

**Achievement First Brooklyn Charter Schools**

**Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Reports**

**June 30, 2025**

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**CohnReznick** 

# Achievement First Brooklyn Charter Schools

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Independent Auditor's Report

To the Board of Trustees  
Achievement First Brooklyn Charter Schools

Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of Achievement First Brooklyn Charter Schools, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Achievement First Brooklyn Charter Schools as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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 Achievement First Brooklyn Charter Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management for the Financial Statements*

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

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

#### *Report on Summarized Comparative Information*

We have previously audited Achievement First Brooklyn Charter Schools' 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary combining schedule of activities by charter and schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of activities by charter and schedules of functional expenses are fairly stated, in all material respects, in relation to the 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 30, 2025, on our consideration of Achievement First Brooklyn Charter Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Achievement First Brooklyn Charter Schools' 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 Achievement First Brooklyn Charter Schools' internal control over financial reporting and compliance.

*CohnReznick LLP*

Hartford, Connecticut  
October 30, 2025

**Achievement First Brooklyn Charter Schools**

**Statement of Financial Position  
June 30, 2025  
(With Comparative Totals for 2024)**

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 74,550,283	\$ 66,483,083
Restricted cash	350,000	350,000
Grants and other receivables	6,096,485	17,558,075
Receivable from related party - revolving lines of credit	10,101,576	8,807,270
Prepaid expenses and other assets	3,427,871	2,086,464
Total current assets	<u>94,526,215</u>	<u>95,284,892</u>
Noncurrent assets		
Construction in process	5,089,497	330,129
Property and equipment, net	7,353,395	6,530,598
Lease acquisition costs, net	3,413,118	3,639,403
Operating lease right-of-use assets	59,122,208	60,331,154
Total noncurrent assets	<u>74,978,218</u>	<u>70,831,284</u>
Total assets	<u>\$ 169,504,433</u>	<u>\$ 166,116,176</u>

**Achievement First Brooklyn Charter Schools**

**Statement of Financial Position  
June 30, 2025  
(With Comparative Totals for 2024)**

Liabilities and Net Assets

	2025	2024
Current liabilities		
Accounts payable and accrued expenses	\$ 5,297,599	\$ 3,630,511
Accrued salaries and other payroll related expenses	2,432,348	1,432,443
Due to related party	5,780,614	4,317,328
Due to other schools	39,836	56,587
Due to NYC Department of Education	89,378	249,937
Due to NYS Education Department	464,034	464,034
Refundable advance	501	4,149
Current maturities of operating lease liabilities	2,179,775	2,787,796
Total current liabilities	16,284,085	12,942,785
Long-term liabilities		
Operating lease liabilities - net of current portion	59,063,648	58,490,338
Total liabilities	75,347,733	71,433,123
Net assets		
Without donor restrictions		
Undesignated	87,156,700	87,683,053
Board-designated reserve	7,000,000	7,000,000
Total net assets	94,156,700	94,683,053
Total liabilities and net assets	\$ 169,504,433	\$ 166,116,176

See Notes to Financial Statements.

**Achievement First Brooklyn Charter Schools**

**Statement of Activities and Changes in Net Assets  
Year Ended June 30, 2025  
(With Comparative Totals for 2024)**

	2025	2024
Change in unrestricted net assets		
Operating revenue		
State and local per pupil operating revenue	\$ 150,286,200	\$ 149,022,585
Federal, state and local grants	11,164,110	19,976,738
Special education revenue	14,545,565	14,991,587
Total operating revenue	175,995,875	183,990,910
Expenses		
Program services	171,981,702	144,650,359
General and administrative	15,762,096	21,274,985
Fundraising	-	12,817
Total expenses	187,743,798	165,938,161
(Loss) surplus on school operations from government funding	(11,747,923)	18,052,749
Support and other revenue (expense)		
In-kind contributions	383,661	395,204
Interest income	4,198,609	3,276,628
Other revenue	7,029,452	2,750,334
Loss on disposal of assets	(390,152)	(6,314)
Total support and other revenue	11,221,570	6,415,852
Change in net assets	(526,353)	24,468,601
Net assets, beginning	94,683,053	70,214,452
Net assets, end	\$ 94,156,700	\$ 94,683,053

See Notes to Financial Statements.

**Achievement First Brooklyn Charter Schools**

**Statement of Functional Expenses  
Year Ended June 30, 2025  
(With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 79,111,035	\$ 9,068,044	\$ 88,179,079	\$ 4,484,828	\$ -	\$ 92,663,907	\$ 90,800,657
Fringe benefits and payroll taxes	13,835,618	1,556,731	15,392,349	850,646	-	16,242,995	16,051,972
Retirement	1,082,968	133,593	1,216,561	208,461	-	1,425,022	794,116
Management company fees	15,481,849	1,846,086	17,327,935	2,969,818	-	20,297,753	20,163,962
Accounting/audit services	94,836	11,184	106,020	18,834	-	124,854	173,856
Other purchased/professional/consulting services	4,192,257	711,240	4,903,497	600,212	-	5,503,709	3,144,264
Repairs and maintenance	2,708,596	319,995	3,028,591	529,372	-	3,557,963	2,365,362
Insurance	709,013	84,215	793,228	139,017	-	932,245	758,773
Occupancy costs	9,782,522	947,210	10,729,732	2,034,222	-	12,763,954	7,444,879
Supplies/materials	6,401,817	267,226	6,669,043	893,687	-	7,562,730	5,280,050
Equipment/furnishings	2,537,648	283,854	2,821,502	487,451	-	3,308,953	1,812,528
Staff development	1,840,052	81,858	1,921,910	129,567	-	2,051,477	1,266,122
Marketing/recruitment	2,028,739	238,557	2,267,296	405,793	-	2,673,089	254,752
Technology	6,252,129	734,129	6,986,258	1,221,206	-	8,207,464	5,862,008
Food service	1,004	110	1,114	243	-	1,357	-
Student services	6,764,948	196,825	6,961,773	315,555	-	7,277,328	3,143,733
Office expense	668,599	78,341	746,940	133,731	-	880,671	3,838,571
Depreciation and amortization	1,233,998	142,916	1,376,914	245,631	-	1,622,545	2,073,678
Other	437,380	53,658	491,038	83,389	-	574,427	704,610
Interest expense	42,090	4,965	47,055	8,361	-	55,416	-
Bad debt	11,689	2,178	13,867	2,072	-	15,939	4,268
<b>Total expenses</b>	<b>\$ 155,218,787</b>	<b>\$ 16,762,915</b>	<b>\$ 171,981,702</b>	<b>\$ 15,762,096</b>	<b>\$ -</b>	<b>\$ 187,743,798</b>	<b>\$ 165,938,161</b>

See Notes to Financial Statements.

**Achievement First Brooklyn Charter Schools**

**Statement of Cash Flows  
Year Ended June 30, 2025  
(With Comparative Totals for 2024)**

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (526,353)	\$ 24,468,601
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,622,545	2,073,678
Amortization of operating lease right-of-use assets	1,208,946	(54,375,839)
Loss on disposal of assets	390,152	6,314
Bad debt expense	15,939	4,268
Changes in operating assets and liabilities		
Grants and other receivables	11,445,651	(7,118,484)
Prepaid expenses and other assets	(1,341,407)	(1,900,108)
Due from other school	-	6,039
Accounts payable and accrued expenses	152,593	1,237,480
Accrued salaries and other payroll related expenses	999,905	225,400
Due to related party	1,463,286	3,385,724
Due to other schools	(16,751)	56,027
Due to NYC Department of Education	(160,559)	166,377
Refundable advance	(3,648)	(83,104)
Operating lease liabilities	(34,711)	54,507,182
	<u>15,215,588</u>	<u>22,659,555</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of property and equipment	(5,854,082)	(1,302,189)
Cash paid out on revolving lines of credit	(1,294,306)	(1,665,000)
	<u>(7,148,388)</u>	<u>(2,967,189)</u>
Net cash used in investing activities		
Net increase in cash and restricted cash	8,067,200	19,692,366
Cash, cash equivalents and restricted cash, beginning	<u>66,833,083</u>	<u>47,140,717</u>
Cash, cash equivalents and restricted cash, end	<u>\$ 74,900,283</u>	<u>\$ 66,833,083</u>
Supplemental disclosure of noncash investing and financing transactions		
Transfer of construction in process to fixed assets	<u>\$ 330,129</u>	<u>\$ 1,425,985</u>
Purchase of construction in process with accounts payable	<u>\$ 1,554,197</u>	<u>\$ 39,702</u>

See Notes to Financial Statements.

## Achievement First Brooklyn Charter Schools

### Notes to Financial Statements June 30, 2025

#### Note 1 - Nature of operations

Achievement First Brooklyn Charter Schools (the "School") focus on strengthening the academic and character skills needed for all students to excel in top-tier colleges, to achieve success in a competitive world, and to serve as the next generation of leaders in their communities. The Board of Regents of the State University of New York ("SUNY") originally granted individual charters to the schools (Achievement First Apollo Charter School, Achievement First Aspire Charter School, Achievement First Brownsville Charter School, Achievement First Bushwick Charter School, Achievement First Crown Heights Charter School, Achievement First East New York Charter School and Achievement First Endeavor Charter School). These charters were valid for a term of five years and renewable upon expiration. Additional charters were subsequently granted to Achievement First Linden Charter School, Achievement First North Brooklyn Charter School, Achievement First Voyager Charter School and Achievement First Legacy Charter School. The supplemental schedules to the financial statements provide additional operating activity by charter. The schools operate under one legal entity. The financial statements reflect the activities of the eleven charter schools for the fiscal year ended June 30, 2025.

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and under the corresponding provisions of the New York State tax laws. The School's primary source of income is government funding. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(ii). Today, the School serves students primarily from low-income households in Brooklyn and Queens, New York.

During the year ended June 30, 2025, the School operated classes for students in K-12. Charters that share space with New York City Department of Education ("NYCDOE") schools are not responsible for rent, utilities, custodial services, or maintenance. Charters that share space with other charter schools or do not share space are responsible for operating occupancy costs.

#### Note 2 - Summary of significant accounting policies

##### Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

*Net assets without donor restrictions* represent available resources other than donor-restricted contributions. Included in net assets without donor restrictions are funds that may be earmarked for specific purposes.

*Board-designated net assets* represent net assets established by the Board of Trustees, which represents funds without donor restrictions set aside for future needs of the School. Cash basis operating surpluses, if they exist at year-end, may be used to accumulate in the board-designated reserve. Utilization of the reserve may be approved by the Board of Trustees and used for emergency funds in case of an unexpected financial crises, start-up costs for growth needs, facility capital requirements, principal-in-residence salaries and one-time projects which have significant future potential. The reserve balance will be generated from the School's budgeted per-pupil operating revenue, excluding state and federal nonoperating grants.

## Achievement First Brooklyn Charter Schools

### Notes to Financial Statements June 30, 2025

*Net assets with donor restrictions* are subject to donor- (or certain grantor-) imposed restrictions which 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.

#### Statement of cash flows

For purposes of reporting cash flows, the School considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. There were cash equivalents in the amount of \$43,760,594 at June 30, 2025.

#### Cash and cash equivalents

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amount shown in the statement of cash flows:

	<u>2025</u>	<u>2024</u>
Cash	\$ 74,550,283	\$ 66,483,083
Restricted cash	<u>350,000</u>	<u>350,000</u>
Total	<u>\$ 74,900,283</u>	<u>\$ 66,833,083</u>

#### Restricted cash

The School has designated \$350,000 to be set aside for contingency purposes as required by the Board of Trustees of the State University of New York.

#### Grants and other receivables

Grants receivable represent amounts owed to the School for federal or state funding. Grants receivable that are expected to be collected within one year, and recorded at net realizable value, are \$6,096,485 at June 30, 2025. The School has determined that no allowance for uncollectible accounts for receivables is necessary as of June 30, 2025. Such estimate is based on management's assessments of the creditworthiness of its donors, the aging of its receivables as well as current economic conditions and historical information.

#### Revenue recognition

The School reports unconditional promises to give as revenue when the promise is received. Conditional promises to give are recognized as revenue when the condition is met. Grants and contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or 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. Donor-restricted contributions whose conditions and restrictions are met in the same reporting period have been reported as support increasing net assets without donor restrictions in the statement of activities and changes in net assets.

Revenue from state and local governments resulting from the School's charter status is based on the number of students enrolled and is recorded when services are performed in accordance with the charter agreement. The School receives a substantial portion of its support and revenue from the NYCDOE. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

## Achievement First Brooklyn Charter Schools

### Notes to Financial Statements

June 30, 2025

#### Donated goods and services

The School occasionally receives contributed goods and services. Such goods and services are only recorded as in-kind contributions at their fair value, provided they meet the criteria for recognition. Such criteria includes contributions of services that (i) create or enhance nonfinancial assets or those that require specialized skills, (ii) are provided by individuals possessing those skills, and (iii) would typically need to be purchased, if not provided by donation, and are recorded at their fair value in the period received.

Contributed services received from Board Members and volunteers are not recorded in the financial statements since these services do not meet the criteria for recognition as contributed services.

The School does not record any in-kind contributions and related costs with respect to dedicated and shared space provided to it by the NYCDOE as the premises are temporary in nature, the premises represent excess shared space whereby a fair value cannot be determined, and this is industry practice.

#### Property and equipment

Property and equipment are stated at cost. The School has established a threshold for review of expenditures equal to or greater than \$3,000 for potential capitalization as a fixed asset. Property and equipment acquired with certain government contract funds is recorded as an expense pursuant to the terms of the contract in which the government funding source retains ownership of the property. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized.

Depreciation and amortization are provided on a straight-line basis over the estimated useful lives or lease terms as follows:

<u>Asset</u>	<u>Estimated Lives</u>
Leasehold improvements	5 - 20 years
Furniture and fixtures	5 - 8 years
Computers and other hardware	3 - 7 years
Equipment	3 - 7 years

#### Long-lived assets

The School recognizes an impairment loss when the carrying amount of a long-lived asset exceeds its fair value. In the event that facts and circumstance indicate that the carrying amounts of long-lived assets may be impaired, an evaluation of recoverability would be performed. The evaluation process consists of comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down is required. If the review indicates that the asset will not be recoverable, the carrying value of the asset would be reduced to its estimated realizable value. There was no impairment loss recognized for the year ended June 30, 2025.

#### Functional allocation of expenses

The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's assessment. Health and retirement benefits and payroll taxes are allocated to programs and supporting services based on the percentage of salary expense of the program to total salary expense.

## Achievement First Brooklyn Charter Schools

### Notes to Financial Statements June 30, 2025

#### **Tax-exempt status**

The School is exempt under Section 501(c)(3) of the IRC and is exempt from private foundation status under IRC Section 509(a)(3) and as such is not subject to federal or state income taxes.

Management has analyzed the tax positions taken by the School and has concluded that, as of June 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The School's federal information returns prior to fiscal year 2022 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the School has unrelated business income taxes, it will recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statement of financial position.

#### **Prior year summarized information**

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements of Achievement First Brooklyn Charter Schools for the year ended June 30, 2024, from which the summarized information was derived.

#### **Use of estimates**

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.

#### **Concentrations of credit risk**

The School maintains cash and cash equivalent balances in various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Company ("FDIC") or Securities Investor Protection Corporation ("SIPC"). From time to time, the School's balances may exceed these limits. As of June 30, 2025, the School had balances of approximately \$74.6 million in excess of these limits. Additional protection is provided through the custodian's excess-SIPC coverage through various syndicates of Lloyd's, a London based firm. The School limits its credit risk by selecting financial institutions considered to be highly creditworthy.

#### **Reclassification**

Certain amounts in the 2024 financial statements have been reclassified to conform to the 2025 presentation.

#### **Subsequent events**

Management has reviewed subsequent events through October 30, 2025, which is the date the financial statements were approved and available for issuance.

**Achievement First Brooklyn Charter Schools**

**Notes to Financial Statements  
June 30, 2025**

**Note 3 - Liquidity**

The School regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of June 30, 2025, the School has financial assets available to meet annual operating needs for the subsequent fiscal year as follows:

Cash		\$ 74,550,283
Grants and other receivables		<u>6,096,485</u>
 Total financial assets		 80,646,768
 Less		
Board-designated reserve		<u>(7,000,000)</u>
 Financial assets available to meet cash needs for general expenditures within one year		 <u><u>\$ 73,646,768</u></u>

These financial assets are not subject to any grantor or contractual restrictions. The School supports its general operations primarily with federal and state grants, which are recognized as purpose restrictions are met. The balances due to the NYC Department of Education and NYS Education Department represent advances received that are due back to the State based on the fiscal year reconciliation and do not represent operating expenses. In addition, there are \$7,000,000 of Board-designated funds that could be used to fund operating needs should the Board determine this is necessary.

**Note 4 - Receivable from related party - unsecured revolving line of credit**

The School has entered into unsecured revolving lines of credit established with entities that are wholly-owned by Achievement First, Inc. ("AF"). See Note 9 for the relationship between the School and AF. AF lines bear interest at a fixed rate of 2.6%. Funds are available upon written request. The School may demand repayment of principal and/or accrued interest in part or in full at any time and such repayments shall be due 45 business days thereafter. Accrued interest receivable related to these line of credit balances was \$718,277 as of the year ending June 30, 2025. Interest expense related to these loans during year ending June 30, 2025 amounted to \$251,258. Balances on the lines are as follows as of June 30, 2025:

	<u>Credit limit</u>	<u>Amount drawn</u>
AF Brooklyn HS4, LLC	\$ 5,000,000	\$ 3,549,326
AF Queens ES1, LLC	4,000,000	4,000,000
AF Glenmore Avenue, LLC	<u>4,000,000</u>	<u>2,552,250</u>
	<u><u>\$ 13,000,000</u></u>	<u><u>\$ 10,101,576</u></u>

**Note 5 - Concentrations**

The School received approximately 85% of its operating revenue, which is subject to specific requirements, from per pupil funding from the NYCDOE during the year ended June 30, 2025. The School's grants and other receivables consist of 88% from the State of New York as of June 30, 2025.

## Achievement First Brooklyn Charter Schools

### Notes to Financial Statements June 30, 2025

#### Note 6 - Property and equipment

The following is a summary of property and equipment at June 30, 2025:

Leasehold improvements	\$ 15,808,256
Furniture and fixtures	1,050,887
Computers and other hardware	99,394
Equipment	<u>1,346,255</u>
	18,304,792
Less accumulated depreciation	<u>(10,951,397)</u>
	<u>\$ 7,353,395</u>

Depreciation expense was \$1,622,545 for the year ended June 30, 2025.

#### Note 7 - Lease acquisition costs

The NYCDOE, through the New York State Construction Authority ("NYSCA"), agreed to help finance the development and construction of 510 Waverly Avenue, Brooklyn, New York provided that Civic Builders (the "construction manager") and Achievement First Endeavor Charter School collectively contributed 20% of the costs of the construction.

In December 2012, NYSCA, the landlord, entered into an agreement to lease the building to Civic Builders for a 30-year term. Civic Builders entered into an agreement to sublease the building to AF Waverly LLC. AF is the sole member, which in turn leases the building to the School under the same terms at an annual lease of \$1 plus operating costs. The lease acquisition costs of \$6,792,379 include the costs incurred by Achievement First Endeavor Charter School in meeting its obligation to NYCDOE to fund 20% of the costs of construction; these costs are amortized over the 30-year lease term. Amortization expense for the year ended June 30, 2025 was \$226,285 and accumulated amortization at June 30, 2025 was \$3,379,261. Amortization expense for each of the next five years is \$226,412.

#### Note 8 - Related party transactions

The School entered into an Academic and Business Services Agreement (the "Agreement") with AF, a not-for-profit organization dedicated to helping start and run charter schools. This Agreement provides management and other administrative support services to the School.

Pursuant to the terms of the Agreement, the School pays a service fee equivalent to 10% of public revenues received by the School during or for that school year. Public revenues include all sources of revenue from a public source, but specifically exclude in-kind contributions such as student transportation, start-up funding, funding for student meals, and funding from competitive public grants. The Agreement automatically renews to coincide with the charter renewals for each school. The Agreement covers services including bookkeeping, facilities acquisition and management, special education delivery support, data analysis management support, and tutoring program support. The School is to pay AF an ancillary services fee that is mutually negotiated by the School and AF. For the year ended June 30, 2025, the School incurred management and ancillary services fees of \$20,297,753, which are included in the accompanying statement of functional expenses. AF is also the recipient of grant funds that are passed through AF to the School. The amount due to AF at June 30, 2025 was \$5,780,614.

## Achievement First Brooklyn Charter Schools

### Notes to Financial Statements June 30, 2025

See Note 12 for related party leases.

#### Note 9 - Due from/to other schools

The following amounts were due from (to) related schools and consist of the following at June 30, 2025:

Achievement First Providence Charter School	\$	(3,135)
Achievement First Bridgeport Academy		(17,186)
Achievement First Elm City Charter School		11,382
Achievement First Hartford Charter School		(17,597)
Amistad Academy Charter School		<u>(13,300)</u>
	<u>\$</u>	<u>(39,836)</u>

#### Note 10 - Due to NYC Department of Education and the New York State Education Department

The NYCDOE paid the School per pupil grant funds in six installments, based on estimates from the School. At the end of each year, the NYCDOE reconciles the total amount paid against the full-time-equivalent enrollment for the year and determines if an overpayment or underpayment has been made. As of June 30, 2025, an overpayment totaling \$89,378 had been made; an adjustment for this amount will be reflected in the third payment from NYCDOE in FY 2025.

The School discontinued its involvement in the National School Lunch Program as of June 30, 2023. As a result, the School owes the NYSED \$457,457 for unexpended funds. As of June 30, 2025, the School also owes the NYSED \$6,577 for an overpayment of Title I funding.

#### Note 11 - Contributed nonfinancial assets

For the year ended June 30, 2025, contributed nonfinancial assets recognized within the statement of activities and changes in net assets included:

	2025			
	Revenue recognized	Utilization in programs/activities	Donor restrictions	Valuation techniques and inputs
Digital learning	\$ 315,630	Regular education	None	Donor's purchase cost
Textbooks	65,253	Regular education	None	Donor's purchase cost
Library books	<u>2,778</u>	Regular education	None	Donor's purchase cost
	<u>\$ 383,661</u>			

#### Note 12 - Leases

The School leases buildings and office equipment. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the School recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs and lease incentives. The School has elected

## Achievement First Brooklyn Charter Schools

### Notes to Financial Statements

June 30, 2025

and applies the practical expedient available to lessees to combine non-lease components with their related lease components and account for them as a single combined lease component for all its leases. The School remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

The School determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the School estimates the risk-free rate as the discount rate. The School's risk-free rate, which is determined at either lease commencement or when a lease liability is remeasured, is the rate on the U.S. government securities over a period commensurate with the lease term.

For accounting purposes, the School's leases commence on the earlier of (i) the date upon which the School obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the School's building leases coincides with the contractual effective date. The commencement date for most of the School's office equipment leases coincides with when the School obtains control of the underlying assets. The School's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the School and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts. Unless the School determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or non-exercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum non-cancellable contractual term. When the exercise of a renewal option or non-exercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The School includes variable rental payments based on a rate or an index such as the Consumer Price index (CPI) in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

#### **Leases involving real estate**

Leases of facilities have three-year terms, except for related party leases noted below. Terms have been incorporated into the measurement of the related right-of-use assets and lease liabilities. Although most of the real estate leases include one or more options to renew that can extend the contractual terms from one to three years, those renewal options are exercisable solely at the School's discretion and have been excluded from lease term measurements. The real estate leases generally require reimbursement of real estate taxes, common area maintenance, and insurance. The School leases these facilities from two limited liability companies wholly-owned by AF. Such leases provide for below market rentals, are cancellable at any time, and do not provide purchase options.

Rental payments on these leases typically provide for fixed minimum payments that increase over the lease term at predetermined amounts.

The School entered into a facility lease with Glenmore Avenue, LLC, a limited liability company wholly-owned by AF, which commenced in November 2023. Monthly rent payments are \$214,208 and are subject to a 2.6% increase each year. The agreement with Glenmore Avenue, LLC has a term of 30 years and allows the lease to be extended for an additional 19 years if the overlease is

**Achievement First Brooklyn Charter Schools**

**Notes to Financial Statements  
June 30, 2025**

extended and requires the School to achieve certain financial covenants upon occupancy of the premises.

**Leases involving equipment**

Office equipment leases have lease terms that generally range from less than one year to five years and generally do not have renewal options. Rental payments on these leases have fixed payments.

**Financial information**

The following contains information about the School's right-of-use assets and lease liabilities for its operating leases as of June 30, 2025:

	Statement of Financial Position Classification	June 30, 2025
Right-of-use assets		
Operating leases	Noncurrent assets	\$ 59,122,208
Lease liabilities		
Current		
Operating leases	Current liabilities	\$ 2,179,775
Noncurrent		
Operating leases	Noncurrent liabilities	59,063,648
Total lease liabilities		\$ 61,243,423

The components of the School's lease cost for the year ended June 30, 2025 are as follows:

	Statement of Functional Expenses Classification	June 30, 2025
Operating lease cost, net		
Rent expense	Occupancy costs, Equipment/furnishings	\$ 8,218,856

Supplemental cash flow information related to the School's leases for the year ended June 30, 2025 is as follows:

Year ended June 30, 2025	Operating leases
Cash paid for amounts included in the measurement of lease liabilities	
Operating	\$ 7,044,621
Right-of-use assets obtained in exchange for lease liabilities	
Operating	\$ 4,038,067

## Achievement First Brooklyn Charter Schools

### Notes to Financial Statements June 30, 2025

The weighted average remaining term and weighted average discount rate for the School's leases are as follows as of June 30, 2025:

Weighted average remaining term (in years)	27.11
Weighted average discount rate (1)	4.75%

- (1) The School has elected to use a risk-free rate as the discount rate for its leases. The School uses rates on U.S. government securities for comparable with lease terms as risk-free rates.

The annual maturity analysis of the School's lease liabilities as of June 30, 2025 is as follows:

Calendar year	Operating leases
2026	\$ 5,012,599
2027	4,730,349
2028	2,930,448
2029	2,894,344
2030	2,970,202
Thereafter	100,089,040
Total lease payments	118,626,982
Less: interest	57,383,559
Present value of lease liability	61,243,423
Less: current portion of lease liabilities	2,179,775
Noncurrent portion of lease liabilities	\$ 59,063,648

#### **Note 13 - Agreement for School facilities**

The School has entered into verbal agreements with the NYCDOE for dedicated and shared space at a cost of \$1 per year or less. In accordance with industry standards, the fair value of the rent has not been recorded. The School will be responsible for any overtime-related cost for services provided beyond the regular opening hours. For the year ended June 30, 2025, the School incurred no overtime and incurred no permit fees. The School also entered into an Administrative Cost Management Agreement that requires the School to pay Uncommon Crown Heights, LLC for its share of the building costs for the facilities located at 1485 Pacific Street, Brooklyn, New York. The fair value of the rent has not been included in the accompanying financial statements as the agreement is nonbinding, the premises are temporary in nature, the premises represent excess shared space whereby a fair value cannot be determined, and this is industry practice.

#### **Note 14 - Pension plan**

Effective September 1, 2006, the School adopted a 403(b) profit sharing plan (the "Plan") which covers most of the employees. The Plan is a defined contribution plan. Employees are eligible to enroll in the Plan upon employment. Those employees who have completed at least one full year of service are also eligible for employer contributions. The Plan provides for the School to contribute up to 4% of an employee's salary. The School contribution is not vested until the employee's third year, when he or she becomes fully vested. For the year ended June 30, 2025, pension expense for

## Achievement First Brooklyn Charter Schools

### Notes to Financial Statements June 30, 2025

the School was approximately \$1,425,000, which is included in retirement in the accompanying statement of functional expenses.

#### **Note 15 - Risk management**

The School is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; actions by employees and parents; and natural disasters. The School maintains commercial insurance to protect itself from these risks.

The School entered into contractual relationships with certain governmental funding sources. The governmental agencies may request return of funds as a result of noncompliance by the School, as well as additional funds for the use of facilities. The accompanying financial statements make no provision for the possible disallowance or refund because management does not believe that there are any liabilities to be recorded.

#### **Note 16 - Conditional contribution**

AF received a conditional grant commencing April 2020 for expansion and minor repairs, for which it has allocated \$4,629,142 to the School. This grant are expected to cover periods through March 2026. Donor conditions specify that amounts must be spent on expenditures relevant to the approved grant purpose. Since this grant represents a conditional promise to give, amounts will not be recognized as contribution revenue until donor conditions are met. Prior to 2025, \$1,353,767 of the conditions were met. During 2025, \$226,165 was recorded as revenue related to this grant. The remaining conditional promise to give at June 30, 2025 was \$3,049,210.

During the year ended June 30, 2021, AF was awarded The American Rescue Plan Elementary and Secondary Schools Emergency Relief ("ARP ESSER") Funds grant in the amount of \$31,592,793. Prior to 2025, \$20,089,616 of the conditions were met. During 2025, \$4,191,822 was recorded as revenue related to this grant. The remaining balance of the grant will not be recorded as AF did not meet the conditions of the grant before the expiration of the grant period.

#### **Note 17 - Commitments and contingencies**

##### **Construction commitments**

At June 30, 2025, the School has outstanding commitments on signed construction contracts to spend approximately \$6,300,000 on improvements across the New York charters.

## **Supplementary Information**

**Achievement First Brooklyn Charter Schools**  
**Supplemental Combining Schedule of Activities by Charter**  
**Year Ended June 30, 2025**

	Achievement First Apollo	Achievement First Aspire	Achievement First Brownsville	Achievement First Bushwick	Achievement First Crown Heights	Achievement First East New York	Achievement First Endeavor	Achievement First Linden	Achievement First North Brooklyn	Achievement First Voyager	Achievement First Legacy	Total
Operating revenue												
State and local per pupil operating revenue	\$ 14,229,201	\$ 17,584,754	\$ 11,759,670	\$ 16,967,251	\$ 24,782,909	\$ 19,658,645	\$ 10,884,598	\$ 11,809,660	\$ 15,909,357	\$ 1,781,090	\$ 4,919,065	\$ 150,286,200
Federal, state and local grants	1,073,657	1,541,021	963,347	1,376,149	1,600,866	1,251,044	897,530	969,966	981,857	218,671	290,002	11,164,110
Special education revenue	1,022,879	1,485,361	992,270	2,746,620	2,659,797	1,418,613	1,156,558	1,019,103	1,289,208	276,422	478,734	14,545,565
Total operating revenue	16,325,737	20,611,136	13,715,287	21,090,020	29,043,572	22,328,302	12,938,686	13,798,729	18,180,422	2,276,183	5,687,801	175,995,875
Expenses												
Program services	14,565,355	24,431,345	12,186,607	18,923,719	26,640,386	21,499,370	13,035,819	15,319,618	14,064,101	3,151,989	8,163,393	171,981,702
General and administrative	1,205,068	2,103,596	1,349,829	1,279,519	2,373,450	1,574,123	1,425,628	1,774,124	781,102	647,485	1,248,172	15,762,096
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	15,770,423	26,534,941	13,536,436	20,203,238	29,013,836	23,073,493	14,461,447	17,093,742	14,845,203	3,799,474	9,411,565	187,743,798
Surplus (deficit) on school operations from government funding	555,314	(5,923,805)	178,851	886,782	29,736	(745,191)	(1,522,761)	(3,295,013)	3,335,219	(1,523,291)	(3,723,764)	(11,747,923)
Support and other revenue												
In-kind contributions	33,709	33,500	33,197	38,706	57,091	55,432	31,574	26,477	56,551	4,919	12,505	383,661
Interest income	328,946	750,174	328,946	328,946	493,419	493,419	328,946	395,586	328,946	164,473	256,808	4,198,609
Other revenue	24,313	1,743,964	8,493	18,055	101,653	54,263	9,693	3,477,997	15,354	6,199	1,569,468	7,029,452
Loss on sale of assets	(11,319)	(73,542)	(7,546)	(6,565)	(509)	(6,646)	-	(254,947)	(7,546)	(21,532)	-	(390,152)
Total support and other revenue	375,649	2,454,096	363,090	379,142	651,654	596,468	370,213	3,645,113	393,305	154,059	1,838,781	11,221,570
Change in net assets	930,963	(3,469,709)	541,941	1,265,924	681,390	(148,723)	(1,152,548)	350,100	3,728,524	(1,369,232)	(1,884,983)	(526,353)
Net assets, beginning	8,082,225	(232,234)	3,168,545	54,850,365	7,678,181	6,805,806	2,620,853	3,280,231	11,568,640	(1,214,285)	(1,925,274)	94,683,053
Net assets, end	\$ 9,013,188	(\$ 3,701,943)	\$ 3,710,486	\$ 56,116,289	\$ 8,359,571	\$ 6,657,083	\$ 1,468,305	\$ 3,630,331	\$ 15,297,164	\$ (2,583,517)	\$ (3,810,257)	\$ 94,156,700

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - Apollo  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 7,278,739	\$ 278,245	\$ 7,556,984	\$ 347,854	\$ -	\$ 7,904,838	\$ 7,648,169
Fringe benefits and payroll taxes	1,213,543	47,095	1,260,638	65,317	-	1,325,955	1,374,846
Retirement	76,896	3,797	80,693	14,240	-	94,933	50,847
Management company fees	1,493,484	73,752	1,567,236	276,571	-	1,843,807	1,816,494
Accounting/audit services	8,428	416	8,844	1,561	-	10,405	14,488
Other purchased/professional/ consulting services	340,737	18,613	359,350	58,327	-	417,677	170,283
Repairs and maintenance	343,149	16,942	360,091	63,533	-	423,624	79,142
Insurance	49,843	2,461	52,304	9,230	-	61,534	49,202
Occupancy costs	6,884	316	7,200	1,184	-	8,384	2,124
Supplies/materials	724,484	12,136	736,620	63,385	-	800,005	457,340
Equipment/furnishings	335,275	16,557	351,832	62,088	-	413,920	160,959
Staff development	171,204	1,656	172,860	6,209	-	179,069	114,653
Marketing/recruitment	178,342	8,807	187,149	33,026	-	220,175	18,434
Technology	744,920	36,779	781,699	137,920	-	919,619	473,913
Student services	855,951	7,029	862,980	26,357	-	889,337	220,454
Office expense	65,427	3,221	68,648	12,079	-	80,727	240,828
Depreciation and amortization	109,783	5,421	115,204	20,330	-	135,534	84,235
Other	29,723	1,379	31,102	5,165	-	36,267	45,451
Interest expense	3,736	185	3,921	692	-	4,613	-
<b>Total expenses</b>	<b>\$ 14,030,548</b>	<b>\$ 534,807</b>	<b>\$ 14,565,355</b>	<b>\$ 1,205,068</b>	<b>\$ -</b>	<b>\$ 15,770,423</b>	<b>\$ 13,021,862</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - Aspire  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 11,142,259	\$ 917,109	\$ 12,059,368	\$ 674,396	\$ -	\$ 12,733,764	\$ 9,328,362
Fringe benefits and payroll taxes	1,892,178	156,977	2,049,155	122,301	-	2,171,456	1,593,739
Retirement	174,222	17,643	191,865	28,669	-	220,534	90,659
Management company fees	1,995,047	202,030	2,197,077	328,299	-	2,525,376	2,016,254
Accounting/audit services	16,439	1,665	18,104	2,705	-	20,809	21,732
Other purchased/professional/consulting services	789,657	57,775	847,432	75,984	-	923,416	371,891
Repairs and maintenance	176,252	17,842	194,094	28,993	-	223,087	32,914
Insurance	79,047	8,005	87,052	13,008	-	100,060	69,219
Occupancy costs	2,427,126	245,785	2,672,911	399,400	-	3,072,311	1,601,636
Supplies/materials	745,502	25,254	770,756	80,116	-	850,872	589,604
Equipment/furnishings	313,277	31,724	345,001	52,665	-	397,666	167,440
Staff development	412,139	17,188	429,327	27,931	-	457,258	160,154
Marketing/recruitment	240,463	24,351	264,814	39,570	-	304,384	33,576
Technology	865,516	87,421	952,937	142,059	-	1,094,996	720,466
Student services	942,861	19,119	961,980	30,948	-	992,928	275,401
Office expense	98,315	8,862	107,177	14,400	-	121,577	499,551
Depreciation and amortization	188,350	19,073	207,423	30,994	-	238,417	251,245
Other	60,729	6,117	66,846	9,959	-	76,805	54,962
Interest expense	7,288	738	8,026	1,199	-	9,225	-
<b>Total expenses</b>	<b>\$ 22,566,667</b>	<b>\$ 1,864,678</b>	<b>\$ 24,431,345</b>	<b>\$ 2,103,596</b>	<b>\$ -</b>	<b>\$ 26,534,941</b>	<b>\$ 17,878,805</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - Brownsville  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 6,189,994	\$ 494,100	\$ 6,684,094	\$ 397,276	\$ -	\$ 7,081,370	\$ 10,119,797
Fringe benefits and payroll taxes	1,139,197	89,535	1,228,732	81,574	-	1,310,306	1,826,486
Retirement	72,362	7,823	80,185	17,602	-	97,787	114,736
Management company fees	1,182,098	127,794	1,309,892	287,537	-	1,597,429	2,082,868
Accounting/audit services	7,699	832	8,531	1,873	-	10,404	21,732
Other purchased/professional/consulting services	117,861	24,370	142,231	25,964	-	168,195	329,030
Repairs and maintenance	163,416	17,667	181,083	39,750	-	220,833	378,042
Insurance	35,681	3,857	39,538	8,679	-	48,217	64,633
Occupancy costs	5,665	612	6,277	1,378	-	7,655	8,786
Supplies/materials	548,043	29,414	577,457	154,817	-	732,274	541,465
Equipment/furnishings	342,946	37,075	380,021	83,419	-	463,440	188,314
Staff development	84,716	2,790	87,506	6,278	-	93,784	186,882
Marketing/recruitment	166,882	18,041	184,923	40,593	-	225,516	28,034
Technology	473,769	49,360	523,129	111,059	-	634,188	648,020
Food service	958	104	1,062	233	-	1,295	-
Student services	472,353	15,250	487,603	34,912	-	522,515	314,745
Office expense	57,809	5,695	63,504	12,813	-	76,317	411,473
Depreciation and amortization	152,565	16,493	169,058	37,110	-	206,168	410,403
Other	25,272	2,727	27,999	6,132	-	34,131	53,399
Interest expense	3,413	369	3,782	830	-	4,612	-
Bad debt	-	-	-	-	-	-	4,268
<b>Total expenses</b>	<b>\$ 11,242,699</b>	<b>\$ 943,908</b>	<b>\$ 12,186,607</b>	<b>\$ 1,349,829</b>	<b>\$ -</b>	<b>\$ 13,536,436</b>	<b>\$ 17,733,113</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - Bushwick  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 8,845,978	\$ 1,780,569	\$ 10,626,547	\$ 377,371	\$ -	\$ 11,003,918	\$ 11,205,614
Fringe benefits and payroll taxes	1,575,700	287,989	1,863,689	74,368	-	1,938,057	1,901,528
Retirement	132,019	27,504	159,523	23,837	-	183,360	99,430
Management company fees	1,670,691	348,061	2,018,752	301,653	-	2,320,405	2,244,462
Accounting/audit services	7,491	1,561	9,052	1,353	-	10,405	14,488
Other purchased/professional/ consulting services	529,449	103,979	633,428	89,916	-	723,344	345,277
Repairs and maintenance	255,406	53,210	308,616	46,115	-	354,731	225,933
Insurance	48,842	10,176	59,018	8,819	-	67,837	62,556
Occupancy costs	5,483	1,142	6,625	990	-	7,615	204
Supplies/materials	787,846	68,024	855,870	84,969	-	940,839	712,264
Equipment/furnishings	240,497	50,104	290,601	43,423	-	334,024	222,211
Staff development	173,856	20,214	194,070	17,519	-	211,589	131,447
Marketing/recruitment	162,542	33,863	196,405	29,348	-	225,753	18,434
Technology	596,036	124,174	720,210	107,618	-	827,828	536,564
Food service	-	-	-	-	-	-	-
Student services	687,710	41,291	729,001	35,785	-	764,786	311,928
Office expense	105,393	21,008	126,401	18,207	-	144,608	387,974
Depreciation and amortization	53,844	11,218	65,062	9,722	-	74,784	96,673
Other	39,401	8,190	47,591	6,525	-	54,116	68,620
Interest expense	3,321	692	4,013	600	-	4,613	-
Bad debt	7,651	1,594	9,245	1,381	-	10,626	-
<b>Total expenses</b>	<b>\$ 15,929,156</b>	<b>\$ 2,994,563</b>	<b>\$ 18,923,719</b>	<b>\$ 1,279,519</b>	<b>\$ -</b>	<b>\$ 20,203,238</b>	<b>\$ 18,585,607</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - Crown Heights  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 12,464,008	\$ 1,546,351	\$ 14,010,359	\$ 765,445	\$ -	\$ 14,775,804	\$ 14,273,398
Fringe benefits and payroll taxes	2,191,675	265,747	2,457,422	146,523	-	2,603,945	2,501,195
Retirement	186,547	22,091	208,638	36,818	-	245,456	132,609
Management company fees	2,464,639	291,865	2,756,504	486,442	-	3,242,946	3,174,947
Accounting/audit services	11,861	1,405	13,266	2,341	-	15,607	21,732
Other purchased/professional/consulting services	739,902	153,783	893,685	111,380	-	1,005,065	457,545
Repairs and maintenance	235,288	27,863	263,151	46,438	-	309,589	292,727
Insurance	136,694	16,187	152,881	26,979	-	179,860	119,034
Occupancy Costs	1,177,853	139,290	1,317,143	232,150	-	1,549,293	1,530,691
Supplies/materials	936,999	43,921	980,920	92,444	-	1,073,364	591,940
Equipment/furnishings	400,252	40,742	440,994	67,903	-	508,897	286,096
Staff development	478,546	17,156	495,702	28,593	-	524,295	163,363
Marketing/recruitment	346,258	41,004	387,262	68,340	-	455,602	37,080
Technology	833,626	98,761	932,387	164,601	-	1,096,988	838,161
Student services	1,061,157	34,701	1,095,858	57,835	-	1,153,693	568,710
Office expense	81,799	8,447	90,246	13,810	-	104,056	632,527
Depreciation and amortization	53,258	6,307	59,565	10,511	-	70,076	36,564
Other	70,208	8,314	78,522	13,859	-	92,381	95,526
Interest expense	5,258	623	5,881	1,038	-	6,919	-
<b>Total expenses</b>	<b>\$ 23,875,828</b>	<b>\$ 2,764,558</b>	<b>\$ 26,640,386</b>	<b>\$ 2,373,450</b>	<b>\$ -</b>	<b>\$ 29,013,836</b>	<b>\$ 25,753,845</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - East New York  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 10,426,914	\$ 1,598,995	\$ 12,025,909	\$ 497,058	\$ -	\$ 12,522,967	\$ 12,058,463
Fringe benefits and payroll taxes	1,880,116	286,580	2,166,696	92,390	-	2,259,086	2,235,740
Retirement	147,355	21,328	168,683	25,206	-	193,889	89,512
Management company fees	1,959,719	283,643	2,243,362	335,215	-	2,578,577	2,588,884
Accounting/audit services	11,861	1,717	13,578	2,029	-	15,607	21,732
Other purchased/professional/ consulting services	564,647	83,979	648,626	91,069	-	739,695	389,672
Repairs and maintenance	279,095	39,649	318,744	46,858	-	365,602	254,019
Insurance	67,870	9,823	77,693	11,609	-	89,302	100,103
Occupancy costs	10,850	1,570	12,420	1,856	-	14,276	-
Supplies/materials	802,244	35,405	837,649	148,808	-	986,457	490,205
Equipment/furnishings	321,713	46,553	368,266	55,017	-	423,283	178,500
Staff development	178,279	5,563	183,842	6,575	-	190,417	169,571
Marketing/recruitment	235,316	34,059	269,375	40,251	-	309,626	28,964
Technology	791,256	114,084	905,340	134,826	-	1,040,166	807,757
Student services	907,293	33,427	940,720	39,886	-	980,606	482,117
Office expense	59,523	6,562	66,085	7,756	-	73,841	422,440
Depreciation and amortization	116,274	16,829	133,103	19,889	-	152,992	134,837
Other	94,902	13,736	108,638	16,235	-	124,873	96,817
Interest expense	5,258	761	6,019	899	-	6,918	-
Bad debt	4,038	584	4,622	691	-	5,313	-
<b>Total expenses</b>	<b>\$ 18,864,523</b>	<b>\$ 2,634,847</b>	<b>\$ 21,499,370</b>	<b>\$ 1,574,123</b>	<b>\$ -</b>	<b>\$ 23,073,493</b>	<b>\$ 20,549,333</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - Endeavor  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 5,785,998	\$ 612,462	\$ 6,398,460	\$ 398,668	\$ -	\$ 6,797,128	\$ 7,107,483
Fringe benefits and payroll taxes	1,020,983	106,029	1,127,012	75,617	-	1,202,629	1,269,443
Retirement	73,043	9,871	82,914	15,793	-	98,707	64,405
Management company fees	1,122,584	151,701	1,274,285	242,721	-	1,517,006	1,686,802
Accounting/audit services	7,699	1,040	8,739	1,665	-	10,404	14,488
Other purchased/professional/ consulting services	242,744	100,289	343,033	32,343	-	375,376	399,256
Repairs and maintenance	764,498	103,263	867,761	165,222	-	1,032,983	845,050
Insurance	111,575	15,078	126,653	24,124	-	150,777	136,860
Occupancy costs	403,125	54,406	457,531	87,049	-	544,580	467,968
Supplies/materials	351,307	10,520	361,827	91,473	-	453,300	428,033
Equipment/furnishings	110,280	14,903	125,183	23,844	-	149,027	138,956
Staff development	54,072	2,288	56,360	3,661	-	60,021	81,743
Marketing/recruitment	172,505	23,312	195,817	37,298	-	233,115	18,428
Technology	588,403	79,514	667,917	127,222	-	795,139	469,098
Food service	46	6	52	10	-	62	-
Student services	522,846	13,921	536,767	22,274	-	559,041	371,981
Office expense	44,124	5,539	49,663	8,863	-	58,526	320,194
Depreciation and amortization	275,218	37,192	312,410	59,507	-	371,917	479,562
Other	34,851	4,710	39,561	7,536	-	47,097	169,042
Interest expense	3,413	461	3,874	738	-	4,612	-
<b>Total expenses</b>	<b>\$ 11,689,314</b>	<b>\$ 1,346,505</b>	<b>\$ 13,035,819</b>	<b>\$ 1,425,628</b>	<b>\$ -</b>	<b>\$ 14,461,447</b>	<b>\$ 14,468,792</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - Linden  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 5,830,529	\$ 636,831	\$ 6,467,360	\$ 394,725	\$ -	\$ 6,862,085	\$ 6,640,955
Fringe benefits and payroll taxes	995,663	108,184	1,103,847	71,606	-	1,175,453	1,192,155
Retirement	65,074	6,850	71,924	13,700	-	85,624	37,786
Management company fees	1,212,999	127,684	1,340,683	255,368	-	1,596,051	1,594,335
Accounting/audit services	7,907	832	8,739	1,665	-	10,404	14,488
Other purchased/professional/ consulting services	206,054	127,997	334,051	31,732	-	365,783	389,514
Repairs and maintenance	68,943	6,705	75,648	13,409	-	89,057	120,564
Insurance	101,447	10,679	112,126	21,357	-	133,483	69,125
Occupancy costs	3,193,582	336,167	3,529,749	672,333	-	4,202,082	2,605,699
Supplies/materials	601,747	15,860	617,607	63,034	-	680,641	492,487
Equipment/furnishings	184,504	19,421	203,925	38,843	-	242,768	201,201
Staff development	64,356	1,744	66,100	3,489	-	69,589	91,903
Marketing/recruitment	172,047	18,110	190,157	36,221	-	226,378	33,390
Technology	461,593	48,642	510,235	97,284	-	607,519	482,983
Student services	456,771	9,026	465,797	18,052	-	483,849	189,322
Office expense	27,130	2,453	29,583	4,897	-	34,480	550,138
Depreciation and amortization	135,716	14,286	150,002	28,572	-	178,574	195,014
Other	34,645	3,547	38,192	7,095	-	45,287	41,914
Interest expense	3,522	371	3,893	742	-	4,635	-
<b>Total expenses</b>	<b>\$ 13,824,229</b>	<b>\$ 1,495,389</b>	<b>\$ 15,319,618</b>	<b>\$ 1,774,124</b>	<b>\$ -</b>	<b>\$ 17,093,742</b>	<b>\$ 14,942,973</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - North Brooklyn  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 7,424,047	\$ 721,589	\$ 8,145,636	\$ 228,409	\$ -	\$ 8,374,045	\$ 7,898,134
Fringe benefits and payroll taxes	1,305,392	122,300	1,427,692	44,568	-	1,472,260	1,373,093
Retirement	102,297	10,103	112,400	13,892	-	126,292	82,218
Management company fees	1,654,561	163,413	1,817,974	224,693	-	2,042,667	1,992,772
Accounting/audit services	8,428	832	9,260	1,145	-	10,405	14,488
Other purchased/professional/ consulting services	190,089	14,851	204,940	16,667	-	221,607	144,248
Repairs and maintenance	247,004	24,319	271,323	33,438	-	304,761	122,495
Insurance	53,671	5,301	58,972	7,289	-	66,261	58,685
Occupancy costs	935	92	1,027	127	-	1,154	2,813
Supplies/materials	485,641	13,801	499,442	51,076	-	550,518	583,597
Equipment/furnishings	148,928	14,550	163,478	20,007	-	183,485	148,317
Staff development	90,331	3,985	94,316	5,479	-	99,795	68,662
Marketing/recruitment	183,157	18,090	201,247	24,873	-	226,120	18,594
Technology	519,343	51,266	570,609	70,491	-	641,100	472,432
Student services	289,792	11,792	301,584	16,213	-	317,797	259,155
Office expense	24,146	2,368	26,514	3,256	-	29,770	209,284
Depreciation and amortization	112,162	11,078	123,240	15,232	-	138,472	165,232
Other	27,603	2,719	30,322	3,737	-	34,059	52,078
Interest expense	3,754	371	4,125	510	-	4,635	-
<b>Total expenses</b>	<b>\$ 12,871,281</b>	<b>\$ 1,192,820</b>	<b>\$ 14,064,101</b>	<b>\$ 781,102</b>	<b>\$ -</b>	<b>\$ 14,845,203</b>	<b>\$ 13,666,297</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - Voyager  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 1,187,831	\$ 301,728	\$ 1,489,559	\$ 222,887	\$ -	\$ 1,712,446	\$ 2,280,255
Fringe benefits and payroll taxes	246,706	58,836	305,542	47,876	-	353,418	408,544
Retirement	22,423	4,561	26,984	11,021	-	38,005	18,770
Management company fees	206,241	41,947	248,188	101,373	-	349,561	457,100
Accounting/audit services	3,069	624	3,693	1,509	-	5,202	7,244
Other purchased/professional/ consulting services	346,543	17,851	364,394	37,806	-	402,200	24,501
Repairs and maintenance	7,162	1,457	8,619	3,520	-	12,139	4,438
Insurance	7,608	1,547	9,155	3,739	-	12,894	10,970
Supplies/materials	84,391	4,524	88,915	31,751	-	120,666	103,247
Equipment/furnishings	22,081	4,491	26,572	10,853	-	37,425	50,787
Staff development	93,085	8,246	101,331	19,927	-	121,258	60,429
Marketing/recruitment	55,285	11,292	66,577	27,288	-	93,865	10,601
Technology	140,664	28,597	169,261	69,109	-	238,370	199,933
Student services	134,151	6,889	141,040	16,649	-	157,689	89,447
Office expense	58,002	11,753	69,755	28,403	-	98,158	59,613
Depreciation and amortization	18,866	3,837	22,703	9,273	-	31,976	80,707
Other	6,703	1,345	8,048	3,826	-	11,874	11,228
Interest expense	1,374	279	1,653	675	-	2,328	-
<b>Total expenses</b>	<b>\$ 2,642,185</b>	<b>\$ 509,804</b>	<b>\$ 3,151,989</b>	<b>\$ 647,485</b>	<b>\$ -</b>	<b>\$ 3,799,474</b>	<b>\$ 3,877,814</b>

See Independent Auditor's Report.

**Achievement First Brooklyn Charter Schools**

**Supplemental Schedule of Functional Expenses - Legacy  
Year Ended June 30, 2025 (With Comparative Totals for 2024)**

	Program services			General and administrative	Fundraising	2025 Total	2024 Total
	Regular education	Special education	Total program services				
Personnel services costs	\$ 2,534,738	\$ 180,065	\$ 2,714,803	\$ 180,739	\$ -	\$ 2,895,542	\$ 2,240,027
Fringe benefits and payroll taxes	374,465	27,459	401,924	28,506	-	430,430	375,203
Retirement	30,730	2,022	32,752	7,683	-	40,435	13,144
Management company fees	519,786	34,196	553,982	129,946	-	683,928	509,044
Accounting/audit services	3,954	260	4,214	988	-	5,202	7,244
Other purchased/professional/ consulting services	124,574	7,753	132,327	29,024	-	161,351	123,047
Repairs and maintenance	168,383	11,078	179,461	42,096	-	221,557	10,038
Insurance	16,735	1,101	17,836	4,184	-	22,020	18,386
Occupancy costs	2,551,019	167,830	2,718,849	637,755	-	3,356,604	1,224,958
Supplies/materials	333,613	8,367	341,980	31,814	-	373,794	289,868
Equipment/furnishings	117,895	7,734	125,629	29,389	-	155,018	69,747
Staff development	39,468	1,028	40,496	3,906	-	44,402	37,315
Marketing/recruitment	115,942	7,628	123,570	28,985	-	152,555	9,217
Technology	237,003	15,531	252,534	59,017	-	311,551	212,681
Student services	434,063	4,380	438,443	16,644	-	455,087	60,473
Office expense	46,931	2,433	49,364	9,247	-	58,611	104,549
Depreciation and amortization	17,962	1,182	19,144	4,491	-	23,635	139,206
Other	13,343	874	14,217	3,320	-	17,537	15,573
Interest expense	1,753	115	1,868	438	-	2,306	-
<b>Total expenses</b>	<b>\$ 7,682,357</b>	<b>\$ 481,036</b>	<b>\$ 8,163,393</b>	<b>\$ 1,248,172</b>	<b>\$ -</b>	<b>\$ 9,411,565</b>	<b>\$ 5,459,720</b>

See Independent Auditor's Report.

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  
Achievement First Brooklyn Charter Schools

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Achievement First Brooklyn Charter Schools, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 30, 2025.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Achievement First Brooklyn Charter Schools' 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Achievement First Brooklyn Charter Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Achievement First Brooklyn Charter Schools' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*CohnReznick LLP*

Hartford, Connecticut  
October 30, 2025



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