	-	-	10,500	464,418
Amounts Released from Restrictions	-	(93,137)	(888,233)	-	-	(981,370)	(1,076,180)
CHANGE IN NET ASSETS, WITH DONOR RESTRICTION	<u>2,563,718</u>	<u>43,218</u>	<u>(888,233)</u>	<u>-</u>	<u>-</u>	<u>1,718,703</u>	<u>(611,762)</u>
CHANGE IN NET ASSETS	3,218,897	1,137,079	(916,347)	108,167	(23,296)	3,524,500	1,266,302
Net Assets - Beginning of Year	<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>
NET ASSETS - END OF YEAR	<u>\$ 7,646,363</u>	<u>\$ 2,519,190</u>	<u>\$ 3,346,399</u>	<u>\$ 2,239,323</u>	<u>\$ -</u>	<u>\$ 15,751,275</u>	<u>\$ 12,226,775</u>

See accompanying Notes to Supplementary Information.

CALIBER PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF CASH FLOWS BY LOCATION
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Caliber: Beta Academy	Caliber: ChangeMakers Academy	CMO	CEBRE	Eliminations	2021 Consolidated	2020 Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in Net Assets	\$ 3,218,897	\$ 1,137,079	\$ (916,347)	\$ 108,167	\$ (23,296)	\$ 3,524,500	\$ 1,266,302
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:							
Depreciation	13,780	8,174	-	397,397	-	419,351	159,122
Amortization of Loan Costs	-	-	-	11,165	-	11,165	3,722
Amortization of Lease Costs - Operating	-	89,497	9,318	-	23,296	122,111	6,537
(Increase) Decrease in Assets:							
Accounts Receivable - Federal and State	(3,844,433)	(2,103,593)	-	-	-	(5,948,026)	(1,128,402)
Accounts Receivable - Other	6,080	-	(804,314)	(89,498)	-	(887,732)	464,625
Pledges Receivable	(9,765)	93,137	494,733	-	-	578,105	(23,192)
Prepaid Expenses and Other Assets	(85,598)	(24,941)	(34,886)	4,613	-	(140,812)	(22,466)
Increase (Decrease) in Liabilities:							
Accounts Payable and Accrued Liabilities	2,267,008	913,000	(8,042)	27,972	-	3,199,938	(324,595)
Deferred Revenue	231,125	214,935	-	(52,776)	-	393,284	91,667
Net Cash Provided (Used) by Operating Activities	1,797,094	327,288	(1,259,538)	407,040	-	1,271,884	493,320
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of Property, Plant, and Equipment	(4,286,879)	-	-	-	-	(4,286,879)	(15,225,028)
Net Cash Used by Investing Activities	(4,286,879)	-	-	-	-	(4,286,879)	(15,225,028)
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from Debt	-	-	-	-	-	-	16,383,380
Repayments of Debt	-	-	-	(271,582)	-	(271,582)	(584,126)
Net Cash Provided (Used) by Financing Activities	-	-	-	(271,582)	-	(271,582)	15,799,254
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,489,785)	327,288	(1,259,538)	135,458	-	(3,286,577)	1,067,546
Cash and Cash Equivalents - Beginning of Year	3,488,336	1,006,992	3,750,882	232,229	-	8,478,439	7,410,893
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 998,551</u>	<u>\$ 1,334,280</u>	<u>\$ 2,491,344</u>	<u>\$ 367,687</u>	<u>\$ -</u>	<u>\$ 5,191,862</u>	<u>\$ 8,478,439</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION							
Cash Paid for Interest	<u>\$ 572</u>	<u>\$ 1,686</u>	<u>\$ 2,603</u>	<u>\$ 504,405</u>	<u>\$ -</u>	<u>\$ 509,266</u>	<u>\$ 180,818</u>

See accompanying Notes to Supplementary Information.

CALIBER PUBLIC SCHOOLS
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES BY ENTITY
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Program Services			Management and General			Fundraising			2021 Total	2020 Total
	Schools and CMO	CEBRE	Total	Schools and CMO	CEBRE	Total	Schools and CMO	CEBRE	Total		
Salaries and Wages	\$ 10,983,873	\$ -	\$ 10,983,873	\$ 1,728,289	\$ -	\$ 1,728,289	\$ -	\$ -	\$ -	\$ 12,712,162	\$ 11,404,134
Pension Expense	279,068	-	279,068	53,097	-	53,097	-	-	-	332,165	276,705
Other Employee Benefits	1,104,987	-	1,104,987	180,302	-	180,302	-	-	-	1,285,289	1,238,872
Payroll Taxes	827,850	-	827,850	122,986	-	122,986	-	-	-	950,836	853,386
Management Fees	-	-	-	165,667	175	165,842	-	-	-	165,842	159,749
Legal Expenses	14,053	-	14,053	53,211	-	53,211	-	-	-	67,264	80,058
Accounting Expenses	-	-	-	31,185	2,811	33,996	-	-	-	33,996	31,615
Instructional Materials	840,904	-	840,904	8,851	-	8,851	-	-	-	849,755	529,827
Other Fees for Services	1,140,536	52,065	1,192,601	563,732	7,000	570,732	13,770	-	13,770	1,777,103	1,814,477
Office Expenses	289,821	-	289,821	148,190	-	148,190	-	-	-	438,011	337,661
Occupancy Expenses	1,697,193	83,578	1,780,771	76,377	-	76,377	-	-	-	1,857,148	1,879,227
Travel Expenses	3,972	-	3,972	53,587	-	53,587	63	-	63	57,622	135,911
Interest Expense	-	515,570	515,570	4,861	-	4,861	-	-	-	520,431	180,818
Depreciation Expense	-	397,397	397,397	21,954	-	21,954	-	-	-	419,351	162,844
Insurance Expense	54,686	21,844	76,530	14,989	-	14,989	-	-	-	91,519	77,216
Other Expenses	417,681	-	417,681	1,812,868	992	1,813,860	4,090	-	4,090	2,235,631	2,488,011
Total Before Eliminations	17,654,624	1,070,454	18,725,078	5,040,146	10,978	5,051,124	17,923	-	17,923	23,794,125	21,650,511
Eliminations	(1,166,206)	-	(1,166,206)	(1,647,497)	-	(1,647,497)	-	-	-	(2,813,703)	(1,932,143)
Total Expenses by Function	\$ 16,488,418	\$ 1,070,454	\$ 17,558,872	\$ 3,392,649	\$ 10,978	\$ 3,403,627	\$ 17,923	\$ -	\$ 17,923	\$ 20,980,422	\$ 19,718,368

See accompanying Notes to Supplementary Information.

**CALIBER PUBLIC SCHOOLS
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

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 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 3 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, 2021. 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 for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of the Treasury for allowability of costs. Under these principles 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 minimis indirect cost rate allowed under Uniform Guidance.

NOTE 4 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, 2021, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the consolidated financial statements, and have issued our report thereon dated December 14, 2021.

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) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School’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 School’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 14, 2021



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, 2021. 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, 2021.

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 14, 2021



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 *2020-2021 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, 2021. 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 *2020-2021 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>
Local Education Agencies:	
Attendance and Distance Learning	Yes
Instructional Time	Yes
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes

<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools:	
Independent Study-Course Based	Not applicable
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	Not applicable
Determination of funding for nonclassroom-based instruction	Not applicable
Charter School Facility Grant Program	Yes

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, 2021.

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 *2020-2021 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 14, 2021

**CALIBER PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

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

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund

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, 2021**

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

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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

Section IV – Findings and Questioned Costs – State Compliance Findings

Our audit did not disclose any matters required to be reported in accordance with the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

**CALIBER PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

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.

FINDINGS— STATE AWARD PROGRAMS AUDITS

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

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details. **CliftonLarsonAllen LLP**

