

**AMBER CHARTER SCHOOLS AND AFFILIATES**

**NEW YORK, NEW YORK**

**CONSOLIDATED AUDITED FINANCIAL STATEMENTS**

**OTHER FINANCIAL INFORMATION**

**AND**

**INDEPENDENT AUDITOR'S REPORTS**

**JUNE 30, 2023**



BUSINESS  
ADVISORS  
AND CPAS

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BUSINESS  
ADVISORS  
AND CPAS

## 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, 2023, 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, 2023, 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.

#### ***Change in Accounting Principle***

As discussed in Note A to the financial statements, during 2023, the entity adopted new accounting guidance related to accounting for leases. Our opinion is not modified with respect to this matter.

#### ***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 disclose 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.

### **Other Report Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023 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, Barw & Co. LLP*

Rochester, New York  
October 25, 2023

AMBER CHARTER SCHOOLS AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

ASSETS

CURRENT ASSETS

Cash	\$ 8,138,956
Grants and contracts receivable	4,168,368
Prepaid expenses	478,077
Related party receivables	1,124,877
TOTAL CURRENT ASSETS	<u>13,910,278</u>

<u>PROPERTY AND EQUIPMENT</u> , net	5,489,573
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OTHER ASSETS

Security deposits	72,878
Cash in escrow	157,062
Right-of-use assets - Finance	413,273
Right-of-use assets - Operating	100,074,425
	<u>100,717,638</u>
TOTAL ASSETS	<u>\$ 120,117,489</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 89,179
Accounts payable and accrued expenses	1,246,801
Accrued payroll and benefits	1,503,579
Deferred revenue	55,304
Related party payables	38,385
Current portion of lease liabilities - Finance	164,815
Current portion of lease liabilities - Operating	1,754,281
TOTAL CURRENT LIABILITIES	<u>4,852,344</u>

OTHER LIABILITIES

Long-term debt, net of unamortized debt issuance costs of \$58,519	1,657,762
Long-term lease liabilities - Finance	256,102
Long-term lease liabilities - Operating	102,752,166
	<u>104,666,030</u>
TOTAL LIABILITIES	109,518,374

<u>NET ASSETS</u> - without donor restrictions	10,599,115
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 120,117,489</u>

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, 2023

Public school district:	
Resident student enrollment	\$ 18,612,381
Students with disabilities	257,794
Grants and contracts:	
State and local	80,164
Federal - Title and IDEA	802,489
Federal - other	2,367,805
Food service / Child nutrition program	620,459
NYC DoE Rental Assistance	<u>3,358,044</u>
	TOTAL REVENUE, GAINS AND OTHER SUPPORT
	26,099,136
Expenses:	
Program:	
Regular education	15,989,045
Special education	<u>4,475,655</u>
	TOTAL PROGRAM EXPENSES
	20,464,700
Management and general	<u>8,058,452</u>
	TOTAL OPERATING EXPENSES
	<u>28,523,152</u>
	DEFICIT FROM SCHOOL OPERATIONS
	(2,424,016)
Support and other revenue:	
Contributions	
Foundations	1,026,035
Individuals	15,000
Corporations	4,736
Investment income	3,661
Miscellaneous income	<u>36,179</u>
	TOTAL SUPPORT AND OTHER REVENUE
	<u>1,085,611</u>
	CHANGE IN NET ASSETS
	(1,338,405)
Net assets without donor restrictions at beginning of year	<u>11,937,520</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR	<u>\$ 10,599,115</u>

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, 2023

		Year ended June 30,					
		2023					
		Program Services			Supporting Services		Total
	No. of Positions	Regular Education	Special Education	Sub-total	Management and general	Sub-total	
Personnel Services Costs:							
Administrative staff personnel	54	\$ 826,519	\$ 175,317	\$ 1,001,836	\$ 4,007,341	\$ 4,007,341	\$ 5,009,177
Instructional personnel	100	5,383,223	1,752,309	7,135,532	-	-	7,135,532
Non-instructional personnel	6	203,819	46,175	249,994	-	-	249,994
Total salaries and staff	160	6,413,561	1,973,801	8,387,362	4,007,341	4,007,341	12,394,703
Fringe benefits, payroll taxes, and retirement		1,758,949	543,802	2,302,751	1,078,259	1,078,259	3,381,010
Retirement		258,949	82,211	341,160	170,981	170,981	512,141
Professional development		190,318	42,074	232,392	-	-	232,392
Legal services		-	-	-	4,000	4,000	4,000
Accounting / audit		-	-	-	66,401	66,401	66,401
Financial management services		-	-	-	65,725	65,725	65,725
Professional services		1,381,825	336,325	1,718,150	434,291	434,291	2,152,441
Travel and conference		17,121	4,907	22,028	25,260	25,260	47,288
Student and staff recruitment		93,690	22,113	115,803	139,012	139,012	254,815
Supplies / materials		372,985	76,638	449,623	-	-	449,623
Office expenses		20,562	4,606	25,168	100,667	100,667	125,835
Food service		358,838	76,361	435,199	-	-	435,199
Student services		446,291	-	446,291	-	-	446,291
Insurance		31,111	7,433	38,544	122,898	122,898	161,442
Dues and subscriptions		23,496	7,197	30,693	22,008	22,008	52,701
Building and land rent / lease		3,663,712	1,059,583	4,723,295	1,646,958	1,646,958	6,370,253
Utilities		43,746	13,690	57,436	23,601	23,601	81,037
Non-capitalized equipment and furnishings		4,245	1,262	5,507	2,027	2,027	7,534
Technology		146,462	32,539	179,001	19,888	19,888	198,889
Repairs and maintenance		58,069	19,558	77,627	20,348	20,348	97,975
Depreciation and amortization		501,769	114,746	616,515	68,502	68,502	685,017
Interest expense		72,837	28,122	100,959	22,590	22,590	123,549
Other		130,509	28,687	159,196	17,695	17,695	176,891
		<u>\$ 15,989,045</u>	<u>\$ 4,475,655</u>	<u>\$ 20,464,700</u>	<u>\$ 8,058,452</u>	<u>\$ 8,058,452</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, 2023

CASH FLOWS - OPERATING ACTIVITIES

Change in net assets	\$ (1,338,405)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation and amortization	446,601
Amortization of debt issuance costs included in interest expense	4,335
Changes in certain assets and liabilities affecting operations:	
Grants and contracts receivable	(841,724)
Related party receivables, net	(229,504)
Prepaid expenses	(429,114)
Security deposits	393
Deferred lease receivable	267,077
Accounts payable and accrued expenses	631,394
Accrued payroll and benefits	(414,523)
Deferred revenue	(61,902)
Deferred lease payable	(2,473,387)
Lease liability, net of right of use assets	<u>4,433,670</u>
NET CASH USED FOR OPERATING ACTIVITIES	(5,089)

CASH FLOWS - INVESTING ACTIVITIES

Additions to property and equipment	<u>(94,202)</u>
NET CASH USED FOR INVESTING ACTIVITIES	(94,202)

CASH FLOWS - FINANCING ACTIVITIES

Repayment of long-term debt	<u>(83,965)</u>
NET CASH USED FOR FINANCING ACTIVITIES	<u>(83,965)</u>

NET DECREASE IN CASH AND RESTRICTED CASH (183,256)

Cash and restricted cash at beginning of year	<u>8,479,274</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 8,296,018</u>

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



AMBER CHARTER SCHOOLS AND AFFILIATES  
CONSOLIDATED STATEMENT OF CASH FLOWS, Cont'd  
YEAR ENDED JUNE 30, 2023

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest paid	\$ 119,214
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Reconciliation of cash reported within the statement of financial position  
that sum to the total amounts shown in the statement of cash flows:

Cash	\$ 8,138,956
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Cash in escrow	<u>157,062</u>
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Total cash and restricted cash shown in the statement of cash flows	<u>\$ 8,296,018</u>
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NON-CASH OPERATING AND INVESTING ACTIVITIES

Purchase of property and equipment, net through accounts payable and accrued expense	<u>\$ 85,120</u>
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Right of use assets obtained in exchange for operating lease liabilities	<u>\$ 342,796</u>
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The accompanying notes are an integral part of the consolidated financial statements.

AMBER CHARTER SCHOOLS AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 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 187<sup>th</sup> Street, LLC ("652 West"), 3120 Corlear Avenue, LLC ("3120 Corlear") and 220 East 106<sup>th</sup> 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 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 year ended June 30, 2023.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 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, 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, 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:

	June 30,	
	2023	2022
Grants and other receivables	\$ 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 \$2,150,000 to be received by December 15, 2023. The Organization recognized \$630,000 of contribution revenue on the accompanying consolidated statement of activities and changes in net assets for the year ended June 30, 2023 relating to this contribution, and approximately \$900,000 in prior years.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 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 \$1,078,000, that have not been recognized at June 30, 2023, 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 \$157,062 at June 30, 2023.

Grants and contracts receivable and other receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts based on its assessment of the current status of individual receivables from grants, agencies and others. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts. There was no allowance for doubtful accounts at June 30, 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.

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.

## AMBER CHARTER SCHOOLS AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

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

##### Tax exempt status

Amber Charter Schools 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. Amber Charter Schools files Form 990 tax returns in the U.S. federal jurisdiction. The LLCs are single member LLCs and are disregarded for tax purposes. The tax returns for the years ended June 30, 2020 through June 30, 2023 are still subject to potential audit by the IRS. Management of Amber Charter Schools believes it has no material uncertain tax positions and, accordingly it will not recognize 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 \$253,400 for the year ended June 30, 2023.

##### 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 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.

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.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

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

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.

Leases

In February 2016, the FASB issued a new standard related to leases to increase transparency and comparability among entities by requiring the recognition of ROU assets and lease liabilities on the consolidated statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases under current U.S. GAAP. For nonpublic entities, the FASB voted on May 20, 2020, to extend the guidance in this new standard to be effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Organization adopted ASC 842 with the date of initial application of July 1, 2022.

The Organization recognized and measured leases existing at July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available.

As part of the adoption of ASC 842, the Organization elected practical expedients to account for the existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard; (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance; or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022 operating lease liabilities of \$105,528,864, which represents the present value of the remaining operating lease payments of \$175,704,709 discounted using the risk-free rate ranging from 2.85% to 3.11%, and the right-of-use assets of \$103,322,555.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022 finance lease liabilities of \$236,764, which represents the present value of the remaining finance lease payments of \$249,134 discounted using the risk-free rate ranging from 2.85% to 6.05%, and the right-of-use assets of \$229,575, adjusted for accrued rent of \$7,189.

The standard had a material impact on the accompanying consolidated statement of financial position but did not have a significant impact on the consolidated statements of activities, changes in net assets, and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating and financing leases.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

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

New accounting pronouncement – credit losses

In June 2016 the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13), which requires entities to use a new impairment model referred to as the current expected credit losses (CECL) model rather than incurred losses. The new standard affects accounting for loans, accounts (trade) receivable, held-to-maturity debt securities, and other financial assets included in the scope. For non-public entities, the new standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Organization is currently evaluating the provisions of this standard to determine the impact the new standard will have on the Organization's financial position or results of operations.

Subsequent events

The Organization has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 25, 2023, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

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 at June 30, 2023:

Cash	\$ 8,138,956
Grants and contracts receivable and other receivables	<u>4,168,368</u>
Total financial assets available to management within one year	12,307,324
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted cash	<u>-</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 12,307,324</u>



AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

NOTE C: RELATED PARTY TRANSACTIONS

The Organization is a guarantor of mortgages in the name of 532 West 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, 2023, the outstanding balance of the mortgage notes are approximately \$13,105,000. At June 30, 2023, the maximum amount of future payments (undiscounted) the Organization could be required to make under the guarantees are \$14,659,000. Amber Charter Schools must comply with certain financial covenants relative to the construction loans. Amber Charter Schools is in compliance with these covenants at June 30, 2023.

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 \$17,900.

Total lease expense paid for the year ended June 30, 2023 was \$162,737.

A summary of the finance lease right-of-use assets and liabilities at June 30, 2023 are as follows:

		Consolidated Statement of Financial Position Classification	Amber Charter Schools					
			East Harlem	Kingsbridge	Total			
<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	
			\$	183,273	\$	237,644	\$	420,917

The components of the lease expense were as follows:

		Amber Charter Schools		
		East Harlem	Kingsbridge	Total
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, 2023

NOTE D: FINANCE LEASES, Cont'd

As of June 30, 2023, minimum payments due for finance lease liabilities are as follows:

		Amber Charter Schools		
		East Harlem	Kingsbridge	Total
	2024	\$ 90,195	\$ 88,110	\$ 178,305
	2025	46,956	65,347	112,303
	2026	42,021	64,560	106,581
	2027	14,007	36,247	50,254
	Total lease payments	193,179	254,264	447,443
Less: Interest		9,906	16,620	26,526
	Present value of lease liabilities	<u>\$ 183,273</u>	<u>\$ 237,644</u>	<u>\$ 420,917</u>

Supplemental Information for the year ended June 30, 2023:

		Amber Charter Schools		
		East Harlem	Kingsbridge	Total
Cash paid for amounts included for the year ended June 30, 2023				
	Operating cash flows from finance leases	\$ 5,770	\$ 6,558	\$ 12,328
	Financing cash flows from 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, 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-four 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. On June 15, 2020, the terms of this lease were amended. The term of this amendment is for the period July 1, 2020 until June 30, 2021. On May 11, 2021, the terms of this lease were amended. The term of the third 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.

The property was sublet to Kingsbridge in an agreement that commenced in August 2017 and expired in July 2019. In July 2019, a new sublease was signed that commenced July 2019 and expired June 2021. This sublease has an option to renew every two years for thirty-five years. Effective June 15, 2020, the lease held by 3120 Corlear with the unrelated third party was assigned to Kingsbridge and the sublease between 3120 Corlear and Kingsbridge was terminated. Total rent paid under the third party lease was approximately \$1,447,000 for the year ended June 30, 2023. 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, 2023. There are additional security deposits of \$13,708 at June 30, 2023, which represent deposits on electric meters and lease below.

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. Rent began on July 1, 2021, but there was a rent release from August through November 2021 for construction purposes. 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>
2024	\$ 2,125,000
2025	2,233,000
2026	2,305,000
2027	2,305,000
2028	2,305,000
Thereafter	82,128,000
	<u>\$ 93,401,000</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 \$2,770,000 for the year ended June 30, 2023.

Kingsbridge leased a portion of this space from Inwood for the year ended June 30, 2023 for \$1,384,998. 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, 2023

NOTE E: OPERATING LEASES, Cont'd

A summary of the operating lease right-to use assets and liabilities at June 30, 2023 are as follows:

		Consolidated Statement of Financial Position Classification	Amber Charter Schools		
			Amber Kingsbridge	Amber Inwood	Total
<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 June 30, 2023 were as follows:

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

As of June 30, 2023, minimum payments due for operating lease liabilities are as follows:

		Amber Charter Schools		
		Amber Kingsbridge	Amber Inwood	Total
2024		\$ 1,450,879	\$ 3,507,728	\$ 4,958,607
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
Thereafter		-	147,677,378	147,677,378
Total lease payments		4,378,675	167,058,503	171,437,178
Less: Interest		179,064	66,751,667	66,930,731
Present value of lease liabilities		<u>\$ 4,199,611</u>	<u>\$ 100,306,836</u>	<u>\$ 104,506,447</u>

AMBER CHARTER SCHOOLS AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd  
JUNE 30, 2023

NOTE E: OPERATING LEASES, Cont'd

Supplemental information for finance and operating leases for the year ended June 30, 2023:

	Amber Charter Schools		
	<u>Kingsbridge</u>	<u>Inwood</u>	<u>Total</u>
Cash paid for amounts included for the year ended June 30, 2023			
Operating cash flows from 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%	

NOTE F: PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2023:

Land	\$ 335,000
Building	5,561,366
Furniture and fixtures	929,917
Computers and equipment	2,157,401
Software	55,860
Leasehold improvements	1,004,755
Construction in progress	<u>5,030</u>
	10,049,329
Less accumulated depreciation and amortization	<u>4,559,756</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 year ended June 30, 2023 was approximately \$610,000.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

NOTE G: LONG-TERM DEBT

Amber Charter Schools had a mortgage payable to a bank dated September 29, 2011, which was collateralized by East Harlem's real estate in the city of New York. The loan was 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. In October 2016, East Harlem entered into a loan modification agreement with the bank extending the loan's maturity to December 28, 2016 under the same terms. On December 30, 2016, Amber Charter Schools, with 220 East as a co-borrower, refinanced the mortgage with the bank by entering into an amended and restated loan and security agreement.

Long-term debt is summarized as follows at June 30, 2023:

Note payable, due in monthly installments of \$16,315, including interest at 6.04%, through December 2036. The note is collateralized by real property.	\$ 1,805,460
Less unamortized debt issuance costs	(58,519)
Less current portion of long-term debt	(89,179)
	<u>\$ 1,657,762</u>

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

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ 89,179
2025	94,717
2026	100,599
2027	106,846
2028	113,481
Thereafter	1,300,638
	<u>\$ 1,805,460</u>

220 East and Amber Charter Schools must comply with certain financial covenants relative to the construction loans. 220 East and Amber Charter Schools are in compliance with these covenants at June 30, 2023.

AMBER CHARTER SCHOOLS AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd  
JUNE 30, 2023

NOTE H: NET ASSETS

Net assets without donor restrictions are as follows at June 30, 2023:

Undesignated net assets	\$ 6,856,483
Invested in property and equipment, net of related debt	<u>3,742,632</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, 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.

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 year ended June 30, 2023. The Organization made contributions of approximately \$512,100 for the year ended June 30, 2023.

NOTE K: UNION AGREEMENT

At June 30, 2023, the Organization had 155 employees, of which 90 are represented by a union. The union agreement covering these employees expired on August 31, 2022. In April 2023, the Organization entered into a collective bargaining agreement with the employee union. This agreement went into effect during September 2022 and expires 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.

AMBER CHARTER SCHOOLS AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

NOTE M: CONCENTRATIONS

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

During the year ended June 30, 2023, 70% 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.

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 \$2,295,000 of revenue relative to ESSER grants during the year ended June 30, 2023. The Organization has \$1,078,000 of ESSER grants still available through September 30, 2024; as of June 30, 2023.



**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, 2023, and have issued our report thereon dated October 25, 2023, 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, 2023, as a whole.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
October 25, 2023

AMBER CHARTER SCHOOLS

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

ASSETS	Amber Charter Schools					
	East Harlem	Kingsbridge	Inwood	School Services Team	Eliminations	Total
<u>CURRENT ASSETS</u>						
Cash	\$ 1,815,785	\$ 2,671,586	\$ 294,692	\$ 3,356,893	\$ -	\$ 8,138,956
Grants and contracts receivable	1,709,537	1,897,976	556,236	4,619	-	4,168,368
Prepaid expenses	4,819	142,104	290,548	40,606	-	478,077
Related party receivables	5,298,900	2,902,282	-	268,977	(7,345,282)	1,124,877
TOTAL CURRENT ASSETS	8,829,041	7,613,948	1,141,476	3,671,095	(7,345,282)	13,910,278
<u>PROPERTY AND EQUIPMENT, net</u>	3,847,929	446,422	1,179,980	15,242	-	5,489,573
<u>OTHER ASSETS</u>						
Security deposits	-	72,878	-	-	-	72,878
Cash in escrow	157,062	-	-	-	-	157,062
Right-of-use assets - Finance	181,522	231,751	-	-	-	413,273
Right-of-use assets - Operating	-	4,390,682	95,683,743	-	-	100,074,425
	338,584	4,695,311	95,683,743	-	-	100,717,638
TOTAL ASSETS	\$ 13,015,554	\$ 12,755,681	\$ 98,005,199	\$ 3,686,337	\$ (7,345,282)	\$ 120,117,489
<u>LIABILITIES AND NET ASSETS (DEFICIENCY)</u>						
<u>CURRENT LIABILITIES</u>						
Current maturities of long-term debt	\$ 89,179	\$ -	\$ -	\$ -	\$ -	\$ 89,179
Accounts payable and accrued expenses	686,005	178,654	57,098	325,044	-	1,246,801
Accrued payroll and benefits	517,491	733,840	177,124	75,124	-	1,503,579
Deferred revenue	-	-	-	55,304	-	55,304
Related party payables	-	-	4,621,832	2,761,835	(7,345,282)	38,385
Current portion of lease liabilities - Finance	84,847	79,968	-	-	-	164,815
Current portion of lease liabilities - Operating	-	1,351,155	403,126	-	-	1,754,281
TOTAL CURRENT LIABILITIES	1,377,522	2,343,617	5,259,180	3,217,307	(7,345,282)	4,852,344
<u>OTHER LIABILITIES</u>						
Long-term debt, net of unamortized debt issuance costs of \$58,519	1,657,762	-	-	-	-	1,657,762
Long-term lease liabilities - Finance	98,426	157,676	-	-	-	256,102
Long-term lease liabilities - Operating	-	2,848,456	99,903,710	-	-	102,752,166
	1,756,188	3,006,132	99,903,710	-	-	104,666,030
TOTAL LIABILITIES	3,133,710	5,349,749	105,162,890	3,217,307	(7,345,282)	109,518,374
<u>NET ASSETS (DEFICIENCY)</u>	9,881,844	7,405,932	(7,157,691)	469,030	-	10,599,115
TOTAL LIABILITIES AND NET ASSETS (DEFICIENCY)	\$ 13,015,554	\$ 12,755,681	\$ 98,005,199	\$ 3,686,337	\$ (7,345,282)	\$ 120,117,489

AMBER CHARTER SCHOOLS

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2023

	Amber Charter Schools					
	East Harlem	Kingsbridge	Inwood	School Services Team	Eliminations	Total
Revenue, gains and other support:						
Public school district:						
Resident student enrollment	\$ 5,810,693	\$ 11,049,011	\$ 1,752,677	\$ -	\$ -	\$ 18,612,381
Students with disabilities	10,390	232,214	15,190	-	-	257,794
Grants and contracts:						
State and local	31,378	44,511	4,275	-	-	80,164
Federal - Title and IDEA	275,965	450,921	75,603	-	-	802,489
Federal - other	973,260	1,026,963	367,582	-	-	2,367,805
Food service / Child nutrition program	199,230	331,571	89,658	-	-	620,459
NYC DoE Rental Assistance	-	2,832,241	525,803	-	-	3,358,044
TOTAL REVENUE, GAINS AND OTHER SUPPORT	7,300,916	15,967,432	2,830,788	-	-	26,099,136
Expenses:						
Program:						
Regular education	3,828,283	7,768,576	4,256,259	986,547	(850,620)	15,989,045
Special education	1,315,397	1,942,091	1,241,444	208,174	(231,451)	4,475,655
TOTAL PROGRAM EXPENSES	5,143,680	9,710,667	5,497,703	1,194,721	(1,082,071)	20,464,700
Management and general	2,136,264	4,364,661	2,281,874	3,213,028	(3,937,375)	8,058,452
TOTAL OPERATING EXPENSES	7,279,944	14,075,328	7,779,577	4,407,749	(5,019,446)	28,523,152
SURPLUS (DEFICIT) FROM SCHOOL OPERATIONS	20,972	1,892,104	(4,948,789)	(4,407,749)	5,019,446	(2,424,016)
Support and other revenue:						
Contributions						
Foundations	-	140,652	46,045	839,338	-	1,026,035
Individuals	-	-	-	15,000	-	15,000
Corporations	2,236	-	-	2,500	-	4,736
Management fee income	-	-	-	3,634,448	(3,634,448)	-
Rental income	-	-	1,384,998	-	(1,384,998)	-
Investment income	-	-	-	3,661	-	3,661
Miscellaneous income	4,032	2,623	2,909	26,615	-	36,179
TOTAL SUPPORT AND OTHER REVENUE	6,268	143,275	1,433,952	4,521,562	(5,019,446)	1,085,611
CHANGE IN NET ASSETS	27,240	2,035,379	(3,514,837)	113,813	-	(1,338,405)
Net assets (deficiency) at beginning of year	9,854,604	5,370,553	(3,642,854)	355,217	-	11,937,520
NET ASSETS (DEFICIENCY) AT END OF YEAR	\$ 9,881,844	\$ 7,405,932	\$ (7,157,691)	\$ 469,030	\$ -	\$ 10,599,115

AMBER CHARTER SCHOOL EAST HARLEM

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2023

	No. of Positions	Program Services			Supporting Services		Total
		Regular Education	Special Education	Sub-total	Management and general	Sub-total	
Personnel Services Costs:							
Administrative staff personnel	7	\$ 119,233	\$ 26,698	\$ 145,931	\$ 583,726	\$ 583,726	\$ 729,657
Instructional personnel	33	1,730,952	707,384	2,438,336	-	-	2,438,336
Non-instructional personnel	<u>2</u>	<u>69,777</u>	<u>15,624</u>	<u>85,401</u>	<u>-</u>	<u>-</u>	<u>85,401</u>
Total salaries and staff	42	1,919,962	749,706	2,669,668	583,726	583,726	3,253,394
Fringe benefits and payroll taxes		539,627	212,429	752,056	165,713	165,713	917,769
Retirement		100,332	39,497	139,829	30,811	30,811	170,640
Professional development		35,293	7,902	43,195	-	-	43,195
Professional services		456,714	129,991	586,705	1,246,109	1,246,109	1,832,814
Travel and conference		3,450	1,359	4,809	1,060	1,060	5,869
Supplies / materials		115,405	25,841	141,246	-	-	141,246
Office expenses		5,455	1,222	6,677	26,707	26,707	33,384
Food service		114,010	25,529	139,539	-	-	139,539
Student services		83,739	-	83,739	-	-	83,739
Utilities		12,244	4,820	17,064	3,760	3,760	20,824
Insurance		1,565	616	2,181	481	481	2,662
Dues and subscriptions		7,105	2,797	9,902	2,182	2,182	12,084
Non-capitalized equipment and furnishings		526	207	733	162	162	895
Technology		17,812	3,988	21,800	2,422	2,422	24,222
Repairs and maintenance		29,248	11,513	40,761	8,981	8,981	49,742
Depreciation and amortization		221,711	49,645	271,356	30,151	30,151	301,507
Interest expense		68,296	26,886	95,182	20,973	20,973	116,155
Other		<u>95,789</u>	<u>21,449</u>	<u>117,238</u>	<u>13,026</u>	<u>13,026</u>	<u>130,264</u>
		<u>\$ 3,828,283</u>	<u>\$ 1,315,397</u>	<u>\$ 5,143,680</u>	<u>\$ 2,136,264</u>	<u>\$ 2,136,264</u>	<u>\$ 7,279,944</u>

AMBER CHARTER SCHOOL KINGSBRIDGE

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2023

	No. of Positions	Program Services			Supporting Services		Total
		Regular Education	Special Education	Sub-total	Management and general	Sub-total	
Personnel Services Costs:							
Administrative staff personnel	17	\$ 247,156	\$ 46,365	\$ 293,521	\$ 1,174,081	\$ 1,174,081	\$ 1,467,602
Instructional personnel	53	2,971,771	844,312	3,816,083	-	-	3,816,083
Non-instructional personnel	<u>2</u>	<u>83,627</u>	<u>15,688</u>	<u>99,315</u>	<u>-</u>	<u>-</u>	<u>99,315</u>
Total salaries and staff	72	3,302,554	906,365	4,208,919	1,174,081	1,174,081	5,383,000
Fringe benefits and payroll taxes		899,023	244,621	1,143,644	320,163	320,163	1,463,807
Retirement		117,658	32,015	149,673	41,901	41,901	191,574
Professional development		54,843	10,288	65,131	-	-	65,131
Professional services		664,269	138,800	803,069	2,109,994	2,109,994	2,913,063
Student and staff recruitment		29,865	8,126	37,991	10,635	10,635	48,626
Travel and conference		6,972	1,897	8,869	2,483	2,483	11,352
Supplies / materials		213,594	40,069	253,663	-	-	253,663
Office expenses		9,372	1,758	11,130	44,520	44,520	55,650
Food service		199,087	37,347	236,434	-	-	236,434
Student services		299,499	-	299,499	-	-	299,499
Building and land rent / lease		1,740,648	473,343	2,213,991	619,516	619,516	2,833,507
Dues and subscriptions		8,963	2,439	11,402	3,192	3,192	14,594
Utilities		13,397	3,645	17,042	4,771	4,771	21,813
Non-capitalized equipment and furnishings		1,635	445	2,080	582	582	2,662
Technology		17,289	3,243	20,532	2,281	2,281	22,813
Repairs and maintenance		19,884	5,410	25,294	7,081	7,081	32,375
Depreciation and amortization		161,853	30,362	192,215	21,357	21,357	213,572
Interest expense		4,541	1,236	5,777	1,617	1,617	7,394
Other		<u>3,630</u>	<u>682</u>	<u>4,312</u>	<u>487</u>	<u>487</u>	<u>4,799</u>
		<u>\$ 7,768,576</u>	<u>\$ 1,942,091</u>	<u>\$ 9,710,667</u>	<u>\$ 4,364,661</u>	<u>\$ 4,364,661</u>	<u>\$ 14,075,328</u>

AMBER CHARTER SCHOOL INWOOD

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2023

	No. of Positions	Program Services			Supporting Services		Total
		Regular Education	Special Education	Sub-total	Management and general	Sub-total	
Personnel Services Costs:							
Administrative staff personnel	6	\$ 74,496	\$ 21,961	\$ 96,457	\$ 385,826	\$ 385,826	\$ 482,283
Instructional personnel	14	680,500	200,613	881,113	-	-	881,113
Non-instructional personnel	<u>2</u>	<u>50,415</u>	<u>14,863</u>	<u>65,278</u>	<u>-</u>	<u>-</u>	<u>65,278</u>
Total salaries and staff	22	805,411	237,437	1,042,848	385,826	385,826	1,428,674
Fringe benefits and payroll taxes		200,542	59,120	259,662	96,188	96,188	355,850
Retirement		19,499	5,748	25,247	9,353	9,353	34,600
Professional development		34,937	10,299	45,236	-	-	45,236
Legal services		-	-	-	770	770	770
Professional services		132,920	39,185	172,105	397,254	397,254	569,359
Travel and conference		1,648	486	2,134	790	790	2,924
Supplies / Materials		18,135	5,346	23,481	-	-	23,481
Office expenses		4,999	1,473	6,472	25,884	25,884	32,356
Food service		45,741	13,485	59,226	-	-	59,226
Student services		45,157	-	45,157	-	-	45,157
Building and land rent / lease		2,773,684	817,691	3,591,375	1,330,369	1,330,369	4,921,744
Dues and subscriptions		3,860	1,138	4,998	1,852	1,852	6,850
Utilities		16,362	4,823	21,185	7,848	7,848	29,033
Non-capitalized equipment and furnishings		2,006	592	2,598	962	962	3,560
Technology		24,497	7,222	31,719	3,524	3,524	35,243
Repairs and maintenance		8,937	2,635	11,572	4,286	4,286	15,858
Depreciation and amortization		116,968	34,482	151,450	16,828	16,828	168,278
Other		<u>956</u>	<u>282</u>	<u>1,238</u>	<u>140</u>	<u>140</u>	<u>1,378</u>
		<u>\$ 4,256,259</u>	<u>\$ 1,241,444</u>	<u>\$ 5,497,703</u>	<u>\$ 2,281,874</u>	<u>\$ 2,281,874</u>	<u>\$ 7,779,577</u>

AMBER SCHOOL SERVICES TEAM

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	No. of Positions	Program Services			Supporting Services		Total
		Regular Education	Special Education	Sub-total	Management and general	Sub-total	
Personnel Services Costs:							
Administrative staff personnel	24	\$ 385,634	\$ 80,293	\$ 465,927	\$ 1,863,708	\$ 1,863,708	\$ 2,329,635
Instructional personnel	-	-	-	-	-	-	-
Non-instructional personnel	-	-	-	-	-	-	-
Total salaries and staff	24	385,634	80,293	465,927	1,863,708	1,863,708	2,329,635
Fringe benefits and payroll taxes		119,757	27,632	147,389	496,195	496,195	643,584
Retirement		21,460	4,951	26,411	88,916	88,916	115,327
Professional development		65,245	13,585	78,830	-	-	78,830
Legal services		-	-	-	3,230	3,230	3,230
Accounting / Audit		-	-	-	66,401	66,401	66,401
Financial management services		-	-	-	65,725	65,725	65,725
Professional services		127,922	28,349	156,271	315,382	315,382	471,653
Supplies and Materials		25,851	5,382	31,233	-	-	31,233
Student services		17,896	-	17,896	-	-	17,896
Student and staff recruitment		63,825	13,987	77,812	128,377	128,377	206,189
Travel and conference		5,051	1,165	6,216	20,927	20,927	27,143
Office expenses		736	153	889	3,556	3,556	4,445
Insurance		29,546	6,817	36,363	122,417	122,417	158,780
Dues and subscriptions		3,568	823	4,391	14,782	14,782	19,173
Utilities		1,743	402	2,145	7,222	7,222	9,367
Non-capitalized equipment and furnishings		78	18	96	321	321	417
Technology		86,864	18,086	104,950	11,661	11,661	116,611
Depreciation and amortization		1,237	257	1,494	166	166	1,660
Other		30,134	6,274	36,408	4,042	4,042	40,450
		<u>\$ 986,547</u>	<u>\$ 208,174</u>	<u>\$ 1,194,721</u>	<u>\$ 3,213,028</u>	<u>\$ 3,213,028</u>	<u>\$ 4,407,749</u>



**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, 2023**



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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, 2023 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 25, 2023.

**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.

## **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 25, 2023

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, 2023. 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, 2023.

***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, 2023, and have issued our report thereon dated October 25, 2023, 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, Barw & Co. LLP*

Rochester, New York  
October 25, 2023

AMBER CHARTER SCHOOLS AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

	<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	\$ 557,954
Title IIA - Supporting Effective Instruction State Grant	84.367	0147	62,420
Title III- English Language Acquisition Grant	84.365	0293	29,831
Title IV- Student Support and Academic Enrichment Program	84.424	0204	50,037
 <u>Education Stabilization Funds -</u>			
ESSER I - Elementary and Secondary School Emergency Relief Fund	84.425D	5890	3,332
ESSER II - Elementary and Secondary School Emergency Relief Fund	84.425D	5891	997,679
ARP ESSER - American Rescue Plan-Elementary and Secondary School Emergency Relief	84.425U	5880	1,294,022
<i>Total Education Stabilization Funds</i>			<u>2,295,033</u>
TOTAL DEPARTMENT OF EDUCATION			<u>2,995,275</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	165,380
National School Lunch Program	10.555	310400860806	377,489
Fresh Fruit and Vegetable Program	10.582	310400860806	64,330
Supply Chain Assistance - COVID	10.555	310400860806	37,507
<i>Total Child Nutrition Cluster</i>			<u>644,706</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>644,706</u>
 TOTAL ALL PROGRAMS			<u>\$ 3,639,981</u>



AMBER CHARTER SCHOOLS AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Cont'd

YEAR ENDED JUNE 30, 2023

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, 2023

SUMMARY OF AUDITOR'S RESULTS

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Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? \_\_\_\_\_ yes   x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   x   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   x   no

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? \_\_\_\_\_ yes   x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   x   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   x   no

Identification of major program:

*AL Number:*

84.425D & 84.425U

*Name of Federal Program or Cluster:*

ESSER I, 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, 2023

FINDINGS – FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None.