

AMBER CHARTER SCHOOLS AND AFFILIATES

NEW YORK, NEW YORK

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

OTHER FINANCIAL INFORMATION

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2024

(With Comparative Totals for 2023)



BUSINESS
ADVISORS
AND CPAS

CONTENTS

<u>CONSOLIDATED AUDITED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
Independent Auditor's Report	3
Consolidated Statement of Financial Position	5
Consolidated Statement of Activities and Changes in Net Assets	6
Consolidated Statement of Functional Expenses	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	10
 <u>OTHER FINANCIAL INFORMATION</u>	
Independent Auditor's Report on Other Financial Information	27
Consolidating Statement of Financial Position	28
Consolidating Statement of Activities and Changes in Net Assets	29
Statement of Functional Expenses by Charter:	
Amber Charter School East Harlem	30
Amber Charter School Kingsbridge	31
Amber Charter School Inwood	32
Amber School Services Team	33



BUSINESS
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Amber Charter Schools and Affiliates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Amber Charter Schools and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amber Charter Schools and Affiliates as of June 30, 2024, and the changes in their net assets and their 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Amber Charter Schools and Affiliates 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 the 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Amber Charter Schools and Affiliates' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 disclosure in the consolidated 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 Amber Charter Schools and Affiliates' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Amber Charter Schools and Affiliates' abilities to continue as a going concern for a reasonable period of time.

We require 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.

Report on Summarized Comparative Information

We previously audit Amber Charter Schools and Affiliates' June 30, 2023 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated October 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2024 on our consideration of Amber Charter Schools and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amber Charter Schools and Affiliates' internal control over financial reporting and compliance.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 11, 2024

AMBER CHARTER SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024
(With Comparative Totals for 2023)

<u>ASSETS</u>	June 30,	
	2024	2023
<u>CURRENT ASSETS</u>		
Cash	\$ 8,908,272	\$ 8,138,956
Grants and contracts receivable	4,133,074	4,168,368
Prepaid expenses	536,612	478,077
Related party receivables	372,515	1,124,877
TOTAL CURRENT ASSETS	13,950,473	13,910,278
<u>PROPERTY AND EQUIPMENT</u> , net	5,239,353	5,489,573
<u>OTHER ASSETS</u>		
Security deposits	72,878	72,878
Cash in escrow	189,226	157,062
Right-of-use assets - Finance	246,905	413,273
Right-of-use assets - Operating	96,785,508	100,074,425
	97,294,517	100,717,638
TOTAL ASSETS	\$ 116,484,343	\$ 120,117,489
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Current maturities of long-term debt	\$ 94,717	\$ 89,179
Accounts payable and accrued expenses	371,284	721,895
Accrued payroll and benefits	2,557,203	2,028,485
Deferred revenue	-	55,304
Related party payables	41,006	38,385
Current portion of lease liabilities - Finance	103,860	164,815
Current portion of lease liabilities - Operating	1,896,263	1,754,281
TOTAL CURRENT LIABILITIES	5,064,333	4,852,344
<u>OTHER LIABILITIES</u>		
Long-term debt, net of unamortized debt issuance costs of \$54,184 and \$58,519 in 2024 and 2023, respectively	1,567,380	1,657,762
Long-term lease liabilities - Finance	152,242	256,102
Long-term lease liabilities - Operating	100,855,903	102,752,166
	102,575,525	104,666,030
TOTAL LIABILITIES	107,639,858	109,518,374
<u>NET ASSETS</u> - without donor restrictions	8,844,485	10,599,115
TOTAL LIABILITIES AND NET ASSETS	\$ 116,484,343	\$ 120,117,489

The accompanying notes are an integral part of the consolidated financial statements.

AMBER CHARTER SCHOOLS AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2024
(With Comparative Totals for 2023)

	Year ended June 30,	
	2024	2023
Public school district:		
Resident student enrollment	\$ 21,039,870	\$ 18,612,381
Students with disabilities	445,438	257,794
Grants and contracts:		
State and local	84,709	80,164
Federal - Title and IDEA	925,379	802,489
Federal - other	1,120,269	2,367,805
Food service / Child nutrition program	748,619	620,459
NYC DoE Rental Assistance	3,946,163	3,358,044
TOTAL REVENUE, GAINS AND OTHER SUPPORT	28,310,447	26,099,136
Expenses:		
Program:		
Regular education	17,433,040	15,989,045
Special education	4,944,649	4,475,655
TOTAL PROGRAM EXPENSES	22,377,689	20,464,700
Management and general	9,067,344	8,058,452
TOTAL OPERATING EXPENSES	31,445,033	28,523,152
DEFICIT FROM SCHOOL OPERATIONS	(3,134,586)	(2,424,016)
Support and other revenue:		
Contributions		
Foundations	1,226,403	1,026,035
Individuals	2,500	15,000
Corporations	34,654	4,736
Investment income	80,290	3,661
Miscellaneous income	36,109	36,179
TOTAL SUPPORT AND OTHER REVENUE	1,379,956	1,085,611
CHANGE IN NET ASSETS	(1,754,630)	(1,338,405)
Net assets without donor restrictions at beginning of year	10,599,115	11,937,520
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR	\$ 8,844,485	\$ 10,599,115

The accompanying notes are an integral part of the consolidated financial statements.

AMBER CHARTER SCHOOLS AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024
(With Comparative Totals for 2023)

	Year ended June 30,						
	2024						2023
	No. of Positions	Program Services			Supporting Services		Total
Regular Education		Special Education	Sub-total	Management and general	Total		
Personnel Services Costs:							
Administrative staff personnel	57	\$ 999,473	\$ 230,072	\$ 1,229,545	\$ 4,918,174	\$ 6,147,719	\$ 5,009,177
Instructional personnel	106	6,171,253	2,046,392	8,217,645	-	8,217,645	7,135,532
Non-instructional personnel	7	228,569	52,857	281,426	-	281,426	249,994
Total salaries and staff	170	7,399,295	2,329,321	9,728,616	4,918,174	14,646,790	12,394,703
Fringe benefits, payroll taxes, and retirement		1,879,683	594,194	2,473,877	1,244,001	3,717,878	3,381,010
Retirement		273,997	88,975	362,972	204,340	567,312	512,141
Professional development		78,425	18,074	96,499	-	96,499	232,392
Legal services		-	-	-	7,397	7,397	4,000
Accounting / audit		-	-	-	65,501	65,501	66,401
Financial management services		-	-	-	53,346	53,346	65,725
Professional services		1,481,701	449,981	1,931,682	566,438	2,498,120	2,152,441
Travel and conference		15,048	4,423	19,471	20,729	40,200	47,288
Student and staff recruitment		71,284	17,467	88,751	85,089	173,840	254,815
Supplies / materials		473,049	108,465	581,514	-	581,514	449,623
Office expenses		14,678	3,440	18,118	72,468	90,586	125,835
Food service		427,769	99,246	527,015	-	527,015	435,199
Student services		403,144	-	403,144	-	403,144	446,291
Insurance		34,921	8,770	43,691	146,072	189,763	161,442
Dues and subscriptions		24,942	7,604	32,546	34,314	66,860	52,701
Building and land rent / lease		3,921,259	960,306	4,881,565	1,462,557	6,344,122	6,370,253
Utilities		83,354	32,412	115,766	39,645	155,411	81,037
Non-capitalized equipment and furnishings		6,428	1,900	8,328	2,763	11,091	7,534
Technology		147,737	34,277	182,014	20,223	202,237	198,889
Repairs and maintenance		52,844	18,182	71,026	19,627	90,653	97,975
Depreciation and amortization		541,297	129,859	671,156	74,573	745,729	685,017
Interest expense		65,280	29,062	94,342	25,021	119,363	123,549
Other		36,905	8,691	45,596	5,066	50,662	176,891
		<u>\$ 17,433,040</u>	<u>\$ 4,944,649</u>	<u>\$ 22,377,689</u>	<u>\$ 9,067,344</u>	<u>\$ 31,445,033</u>	<u>\$ 28,523,152</u>

The accompanying notes are an integral part of the consolidated financial statements.

AMBER CHARTER SCHOOLS AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024
(With Comparative Totals for 2023)

	<u>Year ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ (1,754,630)	\$ (1,338,405)
Adjustments to reconcile change in net assets to net cash provided from (used for) operating activities:		
Depreciation and amortization	745,729	685,017
Amortization of debt issuance costs included in interest expense	4,335	4,335
Changes in certain assets and liabilities affecting operations:		
Grants and contracts receivable	35,294	(841,724)
Related party receivables, net	754,983	(229,504)
Prepaid expenses	(58,535)	(429,114)
Security deposits	-	393
Deferred lease receivable	-	267,077
Accounts payable and accrued expenses	(350,611)	631,394
Accrued payroll and benefits	528,718	(414,523)
Deferred revenue	(55,304)	(61,902)
Deferred lease payable	-	(2,473,387)
Lease liability, net of right of use assets	<u>1,300,826</u>	<u>4,195,254</u>
NET CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES	1,150,805	(5,089)
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Additions to property and equipment	<u>(260,146)</u>	<u>(94,202)</u>
NET CASH USED FOR INVESTING ACTIVITIES	(260,146)	(94,202)
<u>CASH FLOWS - FINANCING ACTIVITIES</u>		
Repayment of long-term debt	<u>(89,179)</u>	<u>(83,965)</u>
NET CASH USED FOR FINANCING ACTIVITIES	<u>(89,179)</u>	<u>(83,965)</u>
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	801,480	(183,256)
Cash and restricted cash at beginning of year	<u>8,296,018</u>	<u>8,479,274</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 9,097,498</u>	<u>\$ 8,296,018</u>

AMBER CHARTER SCHOOLS AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS, Cont'd

YEAR ENDED JUNE 30, 2024
(With Comparative Totals for 2023)

	<u>Year ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Interest paid	<u>\$ 115,028</u>	<u>\$ 119,214</u>
Reconciliation of cash reported within the statement of financial position that sum to the total amounts shown in the statement of cash flows:		
Cash	\$ 8,908,272	\$ 8,138,956
Cash in escrow	<u>189,226</u>	<u>157,062</u>
Total cash and restricted cash shown in the statement of cash flows	<u>\$ 9,097,498</u>	<u>\$ 8,296,018</u>
<u>NON-CASH OPERATING AND INVESTING ACTIVITIES</u>		
Purchase of property and equipment, net through accounts payable and accrued expense	<u>\$ 4,820</u>	<u>\$ 85,120</u>

The accompanying notes are an integral part of the consolidated financial statements.

AMBER CHARTER SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024
(With Comparative Totals for 2023)

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

Amber Charter Schools is an education corporation that has authority to operate the Charter Schools as described below. Founded by Community Association of Progressive Dominicans/Asociación Comunal de Dominicanos Progresistas, Amber was the first charter school in New York City created by a community-based organization. Amber's mission is to provide its students with an academically rigorous and well-rounded education, along with strong character development, that will enable them to prosper in future endeavors. To fulfill this mission, Amber provides students with the ability to demonstrate proficiency and/or distinction in all New York State Learning Standards. Amber's funding is primarily from per-student funding provided by New York City; additionally, Amber receives government grants and contracts and private contributions.

Amber Charter School East Harlem ("East Harlem") operates in the borough of Manhattan, New York. On April 4, 2000, the Board of Regents of the University of the State of New York granted East Harlem a provisional charter valid for a term of five years and renewable upon expiration. East Harlem obtained its latest renewal through June 30, 2025.

Amber Charter School Kingsbridge ("Kingsbridge") operates in the borough of Bronx, New York. In August 2014, the Board of Regents of the University of the State of New York granted Kingsbridge a provisional charter valid for a term of five years and renewable upon expiration. Kingsbridge obtained a renewal through July 31, 2026.

Amber Charter School Inwood ("Inwood") operates in the borough of Manhattan, New York. On June 6, 2019, the SUNY Board of Trustees' Charter School Committee approved the initial five year charter for Inwood which opened in Fall 2021. The charter term expires July 31, 2026.

Amber Charter Schools is the sole member of 652 West 187th Street, LLC ("652 West"), 3120 Corlear Avenue, LLC ("3120 Corlear") and 220 East 106th Street, LLC ("220 East") (collectively, the "LLC's"), all limited liability companies established under the laws of the state of New York. 652 West and 3120 Corlear were established to hold lease agreements with unrelated parties for the property in which Kingsbridge operates. Such properties were subsequently sublet to Kingsbridge. Effective June 2020, the lease held by 3120 was assigned to Kingsbridge and the sublease was terminated. 220 East is a co-borrower with East Harlem on the mortgage payable and line of credit arrangement with Raza Development Fund, Inc. ("Raza").

The School Services Team is a division of the educational corporation operating as a charter management organization. The purpose is to manage and support the three schools.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of East Harlem, Kingsbridge, Inwood, School Services Team, 652 West, 3120 Corlear, and 220 East (collectively referred to as the "Organization"). The only activities in the LLC's during the years ended June 30, 2024 and 2023 was rental income from Amber Charter Schools and rent expense to unrelated parties as described in Note E. All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements. The activity of Amber Education Fund is not included in the consolidated or consolidating financial statements for the years ended June 30, 2024 and 2023.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Classification of net assets

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of accounting for not-for-profit organizations. This is the procedure by which resources are classified for reporting purposes into net asset groups, established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by net asset group.

The assets, liabilities, activities, and net assets 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. The Board of Trustees has discretionary control to use these in carrying on operations in accordance with the guidelines established by the Organization.

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. 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. The Organization had no net assets with donor restrictions at June 30, 2024 and 2023.

Revenue and support recognition

Revenue from Exchange Transactions: The Organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

The Organization records all revenues over time.

Public school district revenue

The Organization recognizes revenue as educational programming is provided to students throughout the year. The Organization earns public school district revenue based on the approved per pupil tuition rate of the public school district in which the pupil resides. The amount received each year from the resident district is the product of the approved per pupil tuition rate and the full-time equivalent student enrollment of the Organization. Each NYS school district has a fixed per pupil tuition rate which is calculated annually by NYSED in accordance with NYS Education Law. Amounts are billed in advance every other month and payments are typically received in six installments during the year. At the end of each school year, a reconciliation of actual enrollment to billed enrollment is performed and any additional amounts due or excess funds received are agreed upon between the Organization and the district(s) and are paid or recouped. Additional funding is available for students requiring special education services. The amount of additional funding is dependent upon the length of time and types of services provided by the Organization to each student, subject to a maximum amount based upon a set rate for each district as calculated by NYSED.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Rental assistance

Facilities rental assistance funding is provided by the New York City Dept of Education (NYCDOE) to qualifying charter schools located in the five boroughs of NYC. In order to receive rental assistance funding, a charter school must have commenced instruction or added grade levels in the 2014-15 school year or thereafter, and go through a space request process with the NYCDOE. If NYCDOE is not able to provide adequate space, the charter school can become eligible for rental assistance. Rental assistance is calculated as the lesser of 30% of the per-pupil tuition rate for NYC times the number of students enrolled, or actual total rental costs. As rental assistance is based on the number of students enrolled, revenue is recognized throughout the year as educational programming is provided to students.

The following table summarizes contract balances at their respective statement of financial position dates:

	2024	June 30, 2023	2022
Grants and other receivables	\$ 86,187	\$ 7,232	\$ 4,970

Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributions and unconditional promises to give are recorded as revenue in the appropriate class of net assets depending on the existence of any donor restrictions. A contribution that is received and expended in the same period for a specific purpose is classified as revenue without donor restrictions.

Contributions are recorded as restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

The Charter School Growth Fund (CSGF) supports the growth of public charter schools. The Organization was approved to receive a CSGF contribution of \$2,180,000 to be received by December 15, 2023. The Organization recognized \$650,000 and \$630,000 of contribution revenue on the accompanying consolidated statement of activities and changes in net assets for the years ended June 30, 2024 and 2023, respectively; and \$900,000 prior to 2023. The contribution was fully recognized and received as of June 30, 2024.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Grant revenue

Some of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Certain grants are subject to audit and retroactive adjustments by its funders. Any changes resulting from these audits are recognized in the year they become known. Qualifying expenditures that have been incurred but are yet to be reimbursed are reported as grants receivable in the accompanying consolidated statement of financial position. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the accompanying consolidated statement of financial position. The Organization received cost-reimbursement grants of approximately \$2,000 that have not been recognized at June 30, 2024 because qualifying expenditures have not yet been incurred.

Cash

Cash balances are maintained at certain financial institutions located in New York and are insured by the FDIC up to \$250,000 at each institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Organization has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

Cash in escrow

The Organization maintains cash in an escrow account in accordance with the terms of its charter agreements. The amount in escrow was \$189,226 and \$157,062 at June 30, 2024 and 2023, respectively.

Grants and contracts receivable and other receivables

At each fiscal year end, the Organization evaluates the need for an expected allowance for credit losses for all outstanding balances that fall under ASU 2014-09. As necessary, the allowance for credit losses is updated at fiscal year-end to reflect any changes in credit risk since the receivable was initially recorded. The allowance for credit losses is calculated on a pooled basis where similar risk characteristics exist.

The Organization uses historical loss data as a starting point to estimate expected credit losses, given consistent revenue sources since its inception. There were no write-offs for the years ended June 30, 2024 and 2023.

Property and equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which range from three to thirty-five years. Leasehold improvements are amortized over the lesser of the lease term or useful life.

Major renewals and betterments are capitalized, while repairs and maintenance are charged to operations as incurred. Upon sale or retirement, the related cost and allowances for depreciation are removed from the accounts and the related gain or loss is reflected in operations.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Debt issuance costs

Debt issuance costs are stated at cost and are amortized over the term of the debt. The Organization shows debt issuance costs as a deduction from the carrying amount of the debt, net on the accompanying consolidated statement of financial position.

Tax exempt status

The Organization is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income.

The Organization files tax returns in various jurisdictions and is subject to potential examination by taxing authorities. The Organization current and prior three years tax returns remain subject to review by taxing authorities. Management of the Organization believes it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits.

Contributed services

The Organization receives contributed services from volunteers to develop its academic program and to serve on the Board of Trustees. In addition, the Organization received transportation services, metro cards, special education services and physical, occupational, and speech therapy for students from the local district. The Organization was unable to determine a value for these services.

Marketing and recruiting costs

The Organization expenses marketing and recruiting costs as they are incurred. Total marketing and recruiting costs approximated \$173,800 and 253,400 for the years ended June 30, 2024 and 2023, respectively.

Use of estimates in the preparation of financial statements

The preparation of 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Leases

The Organization leases several buildings and equipment. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the accompanying consolidated statement of financial position. Finance leases are included in right of use assets – finance, equipment, other current liabilities, and other long-term liabilities on the accompanying consolidated statement of financial position.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE A: THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the lease does not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating and finance lease ROU assets also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Lease expense for finance leases is recognized as amortization expense and interest expense.

The Organization's lease agreements does not contain any material residual value guarantees or restrictive covenants.

In evaluating contacts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decision about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgement.

Comparatives for year ended June 30, 2023

The consolidated financial statements include certain prior year summarized comparative information in total but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Adoption of new accounting standard – current expected credit losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through changes in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were receivables.

The Organization adopted the standard effective July 1, 2023. The impact of adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

Subsequent events

The Organization has conducted an evaluation of potential subsequent events occurring after the consolidated statement of financial position date through October 11, 2024, which is the date the consolidated financial statements are available to be issued. See Note G.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE B: LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization's main source of liquidity is its cash accounts.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of teaching, and public service as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash.

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, comprise the following:

	June 30,	
	<u>2024</u>	<u>2023</u>
Cash	\$ 8,908,272	\$ 8,138,956
Grants and contracts receivable and other receivables	<u>4,133,074</u>	<u>4,168,368</u>
Total financial assets available to management within one year	<u>\$ 13,041,346</u>	<u>\$ 12,307,324</u>

NOTE C: RELATED PARTY TRANSACTIONS

The Organization is a guarantor of mortgages in the name of Inwood 532 West 215th Street, LLC ("532 West"), a wholly owned subsidiary of Amber Education Fund. The term of the guarantees on the 532 West mortgages are through January 2026. The Organization would be required to pay the loans in the event of default and as of June 30, 2024, the outstanding balance of the mortgage notes are approximately \$12,797,000. At June 30, 2024, the maximum amount of future payments (undiscounted) the Organization could be required to make under the guarantees are \$13,740,000. Amber Charter Schools must comply with certain financial covenants relative to the construction loans. Amber Charter Schools was in compliance with these covenants at June 30, 2024.

NOTE D: FINANCE LEASES

The Charter School has finance leases for copiers, computers, and other equipment. The leases have varying lease terms ranging from two to four years through 2027 with monthly payments of approximately \$18,000.

Total lease expense paid for the years ended June 30, 2024 and 2023 was \$166,368 and \$162,737, respectively.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE D: FINANCE LEASES, Cont'd

A summary of the finance lease right-of-use assets and liabilities are as follows:

	Consolidated Statement of Financial Position Classification	Amber Charter Schools		
		East Harlem	Kingsbridge	Total
<u>June 30, 2024</u>				
<u>Assets</u>				
Finance lease	Other assets	\$ 95,069	\$ 151,836	\$ 246,905
<u>Liabilities</u>				
Finance lease	Current liabilities	\$ 43,864	\$ 59,996	\$ 103,860
Finance lease	Other liabilities	54,562	97,680	152,242
		<u>\$ 98,426</u>	<u>\$ 157,676</u>	<u>\$ 256,102</u>
<u>June 30, 2023</u>				
<u>Assets</u>				
Finance lease	Other assets	\$ 181,522	\$ 231,751	\$ 413,273
<u>Liabilities</u>				
Finance lease	Current liabilities	\$ 84,847	\$ 79,968	\$ 164,815
Finance lease	Other liabilities	98,426	157,676	256,102
		<u>\$ 183,273</u>	<u>\$ 237,644</u>	<u>\$ 420,917</u>

The components of the lease expense were as follows:

	Amber Charter Schools		
	East Harlem	Kingsbridge	Total
<u>Year ended June 30, 2024</u>			
Finance lease cost:			
Amortization of right-of-use assets	\$ 86,453	\$ 79,915	\$ 166,368
Interest on lease liabilities	5,348	8,143	13,491
Total finance lease costs	<u>\$ 91,801</u>	<u>\$ 88,058</u>	<u>\$ 179,859</u>
<u>Year ended June 30, 2023</u>			
Finance lease cost:			
Amortization of right-of-use assets	\$ 92,724	\$ 71,053	\$ 163,777
Interest on lease liabilities	6,359	7,394	13,753
Total finance lease costs	<u>\$ 99,083</u>	<u>\$ 78,447</u>	<u>\$ 177,530</u>

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE D: FINANCE LEASES, Cont'd

As of June 30, 2024 minimum payments due for finance lease liabilities are as follows:

	Amber Charter Schools		
	East Harlem	Kingsbridge	Total
2025	\$ 46,956	\$ 65,348	\$ 112,304
2026	42,021	64,560	106,581
2027	14,007	36,246	50,253
Total lease payments	102,984	166,154	269,138
Less: Interest	4,558	8,478	13,036
Present value of lease liabilities	\$ 98,426	\$ 157,676	\$ 256,102

Supplemental information for finance leases:

	Amber Charter Schools		
	East Harlem	Kingsbridge	Total
	Year ended June 30, 2024		
Cash paid for amounts included for the year ended June 30, 2024			
Operating cash flows for finance leases	\$ 5,593	\$ 8,414	\$ 14,007
Financing cash flows for finance leases	\$ 84,602	\$ 79,697	\$ 164,299
Weighted-average remaining lease term:			
Financing leases	2.30 years	2.64 years	
Weighted-average discount rate:			
Financing leases	4.20%	4.32%	
	Year ended June 30, 2023		
Cash paid for amounts included for the year ended June 30, 2023			
Operating cash flows for finance leases	\$ 5,770	\$ 6,558	\$ 12,328
Financing cash flows for finance leases	\$ 85,477	\$ 66,866	\$ 152,343
Right-of-use assets obtained in exchange for new lease liabilities (non-cash):			
Financing leases	\$ 268,162	\$ 303,674	\$ 571,836
Weighted-average remaining lease term:			
Financing leases	2.71 years	3.34 years	
Weighted-average discount rate:			
Financing leases	3.88%	4.25%	

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE E: OPERATING LEASES

The Charter School has operating leases for school facilities and equipment. The leases have varying lease terms ranging from two to thirty-three years through June 2055, with monthly payments of approximately \$413,000.

In May 2017, 3120 Corlear entered into a 35-year non-cancelable operating lease agreement with an unrelated third party for facility space, commencing in August 2017 and expiring in July 2052. Effective June 15, 2020, the lease held by 3120 Corlear with the unrelated third party was assigned to Kingsbridge. On May 11, 2021, the terms of this lease were amended. The term of the amendment is for the period of July 1, 2021 until June 30, 2026. Absent an agreement further amending the lease, the terms will revert back to the original 35-year lease. Total rent paid under the third party lease was approximately \$1,451,000 and \$1,447,000 for the years ended June 30, 2024 and 2023, respectively.

In conjunction with this facility lease, 3120 Corlear paid a security deposit of \$61,573 which is included in security deposits on the accompanying consolidated statement of financial position at June 30, 2024 and 2023. There are additional security deposits of \$11,305 at June 30, 2024 and 2023 which represent deposits on electric meters.

In May 2020, 532 West (a related party described in Note C) entered into a 35-year non-cancelable operating lease agreement with an unrelated third party for facility space, commencing July 2020 and expiring June 2055. The lease agreement between 532 West and the third party is guaranteed by Amber Charter Schools.

Future expected minimum payments of this lease are approximately as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2025	\$ 2,233,000
2026	2,305,000
2027	2,305,000
2028	2,305,000
2029	2,305,000
Thereafter	<u>79,822,000</u>
	<u>\$ 91,275,000</u>

The property was sublet to Inwood in an agreement signed in February 2021 that commenced July 2021 and expires in June 2055. In conjunction with this facility lease, Inwood is required to pay a security deposit to 532 West equal to the security deposit required by the above unrelated third party lease. Total rent paid under this lease was approximately \$3,457,000 and \$2,770,000 for the years ended June 30, 2024 and 2023, respectively.

Kingsbridge leased a portion of this space from Inwood for the years ended June 30, 2024 and 2023 for \$1,759,217 and \$1,384,998, respectively. This amount was properly eliminated in the accompanying consolidated financial statements.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE E: OPERATING LEASES, Cont'd

A summary of the operating lease right-to use assets and liabilities are as follows:

	Consolidated Statement of Financial Position Classification	Amber Charter Schools		
		Amber Kingsbridge	Amber Inwood	Total
		<u>June 30, 2024</u>		
<u>Assets</u>				
Operating lease	Other assets	\$ 2,967,157	\$ 93,818,351	\$ 96,785,508
<u>Liabilities</u>				
Operating lease	Current liabilities	\$ 1,399,296	\$ 496,967	\$ 1,896,263
Operating lease	Other liabilities	1,449,160	99,406,743	100,855,903
		<u>\$ 2,848,456</u>	<u>\$ 99,903,710</u>	<u>\$ 102,752,166</u>
		<u>June 30, 2023</u>		
<u>Assets</u>				
Operating lease	Other assets	\$ 4,390,682	\$ 95,683,743	\$ 100,074,425
<u>Liabilities</u>				
Operating lease	Current liabilities	\$ 1,351,155	\$ 403,126	\$ 1,754,281
Operating lease	Other liabilities	2,848,456	99,903,710	102,752,166
		<u>\$ 4,199,611</u>	<u>\$ 100,306,836</u>	<u>\$ 104,506,447</u>

The components of lease expense at were as follows:

	Amber Charter Schools			
	Amber Kingsbridge	Amber Inwood	Total	
		<u>Year ended June 30, 2024</u>		
Operating lease cost:	<u>\$ 1,523,249</u>	<u>\$ 4,969,995</u>	<u>\$ 6,493,244</u>	
		<u>Year ended June 30, 2023</u>		
Operating lease cost:	<u>\$ 1,523,249</u>	<u>\$ 4,969,995</u>	<u>\$ 6,493,244</u>	

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE E: OPERATING LEASES, Cont'd

As of June 30, 2024, minimum payments due for operating lease liabilities are as follows:

	Amber Charter Schools		
	Amber Kingsbridge	Amber Inwood	Total
2025	\$ 1,459,454	\$ 3,587,545	\$ 5,046,999
2026	1,468,342	3,888,580	5,356,922
2027	-	4,147,636	4,147,636
2028	-	4,249,636	4,249,636
2029	-	4,348,236	4,348,236
Thereafter	-	143,329,142	143,329,142
Total lease payments	2,927,796	163,550,775	166,478,571
Less: Interest	79,340	63,647,065	63,726,405
Present value of lease liabilities	<u>\$ 2,848,456</u>	<u>\$ 99,903,710</u>	<u>\$ 102,752,166</u>

Supplemental information for operating leases for the years ended June 30, 2024 and 2023:

	Amber Charter Schools		
	Kingsbridge	Inwood	Total
	<u>Year ended June 30, 2024</u>		
Cash paid for amounts included for the year ended June 30, 2024			
Operating cash flows for operating leases	\$ 1,450,879	\$ 3,507,728	\$ 4,958,607
Weighted-average remaining lease term:			
Operating leases	2 years	31.99 years	
Weighted-average discount rate:			
Operating leases	2.88%	3.11%	
	<u>Year ended June 30, 2023</u>		
Cash paid for amounts included for the year ended June 30, 2023			
Operating cash flows for operating leases	\$ 1,447,243	\$ 2,820,288	\$ 4,267,531
Right-of-use assets obtained in exchange for new lease liabilities (non-cash):			
Operating leases	\$ 5,508,864	\$ 100,020,000	\$ 105,528,864
Weighted-average remaining lease term:			
Operating leases	3 years	32.97 years	
Weighted-average discount rate:			
Operating leases	2.88%	3.11%	

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE F: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	June 30,	
	<u>2024</u>	<u>2023</u>
Land	\$ 335,000	\$ 335,000
Building	5,676,034	5,561,366
Furniture and fixtures	937,029	929,917
Computers and equipment	2,275,224	2,157,401
Software	55,860	55,860
Leasehold improvements	1,025,297	1,004,755
Construction in progress	<u>5,030</u>	<u>5,030</u>
	10,309,474	10,049,329
Less accumulated depreciation and amortization	<u>5,070,121</u>	<u>4,559,756</u>
	<u>\$ 5,239,353</u>	<u>\$ 5,489,573</u>

Construction in progress relates mainly to architect fees. Construction in progress is stated at cost. No provision for amortization is made on construction in progress until such time as the relevant assets are completed and put into use.

Depreciation expense for the years ended June 30, 2024 and 2023 was approximately \$510,000 and \$467,000, respectively.

NOTE G: LONG-TERM DEBT

Long-term debt is summarized as follows:

	June 30,	
	<u>2024</u>	<u>2023</u>
Note payable, due in monthly installments of \$16,315, including interest at 6.04%, through December 2036. The note is collateralized by real property. 220 East is a co-borrower on the note.	\$ 1,716,281	1,805,460
Less unamortized debt issuance costs	(54,184)	(58,519)
Less current portion of long-term debt	<u>(94,717)</u>	<u>(89,179)</u>
	<u>\$ 1,567,380</u>	<u>\$ 1,657,762</u>

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE G: LONG-TERM DEBT, Cont'd

Future maturities of long-term debt are summarized as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2025	\$ 94,717
2026	100,599
2027	106,846
2028	113,481
2029	120,528
Thereafter	<u>1,180,110</u>
	<u>\$ 1,716,281</u>

220 East and Amber Charter Schools must comply with certain financial covenants relative to the construction loans. 220 East and Amber Charter Schools were not in compliance with these covenants at June 30, 2024. The bank waived this covenant violation by a letter dated October 11, 2024.

NOTE H: NET ASSETS

Net assets without donor restrictions are as follows:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Undesignated net assets	\$ 5,267,229	\$ 6,856,483
Invested in property and equipment, net of related debt	<u>3,577,256</u>	<u>3,742,632</u>
	<u>\$ 8,844,485</u>	<u>\$ 10,599,115</u>

NOTE I: OPERATING RESERVE

During the year ended June 30, 2013, Amber Charter Schools' board of trustees adopted an operating reserve policy to ensure the stability of Amber Charter Schools' mission. The policy requires Amber Charter Schools to establish an operating reserve fund with a minimum of \$250,000. Such funds shall be segregated from Amber Charter Schools' operating cash and shall not be used for normal operations. As of June 30, 2024 and 2023, Amber Charter Schools had not yet established the operating reserve fund. However, management believes that Amber Charter Schools has adequate liquidity available, and that the segregation and restriction of such funds will not have an adverse effect on the operations of the schools.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE J: RETIREMENT PLAN

The Organization sponsors a defined contribution 403(b) plan covering all eligible employees. The Organization makes a non-elective contribution not to exceed 5% of the compensation for eligible employees and 6% of compensation upon ten years of service for the years ended June 30, 2024 and 2023. The Organization made contributions of approximately \$567,300 and \$512,100 for the years ended June 30, 2024 and 2023, respectively.

NOTE K: UNION AGREEMENT

At June 30, 2024, the Organization had 184 employees, of which 45 are represented by a union. The union agreement covering these employees expires on September 1, 2026.

NOTE L: CONTINGENCY

Certain grants and contracts may be subject to audit by funding sources. Such audits might result in disallowance of costs submitted for reimbursement by the Organization. Management is of the opinion that such disallowances, if any, will not have a material effect on the accompanying consolidated financial statements. Accordingly, no amounts have been provided in the accompanying consolidated financial statements for such potential claims.

NOTE M: CONCENTRATIONS

At June 30, 2024 and 2023, approximately 20% and 15%, respectively, of grants and contracts receivable are due from New York State relating to certain grants.

During the years ended June 30, 2024 and 2023, 72% and 70%, respectively, of total operating revenue and support came from per-pupil funding provided by New York State. The per-pupil rate is set annually by the State based on the school district in which the Charter Schools' students are located.

NOTE N: FUNCTIONAL 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. All expenses that are allocated to more than one program or supporting function are allocated on the basis of estimates of time and effort.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2024

(With Comparative Totals for 2023)

NOTE O: ACCOUNTING IMPACT OF COVID-19 OUTBREAK

In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The Elementary and Secondary School Emergency Relief Fund (ESSER Fund) was established to award grants to state and local educational agencies. The Organization has recognized \$1,073,600 and \$2,295,000 of revenue relative to ESSER grants for the years ended June 30, 2024 and 2023, respectively. The Organization has \$2,000 of ESSER grants still available through September 30, 2024; as of June 30, 2024.

NOTE P: RENEWAL PROCESS

East Harlem is currently in the process of renewing its charter as granted by Board of Regents of the University of the State of New York (SUNY). The charter currently expires June 30, 2025. The renewal process includes review by SUNY of various operational and governance aspects, including fiscal health and internal controls, board governance, and academic performance. The East Harlem has submitted its application for renewal. Upon review of the application and results, SUNY will determine if the charter should be renewed and if so, for how long. Successful charter renewals can range from one to five years. At this time, management of the East Harlem expects the charter to be renewed.

AMBER CHARTER SCHOOLS AND AFFILIATES

OTHER FINANCIAL INFORMATION



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
Amber Charter Schools and Affiliates

We have audited the consolidated financial statements of Amber Charter Schools and Affiliates as of and for the year ended June 30, 2024, and have issued our report thereon dated October 11, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The financial information hereinafter is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated 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 consolidated 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 for the year ended June 30, 2024, as a whole.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 11, 2024

AMBER CHARTER SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

<u>ASSETS</u>	Amber Charter Schools					
	<u>East Harlem</u>	<u>Kingsbridge</u>	<u>Inwood</u>	<u>School Services Team</u>	<u>Eliminations</u>	<u>Total</u>
<u>CURRENT ASSETS</u>						
Cash	\$ 2,209,196	\$ 1,973,510	\$ 354,867	\$ 4,370,699	\$ -	\$ 8,908,272
Grants and contracts receivable	1,543,477	1,796,709	775,388	17,500	-	4,133,074
Prepaid expenses	6,339	121,621	297,130	111,522	-	536,612
Related party receivables	4,057,223	6,113,909	-	-	(9,798,617)	372,515
TOTAL CURRENT ASSETS	7,816,235	10,005,749	1,427,385	4,499,721	(9,798,617)	13,950,473
<u>PROPERTY AND EQUIPMENT, net</u>	3,805,204	410,794	990,855	32,500	-	5,239,353
<u>OTHER ASSETS</u>						
Security deposits	-	72,878	-	-	-	72,878
Cash in escrow	189,226	-	-	-	-	189,226
Right-of-use assets - Finance	95,069	151,836	-	-	-	246,905
Right-of-use assets - Operating	-	2,967,157	93,818,351	-	-	96,785,508
	284,295	3,191,871	93,818,351	-	-	97,294,517
TOTAL ASSETS	\$ 11,905,734	\$ 13,608,414	\$ 96,236,591	\$ 4,532,221	\$ (9,798,617)	\$ 116,484,343
<u>LIABILITIES AND NET ASSETS (DEFICIENCY)</u>						
<u>CURRENT LIABILITIES</u>						
Current maturities of long-term debt	\$ 94,717	\$ -	\$ -	\$ -	\$ -	\$ 94,717
Accounts payable and accrued expenses	132,137	116,888	45,559	76,700	-	371,284
Accrued payroll and benefits	677,076	1,280,779	323,056	276,292	-	2,557,203
Deferred revenue	-	-	-	-	-	-
Related party payables	-	-	6,013,804	3,825,819	(9,798,617)	41,006
Current portion of lease liabilities - Finance	43,864	59,996	-	-	-	103,860
Current portion of lease liabilities - Operating	-	1,399,296	496,967	-	-	1,896,263
TOTAL CURRENT LIABILITIES	947,794	2,856,959	6,879,386	4,178,811	(9,798,617)	5,064,333
<u>OTHER LIABILITIES</u>						
Long-term debt, net of unamortized debt issuance costs of \$54,184 and \$58,519 in 2024 and 2023, respectively	1,567,380	-	-	-	-	1,567,380
Long-term lease liabilities - Finance	54,562	97,680	-	-	-	152,242
Long-term lease liabilities - Operating	-	1,449,160	99,406,743	-	-	100,855,903
	1,621,942	1,546,840	99,406,743	-	-	102,575,525
TOTAL LIABILITIES	2,569,736	4,403,799	106,286,129	4,178,811	(9,798,617)	107,639,858
<u>NET ASSETS (DEFICIENCY)</u>	9,335,998	9,204,615	(10,049,538)	353,410	-	8,844,485
TOTAL LIABILITIES AND NET ASSETS (DEFICIENCY)	\$ 11,905,734	\$ 13,608,414	\$ 96,236,591	\$ 4,532,221	\$ (9,798,617)	\$ 116,484,343

AMBER CHARTER SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2024

	Amber Charter Schools					
	East Harlem	Kingsbridge	Inwood	School Services Team	Eliminations	Total
Revenue, gains and other support:						
Public school district:						
Resident student enrollment	\$ 5,562,063	\$ 12,887,009	\$ 2,590,798	\$ -	\$ -	\$ 21,039,870
Students with disabilities	-	419,723	25,715	-	-	445,438
Grants and contracts:						
State and local	26,705	50,152	7,852	-	-	84,709
Federal - Title and IDEA	254,783	542,914	127,682	-	-	925,379
Federal - other	547,803	413,504	158,962	-	-	1,120,269
Food service / Child nutrition program	247,924	367,975	132,720	-	-	748,619
NYC DoE Rental Assistance	-	3,179,597	766,566	-	-	3,946,163
TOTAL REVENUE, GAINS AND OTHER SUPPORT	6,639,278	17,860,874	3,810,295	-	-	28,310,447
Expenses:						
Program:						
Regular education	3,541,714	8,700,097	5,131,223	1,133,128	(1,073,122)	17,433,040
Special education	1,441,197	2,361,002	1,191,798	267,311	(316,659)	4,944,649
TOTAL PROGRAM EXPENSES	4,982,911	11,061,099	6,323,021	1,400,439	(1,389,781)	22,377,689
Management and general	2,241,653	5,221,428	2,303,184	3,898,563	(4,597,484)	9,067,344
TOTAL OPERATING EXPENSES	7,224,564	16,282,527	8,626,205	5,299,002	(5,987,265)	31,445,033
(DEFICIT) SURPLUS FROM SCHOOL OPERATIONS	(585,286)	1,578,347	(4,815,910)	(5,299,002)	5,987,265	(3,134,586)
Support and other revenue:						
Contributions						
Foundations	-	219,174	163,629	843,600	-	1,226,403
Individuals	-	-	-	2,500	-	2,500
Corporations	29,692	-	-	4,962	-	34,654
Management fee income	-	-	-	4,228,048	(4,228,048)	-
Rental income	-	-	1,759,217	-	(1,759,217)	-
Investment income	-	-	-	80,290	-	80,290
Miscellaneous income	9,748	1,162	1,217	23,982	-	36,109
TOTAL SUPPORT AND OTHER REVENUE	39,440	220,336	1,924,063	5,183,382	(5,987,265)	1,379,956
CHANGE IN NET ASSETS	(545,846)	1,798,683	(2,891,847)	(115,620)	-	(1,754,630)
Net assets (deficiency) at beginning of year	9,881,844	7,405,932	(7,157,691)	469,030	-	10,599,115
NET ASSETS (DEFICIENCY) AT END OF YEAR	\$ 9,335,998	\$ 9,204,615	\$ (10,049,538)	\$ 353,410	\$ -	\$ 8,844,485

AMBER CHARTER SCHOOL EAST HARLEM

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2024

	No. of Positions	Program Services			Supporting Services	Total
		Regular Education	Special Education	Sub-total	Management and general	
Personnel Services Costs:						
Administrative staff personnel	9	\$ 127,757	\$ 33,481	\$ 161,238	\$ 644,951	\$ 806,189
Instructional personnel	29	1,501,069	721,542	2,222,611	-	2,222,611
Non-instructional personnel	<u>2</u>	<u>40,927</u>	<u>10,726</u>	<u>51,653</u>	-	<u>51,653</u>
Total salaries and staff	40	1,669,753	765,749	2,435,502	644,951	3,080,453
Fringe benefits and payroll taxes		438,185	200,952	639,137	169,252	808,389
Retirement		76,788	35,215	112,003	29,660	141,663
Professional development		8,761	2,296	11,057	-	11,057
Professional services		636,512	244,090	880,602	1,287,517	2,168,119
Travel and conference		2,243	1,029	3,272	867	4,139
Supplies / materials		106,450	27,897	134,347	-	134,347
Office expenses		3,649	956	4,605	18,422	23,027
Food service		120,736	31,641	152,377	-	152,377
Student services		88,945	-	88,945	-	88,945
Student and staff recruitment		5,304	2,043	7,347	1,284	8,631
Utilities		55,374	25,395	80,769	21,389	102,158
Insurance		1,793	822	2,615	693	3,308
Dues and subscriptions		5,617	2,576	8,193	2,170	10,363
Non-capitalized equipment and furnishings		1,104	506	1,610	426	2,036
Technology		11,623	3,046	14,669	1,630	16,299
Repairs and maintenance		21,470	9,846	31,316	8,293	39,609
Depreciation and amortization		220,234	57,716	277,950	30,883	308,833
Interest expense		60,135	27,578	87,713	23,227	110,940
Other		<u>7,038</u>	<u>1,844</u>	<u>8,882</u>	<u>989</u>	<u>9,871</u>
		<u>\$ 3,541,714</u>	<u>\$ 1,441,197</u>	<u>\$ 4,982,911</u>	<u>\$ 2,241,653</u>	<u>\$ 7,224,564</u>

AMBER CHARTER SCHOOL KINGSBRIDGE

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2024

	No. of Positions	Program Services			Supporting Services	Total
		Regular Education	Special Education	Sub-total	Management and general	
Personnel Services Costs:						
Administrative staff personnel	18	\$ 288,473	\$ 62,117	\$ 350,590	\$ 1,402,359	\$ 1,752,949
Instructional personnel	60	3,633,403	1,076,045	4,709,448	-	4,709,448
Non-instructional personnel	3	99,356	21,394	120,750	-	120,750
Total salaries and staff	81	4,021,232	1,159,556	5,180,788	1,402,359	6,583,147
Fringe benefits and payroll taxes		1,009,056	290,970	1,300,026	351,897	1,651,923
Retirement		136,668	39,409	176,077	47,661	223,738
Professional development		17,696	3,810	21,506	-	21,506
Professional services		580,764	143,556	724,320	2,674,091	3,398,411
Travel and conference		6,856	1,977	8,833	2,391	11,224
Supplies / materials		276,849	59,614	336,463	-	336,463
Office expenses		5,418	1,167	6,585	26,337	32,922
Food service		230,736	49,685	280,421	-	280,421
Student services		249,704	-	249,704	-	249,704
Student and staff recruitment		1,602	402	2,004	272	2,276
Utilities		8,154	2,351	10,505	2,844	13,349
Building and Land Rent/Lease		1,942,723	560,201	2,502,924	677,503	3,180,427
Dues and subscriptions		8,557	2,467	11,024	2,984	14,008
Non-capitalized equipment and furnishings		2,677	772	3,449	933	4,382
Technology		11,351	2,444	13,795	1,532	15,327
Repairs and maintenance		18,078	5,213	23,291	6,304	29,595
Depreciation and amortization		165,464	35,629	201,093	22,344	223,437
Interest expense		5,145	1,484	6,629	1,794	8,423
Other		1,367	295	1,662	182	1,844
		<u>\$ 8,700,097</u>	<u>\$ 2,361,002</u>	<u>\$ 11,061,099</u>	<u>\$ 5,221,428</u>	<u>\$ 16,282,527</u>

AMBER CHARTER SCHOOL INWOOD

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2024

	No. of Positions	Program Services			Supporting Services	Total
		Regular Education	Special Education	Sub-total	Management and general	
Personnel Services Costs:						
Administrative staff personnel	6	\$ 88,365	\$ 20,755	\$ 109,120	\$ 436,477	\$ 545,597
Instructional personnel	17	977,087	229,495	1,206,582	-	1,206,582
Non-instructional personnel	2	88,286	20,737	109,023	-	109,023
Total salaries and staff	25	1,153,738	270,987	1,424,725	436,477	1,861,202
Fringe benefits and payroll taxes		292,981	68,815	361,796	110,840	472,636
Retirement		34,578	8,122	42,700	13,081	55,781
Professional development		5,290	1,242	6,532	-	6,532
Professional services		167,495	39,341	206,836	520,161	726,997
Travel and conference		2,153	506	2,659	814	3,473
Supplies / materials		64,995	15,266	80,261	-	80,261
Office expenses		5,282	1,241	6,523	26,090	32,613
Food service		76,297	17,920	94,217	-	94,217
Student services		57,088	-	57,088	-	57,088
Student and staff recruitment		8,426	1,979	10,405	3,035	13,440
Utilities		17,853	4,193	22,046	6,754	28,800
Building and Land Rent/Lease		3,051,658	716,764	3,768,422	1,154,490	4,922,912
Dues and subscriptions		4,512	1,060	5,572	1,707	7,279
Non-capitalized equipment and furnishings		2,547	598	3,145	964	4,109
Technology		23,059	5,416	28,475	3,164	31,639
Repairs and maintenance		13,296	3,123	16,419	5,030	21,449
Depreciation and amortization		149,254	35,056	184,310	20,479	204,789
Other		721	169	890	98	988
		<u>\$ 5,131,223</u>	<u>\$ 1,191,798</u>	<u>\$ 6,323,021</u>	<u>\$ 2,303,184</u>	<u>\$ 8,626,205</u>

AMBER SCHOOL SERVICES TEAM
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	No. of Positions	Program Services			Supporting Services	Total
		Regular Education	Special Education	Sub-total	Management and general	
Personnel Services Costs:						
Administrative staff personnel	24	\$ 494,878	\$ 113,719	\$ 608,597	\$ 2,434,387	\$ 3,042,984
Instructional personnel	-	59,694	19,310	79,004	-	79,004
Total salaries and staff	24	554,572	133,029	687,601	2,434,387	3,121,988
Fringe benefits and payroll taxes		139,461	33,457	172,918	612,012	784,930
Retirement		25,963	6,229	32,192	113,938	146,130
Professional development		46,678	10,726	57,404	-	57,404
Legal services		-	-	-	7,397	7,397
Accounting / Audit		-	-	-	65,501	65,501
Financial management services		-	-	-	53,346	53,346
Professional services		96,930	22,994	119,924	312,717	432,641
Supplies and Materials		24,755	5,688	30,443	-	30,443
Student services		7,407	-	7,407	-	7,407
Student and staff recruitment		55,952	13,043	68,995	80,498	149,493
Travel and conference		3,796	911	4,707	16,657	21,364
Office expenses		329	76	405	1,619	2,024
Insurance		33,128	7,948	41,076	145,379	186,455
Dues and subscriptions		6,256	1,501	7,757	27,453	35,210
Utilities		1,973	473	2,446	8,658	11,104
Non-capitalized equipment and furnishings		100	24	124	440	564
Technology		101,704	23,371	125,075	13,897	138,972
Depreciation and amortization		6,345	1,458	7,803	867	8,670
Other		27,779	6,383	34,162	3,797	37,959
		<u>\$ 1,133,128</u>	<u>\$ 267,311</u>	<u>\$ 1,400,439</u>	<u>\$ 3,898,563</u>	<u>\$ 5,299,002</u>

AMBER CHARTER SCHOOLS AND AFFILIATES

REPORT TO THE FINANCE COMMITTEE

JUNE 30, 2024





BUSINESS
ADVISORS
AND CPAS

October 11, 2024

Finance Committee
Amber Charter Schools and Affiliates

We have audited the consolidated financial statements of Amber Charter Schools and Affiliates (the “Organization”) as of and for the year then ended June 30, 2024, and have issued our report thereon dated October 11, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 20, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the consolidated financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Organization solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

- 1 -

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence. Safeguards in place to eliminate or reduce threats to independence to an acceptable level include a skilled, knowledgeable and experienced Controller and outsourced finance team who review the draft consolidated financial statements prior to issuance and accept responsibility for them.

Significant Risks Identified

We have identified the following significant risks:

- The potential for management override of controls.
- The potential for improper revenue recognition.
- The potential for improper allocation of expenses to grants.
- The potential for misappropriation of assets through unauthorized credit card purchases.
- The potential for journal entries lacking support to be made in error or fraud.

Professional auditing standards require that we identify and assess risks and design and perform our audit procedures to assess those risks. The identification of a risk does not mean that it has occurred, but rather it has the potential to impact the consolidated financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Amber Charter Schools and Affiliates is included in Note A to the consolidated financial statements. As described in Note A to the financial statements, during the year the Organization adopted new guidance on current expected credit losses (ASC 326). No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the consolidated financial statements are the allocations of operating expenses for the statement of functional expenses as well as the collectability of grants receivable. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic consolidated financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Organization's consolidated financial statements relate to revenue and support recognition, operating and finance leases, and long term debt, which are referred to in the notes of the consolidated financial statements.

Significant Difficulties Encountered during the Audit

We are pleased to report we encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the consolidated financial statements as a whole. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the consolidated financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Organization's consolidated financial statements or the auditor's report. We are pleased to report no such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Organization, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Organization, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organization's auditors.

Other Matters

With respect to the supplementary information accompanying the consolidated financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

* * * * *

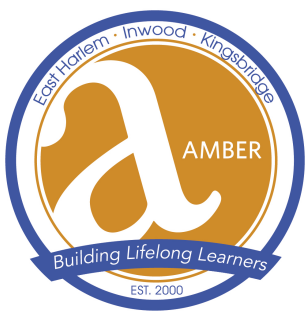
Should you desire further information concerning these matters, Michelle Cain or Kate VanBramer will be happy to meet with you at your convenience.

This report is intended solely for the information and use of the Board of Trustees, Finance Committee and management of Amber Charter Schools and Affiliates and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Mengel, Metzger, Barr & Co. LLP

MENGEL, METZGER, BARR & CO. LLP



September 26, 2024

Mengel, Metzger, Barr & Co. LLP
Certified Public Accountants
100 Chestnut Street, Suite 1200
Rochester, NY 14604

Dear Mengel, Metzger, Barr & Co. LLP:

This representation letter is provided in connection with your audit of the consolidated financial statements of Amber Charter Schools and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2024 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, for the purpose of expressing an opinion on whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this representation letter:

Consolidated Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 20, 2024 for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP.
- The consolidated financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all proper classifications, required supplementary information, and note disclosure.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control to prevent and detect fraud.
- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the consolidated financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have complied with all contractual agreements, grants, and donor restrictions.

- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
- We have accurately presented the Organization’s position regarding taxation and tax-exempt status.
- The entity has disclosed all matters of taxation that are deemed to be reasonably uncertain including, but not limited to, aggressive tax elections, the status or results of IRS examinations, provisions for unpaid unrelated business income taxes and tax benefits to the extent that the entity believes that it is “more likely than not” that its tax positions will be sustained upon IRS examination.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the consolidated financial statements all assets and liabilities under the Organization’s control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Net assets presented in the consolidated statement of financial position are appropriately classified, and reclassifications between net asset classes are appropriate.
- The governing board’s interpretations concerning whether laws place restrictions on net appreciation of donor-restricted endowments are reasonable and have been disclosed to you.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.
- With respect to financial statement preparation, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted the responsibility for the result of the services performed, and
 - Established and maintained internal controls, including monitoring ongoing activities.
- We have reviewed the Organization’s draft consolidated financial statements prepared by you based on financial information we provided to you. We have reviewed all supporting schedules and accept full responsibility for the Organization’s consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable, including assumptions for purposes of calculating the lease liabilities under ASC 842.
- We have performed a comprehensive review of existing contracts for potential impacts of ASC 842 and all material leases have been properly accounted for and disclosed in the financial statements.
- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - Minutes of the meetings of the Board of Trustees and other committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity’s ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management’s plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or

- Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- Amber Charter Schools and Affiliates has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.
- We have considered the accounting and reporting requirements of FASB ASC 740-10. We believe there are no material liabilities (or reduction in amounts refundable) required for unrecognized tax benefits related to our tax positions, as defined and described in FASB ASC 740-10-20.

Single Audit

- With respect to federal awards, we represent the following to you:
 - We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
 - We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
 - We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - As part of your audit, you prepared the draft financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
 - The methods of measurement or presentation have not changed from those used in the prior year.
 - We believe the following significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
 - We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
 - We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
 - When the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the Organization of the schedule of expenditures of federal awards and the auditor's report thereon.
 - We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
 - We have a process to track the status of audit findings and recommendations.
 - We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
 - We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.

- We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- We have received no requests from a federal agency to audit one or more specific programs as a major program.
- We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.
- We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through Organization, as applicable.
- We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- We have charged costs to federal awards in accordance with applicable cost principles.
- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- The reporting package does not contain personally identifiable information.
- We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
- We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

- In addition:

- We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant

deficiencies and material weaknesses in internal control over compliance have occurred subsequent to the period covered by the auditor's report.

- We are responsible for and have accurately completed the appropriate sections of the Data Collection Form.

Supplementary Information in Relation to the Consolidated Financial Statements as a Whole

- With respect to the supplementary information accompanying the consolidated financial statements:
 - We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
 - We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Other Representations

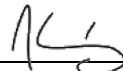
- The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We have considered the accounting and reporting requirements of FASB ASC 740-10. We believe there are no material liabilities (or reduction in amounts refundable) required for unrecognized tax benefits related to our tax positions, as defined and described in FASB ASC 740-10-20.

Very truly yours,

AMBER CHARTER SCHOOLS AND AFFILIATES



Veronica Almedina, Co-Chief Executive Officer



Kirsys Gomez, Co-Chief Executive Officer

AMBER CHARTER SCHOOLS AND AFFILIATES

NEW YORK, NEW YORK

**SCHEDULES REQUIRED BY GOVERNMENT
AUDITING STANDARDS AND THE UNIFORM
GUIDANCE**

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2024



BUSINESS
ADVISORS
AND CPAS

CONTENTS

<u>SCHEDULES REQUIRED BY GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE</u>	<u>PAGE</u>
Independent Auditor's 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>	3
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance	5
Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	10



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR’S 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 Trustees
Amber Charter Schools and Affiliates

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 consolidated financial statements of Amber Charter Schools and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2024 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements and have issued our report thereon dated October 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Amber Charter Schools and Affiliates’ internal control over financial reporting (internal control) as a basis for designing 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 Amber Charter Schools and Affiliates’ internal control. Accordingly, we do not express an opinion on the effectiveness of Amber Charter Schools and Affiliates’ internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amber Charter Schools and Affiliates' consolidated 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 consolidated 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 11, 2024



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees
Amber Charter Schools and Affiliates

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Amber Charter Schools and Affiliates’ compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Amber Charter Schools and Affiliates’ major federal programs for the year ended June 30, 2024. Amber Charter Schools and Affiliates’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Amber Charter Schools and Affiliates complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Amber Charter Schools and Affiliates and to meet our other ethical responsibilities, in accordance with 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 compliance for each major federal program. Our audit does not provide a legal determination of Amber Charter Schools and Affiliates’ compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Amber Charter Schools and Affiliates' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Amber Charter Schools and Affiliates' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance Amber Charter Schools and Affiliates' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Amber Charter Schools and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Amber Charter Schools and Affiliates' 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Amber Charter Schools and Affiliates' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we 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 federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that 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 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 Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of Amber Charter Schools and Affiliates as of and for the year ended June 30, 2024, and have issued our report thereon dated October 11, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated 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 consolidated 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 consolidated 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 11, 2024

AMBER CHARTER SCHOOLS AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

	<u>Federal AL Number</u>	<u>Pass-through Grantor's Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education:			
<u>Passed through New York State Education Department:</u>			
Title I - Grants to Local Educational Agencies	84.010	0021	\$ 614,711
Title IIA - Supporting Effective Instruction State Grant	84.367	0147	69,937
Title III- English Language Acquisition Grant	84.031	0293	20,087
Title IV- Student Support and Academic Enrichment Program	84.424	0204	49,713
 <u>Education Stabilization Funds -</u>			
ESSER II - Elementary and Secondary School Emergency Relief Fund	84.425D	5891	6,382
ARP ESSER - American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5880	<u>1,067,200</u>
<i>Total Education Stabilization Funds</i>			<u>1,073,582</u>
TOTAL DEPARTMENT OF EDUCATION			<u>1,828,030</u>
 U.S. Department of Agriculture:			
<u>Passed through New York State Education Department:</u>			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	310400860806	185,913
National School Lunch Program	10.555	310400860806	438,658
Fresh Fruit and Vegetable Program	10.582	310400860806	78,070
Supply Chain Assistance - COVID	10.555	310400860806	33,032
<i>Total Child Nutrition Cluster</i>			<u>735,673</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>735,673</u>
 TOTAL ALL PROGRAMS			<u>\$ 2,563,703</u>

AMBER CHARTER SCHOOLS AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Cont'd

YEAR ENDED JUNE 30, 2024

NOTE A: BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of Amber Charter Schools and Affiliates and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Amber Charter Schools and Affiliates has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

AMBER CHARTER SCHOOLS AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
• Material weakness (es) identified?	_____	yes	_____ <u>x</u> _____ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	yes	_____ <u>x</u> _____ none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <u>x</u> _____ no

Federal Awards

Internal control over major programs:			
• Material weakness (es) identified?	_____	yes	_____ <u>x</u> _____ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	yes	_____ <u>x</u> _____ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	yes	_____ <u>x</u> _____ no

Identification of major program:

AL Number:

84.425D & 84.425U

Name of Federal Program or Cluster:

ESSER II and ARP ESSER

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

_____ \$750,000 _____

Auditee qualified as low-risk auditee?

_____ x _____ yes _____ no

AMBER CHARTER SCHOOLS AND AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Cont'd
YEAR ENDED JUNE 30, 2024

FINDINGS – FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None.