

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATED FINANCIAL STATEMENTS
AND CONSOLIDATING SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2016 AND 2015

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Amber Charter School
Amber Schools Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Amber Charter School and Amber Schools Foundation, Inc. (collectively referred to as the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amber Charter School and Amber Schools Foundation, Inc. as of June 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the 2016 consolidated financial statements as a whole. The information contained in the accompanying consolidating statements of financial position as of June 30, 2016 and 2015, the consolidating statements of activities and functional expenses for the years ended June 30, 2016 and 2015 on pages 16 - 21 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 2016 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 2016 consolidated financial statements or to the 2016 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 2016 consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2016, on our consideration of Amber Charter School's and Amber Schools Foundation, Inc.'s internal control over financial reporting and on our tests of their 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 School's and Amber Schools Foundation, Inc.'s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
October 25, 2016

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	2016	2015
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,424,738	\$ 3,377,993
Grants and contracts receivable	567,169	299,191
Other receivables	38,942	16,000
Prepaid expenses and other current assets	30,344	32,856
Total current assets	4,061,193	3,726,040
Property and equipment, net	3,953,362	4,047,291
Other asset:		
Deferred financing costs, net	3,208	16,040
TOTAL ASSETS	\$ 8,017,763	\$ 7,789,371
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 372,074	\$ 333,306
Accrued payroll	526,289	733,943
Refundable advances	10,390	2,755
Current maturities of long-term debt	2,248,102	48,565
Total current liabilities	3,156,855	1,118,569
Long-term liabilities:		
Long-term debt, less current maturities	-	2,248,102
Total liabilities	3,156,855	3,366,671
Commitments and contingencies (Notes 3, 5, 7 and 11)		
Net assets:		
Unrestricted	4,759,240	4,422,700
Temporarily restricted	101,668	-
Total net assets	4,860,908	4,422,700
TOTAL LIABILITIES AND NET ASSETS	\$ 8,017,763	\$ 7,789,371

See accompanying notes to consolidated financial statements.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Changes in unrestricted net assets:		
Revenue and support:		
Public school district:		
Per student funding	\$ 6,518,703	\$ 6,822,427
After school program:		
After school income	147,195	143,909
Grants and contracts:		
Federal, state and local	905,310	594,590
Contributions:		
Foundations	25,000	5,000
Individuals	-	1,560
Corporations	1,295	1,538
Net assets released from restrictions (see below)	148,332	-
Special event revenue	69,728	8,661
Interest income	124	1,754
Rental income	34,814	41,016
In-kind donations of goods	3,325	2,109
Miscellaneous income	17,950	6,142
Total revenue and support	7,871,776	7,628,706
Expenses:		
Program services:		
Education	6,133,472	6,061,228
Supporting services:		
Management and general	1,337,806	1,038,136
Fund-raising	35,730	29,212
Total supporting services	1,373,536	1,067,348
Cost of direct benefit to donors	28,228	3,941
Total expenses	7,535,236	7,132,517
Change in unrestricted net assets	336,540	496,189
Changes in temporarily restricted net assets:		
Contributions	250,000	-
Net assets released from restrictions (see above)	(148,332)	-
Change in temporarily restricted net assets	101,668	-
Change in net assets	438,208	496,189
Net assets - beginning	4,422,700	3,926,511
NET ASSETS - ENDING	\$ 4,860,908	\$ 4,422,700

See accompanying notes to consolidated financial statements.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Program	Supporting Services			Direct Benefit Cost to Donors	Total
	Services	Management and General	Fund- raising	Subtotal		
	Education					
Personnel service costs:						
Administrative staff personnel	\$ 491,632	\$ 859,635	\$ -	\$ 859,635	\$ -	\$1,351,267
Instructional personnel	2,846,214	-	-	-	-	2,846,214
Non-instructional personnel	<u>148,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,298</u>
Total personnel service costs	3,486,144	859,635	-	859,635	-	4,345,779
Fringe benefits and payroll taxes	1,102,397	238,961	-	238,961	-	1,341,358
Interest expense	152,859	6,369	-	6,369	-	159,228
Accounting and audit services	-	53,645	-	53,645	-	53,645
Professional and consulting services	440,923	61,611	35,730	97,341	-	538,264
Security	4,818	-	-	-	-	4,818
Repairs and maintenance	58,026	6,971	-	6,971	-	64,997
Insurance	74,675	51	-	51	-	74,726
Utilities	65,200	2,717	-	2,717	-	67,917
Supplies and materials	21,723	-	-	-	-	21,723
Equipment rental lease	37,313	1,555	-	1,555	-	38,868
Staff development	17,600	-	-	-	-	17,600
Technology	27,446	-	-	-	-	27,446
Food service	200,201	14,669	-	14,669	-	214,870
Student services	58,249	-	-	-	-	58,249
Office expenses	29,063	44,115	-	44,115	-	73,178
Depreciation and amortization	199,503	8,313	-	8,313	-	207,816
Travel	3,560	-	-	-	-	3,560
Dues and subscriptions	34,837	1,452	-	1,452	-	36,289
Postage	6,050	-	-	-	-	6,050
Catering for special event	-	-	-	-	28,228	28,228
Payroll processing fees	83,295	-	-	-	-	83,295
Miscellaneous	<u>29,590</u>	<u>37,742</u>	<u>-</u>	<u>37,742</u>	<u>-</u>	<u>67,332</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$6,133,472</u>	<u>\$ 1,337,806</u>	<u>\$ 35,730</u>	<u>\$1,373,536</u>	<u>\$ 28,228</u>	<u>\$7,535,236</u>

See accompanying notes to consolidated financial statements.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Program Services	Supporting Services			Direct Benefit Cost to Donors	Total
	Education	Management and General	Fund- raising	Subtotal		
Personnel service costs:						
Administrative staff personnel	\$ 469,888	\$ 614,172	\$ -	\$ 614,172	\$ -	\$ 1,084,060
Instructional personnel	2,919,678	-	-	-	-	2,919,678
Non-instructional personnel	<u>142,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,113</u>
Total personnel service costs	3,531,679	614,172	-	614,172	-	4,145,851
Fringe benefits and payroll taxes	1,121,510	176,152	-	176,152	-	1,297,662
Interest expense	156,002	6,500	-	6,500	-	162,502
Accounting and audit services	-	41,359	-	41,359	-	41,359
Professional and consulting services	257,180	83,881	29,212	113,093	-	370,273
Security	3,886	-	-	-	-	3,886
Repairs and maintenance	56,270	2,345	-	2,345	-	58,615
Insurance	67,675	-	-	-	-	67,675
Utilities	92,744	3,864	-	3,864	-	96,608
Supplies and materials	90,507	-	-	-	-	90,507
Equipment rental lease	30,382	1,266	-	1,266	-	31,648
Staff development	96,988	-	-	-	-	96,988
Technology	9,829	-	-	-	-	9,829
Food service	139,549	25,460	-	25,460	-	165,009
Student services	44,566	-	-	-	-	44,566
Office expenses	10,742	55,485	-	55,485	-	66,227
Depreciation and amortization	213,957	8,915	-	8,915	-	222,872
Travel	3,231	-	-	-	-	3,231
Dues and subscriptions	19,947	831	-	831	-	20,778
Postage	5,195	-	-	-	-	5,195
Catering for special event	-	-	-	-	3,941	3,941
Payroll processing fees	83,379	-	-	-	-	83,379
Miscellaneous	<u>26,010</u>	<u>17,906</u>	<u>-</u>	<u>17,906</u>	<u>-</u>	<u>43,916</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$6,061,228</u>	<u>\$ 1,038,136</u>	<u>\$ 29,212</u>	<u>\$1,067,348</u>	<u>\$ 3,941</u>	<u>\$ 7,132,517</u>

See accompanying notes to consolidated financial statements.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 438,208	\$ 496,189
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	207,816	222,872
Write off of construction in progress	10,000	-
Changes in operating assets and liabilities:		
Grants and contracts receivable	(267,978)	(104,437)
Other receivables	(22,942)	25,600
Prepaid expenses and other current assets	2,512	(32,856)
Accounts payable and accrued expenses	38,768	(11,576)
Accrued payroll	(207,654)	88,448
Refundable advances	<u>7,635</u>	<u>(3,144)</u>
Net cash provided by operating activities	<u>206,365</u>	<u>681,096</u>
Cash used in investing activities:		
Additions to property and equipment	<u>(111,055)</u>	<u>(91,279)</u>
Cash used in financing activities:		
Principal repayments of long-term debt	<u>(48,565)</u>	<u>(45,290)</u>
Net increase in cash and cash equivalents	46,745	544,527
Cash and cash equivalents - beginning	<u>3,377,993</u>	<u>2,833,466</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 3,424,738</u>	<u>\$ 3,377,993</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 159,228</u>	<u>\$ 162,502</u>

See accompanying notes to consolidated financial statements.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1 - ORGANIZATION

Pursuant to Article 56 of the New York State Education Law by the Board of Regents of the University of the State of New York, Amber Charter School ("Amber") was incorporated on April 4, 2000, as a charter school valid for a term of five years. Charters are renewable every five years. On November 26, 2014, Amber received a fourth five-year renewal from the Board of Trustees of the State University of New York ("SUNY").

Amber is a nonprofit, grade charter school located in the Upper Manhattan section of the city of New York, serving children in kindergarten through fifth grade. Founded by Community Association of Progressive Dominicans/Asociacion Comunal de Dominicanos Progresistas ("ACDP"), Amber was the first charter school in New York City created by a community-based organization, and the first to develop an English/Spanish two-way immersion program. 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 top middle schools and beyond. To fulfill this mission, Amber attempts to prepare each of its 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.

In August 2014, Amber received approval from the Board of Trustees of SUNY for a second charter, expiring in July 2020, to operate a new school, Amber Charter School II ("Amber II"), which is scheduled to open in September 2016. Amber II operates as a division of Amber. During the startup stage, Amber II's funding is primarily from government grants and contracts.

Amber Schools Foundation, Inc. (the "Foundation") is a 501(c)(3) not-for-profit organization incorporated under the laws of the state of New York in March 2014. The Foundation is established to support the functions of, and to assist in carrying out the educational and charitable purposes of, Amber and Amber II.

In March 2016, Amber formed 652 West 187th Street, LLC ("652 West"), a limited liability company, under the laws of the state of New York. In April 2016, 652 West entered into a lease agreement with an unrelated party for certain real estate located in New York City, which will be used by Amber II. This real estate was subsequently sublet to Amber, the sole member of 652 West, under the same terms.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Amber and the Foundation (collectively referred to as the "Organization"). Amber maintains an economic interest and control in the Foundation through common board membership and the ability to elect the Foundation's board members. All significant intercompany accounts and transactions have been eliminated in consolidation.

Financial Statement Presentation

In the accompanying consolidated statements of activities, the Organization distinguishes between contributions that increase permanently restricted net assets (subject to perpetual funding source imposed restrictions), temporarily restricted net assets (funding source-imposed restrictions have not been met) and unrestricted net assets (not subject to funding source-imposed restrictions or whose funding source-imposed restrictions have been met). As of June 30, 2016, there were temporarily restricted net assets of \$101,668, and no temporarily restricted net assets as of June 30, 2015. As of June 30, 2016 and 2015, there were no permanently restricted net assets.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Cash and Cash Equivalents

Cash and cash equivalents consists primarily of cash on deposit and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less. The Organization had no cash equivalents at June 30, 2016 and 2015.

Property and Equipment

Property and equipment, when purchased, are recorded at cost. Contributions of property and equipment are recorded at their estimated fair values at the date of contribution. Depreciation is calculated using the double-declining balance method over the estimated useful lives of the assets. Maintenance and repairs are charged to operations when incurred. Expenditures that increase the value or significantly extend the lives of assets are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Deferred Financing Costs

In connection with the refinancing of Amber's mortgages, Amber incurred costs of \$64,160, which is being amortized over the term of the loan. At June 30, 2016 and 2015, accumulated amortization of the refinancing costs amounted to \$60,952 and \$48,120, respectively. For each of the years ended June 30, 2016 and 2015, amortization expense amounted to \$12,832.

Contributions

Contributions are recognized as revenue when they are unconditionally promised and are reflected as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Grants and Refundable Advances

Revenue from the state and local governments resulting from the Organization's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Revenue from federal, state and local grants and contracts is recognized as revenue when qualifying expenditures are incurred. Amounts received in excess of fees earned on student enrollment and in excess of expenditures incurred are recognized as refundable advances.

Grants and Contracts Receivable

Grants and contracts receivable are stated at the amount management expects to collect. Management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. At June 30, 2016 and 2015, management determined that no allowance was required.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donations-in-kind

Contributions of noncash assets are recorded at their fair values at the date received. Contributions of services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the years ended June 30, 2016 and 2015, Amber received donated goods amounting to \$3,325 and \$2,109, respectively. These donations are reflected in "Revenue and support" and in "Management and general" in the accompanying consolidated statements of activities.

A number of unpaid volunteers have made or have agreed to make significant contributions of their time to the Organization. The value of such contributions is not reflected in the accompanying consolidated financial statements since these services do not require specialized skills.

Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statements of functional expenses. Compensation expenses and certain other costs have been allocated by management between the programs and supporting services benefited.

Income Taxes

Amber and the Foundation qualify as charitable organizations as defined by Internal Revenue Code ("IRC") Section 501(c)(3) and, accordingly, are exempt from federal and state income taxes. As not-for-profit entities, Amber and the Foundation are subject to unrelated business income tax ("UBIT"), if applicable.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*, Amber and the Foundation apply the "more likely than not" threshold to the recognition and derecognition of tax positions for their consolidated financial statements. Management has evaluated Amber's and the Foundation's tax positions and has concluded that there were no uncertain tax positions that qualified for either recognition or disclosure in the consolidated financial statements as of June 30, 2016.

Amber and the Foundation file income tax returns in the U.S. federal jurisdiction and in the state of New York. Amber is no longer subject to U.S. or New York State income tax examinations by tax authorities for years before 2012.

New Accounting Pronouncement

On April 7, 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-03, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. The new guidance requires that debt issuance costs be presented in the statement of financial position as a direct deduction from the carrying amount of the related liability. Such treatment is consistent with the current presentation of debt discounts or premiums. As it stood prior to amendment, debt issuance costs were reported in the statement of financial position as an asset (i.e., a deferred charge), whereas debt discounts and premiums were, and remain, reported as deductions from or additions to the debt itself. The Organization's management has not elected to adopt this new guidance in 2016.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through October 25, 2016, the date on which these consolidated financial statements were available to be issued. Except for the refinancing of Amber's mortgage as disclosed in Note 5, there were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

NOTE 3 - CONCENTRATION OF CREDIT RISKS

The Organization maintains cash balances with a financial institution in New York City that were routinely in excess of federal insurance limits during 2016 and 2015. The Organization has not experienced any losses in these accounts, and management does not believe the Organization is exposed to any significant credit risks with respect to cash.

Revenue from the New York State Education Department accounted for 82% and 89% of total revenue and support during the years ended June 30, 2016 and 2015, respectively.

Additionally, federal grantor agencies accounted for 77% and 95% of total grants and contracts receivable at June 30, 2016 and 2015, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Land	\$ 335,000	\$ 335,000
Building	3,123,388	3,123,388
Equipment, furniture and fixtures	1,306,082	1,219,474
Building improvements	1,680,593	1,656,146
Software	54,530	54,530
Construction in progress	<u>-</u>	<u>10,000</u>
	6,499,593	6,398,538
Less: accumulated depreciation	<u>(2,546,231)</u>	<u>(2,351,247)</u>
Property and equipment, net	<u>\$ 3,953,362</u>	<u>\$ 4,047,291</u>

Depreciation expense for the years ended June 30, 2016 and 2015, amounted to \$194,984 and \$210,040, respectively.

NOTE 5 - LONG-TERM DEBT

Amber has a mortgage payable to Raza Development Fund, Inc. ("Raza") dated September 29, 2011. The loan is collateralized by Amber's real estate in the city of New York. The loan is payable in monthly installments of \$17,316, including interest at 7% per annum, with a balloon payment of approximately \$2,235,000 due at maturity on October 1, 2016. At June 30, 2016 and 2015, amounts outstanding under the mortgage agreement were \$2,248,102 and \$2,296,667, respectively. In conjunction with the mortgage, Amber is required to maintain a debt service coverage ratio of 1.15 to 1. Management is not aware of any violations of the covenant.

In October 2016, Amber entered into a loan modification agreement with Raza extending the loan's maturity date to December 28, 2016 with the same monthly installments of \$17,316.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 6 - OPERATING RESERVE

During the year ended June 30, 2013, Amber's board of trustees adopted an operating reserve policy to ensure the stability of Amber's mission. The policy requires Amber to establish an operating reserve fund with a minimum of \$250,000. Such funds shall be segregated from Amber's operating cash and shall not to be used for normal operations. As of June 30, 2016, Amber had not yet established the operating reserve fund. However, management believes that Amber has adequate liquidity available, and that the segregation and restriction of such funds will not have an adverse effect on the operations of the school.

NOTE 7 - LEASES

Lease Revenue

At June 30, 2016, Amber had an operating lease agreement with a tenant expiring August 2016. Future minimum rents receivable under this noncancelable lease is \$3,200 for the year ended June 30, 2016.

Lease Expense

On April 15, 2016, 652 West entered into a noncancelable operating lease with an unrelated third party for facility space, which expires on June 30, 2018. 652 West subleased these facilities to Amber to be used by Amber II, subject to the same terms.

At June 30, 2016, the aggregate future minimum lease payments are as follows:

<u>Year ending June 30:</u>	<u>Amount</u>
2017	\$ 448,500
2018	<u>459,712</u>
Total	<u>\$ 908,212</u>

Amber also leases office equipment pursuant to a noncancelable operating lease that expires in September 2017. For the years ended June 30, 2016 and 2015, total lease expense aggregated \$38,868 and \$31,648, respectively. Future minimum lease payments under this noncancelable lease are as follows:

<u>Year ending June 30:</u>	<u>Amount</u>
2017	\$ 37,872
2018	<u>6,312</u>
Total	<u>\$ 44,184</u>

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2016, temporarily restricted net assets are available for the following purposes:

	<u>2016</u>
Amber Charter School II facility costs	\$ 26,668
Amber Charter School II administrative costs	<u>75,000</u>
	<u>\$ 101,668</u>

During the year ended June 30, 2016, net assets were released from restrictions for the following purpose:

	<u>2016</u>
Amber Charter School II facility costs	<u>\$ 148,332</u>

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 9 - RETIREMENT PLAN

Amber sponsors a defined contribution 403(b) retirement plan covering substantially all of its full-time employees. Contributions to the plan on behalf of non-union employees are at the discretion of the Board of Trustees. Contributions on behalf of union employees are in accordance with the union agreement, which specified a 4% match for both 2016 and 2015. For the years ended June 30, 2016 and 2015, Amber contributed \$133,319 and \$135,561, respectively, to the plan.

NOTE 10 - UNION AGREEMENT

At June 30, 2016, Amber had 68 employees, of which 38 are represented by a union. The union agreement covering these employees expires on August 31, 2018.

NOTE 11 - CONTINGENCIES

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost 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.



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**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***

To the Board of Trustees
Amber Charter School
Amber Schools Foundation, Inc.

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 School and Amber Schools Foundation, Inc. (nonprofit organizations) (collectively referred to as the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities, 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 25, 2016.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amber Charter School's and Amber Schools Foundation, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
October 25, 2016

SUPPLEMENTARY INFORMATION

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

	Combining					
	Amber Charter School	Amber Charter School II	Subtotal	Amber Schools Foundation, Inc.	Eliminations	Consolidation
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents	\$ 1,728,374	\$ 127,696	\$ 1,856,070	\$ 1,568,668	\$ -	\$ 3,424,738
Grants and contracts receivable	567,169	-	567,169	-	-	567,169
Other receivables	38,942	-	38,942	-	-	38,942
Prepaid expenses and other current assets	<u>20,963</u>	<u>9,381</u>	<u>30,344</u>	<u>-</u>	<u>-</u>	<u>30,344</u>
Total current assets	<u>2,355,448</u>	<u>137,077</u>	<u>2,492,525</u>	<u>1,568,668</u>	<u>-</u>	<u>4,061,193</u>
Property and equipment, net	<u>3,953,362</u>	<u>-</u>	<u>3,953,362</u>	<u>-</u>	<u>-</u>	<u>3,953,362</u>
Other assets:						
Due from affiliates	1,545,177	-	1,545,177	-	(1,545,177)	-
Inter-company receivable/payable	23,594	(23,594)	-	-	-	-
Deferred financing costs, net	<u>3,208</u>	<u>-</u>	<u>3,208</u>	<u>-</u>	<u>-</u>	<u>3,208</u>
Total other assets	<u>1,571,979</u>	<u>(23,594)</u>	<u>1,548,385</u>	<u>-</u>	<u>(1,545,177)</u>	<u>3,208</u>
TOTAL ASSETS	<u>\$ 7,880,789</u>	<u>\$ 113,483</u>	<u>\$ 7,994,272</u>	<u>\$ 1,568,668</u>	<u>\$ (1,545,177)</u>	<u>\$ 8,017,763</u>
<u>LIABILITIES AND NET ASSETS</u>						
Current liabilities:						
Accounts payable and accrued expenses	\$ 343,346	\$ 13,058	\$ 356,404	\$ 15,670	\$ -	\$ 372,074
Accrued payroll	526,289	-	526,289	-	-	526,289
Refundable advances	10,390	-	10,390	-	-	10,390
Current maturities of long-term debt	<u>2,248,102</u>	<u>-</u>	<u>2,248,102</u>	<u>-</u>	<u>-</u>	<u>2,248,102</u>
Total current liabilities	3,128,127	13,058	3,141,185	15,670	-	3,156,855
Other liabilities:						
Due to affiliate	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,545,177</u>	<u>(1,545,177)</u>	<u>-</u>
Total liabilities	<u>3,128,127</u>	<u>13,058</u>	<u>3,141,185</u>	<u>1,560,847</u>	<u>(1,545,177)</u>	<u>3,156,855</u>
Commitments and contingencies						
Net assets:						
Unrestricted	4,752,662	(1,243)	4,751,419	7,821	-	4,759,240
Temporarily restricted	<u>-</u>	<u>101,668</u>	<u>101,668</u>	<u>-</u>	<u>-</u>	<u>101,668</u>
Total net assets	<u>4,752,662</u>	<u>100,425</u>	<u>4,853,087</u>	<u>7,821</u>	<u>-</u>	<u>4,860,908</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,880,789</u>	<u>\$ 113,483</u>	<u>\$ 7,994,272</u>	<u>\$ 1,568,668</u>	<u>\$ (1,545,177)</u>	<u>\$ 8,017,763</u>

See independent auditor's report.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

	Combining			Amber Schools Foundation, Inc.	Eliminations	Consolidation
	Amber Charter School	Amber Charter School II	Subtotal			
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents	\$ 1,862,695	\$ -	\$ 1,862,695	\$ 1,515,298	\$ -	\$ 3,377,993
Grants and contracts receivable	299,191	-	299,191	-	-	299,191
Other receivables	16,000	-	16,000	-	-	16,000
Prepaid expenses and other current assets	<u>32,856</u>	<u>-</u>	<u>32,856</u>	<u>-</u>	<u>-</u>	<u>32,856</u>
Total current assets	<u>2,210,742</u>	<u>-</u>	<u>2,210,742</u>	<u>1,515,298</u>	<u>-</u>	<u>3,726,040</u>
Property and equipment, net	<u>4,047,291</u>	<u>-</u>	<u>4,047,291</u>	<u>-</u>	<u>-</u>	<u>4,047,291</u>
Other assets:						
Due from affiliates	1,515,298	-	1,515,298	-	(1,515,298)	-
Inter-company receivable/payable	10,125	(10,125)	-	-	-	-
Deferred financing costs, net	<u>16,040</u>	<u>-</u>	<u>16,040</u>	<u>-</u>	<u>-</u>	<u>16,040</u>
Total other assets	<u>1,541,463</u>	<u>(10,125)</u>	<u>1,531,338</u>	<u>-</u>	<u>(1,515,298)</u>	<u>16,040</u>
TOTAL ASSETS	<u>\$ 7,799,496</u>	<u>\$ (10,125)</u>	<u>\$ 7,789,371</u>	<u>\$ 1,515,298</u>	<u>\$ (1,515,298)</u>	<u>\$ 7,789,371</u>
<u>LIABILITIES AND NET ASSETS</u>						
Current liabilities:						
Accounts payable and accrued expenses	\$ 333,306	\$ -	\$ 333,306	\$ -	\$ -	\$ 333,306
Accrued payroll	733,943	-	733,943	-	-	733,943
Refundable advances	2,755	-	2,755	-	-	2,755
Current maturities of long-term debt	<u>48,565</u>	<u>-</u>	<u>48,565</u>	<u>-</u>	<u>-</u>	<u>48,565</u>
Total current liabilities	1,118,569	-	1,118,569	-	-	1,118,569
Long-term liabilities:						
Long-term debt, less current maturities	2,248,102	-	2,248,102	-	-	2,248,102
Other liabilities:						
Due to affiliate	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,515,298</u>	<u>(1,515,298)</u>	<u>-</u>
Total liabilities	3,366,671	-	3,366,671	1,515,298	(1,515,298)	3,366,671
Commitments and contingencies						
Net assets:						
Unrestricted	<u>4,432,825</u>	<u>(10,125)</u>	<u>4,422,700</u>	<u>-</u>	<u>-</u>	<u>4,422,700</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,799,496</u>	<u>\$ (10,125)</u>	<u>\$ 7,789,371</u>	<u>\$ 1,515,298</u>	<u>\$ (1,515,298)</u>	<u>\$ 7,789,371</u>

See independent auditor's report.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Combining</u>			Amber Schools Foundation, Inc.	Eliminations	Consolidation
	Amber Charter School	Amber Charter School II	Subtotal			
Changes in unrestricted net assets:						
Revenue and support:						
Public school district:						
Per student funding	\$ 6,518,703	\$ -	\$ 6,518,703	\$ -	\$ -	\$ 6,518,703
After school program:						
After school income	147,195	-	147,195	-	-	147,195
Grants and contracts:						
Federal, state and local	553,984	351,326	905,310	-	-	905,310
Contributions:						
Foundations	25,000	-	25,000	-	-	25,000
Corporations	1,295	-	1,295	-	-	1,295
Net assets released from restrictions (see below)	-	148,332	148,332	-	-	148,332
Special event revenue	-	-	-	69,728	-	69,728
Interest income	124	-	124	-	-	124
Rental income	34,814	-	34,814	-	-	34,814
In-kind donations of goods	3,325	-	3,325	-	-	3,325
Miscellaneous income	17,950	-	17,950	-	-	17,950
Total revenue and support	<u>7,302,390</u>	<u>499,658</u>	<u>7,802,048</u>	<u>69,728</u>	<u>-</u>	<u>7,871,776</u>
Expenses:						
Program services:						
Education	<u>5,917,988</u>	<u>215,484</u>	<u>6,133,472</u>	<u>-</u>	<u>-</u>	<u>6,133,472</u>
Supporting services:						
Management and general	1,059,505	275,292	1,334,797	3,009	-	1,337,806
Fund-raising	<u>5,060</u>	<u>-</u>	<u>5,060</u>	<u>30,670</u>	<u>-</u>	<u>35,730</u>
Total supporting services	<u>1,064,565</u>	<u>275,292</u>	<u>1,339,857</u>	<u>33,679</u>	<u>-</u>	<u>1,373,536</u>
Cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,228</u>	<u>-</u>	<u>28,228</u>
Total expenses	<u>6,982,553</u>	<u>490,776</u>	<u>7,473,329</u>	<u>61,907</u>	<u>-</u>	<u>7,535,236</u>
Change in unrestricted net assets	<u>319,837</u>	<u>8,882</u>	<u>328,719</u>	<u>7,821</u>	<u>-</u>	<u>336,540</u>
Changes in temporarily restricted net assets:						
Contributions	-	250,000	250,000	-	-	250,000
Net assets released from restrictions (see above)	<u>-</u>	<u>(148,332)</u>	<u>(148,332)</u>	<u>-</u>	<u>-</u>	<u>(148,332)</u>
Change in temporarily restricted net assets	<u>-</u>	<u>101,668</u>	<u>101,668</u>	<u>-</u>	<u>-</u>	<u>101,668</u>
Change in net assets	319,837	110,550	430,387	7,821	-	438,208
Net assets - beginning	<u>4,432,825</u>	<u>(10,125)</u>	<u>4,422,700</u>	<u>-</u>	<u>-</u>	<u>4,422,700</u>
NET ASSETS - ENDING	<u>\$ 4,752,662</u>	<u>\$ 100,425</u>	<u>\$ 4,853,087</u>	<u>\$ 7,821</u>	<u>\$ -</u>	<u>\$ 4,860,908</u>

See independent auditor's report.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Combining</u>			Amber Schools Foundation, Inc.	Eliminations	Consolidation
	Amber Charter School	Amber Charter School II	Subtotal			
Revenue and support:						
Public school district:						
Per student funding	\$ 6,822,427	\$ -	\$ 6,822,427	\$ -	\$ -	\$ 6,822,427
After school program:						
After school income	143,909	-	143,909	-	-	143,909
Grants and contracts:						
Federal, state and local	503,217	91,373	594,590	-	-	594,590
Contributions:						
Foundations	5,000	-	5,000	-	-	5,000
Individuals	1,560	-	1,560	-	-	1,560
Corporations	1,538	-	1,538	-	-	1,538
Special event revenue	8,661	-	8,661	-	-	8,661
Interest income	1,754	-	1,754	-	-	1,754
Rental income	41,016	-	41,016	-	-	41,016
In-kind donations of goods	2,109	-	2,109	-	-	2,109
Miscellaneous income	<u>6,142</u>	<u>-</u>	<u>6,142</u>	<u>-</u>	<u>-</u>	<u>6,142</u>
Total revenue and support	<u>7,537,333</u>	<u>91,373</u>	<u>7,628,706</u>	<u>-</u>	<u>-</u>	<u>7,628,706</u>
Expenses:						
Program services:						
Education	<u>6,027,891</u>	<u>33,337</u>	<u>6,061,228</u>	<u>-</u>	<u>-</u>	<u>6,061,228</u>
Supporting services:						
Management and general	969,975	68,161	1,038,136	-	-	1,038,136
Fund-raising	<u>29,212</u>	<u>-</u>	<u>29,212</u>	<u>-</u>	<u>-</u>	<u>29,212</u>
Total supporting services	<u>999,187</u>	<u>68,161</u>	<u>1,067,348</u>	<u>-</u>	<u>-</u>	<u>1,067,348</u>
Cost of direct benefit to donors	<u>3,941</u>	<u>-</u>	<u>3,941</u>	<u>-</u>	<u>-</u>	<u>3,941</u>
Total expenses	<u>7,031,019</u>	<u>101,498</u>	<u>7,132,517</u>	<u>-</u>	<u>-</u>	<u>7,132,517</u>
Change in net assets	506,314	(10,125)	496,189	-	-	496,189
Net assets - beginning	<u>3,926,511</u>	<u>-</u>	<u>3,926,511</u>	<u>-</u>	<u>-</u>	<u>3,926,511</u>
NET ASSETS - ENDING	<u>\$ 4,432,825</u>	<u>\$ (10,125)</u>	<u>\$ 4,422,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,422,700</u>

See independent auditor's report.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Combining																
	Amber Charter School					Amber Charter School II					Amber Schools Foundation, Inc.						
	Program Services	Supporting Services				Program Services	Supporting Services				Supporting Services						
	Education	Management and General	Fund- raising	Subtotal	Total	Education	Management and General	Fund- raising	Subtotal	Total	Combining Total	Management and General	Fund- raising	Subtotal	Direct Benefit Cost to Donors	Total	Grand Total
Personnel service costs:																	
Administrative staff personnel	\$ 471,786	\$ 639,593	\$ -	\$ 639,593	\$ 1,111,379	\$ 19,846	\$ 220,042	\$ -	\$ 220,042	\$ 239,888	\$ 1,351,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,351,267
Instructional personnel	2,846,214	-	-	-	2,846,214	-	-	-	-	-	2,846,214	-	-	-	-	-	2,846,214
Non-instructional personnel	148,298	-	-	-	148,298	-	-	-	-	-	148,298	-	-	-	-	-	148,298
Total personnel service costs	3,466,298	639,593	-	639,593	4,105,891	19,846	220,042	-	220,042	239,888	4,345,779	-	-	-	-	-	4,345,779
Fringe benefits and payroll taxes	1,099,766	196,046	-	196,046	1,295,812	2,631	42,915	-	42,915	45,546	1,341,358	-	-	-	-	-	1,341,358
Interest expense	152,859	6,369	-	6,369	159,228	-	-	-	-	-	159,228	-	-	-	-	-	159,228
Accounting and audit services	-	48,126	-	48,126	48,126	-	3,868	-	3,868	3,868	51,994	1,651	-	1,651	-	1,651	53,645
Professional and consulting services	248,597	58,310	5,060	63,370	311,967	192,326	3,301	-	3,301	195,627	507,594	-	30,670	30,670	-	30,670	538,264
Security	4,818	-	-	-	4,818	-	-	-	-	-	4,818	-	-	-	-	-	4,818
Repairs and maintenance	58,026	2,600	-	2,600	60,626	-	4,371	-	4,371	4,371	64,997	-	-	-	-	-	64,997
Insurance	74,675	-	-	-	74,675	-	51	-	51	51	74,726	-	-	-	-	-	74,726
Utilities	65,200	2,717	-	2,717	67,917	-	-	-	-	-	67,917	-	-	-	-	-	67,917
Supplies and materials	21,723	-	-	-	21,723	-	-	-	-	-	21,723	-	-	-	-	-	21,723
Equipment rental lease	37,313	1,555	-	1,555	38,868	-	-	-	-	-	38,868	-	-	-	-	-	38,868
Staff development	17,600	-	-	-	17,600	-	-	-	-	-	17,600	-	-	-	-	-	17,600
Technology	27,446	-	-	-	27,446	-	-	-	-	-	27,446	-	-	-	-	-	27,446
Food service	200,201	14,669	-	14,669	214,870	-	-	-	-	-	214,870	-	-	-	-	-	214,870
Student services	58,249	-	-	-	58,249	-	-	-	-	-	58,249	-	-	-	-	-	58,249
Office expenses	29,063	43,621	-	43,621	72,684	-	494	-	494	494	73,178	-	-	-	-	-	73,178
Depreciation and amortization	199,503	8,313	-	8,313	207,816	-	-	-	-	-	207,816	-	-	-	-	-	207,816
Travel	3,560	-	-	-	3,560	-	-	-	-	-	3,560	-	-	-	-	-	3,560
Dues and subscriptions	34,837	1,452	-	1,452	36,289	-	-	-	-	-	36,289	-	-	-	-	-	36,289
Postage	6,050	-	-	-	6,050	-	-	-	-	-	6,050	-	-	-	-	-	6,050
Catering for special event	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,228	28,228	28,228
Payroll processing fees	83,295	-	-	-	83,295	-	-	-	-	-	83,295	-	-	-	-	-	83,295
Miscellaneous	28,909	36,134	-	36,134	65,043	681	250	-	250	931	65,974	1,358	-	1,358	-	1,358	67,332
TOTAL FUNCTIONAL EXPENSES	\$ 5,917,988	\$ 1,059,505	\$ 5,060	\$ 1,064,565	\$ 6,982,553	\$ 215,484	\$ 275,292	\$ -	\$ 275,292	\$ 490,776	\$ 7,473,329	\$ 3,009	\$ 30,670	\$ 33,679	\$ 28,228	\$ 61,907	\$ 7,535,236

See independent auditor's report.

AMBER CHARTER SCHOOL
AND AMBER SCHOOLS FOUNDATION, INC.
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Combining														Grand Total		
	Amber Charter School						Amber Charter School II						Amber Schools Foundation, Inc.				
	Program Services	Supporting Services					Program Services	Supporting Services					Supporting Services	Direct Benefit Cost to Donors			
Education	Management and General	Fund-raising	Subtotal	Direct Benefit Cost to Donors	Total	Education	Management and General	Fund-raising	Subtotal	Direct Benefit Cost to Donors	Total	Combining Total	Supporting Services	Direct Benefit Cost to Donors	Total		
Personnel service costs:																	
Administrative staff personnel	\$ 469,888	\$ 566,777	\$ -	\$ 566,777	\$ -	\$ 1,036,665	\$ -	\$ 47,395	\$ -	\$ 47,395	\$ -	\$ 47,395	\$ 1,084,060	\$ -	\$ -	\$ -	1,084,060
Instructional personnel	2,919,678	-	-	-	-	2,919,678	-	-	-	-	-	-	2,919,678	-	-	-	2,919,678
Non-instructional personnel	<u>142,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,113</u>
Total personnel service costs	3,531,679	566,777	-	566,777	-	4,098,456	-	47,395	-	47,395	-	47,395	4,145,851	-	-	-	4,145,851
Fringe benefits and payroll taxes	1,121,510	171,460	-	171,460	-	1,292,970	-	4,692	-	4,692	-	4,692	1,297,662	-	-	-	1,297,662
Interest expense	156,002	6,500	-	6,500	-	162,502	-	-	-	-	-	162,502	-	-	-	-	162,502
Accounting and audit services	-	41,359	-	41,359	-	41,359	-	-	-	-	-	41,359	-	-	-	-	41,359
Professional and consulting services	223,843	67,807	29,212	97,019	-	320,862	33,337	16,074	-	16,074	-	49,411	370,273	-	-	-	370,273
Security	3,886	-	-	-	-	3,886	-	-	-	-	-	3,886	-	-	-	-	3,886
Repairs and maintenance	56,270	2,345	-	2,345	-	58,615	-	-	-	-	-	58,615	-	-	-	-	58,615
Insurance	67,675	-	-	-	-	67,675	-	-	-	-	-	67,675	-	-	-	-	67,675
Utilities	92,744	3,864	-	3,864	-	96,608	-	-	-	-	-	96,608	-	-	-	-	96,608
Supplies and materials	90,507	-	-	-	-	90,507	-	-	-	-	-	90,507	-	-	-	-	90,507
Equipment rental lease	30,382	1,266	-	1,266	-	31,648	-	-	-	-	-	31,648	-	-	-	-	31,648
Staff development	96,988	-	-	-	-	96,988	-	-	-	-	-	96,988	-	-	-	-	96,988
Technology	9,829	-	-	-	-	9,829	-	-	-	-	-	9,829	-	-	-	-	9,829
Food service	139,549	25,460	-	25,460	-	165,009	-	-	-	-	-	165,009	-	-	-	-	165,009
Student services	44,566	-	-	-	-	44,566	-	-	-	-	-	44,566	-	-	-	-	44,566
Office expenses	10,742	55,485	-	55,485	-	66,227	-	-	-	-	-	66,227	-	-	-	-	66,227
Depreciation and amortization	213,957	8,915	-	8,915	-	222,872	-	-	-	-	-	222,872	-	-	-	-	222,872
Travel	3,231	-	-	-	-	3,231	-	-	-	-	-	3,231	-	-	-	-	3,231
Dues and subscriptions	19,947	831	-	831	-	20,778	-	-	-	-	-	20,778	-	-	-	-	20,778
Postage	5,195	-	-	-	-	5,195	-	-	-	-	-	5,195	-	-	-	-	5,195
Catering for special event	-	-	-	-	3,941	3,941	-	-	-	-	-	3,941	-	-	-	-	3,941
Payroll processing fees	83,379	-	-	-	-	83,379	-	-	-	-	-	83,379	-	-	-	-	83,379
Miscellaneous	<u>26,010</u>	<u>17,906</u>	<u>-</u>	<u>17,906</u>	<u>-</u>	<u>43,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,916</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 6,027,891</u>	<u>\$ 969,975</u>	<u>\$ 29,212</u>	<u>\$ 999,187</u>	<u>\$ 3,941</u>	<u>\$ 7,031,019</u>	<u>\$ 33,337</u>	<u>\$ 68,161</u>	<u>\$ -</u>	<u>\$ 68,161</u>	<u>\$ -</u>	<u>\$ 101,498</u>	<u>\$ 7,132,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,132,517</u>

See independent auditor's report.