



AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2025**

**A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING THE FOLLOWING CALIFORNIA CHARTER SCHOOL**

Feather River Charter School (Charter No. 1801)

FEATHER RIVER CHARTER SCHOOL
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Feather River Charter School
Meridian, California

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Feather River Charter School which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feather River Charter School as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Feather River Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Feather River Charter School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Feather River Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Feather River Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of Feather River Charter 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 of Feather River Charter 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 Feather River Charter School's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
December 12, 2025

FEATHER RIVER CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

Current assets

Cash and cash equivalents	\$ 17,955,099
Accounts receivable	5,427,502
Prepaid expenses	<u>225,078</u>
Total current assets	<u>23,607,679</u>

Noncurrent assets

Capital assets, net	<u>3,584</u>
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Total Assets	<u>\$ 23,611,263</u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 5,621,984
Deferred revenue	<u>2,135,345</u>
Total liabilities	<u>7,757,329</u>

Net assets

Without donor restrictions	<u>15,853,934</u>
Total net assets	<u>15,853,934</u>

Total Liabilities and Net Assets	<u>\$ 23,611,263</u>
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The notes to the financial statements are an integral part of this statement.

**FEATHER RIVER CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Without Donor Restrictions</u>
SUPPORT AND REVENUES	
Federal and state support and revenues	
Local control funding formula, state aid	\$ 32,036,950
Federal revenues	440,891
Other state revenues	<u>4,825,289</u>
Total federal and state support and revenues	<u>37,303,130</u>
Local support and revenues	
Payments in lieu of property taxes	1,076,277
Other local revenues	<u>2,966,575</u>
Total local support and revenues	<u>4,042,852</u>
Total Support and Revenues	<u>41,345,982</u>
EXPENSES	
Program services	33,333,302
Management and general	<u>2,437,107</u>
Total Expenses	<u>35,770,409</u>
CHANGE IN NET ASSETS	5,575,573
Net Assets - Beginning	<u>10,278,361</u>
Net Assets - Ending	<u>\$ 15,853,934</u>

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

**FEATHER RIVER CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services	Management and General	Total
EXPENSES			
Personnel expenses			
Certificated salaries	\$ 13,209,091	\$ 267,399	\$ 13,476,490
Non-certificated salaries	2,012,964	-	2,012,964
Pension plan contributions	2,260,637	39,712	2,300,349
Payroll taxes	477,196	8,383	485,579
Other employee benefits	1,799,163	31,605	1,830,768
Total personnel expenses	19,759,051	347,099	20,106,150
Non-personnel expenses			
Books and supplies	4,169,912	15,828	4,185,740
Insurance	344,307	6,048	350,355
Facilities	-	22,853	22,853
Professional services	8,068,064	301,280	8,369,344
Depreciation	-	2,873	2,873
Fees to SGCA	952,764	735,937	1,688,701
Fees to authorizing agency	-	962,089	962,089
Other operating expenses	39,204	43,100	82,304
Total non-personnel expenses	13,574,251	2,090,008	15,664,259
Total Expenses	\$ 33,333,302	\$ 2,437,107	\$ 35,770,409

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

**FEATHER RIVER CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 5,575,573
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	2,873
(Increase) decrease in operating assets	
Accounts receivable	(967,114)
Prepaid expenses	69,434
Deposit	30,000
Increase (decrease) in operating liabilities	
Accounts payable	2,920,223
Deferred revenue	(384,355)
Net cash provided by (used in) operating activities	<u>7,246,634</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 7,246,634

Cash and cash equivalents - Beginning 10,708,465

Cash and cash equivalents - Ending \$ 17,955,099

SUPPLEMENTAL DISCLOSURE

Cash paid for interest \$ -

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

**FEATHER RIVER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Feather River Charter School (the “Charter”) was formed as a nonprofit public benefit corporation on May 30, 2017 under the name, Inspire Charter School – North. In February 2020, amended articles of incorporation were filed to change the name to Feather River Charter School. The purpose of the entity is to operating as a California public school. The Charter’s school, Feather River Charter School, is numbered by the State Board of Education as California Charter No. 1801. Feather River Charter School provides nonclassroom-based instruction to students in grades TK to 12.

Feather River Charter School is authorized to operate as a charter school through the Winship-Robbins School District (the “authorizing agency”). In December 2020, the Board of Directors of Winship-Robbins School District approved a charter petition renewal for a five-year term beginning July 1, 2021 and expiring on June 30, 2026. As a result of SB 114, the charter petition end date is extended to June 30, 2027. Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public.

B. Basis of Accounting

The Charter’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

C. Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Feather River Charter School reports information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions – These assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires (that is until the stipulated time restriction ends or the purpose of the restriction is accomplished) the net assets are restricted. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

As a public charter school, Feather River Charter School also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual* presented in Procedure 810 Charter Schools. Fund accounting is not used in the Charter’s financial statement presentation.

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as “net assets released from restrictions.” Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without restriction upon acquisition of the assets and the assets are placed in service.

Non-cash contributions of goods, materials, and facilities are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the organization if not donated.

F. In Lieu of Property Tax Revenue

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to Feather River Charter School. Revenues are recognized by the Charter when earned.

G. Functional Expenses

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenses have been allocated between program and supporting services based on management’s estimates.

H. Cash and Investments

Feather River Charter School considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents. The Charter’s method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities. Investment return is presented net of any investment fees.

I. Receivables and Allowances

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management’s judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Charter establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2025, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

Feather River Charter School has adopted a policy to capitalize asset purchases over \$5,000. Lesser amounts are expensed. Donations of capital assets are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions. Capital assets are depreciated using the straight-line method over the estimated useful lives of the property and equipment or the related lease terms.

K. Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the organization prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

L. Lease Arrangements

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, a new lease standard effective no later than the fiscal year 2022-23. Under FASB ASC 842, a right-of-use asset and a related lease liability must be recorded on the statement of financial position (balance sheet) for proper recognition of any operating lease. A right-of-use asset is an intangible asset that pertains to the lessee's right to occupy, operate, and hold a leased asset during the agreed rental period. A lease liability is the financial obligation for the payments required by the lease, discounted to present value.

M. Income Taxes

Feather River Charter School is a 509(a)(1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Charter is exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. As a school, the Charter is not required to register with the California Attorney General as a charity.

The Charter's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Charter's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

N. Fair Value Measurements

The Fair Value Measurements Topic of the FASB *Accounting Standards Codification* establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

FEATHER RIVER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents, as of June 30, 2025, consists of cash in banks of \$17,955,099 held in noninterest-bearing accounts. As of June 30, 2025, \$17,705,797 of the Feather River Charter School's bank balance was exposed to custodial credit risk as there were deposits over \$250,000 in accounts held at one or more banks. Custodial credit risk is the risk that in the event of a bank failure, an organization's deposits may not be returned to it. Feather River Charter School does not have a policy for custodial credit risk for deposits. The FDIC insures up to \$250,000 per depositor per insured bank.

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net of the allowance for bad debt, as of June 30, 2025, consists of the following:

Local control funding sources, state aid	\$	3,442,922
Federal sources		417,004
Other state sources		663,481
In lieu property tax payments		136,182
Due from affiliates*		767,913
Total Accounts Receivable	\$	5,427,502

**Affiliates include Sequoia Grove Charter Alliance and other member schools disclosed in the related party footnote.*

NOTE 4 – CAPITAL ASSETS

A summary of activity related to capital assets during the year ended June 30, 2025 consists of the following:

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Property and equipment				
Computer equipment	\$ 44,455	\$ -	\$ -	\$ 44,455
Software	10,500	-	-	10,500
Furniture and fixtures	7,735	-	-	7,735
Total property and equipment	62,690	-	-	62,690
Less accumulated depreciation	(56,233)	(2,873)	-	(59,106)
Capital Assets, net	\$ 6,457	\$ (2,873)	\$ -	\$ 3,584

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2025, consists of the following:

Due to authorizing agency	\$	3,040,231
Salaries and benefits		1,189,190
Due to affiliates*		1,060,929
Vendor payables		292,204
Audit penalty		39,430
Total Accounts Payable	\$	5,621,984

**Affiliates include Sequoia Grove Charter Alliance and other member schools disclosed in the related party footnote.*

FEATHER RIVER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 6 – DEFERRED REVENUE

Deferred revenue as of June 30, 2025, consists of \$2,135,345 in unspent conditional contributions from state sources.

NOTE 7 – NET ASSETS

As of June 30, 2025, the Charter did not hold any net assets with donor restrictions. Certain designations or reserves have been made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Charter. The Charter holds an operational memorandum of understanding (MOU) with the authorizing agency that provides that the Charter maintain reserves of at least three percent. At June 30, 2025, the Charter's net assets without donor restrictions consists of the following:

Net investment in capital assets	\$ 3,584
Undesignated	15,850,350
Total Net Assets without Donor Restrictions	<u>\$ 15,853,934</u>

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Charter's financial assets as of June 30, 2025, reduced by amounts not available for general expenditure within one year. Financial assets are considered not available for general use when illiquid or not convertible to cash within one year, consist of assets held for others or are held aside by the governing board for specific contingency reserves. Any board designations could be drawn upon if the board approves that action.

Financial Assets	
Cash and cash equivalents	\$ 17,955,099
Accounts receivable	5,427,502
Prepaid expenses	225,078
Contractual or donor-imposed restrictions	
Cash held for conditional contributions	<u>(2,135,345)</u>
Financial Assets available to meet cash needs for expenditures within one year	<u>\$ 21,472,334</u>

NOTE 9 – DONATED GOODS AND SERVICES

During the year, many parents, administrators and other individuals donated significant amounts of time and services to Feather River Charter School in an effort to advance the Charter's programs and objectives. These services have not been recorded in the Charter's financial statements because they do not meet the criteria required by generally accepted accounting principles. The Charter did not receive any donated items during the year ended June 30, 2025.

NOTE 10 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by an agency of the State of California. In accordance with *California Education Code* 47605, charter schools have the option of participating in such a plan if an election to participate is specified within the charter petition. The Charter has made such election. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS). The Charter also offers social security as an alternative plan to all employees who may not qualify for CalSTRS.

FEATHER RIVER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – EMPLOYEE RETIREMENT PLANS (continued)

California State Teachers' Retirement System (CalSTRS)

Plan Description

Feather River Charter School contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275.

Funding Policy

Active plan members are required to contribute 10.25% or 10.205% of their 2024-25 salary depending on the employee's membership date in the plan. The required employer contribution rate for fiscal year 2024-25 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. The Charter's contributions to CalSTRS for the last three fiscal years were as follows:

	Contribution	Percent of Required Contribution
2024-25	\$ 2,158,708	100%
2023-24	\$ 2,115,489	100%
2022-23	\$ 1,997,554	100%

On-Behalf Payments

The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all school agencies in California. The amount of on-behalf payments made for Feather River Charter School is estimated at \$1,070,571. The on-behalf payment amount is computed as the proportionate share of total 2023-24 State on-behalf contributions.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Charter School Authorization

As mentioned in Note 1A, Feather River Charter School is approved to operate as a public charter school through authorization by the Winship-Robbins School District. As such, the Charter is subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

The Charter makes payments to the authorizing agency to provide required services for oversight. In accordance with California Education Code Section 47613(b), the authorizing agency may charge actual costs of oversight not to exceed 3% of revenue from local control funding formula sources if the authorizing agency also provides substantially free facilities; Winship-Robbins School District provides such facilities. Total fees for oversight and facility use amounted to \$906,313 for the fiscal year ending June 30, 2025.

Multiemployer Defined Benefit Plan Participation

Under current law on multiemployer defined benefit plans, the Charter's voluntary withdrawal from any underfunded multiemployer defined benefit plan would require the Charter to make payments to the plan, which would approximate the Charter's proportionate share of the multiemployer plan's unfunded vested liabilities. CalSTRS has estimated that the Charter's share of withdrawal liability is approximately \$12,253,106 as of June 30, 2024. The Charter does not currently intend to withdraw from CalSTRS. Refer to Note 10 for additional information on employee retirement plans.

FEATHER RIVER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – COMMITMENTS AND CONTINGENCIES (continued)

Paycheck Protection Program (PPP) Loan

In July 2020, the Charter received a loan from Cross River Bank in the amount of \$1,696,959 under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA). The PPP, established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times their average monthly payroll expenses. Under the terms of the PPP, the full loan and any accrued interest may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The Charter has attempted to apply for forgiveness with the lender; however, the lender bank is no longer in operation. Because the Charter believes that the PPP eligibility and loan forgiveness criteria has been substantially met, the Charter had elected to treat the PPP proceeds as a conditional contribution in a previous year in accordance with ASC Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition*.

The funding may be subject to audit by the SBA; however, management does not believe any repayment would be required.

Governmental Funds

Feather River Charter 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 expenditure disallowances under terms of the grants, it is believed that any required reimbursements would not be material; except as noted below:

In November 2023, the Fiscal Crisis and Management Assistance Team (FCMAT) released an extraordinary audit report covering findings and recommendations for its audit of the Inspire Charter Schools. Feather River Charter School, previously Inspire Charter School – North, was named within the report. The FCMAT report concluded that there was insufficient evidence to demonstrate fraud, misappropriation of funds/assets, or other illegal fiscal practices may have occurred in the specific areas reviewed. Management has reviewed this FCMAT report and feels that it has already made action to distance Feather River Charter School from Inspire Charter Schools or otherwise implemented recommendations noted in the report. A loss contingency of \$39,430 has been recorded in response to the FCMAT audit (refer to Note 5).

Pending or Threatened Litigation

The Charter is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Charter as of June 30, 2025.

NOTE 12 – RELATED PARTY TRANSACTIONS

Interested Parties

Jenell Sherman, the Executive Director for Feather River Charter School, also serves as the Executive Director of Lake View Charter School and Clarksville Charter School; both member schools under SGCA.

Sequoia Grove Charter Alliance

Feather River Charter School participates in a joint venture with the Sequoia Grove Charter Alliance (SGCA). SGCA is a separate nonprofit organization and an independent service provider providing task-related administrative support services specific to the operation of public charter schools. The relationship between the Charter and the SGCA is such that the SGCA is not financially inter-related to the Charter for financial reporting purposes. The Charter holds an administrative support services agreement with SGCA as a member charter school that was initially entered into in June 2021.

FEATHER RIVER CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 12 – RELATED PARTY TRANSACTIONS (continued)

Sequoia Grove Charter Alliance (continued)

There were three member schools with SGCA during 2024-25: Feather River Charter School, Lake View Charter School, and Clarksville Charter School.

The service agreement covering the 2024-25 fiscal year calls for compensation equal to an annual fee of \$2,143,752 due in twelve monthly installments. The annual fee consists of 70% for instructional services and 30% for a management fee. The annual fee is to be reviewed and renegotiated with SGCA and the members schools annually at the end of each fiscal year.

During the fiscal year ended June 30, 2025, the Charter recorded \$1,688,701 in service fees to SGCA. The Charter also reimbursed SGCA throughout the year for incurring costs on behalf of the Charter. As of June 30, 2025, \$767,913 was due to the Charter from SGCA or other member schools for cost reimbursements. Also as of June 30, 2025, \$1,060,929 was payable to SGCA and other member schools from Feather River Charter School for unpaid service fees and reimbursement of incurred costs.

NOTE 13 – SUBSEQUENT EVENTS

Feather River Charter School has evaluated subsequent events for the period from June 30, 2025 through December 12, 2025, the date the financial statements were available to be issued. Management did not identify any transactions or events that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTARY INFORMATION

**FEATHER RIVER CHARTER SCHOOL
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter 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 and in different programs.

	Second Period Report	Annual Report
	<u>Nonclassroom-Based</u>	
Grade Span		
Regular		
Kindergarten* through third	1,078.31	1,081.54
Fourth through sixth	638.03	637.66
Seventh through eighth	413.15	413.08
Ninth through twelfth	600.86	599.31
Total Average Daily Attendance - Nonclassroom-Based	<u>2,730.35</u>	<u>2,731.59</u>
Total Average Daily Attendance	<u>2,730.35</u>	<u>2,731.59</u>

*Includes Transitional Kindergarten (TK)

The Charter had no Classroom-Based ADA in 2024-25.

**FEATHER RIVER CHARTER SCHOOL
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025**

This schedule presents information on the amount of instructional days offered per grade level by the charter school and whether the charter school complied with the provisions of *Education Code Section 47612.5*.

Feather River Charter School provided nonclassroom-based instruction; therefore, no annual instructional minutes by grade level are presented below.

Grade Level	2024-25	Status
	Number of Days	
Kindergarten*	175	Complied
Grade 1	175	Complied
Grade 2	175	Complied
Grade 3	175	Complied
Grade 4	175	Complied
Grade 5	175	Complied
Grade 6	175	Complied
Grade 7	175	Complied
Grade 8	175	Complied
Grade 9	175	Complied
Grade 10	175	Complied
Grade 11	175	Complied
Grade 12	175	Complied

*Includes Transitional Kindergarten (TK)

**FEATHER RIVER CHARTER SCHOOL
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
JUNE 30, 2025**

There were no adjustments to reconcile fund balance/net position reported on the Financial Report – Alternative Form (Charter School Unaudited Actuals) to net assets per the audited financial statements for the year end ended June 30, 2025.

OTHER INFORMATION

**FEATHER RIVER CHARTER SCHOOL
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2025**

This schedule provides information about the local education agency (LEA or charter school), including the charter school's authorizing agency, grades served, members of the governing body, and members of the administration.

Feather River Charter School, located in Sutter County, was formed as a nonprofit public benefit corporation on May 30, 2017. The charter school operated by the nonprofit, Feather River Charter School, is numbered by the State Board of Education as Charter No. 1801. The Charter is authorized to operate as a charter school through the Winship-Robbins School District. Classes initially began in Fall 2012. During 2024-25, the Charter served approximately 2,562 students in grades TK to 12.

BOARD OF DIRECTORS

<u>Name</u>	<u>Office</u>	<u>Term Expiration</u>
Junia Carter	President	June 2025
Stacy MacDonald	Treasurer	June 2025
Marwa Swelam	Secretary	June 2026

ADMINISTRATION

Jenell Sherman
Executive Director

Shannon Breckenridge
Associate Executive Director

Darcy Belleza
Director of Accountability & Governance

Amanda Fernandez, Ed.D.
Chief Fiscal Officer

OTHER INDEPENDENT AUDITORS' REPORTS

**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**Independent Auditors' Report

To the Board of Directors of
Feather River Charter School
Meridian, California

We have audited, 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, the financial statements of Feather River Charter School (the "Charter") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Charter's financial statements and have issued our report thereon dated December 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter'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 Charter'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 Charter's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
December 12, 2025

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL
OVER COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

To the Board of Directors of
Feather River Charter School
Meridian, California

Report on State Compliance**Opinion on State Compliance**

We have audited Feather River Charter School's compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to Feather River Charter School's state program requirements for the fiscal year ended June 30, 2025.

In our opinion, Feather River Charter School complied, in all material respects, with the laws and regulations of the applicable state programs for the year ended June 30, 2025, as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

Basis for Opinion on State Compliance

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Feather River Charter School's state programs.

Auditor's Responsibilities for the Audit for State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Feather River Charter School's compliance based on our audit.

Auditor's Responsibilities for the Audit for State Compliance (continued)

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Feather River Charter School's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Feather River Charter School's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Feather River Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Feather River Charter School's internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine Feather River Charter School's compliance with the state laws and regulations to the following items:

Description	Procedures Performed
School Districts, County Offices of Education and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Not applicable
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes – Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

“Not applicable” is used in the table above to indicate that the charter school either did not receive program funding or did not otherwise operate the program during the fiscal year.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state 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 state 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
December 12, 2025

FINDINGS AND QUESTIONED COSTS SECTION

**FEATHER RIVER CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

PART I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

The Charter did not expend more than \$750,000 in federal awards; therefore, a Federal Single Audit under OMB Uniform Grant Guidance is not applicable.

State Awards

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2024-25 Guide for Annual Audits of California K-12 Local Education Agencies ?</i>	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

All audit year findings, if any, are assigned an appropriate finding code as follows:

<u>FIVE DIGIT CODE</u>	<u>AB 3627 FINDING TYPE</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
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

PART II – FINANCIAL STATEMENT FINDINGS

There were no audit findings related to the financial statements for the year ended June 30, 2025.

PART III – STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings and questioned costs related to state awards for the year ended June 30, 2025.

**FEATHER RIVER CHARTER SCHOOL
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

This section presents the status of actions taken by the Charter on each of the findings and recommendations reported in the prior year audit; however, there were no audit findings reported in the year ended June 30, 2024.