



Material Revision Staff Report

Downtown Charter Academy

Decision Hearing: March 4, 2026

School Overview

Downtown Charter Academy

Charter Management Organization (CMO):	Amethod Public Schools	Current Charter Term:	July 1, 2019 – June 30, 2027
OUSD Board District:	5	Campus Address:	2000 Dennison Street, Oakland, CA 94606
Grades Served:	6-8	Current Enrollment:¹	318

Staff Recommendation Summary

On December 9, 2025, Downtown Charter Academy (“DCA” or “Charter School”), which is managed by Amethod Public Schools (“AMPS”), submitted a Material Revision request to their current charter petition. The Charter School indicated that the proposed Material Revision provides an enrollment pathway for students displaced by the anticipated voluntary closure of Oakland Charter Academy (“OCA”), also managed by AMPS and located in the Fruitvale neighborhood, at the end of the 2025-26 school year. Under the Material Revision, DCA proposes to update its enrollment priorities to establish a one-year enrollment preference for current OCA 6th and 7th grade students displaced by the anticipated voluntary closure of OCA. The temporary preference would apply only for the 2026-27 school year. Following the Initial Public Hearing, DCA re-submitted their Material Revision request with a permanent update to its enrollment priorities to establish an enrollment preference for students experiencing homelessness, as defined under the McKinney-Vento Homeless Assistance Act. DCA’s Material Revision request also includes an increase in projected enrollment from 330 students in 2025-26 to 448 students in 2026-27, in order to accommodate the students displaced by the anticipated OCA voluntary closure.

Staff recommends approval of the Material Revision. This approval would be **conditional** on the Charter School’s Charter Management Organization’s (CMO) closure of Oakland Charter Academy, with further details outlined as a benchmark below. Additionally, the Charter School shall remain responsible for ensuring that its use of the site complies with all applicable laws. This recommendation is based on numerous considerations, including (but not limited to) the following:

- A. *The Charter School’s current location can accommodate its proposed increased enrollment.*
- B. *The proposed enrollment changes would accommodate students from OCA upon its anticipated voluntary closure, with minimal impact on nearby District schools anticipated.*
- C. *Contingent on completion of OCA closure procedures per the recommended benchmark below, minimal community or fiscal impact is expected.*

Staff recommends the following benchmark should the Material Revision be approved:

¹ Per census day enrollment spreadsheet submitted to OUSD (as of October 2025).

The Charter School’s Charter Management Organization (“CMO”), Amethod Public Schools, shall complete closure procedures for Oakland Charter Academy by fully completing and implementing OUSD’s charter school closure checklist².

Background and Analysis Overview

Procedural Background

1. **Material Revision Submission:** DCA submitted the Material Revision request on December 9, 2025.
2. **OUSD Review of Submission:** OUSD reviewed the Material Revision request for completeness and deemed the submission to be complete on December 10, 2025.
3. **Initial Public Hearing:** A public hearing was properly noticed and held on January 26, 2026. Representatives from DCA presented.
4. **Petition Resubmission:** Following their initial public hearing, DCA resubmitted their Material Revision request on February 3, 2026 to include an updated enrollment preference for students experiencing homelessness.
5. **Decision Hearing:** A Decision Hearing is to be held on March 4, 2026 which will be properly noticed.

Relevant Statutory and Petition Background

Education Code §47607(b) states the following:

[M]aterial revisions of charters are governed by the standards and criteria described in Section 47605, and shall include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

Education Code §47605(k)(1)(A)(i) states the following:

As used in this subdivision, “material terms” of the petition means the signatures, affirmations, disclosures, documents, and descriptions described in subdivisions (a), (b), (c), and (h) [including “the facilities to be used by the charter school”], but shall not include minor administrative updates to the petition or related documents due to changes in circumstances based on the passage of time related to fiscal affairs, facilities arrangements, or state law, or to reflect the county board of education as the chartering authority.

Analysis Overview

Staff evaluates charter school Material Revision petitions with the following criteria pursuant to Education Code §47605(c):

Criteria	Education Code Reference(s)	Did the Material Revision Meet the Standard for this Criterion?
Criterion I: Does the Charter School Present a Sound Educational Program?	§47605(c)(1)	Yes
Criterion II: Is the Charter School Demonstrably Likely to Successfully Implement the Proposed Educational Program?	§47605(c)(2)	Yes
Criterion III: Is the Petition Reasonably Comprehensive?	§47605(c)(4) thru (6); §47605(h)	Yes

² Amethod Public Schools shall use June 30, 2026 as the official date of closure action for Oakland Charter Academy. OCS School Closure Checklist: <https://www.ousd.org/fs/resource-manager/view/03dcca14-d508-4d84-a99b-8a25403b0aa7>

I. Criteria I: Has the Charter School Presented a Sound Educational Program?

The proposed Material Revision is not expected to impact the educational program of the school and, thus, a full analysis of the school’s academic performance is not included in this Staff Report. However, results from the California State Dashboard and from the Smarter Balanced Summative Assessments are included in the Appendix for context.

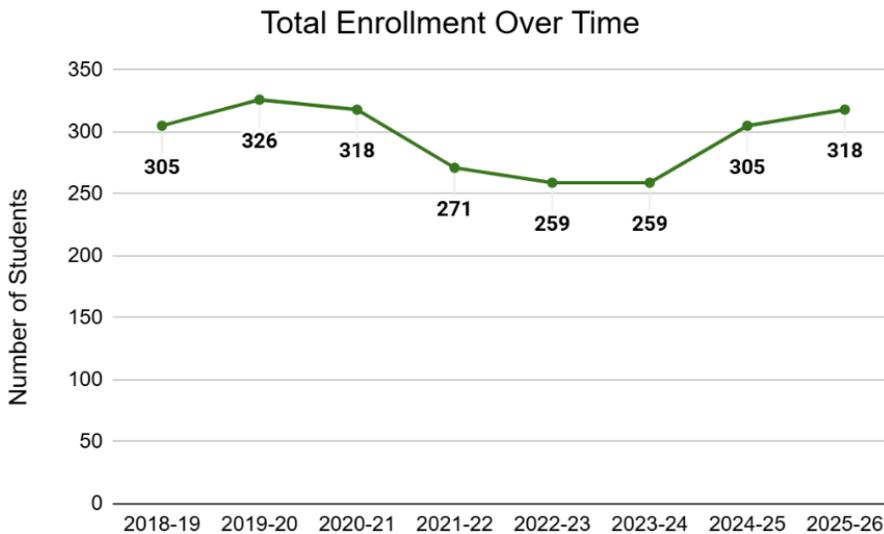
II. Criteria II: Is the Charter School Demonstrably Likely to Successfully Implement the Proposed Educational Program?

A. Enrollment

Total Enrollment by Year

As shown below in Figure 1, the Charter School experienced a 20% enrollment decrease from 2019-20 to 2022-23. However, the Charter School experienced a 23% increase in enrollment from 2023-24 to 2025-26.

Figure 1: DCA Total Enrollment Over Time



Source: 2018-19 through 2024-25 Enrollment – CDE Downloadable School Enrollment Data Files; 2025-26 Enrollment – Census Day Enrollment Spreadsheet submitted to OUSD

*The 2025-26 numbers are not yet certified by the CDE.

As shown below in Figure 2, in the 2025-26 school year, the Charter School’s enrollment for 6th grade remained stable and its enrollment for 7th and 8th grades increased.

Figure 2: Downtown Charter Academy Grade Level Enrollment Over Time

Student Enrollment by Grade Level and Total Enrollment							
Grade	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
6	110	100	73	93	90	110	109
7	107	111	95	73	95	101	112
8	109	107	103	93	74	94	97
Total	326	318	271	259	259	305	318

Source: 2019-20 through 2025-26 Enrollment – CDE Downloadable School Enrollment Data Files; 2025-26 Enrollment – Census Day Enrollment Spreadsheet submitted to OUSD

*The 2025-26 numbers are not yet certified by the CDE.

Enrollment Projections

As part of the Material Revision request, DCA provided its projected enrollment for 2026-27, after absorbing the students from OCA, as shown in Figure 3.

Figure 3: DCA Projected Enrollment

Projected Student Enrollment by Grade Level and Total Enrollment	
Grade	2026-27
6	112
7	168
8	168
Total	448³

Source: DCA’s Material Revision Petition

B. Financial Condition

Summary

The Charter School’s financial condition is good based on its fiscal health indicators and multi-year budget projections. The school maintains adequate reserves, the enrollment projections do not appear unrealistic, and the CMO’s most recent audit report contained no findings.

Fiscal Health

The figure below summarizes key fiscal indicators throughout the current charter. As shown below:

- The Charter School conserved annual funds, which caused the ending fund balance to grow by \$1,886,501, or 80%, between 2019-20 and 2024-25.
- Although the Charter School’s debt ratio increased from 0.19 to 0.27, it remains below 1.0, indicating assets still exceed liabilities and the school retains borrowing capacity if needed.
- The Charter School’s cash reserves exceeded FCMAT’s recommended 5% floor throughout the charter term.
- The CMO’s ending fund balance grew \$8,648,888, or 121%, over the course of the charter term, while its debt ratio remained at or below 0.77.⁴

Figure 4: Fiscal Health Summary

³ DCA incorrectly listed their 2026-27 projected enrollment in their petition as 425 students. When DCA resubmitted their petition on February 3, 2026, they updated their 2026-27 projected enrollment to 448.

⁴ See Appendix C. Charter Management Organization’s Fiscal Health Summary

Financial Indicator	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26 1 st -Int.
Annual Surplus or (Deficit) <i>Indicates whether the school spent more or less than it received in revenue during the year. Deficits are shown in parentheses.</i>	553,801	518,999	496,417	294,684	539,247	37,154	36,506
Ending Fund Balance <i>Typically represents unrestricted funds, although in some cases, restricted funds that were not fully spent in previous years may be included.</i>	2,834,641	3,353,640	3,850,057	4,144,741	4,683,988	4,721,142	4,731,255
Debt Ratio <i>A ratio less than 1 indicates the school has lower debts than assets, representing a lower level of financial risk.</i>	0.19	0.26	0.14	0.37	0.29	0.27	Unavailable
Budgetary Reserve <i>Given the school's ADA, FCMAT⁵ prescribes a minimum 4% reserve (calculated as Unrestricted Net Assets / Total Expenditures) as a set aside to prepare for potential liabilities. Reserve rates below this rate indicates poor financial condition.</i>	72%	78%	74%	80%	95%	83%	82%
Cash Reserve <i>FCMAT recommends 5%+ cash reserve of the total of all budgeted expenditures (calculated as Unrestricted Cash / Total Expenditures). Below 5% is indicative of a poor financial condition.</i>	68%	70%	54%	82%	93%	81%	97%

Source: 2019-20 through 2023-24 Annual Audit Reports, 2024-25 Unaudited Actuals and 2025-26 1st Interim Budget Report

Annual Financial Audit Reports

Education Code requires charter schools to submit annual audits by December 15 of each year.⁶ As shown below:

- The Charter School's CMO received unmodified audit opinions throughout the charter term.
- The audit reports were submitted after December 15th statutory deadline for the past four years.
- The 2023-24 audit report identified a repeat material weakness for "numerous audit adjustments." OCS sent the CMO a Notice of Concern and the CMO provided a response, including plans for corrective action. See Appendix D for full response.

Figure 5: Annual Financial Audit Reports Summary

Indicator	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Timely Audit Submission <i>State law requires annual audits to be submitted by December 15.</i>	Yes	No	No	No	No	No	
Audit Opinion <i>"Unmodified" indicates the financial statements fairly represent the school's financial position in accordance with accounting standards. "Modified, qualified" opinion indicates a material issue or insufficient evidence in a specific area of the financial statements, while the remainder are considered reliable.</i>	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified	Unmodified	
Material Weakness(es) <i>A material weakness is a deficiency in internal controls that creates a reasonable possibility that a material error in the</i>	Number of Findings	-	-	1	1	1	-
	Initial Year of Finding(s)	-	-	2021-22	2022-23	2022-23	-

⁵ Financial Crisis and Management Assistance Team

⁶ Education Code 47605(m), 41020(h)

<i>financial statements could occur and go uncorrected.</i>							
Significant Deficiency <i>A significant deficiency is a flaw in internal controls that is less severe than a material weakness, but still merits attention.</i>	Number of Findings	-	-	-	-	-	-
	Initial Year of Finding(s)	-	-	-	-	-	-
Statutory Compliance <i>Statutory compliance is adherence to specific state and federal laws and regulations that govern operations, funding, and program requirements within the scope of the audit.</i>	Number of Findings	-	-	-	2	-	-
	Initial Year of Finding(s)	-	-	-	2022-23 2022-23	-	-

Source: 2019-20 through 2024-25 Annual Audit Reports

Attendance and Enrollment in Multi-Year Budget Projections

The enrollment and attendance rate assumptions underlying the Charter School’s Local Control Funding Formula (“LCFF”) Calculator are shown in Figure 6 below. The CMO’s projections are based on the assumption that OCA students will transfer to DCA following the anticipated voluntary closure of OCA at the end of the 2025-26 school year. However, this assumption assumes that OCA students will choose to transfer, which is not guaranteed.

As shown below:

- Projected attendance rates are generally consistent with the combined charter schools’ historical patterns.
- DCA’s projected enrollment appears realistic when compared with the combined historical trends for both DCA and OCA.

Figure 6: MYP Summary: Projected Enrollment and Attendance Rates

	2025-26 (Combined Actuals)	2026-27 (Projected)
Enrollment	517	448
Attendance Rate	96.3% ⁷	95.0%

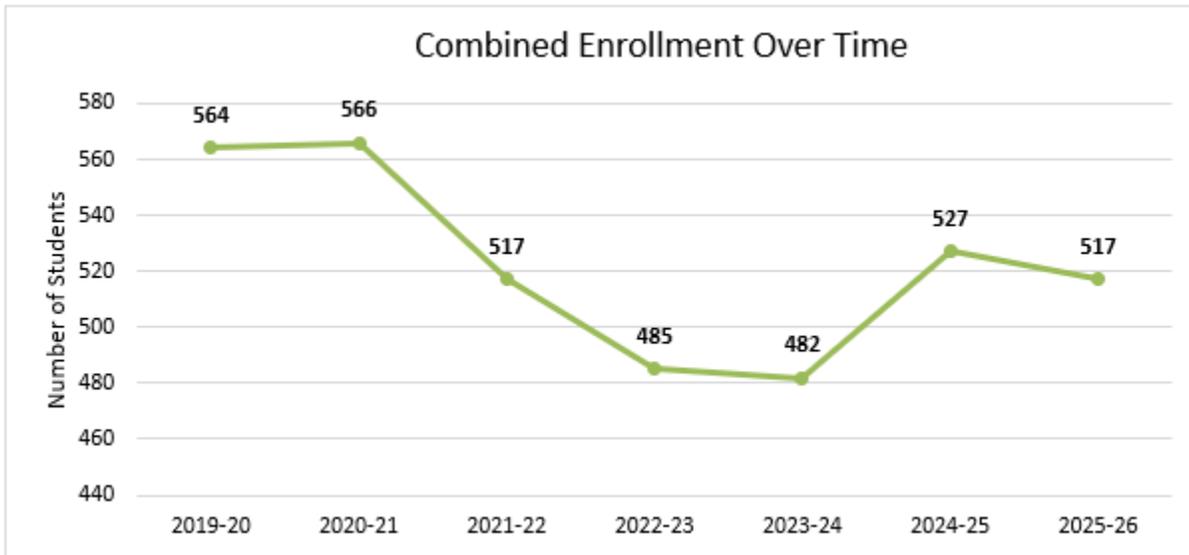
Source: DCA’s Unofficial Census Day Enrollment Spreadsheet submitted to OUSD Fall 2025, OCA’s Unofficial Census Day Enrollment Spreadsheet submitted to OUSD Fall 2025, Local Control Funding Formula Calculator submitted with Material Revision petition

Enrollment Over Time

From their peak in 2020-21 to the 2025-26 school year, DCA and OCA’s combined enrollment decreased by 8.7%, as shown in Figure 7 below.

⁷ The 2025-26 Attendance Rate was computed with data as of October 2025, through the following formula: [(Combined DCA and OCA Average Daily Attendance) x Assumed Instructional Days] / (Combined DCA and OCA Enrollment) x Assumed Instructional Days].

Figure 7: Total Enrollment Over Time



Source: 2019-20 through 2024-25 Enrollment – CDE Downloadable School Enrollment Data Files, DCA’s Unofficial Census Day Enrollment Spreadsheet submitted to OUSD Fall 2025, OCA’s Unofficial Census Day Enrollment Spreadsheet submitted to OUSD Fall 2025

Figure 8 below illustrates the combined projected and actual enrollment over the course of DCA’s current charter term in order to illustrate the CMO’s historical accuracy in projecting and achieving enrollment targets.

Figure 8: Combined Enrollment Projections vs. Actuals

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Combined DCA and OCA Enrollment							
Projected	585	590	516	515	545	525	530
Actuals	564	566	517	485	482	527	517
Overprojection	+21	+24	-1	+30	+63	-2	+13
Year over Year % Change							
Projected		0.9%	-12.5%	-0.2%	5.8%	-3.7%	1.0%
Actuals		0.4%	-8.7%	-6.2%	-0.6%	9.3%	-1.9%
Overprojection		0.5%	-3.9%	6.0%	6.4%	-13.0%	2.8%

Source: 2019-20 through 2024-25 Enrollment – CDE Downloadable School Enrollment Data Files, 2025-26 Multiyear Budget Projections, DCA’s Unofficial Census Day Enrollment Spreadsheet submitted to OUSD Fall 2025, OCA’s Unofficial Census Day Enrollment Spreadsheet submitted to OUSD Fall 2025

Figure 9 below illustrates the enrollment underlying the Charter School’s Local Control Funding Formula (“LCFF”) Calculator included in the Material Revision petition and the corresponding enrollment growth rate. The CMO assumes that combined enrollment will decline 13.3% in the 2026-27 school year. For context, as shown in Figure 8 above, DCA and OCA’s combined enrollment decreased by 8.7% between the 2020-21 and the 2025-26 school years. Compared to this historical trend, the assumed 13.3% decline appears reasonable.

Figure 9: MYP Summary: Projected Enrollment and Growth Rates

	2025-26 ⁸ Actuals	2026-27
Projected Enrollment	517	448
Year over Year % Change	-1.9%	-13.3%

⁸ The 2025-26 year over year percentage change measures the percentage change between actual 2025-26 enrollment and 2024-25 actual enrollment.

C. Facility Plan

Building Capacity and Details

According to the floorplans submitted by AMPS, their building at 2000 Dennison Street, Oakland, CA 94606 has 22 classrooms. The 22 classrooms would accommodate DCA’s proposed 2026-27 school year enrollment of 448 with a 20 student to classroom ratio.

D. Impact Analysis

DCA’s Enrollment Preference Impact Analysis

The Charter School submitted an Impact Analysis where they evaluated the potential impact of a one-year enrollment preference for families displaced by the closure of Oakland Charter Academy. The Charter School stated that the one-year enrollment preference would likely increase DCA’s Hispanic student enrollment from 13% to 25-30%. The Charter School stated that the enrollment preference would bring DCA’s demographic composition closer to OUSD districtwide averages.

Enrollment Increase Impact Analysis

The Material Revision request indicates that DCA’s enrollment increase is intended to accommodate students displaced by OCA’s anticipated voluntary closure at the end of the 2025-26 school year. If approved with the recommended benchmark requiring OCA closure procedures, DCA’s enrollment growth would offset OCA’s eliminated enrollment, minimizing net community impact.

III. Criteria III: Is the Petition Reasonably Comprehensive?

A. The Required Fifteen Elements

All charter petitions must include a “reasonably comprehensive” description of 15 required elements related to the school’s operation.⁹ The following table summarizes staff findings related to whether this standard was met for each element.

Figure 10: Petition Element Analysis

Element	Reasonably Comprehensive?
1. Description of the educational program of the school, including what it means to be an “educated person” in the 21st century and how learning best occurs.	Yes
2. Measurable student outcomes	Yes
3. Method by which student progress is to be measured	Yes
4. Governance structure	Yes
5. Qualifications to be met by individuals employed at the school	Yes
6. Procedures for ensuring health and safety of students	Yes

⁹ EC §47605(c)(5)

7. Means for achieving a balance of racial and ethnic, English learner, and special education students	Yes
8. Admission policies and procedures	Yes
9. Manner for conducting annual, independent financial audits and manner in which audit exceptions and deficiencies will be resolved	Yes
10. Suspension and expulsion procedures	Yes
11. Manner for covering STRS, PERS, or Social Security	Yes
12. Attendance alternatives for students residing within the district	Yes
13. Employee rights of return, if any	Yes
14. Dispute resolution procedure for school-authorizer issues	Yes
15. Procedures for school closure	Yes

Source: Ed Code §47605(c)(5) subsection (A) thru (O) and staff analysis of the charter Material Revision petition

B. Other Required Information

In addition to the required 15 elements, the Education Code also requires all charter petitions to include the following information.

Figure 11: Other Required Information

Required Information	Included in Petition?
An affirmation of each of the conditions described in EC §47605(h).	Yes
A declaration of whether or not the charter school shall be deemed the exclusive public employer of the employees of the charter school for purposes of Government Code §3540 through 3540.2 (California’s public school collective bargaining law).	Yes
Information regarding the proposed operation and potential effects of the charter school on the authorizer, including: <ul style="list-style-type: none"> • The facilities to be used by the charter school, including specifically where the charter school intends to locate. • The manner in which administrative services of the charter school are to be provided. • Potential civil liability effects of the charter school on the authorizer. 	Yes
Financial statements that include the annual operating budget and 3-year cashflow and financial projections, backup and supporting documents and budget assumptions (i.e. anticipated revenues and expenditures, including special education, and projected average daily attendance).	Yes
If the school is to be operated by, or as, a nonprofit public benefit corporation, the petitioner shall provide the names and relevant qualifications of all persons whom the petitioner nominates to serve on the governing body of the charter school.	Yes
A reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.	Yes

Source: Ed Code §47607(b), §47605(c)(4), §47605(c)(6), and §47607(g); staff analysis of the charter Material Revision petition

C. OUSD-Specified Requirements

Figure 12: OUSD-Specified Requirements

OUSD-Specified Requirement	Included in Petition?
District Required Language	Yes
Cover letter signed by the charter school governing board president or designee	Yes
Evidence the Governing Board has approved the Material Revision	Yes
Budget reflecting the impact of the revision	Yes
Community Impact Questionnaire	Yes

Source: Staff analysis of the charter Material Revision petition

IV. Appendices

Appendix A. Academic Performance

California State Dashboard: Figure 13 represents DCA’s results on the California State Dashboard over the last seven years.

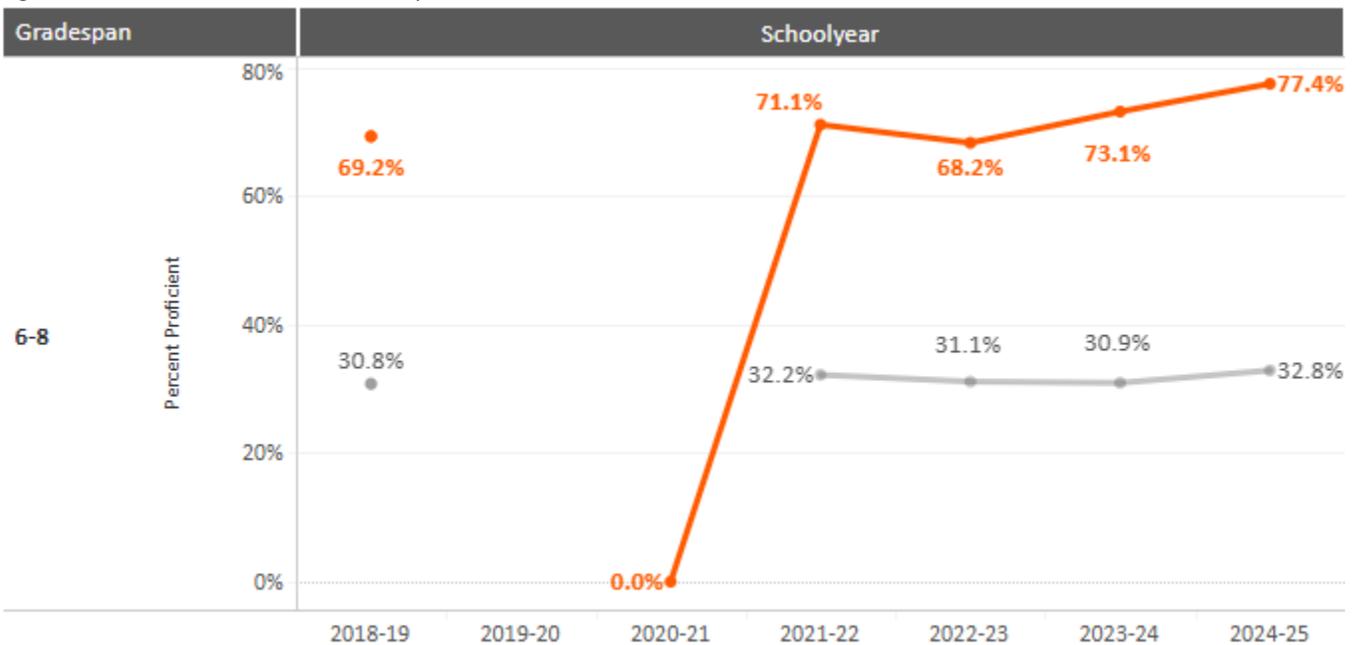
Figure 13: California State Dashboard Results

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
English Language Arts	Green ↓ -10.80 pts	No Color ↔	No Color ↔	No Color ↔	Green ↓ -4.80 pts	Blue ↑ 12.00 pts	Blue ↑ 9.30 pts
Math	Green ↓ -35.20 pts	No Color ↔	No Color ↔	No Color ↔	Blue ↑ 5.30 pts	Blue ↑ 15.10 pts	Blue ↑ 7.60 pts
English Learner Progress	No Color ↔	No Color ↔	No Color ↔	No Color ↔	Green ↔ -7.10 pp	Blue ↔ 12.00 pp	Orange ↔ -29.70 pp

Source: California State Dashboard

California Assessment of Student Performance and Progress (“CAASPP”): The figures below represent DCA’s average proficiency on both the English and Math Smarter Balanced Summative Assessments (“SBAC”), with the OUSD average proficiency rates included as a comparison.

Figure 14: Schoolwide ELA SBAC Proficiency Rates Over Time – DCA and OUSD*

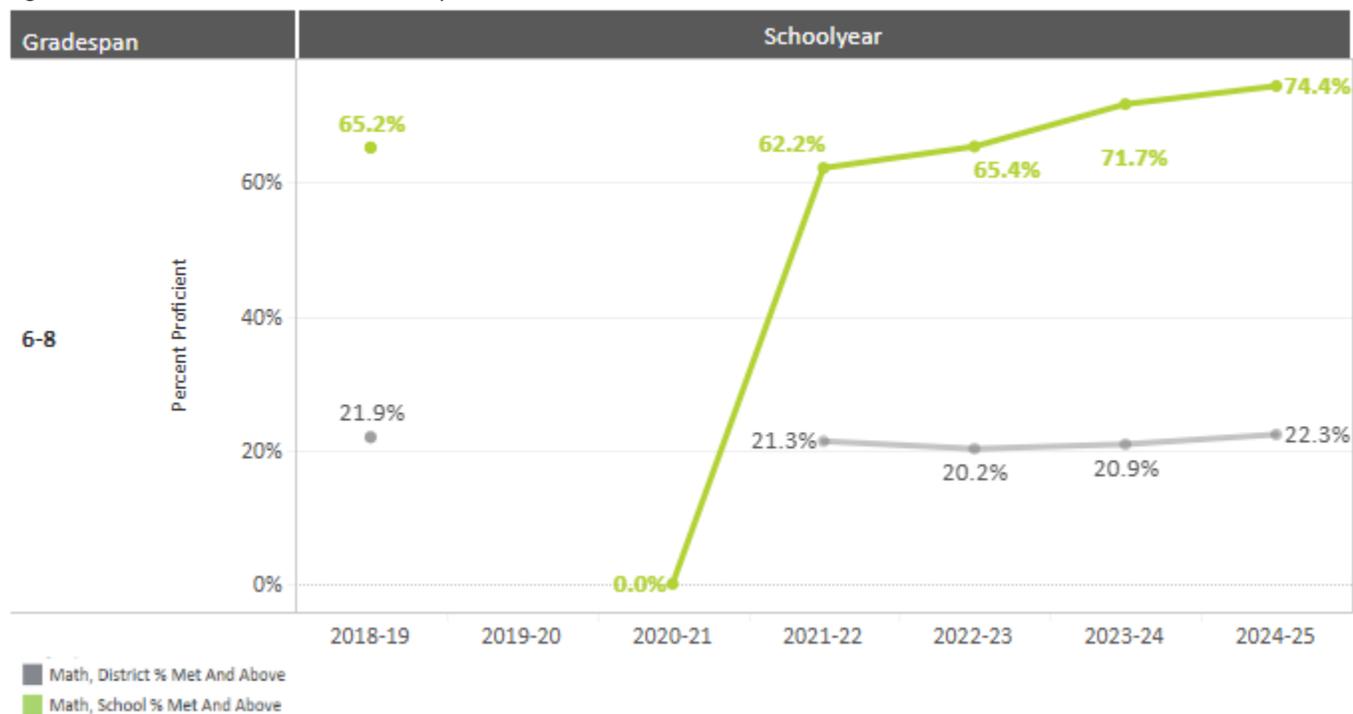


■ ELA, Charter School Proficiency ■ OUSD Average Proficiency

Source: Downloadable CAASPP Research Files

*Testing for 2019-20 was cancelled due to COVID-19. Testing for 2020-21 was optional.

Figure 15: Schoolwide Math SBAC Proficiency Rates Over Time - DCA vs. OUSD*



Source: Downloadable CAASPP Research Files

*Testing for 2019-20 was cancelled due to COVID-19. Testing for 2020-21 was optional.

Appendix B. Enrollment Information

Enrollment Demographics

Figure 16: 2024-25 Enrollment Demographics

Student Group Type	Student Group	Charter School
Race/ Ethnicity	Hispanic/Latino	13.1%
	Black/African American	7.9%
	Asian	74.8%
	White	0.7%
	Two or More Races	2.0%
	American Indian or Alaska Native	0.3%
	Filipino	1.3%
Other Student Groups	Socioeconomically Disadvantaged	75.4%
	English Learners	20.0%
	Special Education	8.9%

Source: Ethnicity/English Learners – CDE Downloadable Data Files (School Enrollment, English Learners); Socioeconomically Disadvantaged/Special Education – CDE DataQuest School Enrollment by Subgroup Report

Enrollment Analysis of Oakland Charter Academy

Figure 17: Oakland Charter Academy Grade Level Enrollment Over Time

Student Enrollment by Grade Level and Total Enrollment							
Grade	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
6	71	82	79	84	77	75	56
7	80	80	79	72	84	69	74
8	87	86	88	70	62	78	69
Total	238	248	246	226	223	222	199

Source: 2019-20 through 2024-25 Enrollment – CDE Downloadable School Enrollment Data Files; 2025-26 Enrollment – Census Day Enrollment Spreadsheet submitted to OUSD

*The 2025-26 numbers are not yet certified by the CDE.

Appendix C. Charter Management Organization’s Key Fiscal Indicators

Figure 18: Charter Management Organization’s Fiscal Health Summary

Financial Indicator	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Annual Surplus or (Deficit) <i>Indicates whether the school spent more or less than it received in revenue during the year. Deficits are shown in parentheses.</i>	(181,326)	1,429,131	2,353,329	4,345,942	6,466,576	(5,946,090)
Ending Fund Balance <i>Typically represents unrestricted funds, although in some cases, restricted funds that were not fully spent in previous years may be included.</i>	4,920,128	6,349,259	8,702,588	13,048,530	19,515,106	13,569,016
Debt Ratio <i>A ratio less than 1 indicates the school has lower debts than assets, representing a lower level of financial risk.</i>	0.74	0.72	0.69	0.81	0.71	0.77
Budgetary Reserve <i>Given the school's ADA, FCMAT¹⁰ prescribes a minimum 4% reserve (calculated as Unrestricted Net Assets / Total Expenditures) as a set aside to prepare for potential liabilities. Reserve rates below this rate indicates poor financial condition.</i>	17%	21%	24%	35%	56%	32%
Cash Reserve <i>FCMAT recommends 5%+ cash reserve of the total of all budgeted expenditures (calculated as Unrestricted Cash / Total Expenditures). Below 5% is indicative of a poor financial condition.</i>	14%	10%	14%	29%	40%	27%

Source: 2019-20 through 2024-25 Annual Audit Reports

Appendix D. Charter Management Organization’s Responses to Notice of Concern, Dated June 15, 2025

<https://drive.google.com/file/d/19gPxjBlKMG406Ds9b4VXoxYqDd9muhxQ/view>

¹⁰ Financial Crisis and Management Assistance Team

Appendix E. 2022-23 AMPS Audit Report

On following page.

Amethod Public Schools

Charter Schools:

Oakland Charter Academy #0014

Oakland Charter High School #0883

Richmond Charter Academy #1441

Downtown Charter Academy #1661

Richmond Charter Elementary - Benito Juarez Elementary #1660

John Henry High School #1741

**Financial Statements and
Supplementary Information**

June 30, 2023

Amethod Public Schools

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Independent Auditors' Report

To the Board of Directors of
Amethod Public Schools

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Amethod Public Schools (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, 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 (Government Auditing Standards)* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 described in Note 2 to the financial statements, on July 1, 2022, the Organization changed its method of accounting for leases due to the adoption of Accounting Standards Codification (Topic 842), *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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Organization, Schedule of Average Daily Attendance, Schedule of Instructional Time, Reconciliation of Charter School Unaudited Actuals Financial Report - Alternative Form with Audited Financial Statements, Combining Schedule of Financial Position, Combining Schedule of Activities, Combining Statement of Functional Expenses and Combining Schedule of Cash Flows is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Baker Tilly US, LLP

San Diego, California
May 9, 2024

Amethod Public Schools

Statement of Financial Position

June 30, 2023

Assets

Current Assets

Cash	\$ 10,587,475
Accounts receivable	8,979,784
Prepaid expenses and other assets	<u>760,871</u>

Total current assets 20,328,130

Right of Use Assets, Net

36,720,813

Property and Equipment, Net

13,258,974

Deposits

120,000

Total assets \$ 70,427,917

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 877,443
Accrued expenses	1,819,619
Deferred revenue	1,491,933
Due to governments	3,806,696
Lease liability, current portion	3,860,820
Notes payable, current portion	<u>406,928</u>

Total current liabilities 12,263,439

Long-Term Liabilities

Lease liability, net of current portion	37,987,871
Notes Payable, net of current portion	<u>7,128,077</u>

Total long-term liabilities 45,115,948

Total liabilities 57,379,387

Net Assets

Net assets without donor restrictions, undesignated	<u>13,048,530</u>
---	-------------------

Total net assets 13,048,530

Total liabilities and net assets \$ 70,427,917

See notes to financial statements

Amethod Public Schools

Statement of Activities

Year Ended June 30, 2023

	Net Assets Without Donor Restrictions
Revenues	
Revenue limit sources:	
State aid	\$ 19,263,075
Education protection account	995,136
In-lieu of property taxes	5,312,139
Federal revenues	2,905,908
State revenues	11,894,166
Local revenues	<u>1,003,937</u>
Total revenues	<u>41,374,361</u>
Expenses	
Program services:	
Education	31,457,870
Support services:	
Management and general	<u>5,570,549</u>
Total expenses	<u>37,028,419</u>
Change in net assets	4,345,942
Net Assets, Beginning	<u>8,702,588</u>
Net Assets, Ending	<u><u>\$ 13,048,530</u></u>

See notes to financial statements

Amethod Public Schools

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services Education	Support Services Management and General	Total
Certificated salaries	\$ 8,287,613	\$ 1,009,203	\$ 9,296,816
Classified salaries	5,976,299	1,290,463	7,266,762
Employee benefits	2,691,114	433,358	3,124,472
Books and supplies	1,766,999	408,999	2,175,998
Travel and conferences	71,504	17,876	89,380
Dues and memberships	39,201	8,367	47,568
Operation and housekeeping services	836,125	376,252	1,212,377
Rental, leases, repairs and noncapitalized improvements	5,148,354	517,289	5,665,643
Professional/consulting services and operating expenditures	5,570,284	1,335,263	6,905,547
Communications	112,396	28,100	140,496
Depreciation	581,518	145,379	726,897
Interest expenses	376,463	-	376,463
Total expenses	\$ 31,457,870	\$ 5,570,549	\$ 37,028,419

See notes to financial statements

Amethod Public Schools

Statement of Cash Flows

Year Ended June 30, 2023

Cash Flows From Operating Activities

Change in net assets	\$ 4,345,942
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:	
Depreciation	726,897
(Increase) decrease in operating assets:	
Decrease in operating assets:	
Accounts receivable	(922,451)
Prepaid expenses and other assets	(90,993)
Right of use assets, net	5,127,878
Increase (decrease) in operating liabilities:	
Accounts payable	(1,359,305)
Accrued expenses	680,320
Due to governments	1,710,621
Deferred revenue	628,184
Deferred rent	(4,840,659)
Net cash flows provided by operating activities	<u>6,006,434</u>

Cash Flows From Financing Activities

Payment on notes payable	<u>(413,836)</u>
Net cash flows used in financing activities	<u>(413,836)</u>
Net increase in cash	5,592,598

Cash, Beginning 4,994,877

Cash, Ending \$ 10,587,475

Supplemental Disclosure of Cash Flow Information

Cash paid for interest \$ 372,239

Amethod Public Schools

Notes to Financial Statements

June 30, 2023

1. Organization and Mission

Amethod Public Schools (the Organization) is a nonprofit public benefit corporation. The Organization was incorporated on November 11, 2010, and was designed to promote the academic advancement of disenfranchised middle school and high school aged youth from East Oakland, California. Formerly known as Oakland Charter Academy, Inc., the Organization first opened in 1993.

The Organization currently operates six charter schools: Oakland Charter Academy (OCA), Oakland Charter High School (OCHS), Richmond Charter Academy (RCA), Downtown Charter Academy (DCA), Richmond Charter Elementary - Benito Juarez Elementary (Benito Juarez Elementary or BJE) and John Henry High School (JHHS).

Oakland Charter Academy was petitioned and approved through the Oakland Unified School District and serves grades 6 through 8. OCA commenced operations in 1993 and was granted a charter renewal that expires on June 30, 2026. OCA serves approximately 220 students in Grade 4 through 8 as of June 30, 2023.

Oakland Charter High School was petitioned and approved through the Oakland Unified School District and commenced operations in 2007 and was granted a charter renewal that expires on June 30, 2025. OCHS serves approximately 423 students in Grade 9 through 12 as of June 30, 2023.

Richmond Charter Academy was petitioned and approved through the West Contra Costa Unified School District and began operations in 2013. RCA serves grades 6 through 8 and was granted a renewal that expires on June 30, 2025. RCA serves approximately 328 students in Grade 4 through 8 as of June 30, 2023.

Downtown Charter Academy was petitioned and approved through the Oakland Unified School District and began operations in 2014. DCA serves grades 6 through 8 and was granted a charter that expires on June 30, 2027. DCA serves approximately 260 students in Grade 4 through 8 as of June 30, 2023.

Richmond Charter Elementary - Benito Juarez Elementary was petitioned and approved through the West Contra Costa Unified School District and began operations in 2014. BJE serves grades Kindergarten through grade 5 and was granted a charter that expires on June 30, 2027. BJE serves approximately 499 students in Transitional Kindergarten through Grade 6 as of June 30, 2023.

John Henry High School was petitioned and approved through the West Contra Costa Unified School District and began operations in 2015. The previous charter expired on June 30, 2021. In July of 2020, JHHS was granted a charter that expires on June 30, 2028, and became authorized by the State Board of Education. JHHS currently serves grades 9 through 12. JHHS serves approximately 349 students in Grade 9 through 12 as of June 30, 2023.

The Organization's home office is operated to provide support services to each of the charter schools.

The mission of the Organization is to provide a fundamental and rigorous college preparatory education to any student that chooses one of its schools.

It is the Organization's belief that successful life in modern society can be achieved through college education, especially for historically disenfranchised populations. All graduates of the Organization will have gone through a challenging academic and character development program that will ready graduates to enter and succeed in college, and provide options for future endeavors.

Amethod Public Schools

Notes to Financial Statements

June 30, 2023

2. Summary of Significant Accounting Policies

Financial Statement Presentation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has not designated any of these net assets for operating reserves and future program development.

Net Assets With Donor Restrictions - Net assets subject to donor 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. As of June 30, 2023, the Organization did not have any net assets with donor restrictions.

Accounting Method - Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to not-for-profit organizations. The Organization uses the accrual basis of accounting, under which revenues are recognized when they are earned, and expenditures are recognized in the accounting period in which the liability is incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). It is, however, subject to income taxes from activities unrelated to its tax-exempt purpose. The Organization uses the same accounting methods for tax and financial reporting.

GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Functional Allocation of Expenses

The costs of providing the program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and management's estimates of the usage of resources.

Cash and Cash Equivalents

Cash is, from time to time, variously composed of cash on hand and cash in banks. The Organization considers all highly liquid investments with original maturities of three months or less at time of acquisition to be cash equivalents. As of June 30, 2023, there were no cash equivalents.

Amethod Public Schools

Notes to Financial Statements

June 30, 2023

Property and Equipment

Property and equipment are recorded at cost and depreciated under the straight-line method over their estimated useful lives. Repair and maintenance costs, which do not extend the useful lives of the asset, are charged to expense. The cost of assets, sold or retired, and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the earnings. Management has elected to capitalize and depreciate all assets costing \$5,000 or more; all other assets are charged to expense in the year incurred.

Revenue Sources and Recognition

The Organization primarily receives funds from the California Department of Education (CDE). Revenue limit sources and state revenues received from the CDE are determined based on the Organization's average daily attendance (ADA) of students and recognized in the period the ADA occurs.

Contributions and Grants

The Organization receives federal, state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

The Organization recognizes federal revenue to the extent that eligible expenditures have been incurred.

Revenue from contributions and grant income is evaluated under ASU No. 2018-08 and is accounted for as nonreciprocal transactions. Unconditional contributions and grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restrictions ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Deferred Revenue

Deferred revenue represents grant funds received, but not expended. These funds must be expended in accordance with the provisions of the contract to which they apply or refunded if not expended under the terms of the contract. As of June 30, 2023 the Organization had \$1,491,933 in deferred revenue which consisted of the following:

ESSA - Title I, Part A—Improving Basic Programs Operated by Local Education Agencies	\$	432,979
A-G Completion Grant		257,095
Elementary and Secondary School Emergency Relief (ESSER) III		173,788
Educator Effectiveness Block Grant		154,535
Kitchen Infrastructure & Training Funds		121,017
Expanded Learning Opportunities (ELO) Grant ESSER III		99,337
Elementary and Secondary School Relief II (ESSER II) Fund		66,444
Universal Pre-kinder (UPK) Planning & Implementation Grant		64,340
In-Person Instruction (IPI) Grant		50,585
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve		28,361
ESSA: Title III, English Learner Student Program		12,566
Other		11,179
Child Nutrition: Food Service Staff Training Funds		10,522
Expanded Learning Opportunities (ELO) Grant GEER II		6,509
ARP - Homeless Children & Youth II (ARP-HCY II)		2,676
		<hr/>
Total deferred revenue	\$	1,491,933

Amethod Public Schools

Notes to Financial Statements

June 30, 2023

Accounts Receivable

Accounts receivable are recorded based on the amount expected to be collected from the federal and state government agencies. The amount recorded is based on apportionment schedules issued by the CDE throughout the fiscal year. Management believes that collections of accounts receivable is reasonably assured based on the nature of the receivable coming from government agencies. As such, no allowance for doubtful accounts has been provided.

Leases

Effective July 1, 2022, the Organization adopted FASB Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, and all related amendments using the modified retrospective approach. The Organization's 2022 financial statements continue to be accounted for under the FASB's Topic 840 and have not been adjusted.

Topic 842 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the noncancelable lease term. Expenses for finance leases are comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. At the date of adoption, the Organization recorded operating lease right-of-use assets and lease liabilities of \$40,544,784 and \$45,385,443, respectively.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the organization elected:

- The package of practical expedients permitted under the transition guidance which does not require the Organization to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs.
- The practical expedient to use hindsight in determining the lease term (that is, when considering options to extend or terminate the lease or to purchase the underlying asset) and in assessing impairment of the Organization's right-of-use assets.

The new standard also provides for several accounting policy elections, as follows:

- The Organization has elected the policy not to separate lease and nonlease components for all asset classes.
- When the rate implicit in the lease is not determinable, rather than use the Organization's incremental borrowing rate, the Organization elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes.
- The Organization elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for Topic 842 are contained in Note 9.

Amethod Public Schools

Notes to Financial Statements
June 30, 2023

3. Cash

Cash at June 30, 2023, consisted of the following:

Cash in banks	<u>\$ 10,587,475</u>
Total cash	<u><u>\$ 10,587,475</u></u>

Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

4. Liquidity and Availability of Financial Assets

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating with a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets
- The Organization does not have a line of credit available to assist with liquidity management.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash	\$ 10,587,475
Accounts receivable	<u>8,979,784</u>
Total financial assets available within one year	<u><u>\$ 19,567,259</u></u>

5. Accounts Receivable

Accounts receivable at June 30, 2023, consisted of the following:

Revenue limit sources:	
State aid	\$ 3,460,432
In-lieu of property taxes	514,643
Federal revenues	1,536,624
State revenues	2,408,863
Local revenues	<u>1,059,222</u>
Total accounts receivable	<u><u>\$ 8,979,784</u></u>

Amethod Public Schools

Notes to Financial Statements
June 30, 2023

6. Property and Equipment, Net

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

Leasehold improvements	\$ 11,692,294
Land improvements	6,351,846
Equipment	489,772
Buildings	1,961,079
Less accumulated depreciation	<u>(7,236,017)</u>
Total property and equipment, net	<u>\$ 13,258,974</u>

During the fiscal year ended June 30, 2023, a total of \$ 726,897 was charged to depreciation expense.

7. Notes Payable

Umpqua Bank Promissory Note

In April 2022, the Organization entered into loan agreements with Umpqua bank in the principal amount of \$8,000,000 with interest at 4.79% per annum. The loans mature in April 2027, along with any accrued unpaid interest. Unpaid balance at June 30, 2023, was \$7,535,005.

Future minimum payments on the notes payable are as follows:

Years ending June 30:	
2024	\$ 406,928
2025	413,718
2026	433,976
2027	<u>6,280,383</u>
Total	<u>\$ 7,535,005</u>

Changes in obligations under notes payable for the fiscal year ended June 30, 2023, are as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due in</u> <u>One Year</u>
Capital lease payable	\$ 54,120	\$ -	\$ (41,597)	\$ 12,523	\$ 12,523
Umpqua Bank Promissory Note	<u>7,894,721</u>	<u>-</u>	<u>(372,239)</u>	<u>7,522,482</u>	<u>394,405</u>
Total	<u>\$ 7,948,841</u>	<u>\$ -</u>	<u>\$ (413,836)</u>	<u>\$ 7,535,005</u>	<u>\$ 406,928</u>

8. Employee Retirement Plan

The Organization established a defined contribution plan called Amethod Public Schools 401(k) Retirement Plan (Plan) under the provisions of the Employee Retirement Security Act of 1974 (ERISA). The Organization is a sponsor of the Plan.

Amethod Public Schools

Notes to Financial Statements

June 30, 2023

Participation in the Plan is open to all employees who have reached age 21 and completed two months of service, as defined by the Plan. The Organization may make a discretionary matching contribution equal to 100% of the participant's elective deferrals up to 3.0% of the participant's salary. The Organization's contribution to the Plan for the fiscal year ending June 30, 2023, was 125,676.

9. Leases

Leases during the year ended June 30, 2023, consist of facilities and equipment in which the Organization operates, located at Oakland, California. There are no leases with variable payments, terms with residual value guarantees, or restrictions.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

The Organization's leases do not include options to renew.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization uses a risk-free rate based on U.S. Treasury notes for similar terms.

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Organization made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Organization obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determined whether contracts contain embedded leases.
- Evaluated leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases.

The Organization does not have any material leasing transactions with related parties.

The following table summarizes the lease right-of-use assets and lease liabilities as of June, 30, 2023:

Right-of-use assets:	
Operating leases	<u>\$ 36,720,813</u>
Total right-of-use assets	<u><u>\$ 36,720,813</u></u>
Lease liabilities:	
Current operating lease liabilities	\$ 3,860,820
Long-term operating lease liabilities	<u>37,987,871</u>
Total lease liabilities	<u><u>\$ 41,848,691</u></u>

Amethod Public Schools

Notes to Financial Statements

June 30, 2023

Below is a summary of expenses incurred pertaining to leases during the year ended June 30, 2023:

Operating lease expense	<u>\$ 5,282,230</u>
Weighted average remaining lease term (in years):	
Operating leases	10.61
Weighted average discount rate:	
Operating leases	3.41 %

The table below summarizes the Organization's scheduled future minimum lease payments for years ending after June 30, 2023:

Year ending June 30:	
2024	\$ 5,208,336
2025	5,358,095
2026	4,624,737
2027	3,895,719
2028	3,929,987
Thereafter	<u>27,421,322</u>
Total lease payments	50,438,196
Less present value discount	<u>(8,589,505)</u>
Total lease liabilities	41,848,691
Less current portion	<u>(3,860,820)</u>
Long-term lease liabilities	<u>\$ 37,987,871</u>

The following table includes supplemental cash flow and noncash information related to the leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	<u>\$ 4,994,882</u>
Right-of-use assets obtained in exchange for lease liabilities:	
Operating leases	<u>\$ 40,544,784</u>

10. Accrued Expenses

Accrued expenses as of June 30, 2023, consisted of the following:

Accrued payroll expenses	\$ 1,214,029
Other accrued expenses	600,376
District oversight fee	<u>5,214</u>
Total accrued expenses	<u>\$ 1,819,619</u>

Amethod Public Schools

Notes to Financial Statements

June 30, 2023

11. Commitments and Contingencies

State Allowances, Awards and Grants

The Organization has received state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursement will not be material.

12. Subsequent Events

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through May 9, 2024, which is the date the financial statements were available to be issued. Management believes there are no events which require adjustments to, or disclosures in, the accompanying financial statements.

Amethod Public Schools

Organization
June 30, 2023

Amethod Public Schools (the Organization) consists of the following six charter schools:

Oakland Charter Academy #0014 was petitioned and approved through the Oakland Unified School District and serves grades 6 through 8. OCA commenced operations in 1993 and was granted a charter renewal that expires on June 30, 2026.

Oakland Charter High School #0883 was petitioned and approved through the Oakland Unified School District and commenced operations in 2007 and was granted a charter renewal that expires on June 30, 2025.

Richmond Charter Academy #1441 was petitioned and approved through the West Contra Costa Unified School District and began operations in 2013. RCA serves grades 6 through 8 and was granted a renewal that expires on June 30, 2025.

Downtown Charter Academy # 1661 was petitioned and approved through the Oakland Unified School District and began operations in 2014. DCA serves grades 6 through 8 and was granted a charter that expires on June 30, 2027.

Richmond Charter Elementary - Benito Juarez Elementary #1660 was petitioned and approved through the West Contra Costa Unified School District and began operations in 2014. BJE serves grades Kindergarten through grade 5 and was granted a charter that expires on June 30, 2027.

John Henry High School #1741 was petitioned and approved through the West Contra Costa Unified School District and began operations in 2015. The previous charter expired on June 30, 2021. In July of 2020, JHHS was granted a charter that expires on June 30, 2028, and became authorized by the State Board of Education. JHHS currently serves grades 9 through 12.

The Organization's Board for the fiscal year ended June 30, 2023, consisted of the following:

<u>Name</u>	<u>Office</u>	<u>Term</u>	<u>Term Expiration</u>
Edgar Quiroz	Treasurer	4	January 2027
Gilbert Lopez, Jr.	Board Chair	4	January 2024
Nick Driver	Board Vice Chair	1	November 2023
Elisa Gallegos	Secretary	3	October 2026
Andres Emmanuelli	Member	4	February 2027

Administration

<u>Name</u>	<u>Position</u>
Sylvia Flores	Interim CEO
Maria Arechiga	Senior Director of Operations and Compliance

Amethod Public Schools

Schedule of Average Daily Attendance

Year Ended June 30, 2023

Oakland Charter Academy

	<u>Second Period Report</u>	<u>Annual Report</u>
Grades 4 - 6	73.96	73.89
Grades 7 - 8	<u>116.60</u>	<u>116.04</u>
Total	<u><u>190.56</u></u>	<u><u>189.93</u></u>

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

Oakland Charter High School

	<u>Second Period Report</u>	<u>Annual Report</u>
Grades 9 - 12	<u>394.48</u>	<u>392.44</u>
Total	<u><u>394.48</u></u>	<u><u>392.44</u></u>

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

Richmond Charter Academy

	<u>Second Period Report</u>	<u>Annual Report</u>
Grades 4 - 6	105.40	104.89
Grades 7 - 8	<u>192.57</u>	<u>190.94</u>
Total	<u><u>297.97</u></u>	<u><u>295.83</u></u>

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

Amethod Public Schools

Schedule of Average Daily Attendance

Year Ended June 30, 2023

Downtown Charter Academy

	<u>Second Period Report</u>	<u>Annual Report</u>
Grades 4 - 6	90.85	91.13
Grades 7 - 8	161.02	160.94
Total	<u>251.87</u>	<u>252.07</u>

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

Benito Juarez Elementary

	<u>Second Period Report</u>	<u>Annual Report</u>
TK/K - 3	287.51	287.12
Grades 4 - 6	148.11	148.11
Total	<u>435.62</u>	<u>435.23</u>

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

John Henry High School

	<u>Second Period Report</u>	<u>Annual Report</u>
Grades 9 - 12	334.26	334.36
Total	<u>334.26</u>	<u>334.36</u>

The Organization is 100% classroom-based and does not generate any ADA through an Independent Study program.

Amethod Public Schools

Schedule of Instructional Time
 Fiscal Year Ended June 30, 2023

Oakland Charter Academy

Grade Level	Minutes Requirements	2022-2023 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	65,440	180	In compliance
Grade 7	54,000	66,870	180	In compliance
Grade 8	54,000	66,870	180	In compliance

Oakland Charter High School

Grade Level	Minutes Requirements	2022-2023 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 9	64,800	65,575	180	In compliance
Grade 10	64,800	65,575	180	In compliance
Grade 11	64,800	65,575	180	In compliance
Grade 12	64,800	65,575	180	In compliance

Richmond Charter Academy

Grade Level	Minutes Requirements	2022-2023 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	66,105	180	In compliance
Grade 7	54,000	66,105	180	In compliance
Grade 8	54,000	66,105	180	In compliance

Amethod Public Schools

Schedule of Instructional Time
 Fiscal Year Ended June 30, 2023

Downtown Charter Academy

Grade Level	Minutes Requirements	2022-2023 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 6	54,000	61,864	180	In compliance
Grade 7	54,000	61,864	180	In compliance
Grade 8	54,000	61,864	180	In compliance

Benito Juarez Elementary

Grade Level	Minutes Requirements	2022-2023 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	36,000	59,400	180	In compliance
Grade 1	50,400	59,400	180	In compliance
Grade 2	50,400	59,400	180	In compliance
Grade 3	50,400	67,500	180	In compliance
Grade 4	54,000	67,500	180	In compliance
Grade 5	54,000	67,500	180	In compliance

John Henry High School

Grade Level	Minutes Requirements	2022-2023 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 9	64,800	67,930	180	In compliance
Grade 10	64,800	67,930	180	In compliance
Grade 11	64,800	67,930	180	In compliance
Grade 12	64,800	67,930	180	In compliance

Amethod Public Schools

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education			
NCLB: Title I, Part A, Basic Grants	84.010	14329	
Low-Income and Neglected			
Oakland Charter Academy			\$ 61,846
Oakland Charter High School			22,115
Richmond Charter Academy			19,303
Downtown Charter Academy			63,353
Benito Juarez Elementary			87,945
John Henry High School			27,872
			<u>282,434</u>
ESEA(ESSA): Title II, Part A, Supporting Effective			
Instruction Local Grants	84.367	14341	
Oakland Charter Academy			3,593
Oakland Charter High School			9,411
Richmond Charter Academy			7,481
Downtown Charter Academy			9,100
Benito Juarez Elementary			7,710
John Henry High School			11,674
			<u>48,969</u>
COVID-19 - Elementary and Secondary School Emergency Relief II			
(ESSER II) Fund	84.425	15547	
Oakland Charter Academy			17,853
Oakland Charter High School			12,287
Richmond Charter Academy			50,782
Downtown Charter Academy			74,098
Benito Juarez Elementary			58,420
John Henry High School			722
			<u>214,162</u>
COVID-19 - Elementary and Secondary School Emergency Relief III			
(ESSER III) Fund	84.425	15559	
Oakland Charter Academy			431,856
Oakland Charter High School			212,460
Richmond Charter Academy			144,922
Downtown Charter Academy			232,701
Benito Juarez Elementary			188,574
John Henry High School			243,026
			<u>1,453,539</u>
COVID-19 - Elementary and Secondary School Emergency Relief III			
(ESSER III) Fund: Learning Loss	84.425U	10155	
Downtown Charter Academy			16,022
Benito Juarez Elementary			47,800
			<u>63,822</u>
COVID-19 - Expanded Learning Opportunities (ELO) Grant			
ESSER II State Reserve	84.425D	15618	
Richmond Charter Academy			25,381
Downtown Charter Academy			6,280
Benito Juarez Elementary			32,206
John Henry High School			27,424
			<u>91,291</u>

Amethod Public SchoolsSchedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

COVID-19 - Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	
Oakland Charter High School			\$ 1,892
Richmond Charter Academy			3,822
Benito Juarez Elementary			10,650
John Henry High School			<u>2,242</u>
			<u>18,606</u>
COVID-19 - Expanded Learning Opportunities (ELO) Grant: ESSER III			
State Reserve, Emergency Needs	84.425U	15620	
Oakland Charter High School			23,750
Richmond Charter Academy			187
Downtown Charter Academy			<u>24,000</u>
			<u>47,937</u>
Special Ed: IDEA Cluster			
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	
Oakland Charter Academy			36,115
Oakland Charter High School			66,504
Richmond Charter Academy			40,519
Downtown Charter Academy			39,785
Benito Juarez Elementary			71,055
John Henry High School			<u>49,914</u>
Total Special Ed: IDEA Cluster			<u>303,892</u>
Total U.S. Department of Education			<u>2,524,652</u>
U.S. Department of Agriculture			
Child Nutrition Cluster			
National School Lunch Program	10.555	13755	
Oakland Charter Academy			36,650
Oakland Charter High School			98,669
Richmond Charter Academy			50,784
Downtown Charter Academy			29,720
Benito Juarez Elementary			111,667
John Henry High School			<u>53,766</u>
Total Child Nutrition Cluster			<u>381,256</u>
Total U.S. Department of Agriculture			<u>381,256</u>
Total expenditures of federal awards			<u>\$ 2,905,908</u>

Amethod Public Schools

Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Amethod Public Schools under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Amethod Public Schools, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Amethod Public Schools.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or 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.

3. Indirect Cost Rate

Amethod Public Schools elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Amethod Public Schools

Reconciliation of Charter School Unaudited Actuals Financial Report—
Alternative Form With Audited Financial Statements
Fiscal Year Ended June 30, 2023

Oakland Charter Academy

**June 30, 2023, Charter School Unaudited Actuals Financial Report—
Alternative Form, Ending Fund Balance**

\$ 4,469,361

Adjustments and reclassifications:

Increasing (decreasing) the fund balance:

Cash	(557,196)
Accounts receivable	509,194
Prepaid expenses and other assets	20,042
Property and equipment, net	(24,129)
Right of use assets, net	1,753,144
Accounts payable	112,029
Accrued expenses	(164,382)
Deferred revenue	51,610
Due to governments	(66,564)
Notes payable	-
Lease liability	(1,832,377)

Net adjustments and reclassifications

(198,629)

June 30, 2023, audited financial statement net assets

\$ 4,270,732

Oakland Charter High School

**June 30, 2023, Charter School Unaudited Actuals Financial Report—
Alternative Form, Ending Fund Balance**

\$ 9,202,132

Adjustments and reclassifications:

Increasing (decreasing) the fund balance:

Cash	1,134,104
Accounts receivable	221,488
Prepaid expenses and other assets	53,147
Right of use assets, net	1,435,226
Property and equipment, net	(130,109)
Accounts payable	188,991
Accrued expenses	(265,652)
Deferred revenue	(64,313)
Due to governments	(1,093,882)
Notes payable	(3,274)
Lease liability	(1,505,730)

Net adjustments and reclassifications

(30,004)

June 30, 2023, audited financial statement net assets

\$ 9,172,128

Amethod Public Schools

Reconciliation of Charter School Unaudited Actuals Financial Report—
Alternative Form With Audited Financial Statements
Fiscal Year Ended June 30, 2023

Richmond Charter Academy

**June 30, 2023, Charter School Unaudited Actuals Financial Report—
Alternative Form, Ending Fund Balance**

\$ 1,010,499

Adjustments and reclassifications:

Increasing (decreasing) the fund balance:

Cash	5,962,459
Accounts receivable	595,106
Prepaid expenses and other assets	48,126
Right of use assets, net	9,711,351
Property and equipment, net	(86,265)
Deposits	25,000
Accounts payable	226,099
Accrued expenses	(196,736)
Deferred revenue	(230,366)
Due to government	(90,150)
Due to related parties	(7,500,000)
Notes payable	1,702,396
Lease liability	(10,677,853)

Net adjustments and reclassifications

(510,833)

June 30, 2023, audited financial statement net assets

\$ 499,666

Downtown Charter Academy

**June 30, 2023, Charter School Unaudited Actuals Financial Report—
Alternative Form, Ending Fund Balance**

\$ 4,667,223

Adjustments and reclassifications:

Increasing (decreasing) the fund balance:

Cash	(337,289)
Accounts receivable	60,069
Prepaid expenses and other assets	(11,766)
Right of use assets, net	1,582,850
Property and equipment, net	(11,637)
Deposits	45,000
Accounts payable	319,698
Accrued expenses	(321,907)
Deferred revenue	(117,202)
Due to government	(124,379)
Lease liability	(1,605,919)

Net adjustments and reclassifications

(522,482)

June 30, 2023, audited financial statement net assets

\$ 4,144,741

Amethod Public Schools

Reconciliation of Charter School Unaudited Actuals Financial Report—
Alternative Form With Audited Financial Statements
Fiscal Year Ended June 30, 2023

Benito Juarez Elementary

**June 30, 2023, Charter School Unaudited Actuals Financial Report—
Alternative Form, Ending Fund Balance**

\$ 4,052,178

Adjustments and reclassifications:

Increasing (decreasing) the fund balance:

Cash	(1,560,364)
Accounts receivable	955,441
Related party receivable	(22,533)
Prepaid expenses and other assets	(88,079)
Right of use assets, net	10,322,367
Property and equipment, net	(172,228)
Accounts payable	588,751
Accrued expenses	(200,497)
Deferred revenue	(149,195)
Due to government	(119,753)
Lease liability	(12,400,380)
Notes payable	2,490,861

Net adjustments and reclassifications

(355,609)

June 30, 2023, audited financial statement net assets

\$ 3,696,569

John Henry High School

**June 30, 2023, Charter School Unaudited Actuals Financial Report—
Alternative Form, Ending Fund Balance**

\$ 1,728,326

Adjustments and reclassifications:

Increasing (decreasing) the fund balance:

Cash	(738,145)
Accounts receivable	486,761
Related party receivable	(17,512)
Prepaid expenses and other assets	40,805
Right of use assets, net	8,725,553
Property and equipment, net	(61,920)
Deposits	50,000
Accounts payable	1,467,414
Accrued expenses	(302,379)
Deferred revenue	(164,021)
Due to government	(1,344,816)
Lease liability	(10,445,150)
Notes payable	1,579,117

Net adjustments and reclassifications

(724,293)

June 30, 2023, audited financial statement net assets

\$ 1,004,033

Amethod Public Schools

 Combining Schedule of Financial Position
 June 30, 2023

	<u>Oakland Charter Academy</u>	<u>Oakland Charter High School</u>	<u>Richmond Charter Academy</u>	<u>Downtown Charter Academy</u>	<u>Benito Juarez Elementary</u>	<u>John Henry High School</u>	<u>Home Office</u>	<u>Eliminations</u>	<u>Total</u>
Assets									
Current Assets									
Cash	\$ 3,513,114	\$ 9,269,837	\$ 934,695	\$ 4,231,330	\$ 2,282,795	\$ 2,568,885	\$ (12,213,181)	\$ -	\$ 10,587,475
Accounts receivable	1,637,576	1,723,877	1,540,256	644,880	2,058,203	1,375,017	(25)	-	8,979,784
Related party receivable	-	-	-	-	-	-	7,500,000	(7,500,000)	-
Prepaid expenses and other assets	65,403	62,854	145,835	46,463	112,241	128,069	200,006	-	760,871
Total current assets	5,216,093	11,056,568	2,620,786	4,922,673	4,453,239	4,071,971	(4,513,200)	(7,500,000)	20,328,130
Right of Use Assets, Net	1,753,144	1,435,226	9,711,351	1,582,850	10,322,367	8,725,553	3,190,322	-	36,720,813
Property and Equipment, Net	8,265	240,585	7,555,319	23,175	2,019,682	549,169	2,862,779	-	13,258,974
Deposits	-	-	25,000	45,000	-	50,000	-	-	120,000
Total assets	<u>\$ 6,977,502</u>	<u>\$ 12,732,379</u>	<u>\$ 19,912,456</u>	<u>\$ 6,573,698</u>	<u>\$ 16,795,288</u>	<u>\$ 13,396,693</u>	<u>\$ 1,539,901</u>	<u>\$ (7,500,000)</u>	<u>\$ 70,427,917</u>
Liabilities and Net Assets									
Current Liabilities									
Accounts payable	\$ 133,032	\$ 221,718	\$ 84,298	\$ 165,785	\$ 132,581	\$ 132,619	\$ 7,410	\$ -	\$ 877,443
Accrued expenses	164,382	265,652	196,736	321,907	200,497	302,379	368,066	-	1,819,619
Deferred revenue	135,569	469,993	271,783	205,059	245,508	164,021	-	-	1,491,933
Due to governments	441,410	1,093,884	682,120	124,713	119,753	1,344,816	-	-	3,806,696
Due to related parties	-	-	7,500,000	-	-	-	-	(7,500,000)	-
Lease liability, current portion	310,246	730,085	594,402	494,353	690,225	579,972	461,537	-	3,860,820
Notes payable, current portion	-	3,274	-	5,574	-	3,675	394,405	-	406,928
Total current liabilities	1,184,639	2,784,606	9,329,339	1,317,391	1,388,564	2,527,482	1,231,418	(7,500,000)	12,263,439
Long-Term Liabilities									
Lease liability, net of current portion	1,522,131	775,645	10,083,451	1,111,566	11,710,155	9,865,178	2,919,745	-	37,987,871
Notes Payable, net of current portion	-	-	-	-	-	-	7,128,077	-	7,128,077
Total long-term liabilities	1,522,131	775,645	10,083,451	1,111,566	11,710,155	9,865,178	10,047,822	-	45,115,948
Total liabilities	2,706,770	3,560,251	19,412,790	2,428,957	13,098,719	12,392,660	11,279,240	(7,500,000)	57,379,387
Net Assets (Deficit):									
Net assets without donor restrictions									
Undesignated	4,270,732	9,172,128	499,666	4,144,741	3,696,569	1,004,033	(9,739,339)	-	13,048,530
Total net assets (deficit)	4,270,732	9,172,128	499,666	4,144,741	3,696,569	1,004,033	(9,739,339)	-	13,048,530
Total liabilities and net assets	<u>\$ 6,977,502</u>	<u>\$ 12,732,379</u>	<u>\$ 19,912,456</u>	<u>\$ 6,573,698</u>	<u>\$ 16,795,288</u>	<u>\$ 13,396,693</u>	<u>\$ 1,539,901</u>	<u>\$ (7,500,000)</u>	<u>\$ 70,427,917</u>

Amethod Public Schools

Combining Schedule of Activities
Fiscal Year Ended June 30, 2023

	Oakland Academy Net Assets Without Donor Restrictions	Oakland Charter High School Net Assets Without Donor Restrictions	Richmond Charter Academy Net Assets Without Donor Restrictions	Downtown Charter Academy Net Assets Without Donor Restrictions	Benito Juarez Elementary Net Assets Without Donor Restrictions	John Henry High School Net Assets Without Donor Restrictions	Home Office School Net Assets Without Donor Restrictions	Elimination	Total
Revenues									
Revenue limit sources:									
State aid	\$ 1,681,527	\$ 4,127,057	\$ 2,238,471	\$ 2,258,464	\$ 4,224,776	\$ 4,732,780	\$ -	\$ -	\$ 19,263,075
Education protection account	158,071	384,370	248,345	50,374	87,124	66,852	-	-	995,136
In-lieu of property taxes	640,409	1,325,717	1,015,273	846,452	1,484,288	-	-	-	5,312,139
Federal revenues	587,912	447,089	343,182	495,060	616,104	416,561	-	-	2,905,908
State revenues	1,415,720	2,164,815	1,732,891	1,744,178	2,893,771	1,942,791	-	-	11,894,166
Local revenues	111,399	65,924	96,172	88,447	146,827	106,332	4,262,825	(3,873,989)	1,003,937
Total revenues	4,595,038	8,514,972	5,674,334	5,482,975	9,452,890	7,265,316	4,262,825	(3,873,989)	41,374,361
Expenses									
Program services:									
Education	3,494,146	6,675,105	4,744,955	4,572,933	7,238,178	5,591,196	3,015,346	-	35,331,859
Support services:									
Management and general	798,789	761,324	625,628	615,358	443,010	682,208	1,644,232	(3,873,989)	1,696,560
Total expenses	4,292,935	7,436,429	5,370,583	5,188,291	7,681,188	6,273,404	4,659,578	(3,873,989)	37,028,419
Change in net assets	302,103	1,078,543	303,751	294,684	1,771,702	991,912	(396,753)	-	4,345,942
Net Assets (Deficit), Beginning	3,968,629	8,093,585	195,915	3,850,057	1,924,867	12,121	(9,342,586)	-	8,702,588
Net Assets (Deficit), Ending	\$ 4,270,732	\$ 9,172,128	\$ 499,666	\$ 4,144,741	\$ 3,696,569	\$ 1,004,033	\$ (9,739,339)	\$ -	\$ 13,048,530

Amethod Public Schools

Combining Statement of Functional Expenses
Fiscal Year Ended June 30, 2023

	Oakland Charter Academy	Oakland Charter High School	Richmond Charter Academy	Downtown Charter Academy	Benito Juarez Elementary	John Henry High School	Home Office	Eliminations	Total
Program Services									
Education:									
Certificated salaries	\$ 801,047	\$ 1,573,730	\$ 1,075,573	\$ 1,373,859	\$ 1,751,765	\$ 1,554,788	\$ 156,851	\$ -	\$ 8,287,613
Classified salaries	653,924	1,209,341	744,262	772,287	929,776	672,224	994,485	-	5,976,299
Employee benefits	278,439	498,872	318,042	445,626	449,083	373,875	327,177	-	2,691,114
Books and supplies	231,128	436,774	296,053	183,402	363,839	201,537	54,266	-	1,766,999
Travel and conferences	20,775	3,993	7,172	2,416	2,571	3,245	31,332	-	71,504
Dues and memberships	3,601	6,201	4,849	4,069	6,689	5,290	8,502	-	39,201
Operation and housekeeping services	71,852	189,876	116,144	80,013	192,992	136,139	49,109	-	836,125
Rental, leases, repairs and non-capitalized improvements	405,932	670,353	1,023,367	528,369	1,089,282	893,138	537,913	-	5,148,354
Professional/consulting services and operating expenditures	996,027	1,966,556	1,085,062	1,152,117	2,290,404	1,675,182	278,925	(3,873,989)	5,570,284
Communications	12,117	15,323	5,419	21,467	23,995	26,240	7,835	-	112,396
Depreciation	19,304	104,086	69,012	9,308	137,782	49,538	192,488	-	581,518
Interest expenses	-	-	-	-	-	-	376,463	-	376,463
Total program services	3,494,146	6,675,105	4,744,955	4,572,933	7,238,178	5,591,196	3,015,346	(3,873,989)	31,457,870
Student Support Services									
Management and General									
Certificated salaries	\$ 126,531	\$ 124,805	\$ 156,333	\$ 198,910	\$ 191,185	\$ 140,633	\$ 70,806	\$ -	\$ 1,009,203
Classified salaries	84,422	150,075	90,272	44,209	50,515	88,603	782,367	-	1,290,463
Employee benefits	44,591	80,042	51,350	70,346	70,426	58,082	58,521	-	433,358
Books and supplies	45,249	79,612	73,788	29,116	64,158	48,578	68,498	-	408,999
Travel and conferences	5,194	998	1,793	604	643	811	7,833	-	17,876
Dues and memberships	254,007	13,914	(9,028)	95	(253,373)	42,434	(39,682)	-	8,367
Operation and housekeeping services	79,353	66,929	43,786	28,285	63,716	51,602	42,581	-	376,252
Rental, leases, repairs and non-capitalized improvements	40,787	67,355	102,824	53,089	109,447	89,739	54,048	-	517,289
Professional/consulting services and operating expenditures	110,800	147,741	95,902	183,010	105,849	142,782	549,179	-	1,335,263
Communications	3,029	3,831	1,355	5,367	5,999	6,560	1,959	-	28,100
Depreciation	4,826	26,022	17,253	2,327	34,445	12,384	48,122	-	145,379
Total student support services	798,789	761,324	625,628	615,358	443,010	682,208	1,644,232	-	5,570,549
Total expenses	\$ 4,292,935	\$ 7,436,429	\$ 5,370,583	\$ 5,188,291	\$ 7,681,188	\$ 6,273,404	\$ 4,659,578	\$ (3,873,989)	\$ 37,028,419

Amethod Public Schools

 Combining Schedule of Cash Flows
 Fiscal Year Ended June 30, 2023

	<u>Oakland Charter Academy</u>	<u>Oakland Charter High School</u>	<u>Richmond Charter Academy</u>	<u>Downtown Charter Academy</u>	<u>Benito Juarez Elementary</u>	<u>John Henry High School</u>	<u>Home Office</u>	<u>Total</u>
Cash Flows From Operating Activities								
Change in net assets	\$ 302,103	\$ 1,078,543	\$ 303,751	\$ 294,684	\$ 1,771,702	\$ 991,912	\$ (396,753)	\$ 4,345,942
Adjustments to reconcile change in net assets to net cash flows provided by operating activities								
Depreciation	24,130	130,108	86,265	11,635	172,227	61,922	240,610	726,897
Adjustments to change in net assets								
(Increase) decrease in operating assets:								
Accounts receivable	(441,937)	(304,966)	(649,358)	876,051	(448,805)	46,564	-	(922,451)
Related party receivable	-	2,000,000	6,500,000	-	(1,000,000)	-	(7,500,000)	-
Prepaid expenses and other assets	(32,422)	84,723	(6,167)	(906)	13,191	(32,416)	(116,996)	(90,993)
Right of use assets, net	79,232	70,504	966,502	23,070	2,078,014	1,719,596	190,960	5,127,878
Increase (decrease) in operating liabilities:								
Accounts payable	(148,886)	(319,886)	(151,744)	(69,617)	(399,530)	(214,580)	(55,062)	(1,359,305)
Accrued expenses	38,820	41,548	64,844	131,518	36,604	130,214	236,772	680,320
Due to governments	433,663	850,376	508,974	124,099	119,139	(325,630)	-	1,710,621
Deferred revenue	(274)	137,155	230,365	22,704	149,810	88,424	-	628,184
Deferred rent	(67,879)	(72,843)	(850,417)	(2,400)	(2,026,068)	(1,669,378)	(151,674)	(4,840,659)
Net cash flows provided by operating activities	<u>186,550</u>	<u>3,695,262</u>	<u>7,003,015</u>	<u>1,410,838</u>	<u>466,284</u>	<u>796,628</u>	<u>(7,552,143)</u>	<u>6,006,434</u>
Cash Flows From Financing Activities								
Payment on notes payable	(401)	(17,976)	-	(5,244)	-	(17,976)	(372,239)	(413,836)
Net cash flows used in financing activities	<u>(401)</u>	<u>(17,976)</u>	<u>-</u>	<u>(5,244)</u>	<u>-</u>	<u>(17,976)</u>	<u>(372,239)</u>	<u>(413,836)</u>
Net increase in cash	186,149	3,677,286	7,003,015	1,405,594	466,284	778,652	(7,924,382)	5,592,598
Cash, Beginning	<u>3,326,965</u>	<u>5,592,551</u>	<u>(6,068,320)</u>	<u>2,825,736</u>	<u>1,816,511</u>	<u>1,790,233</u>	<u>(4,288,799)</u>	<u>4,994,877</u>
Cash, Ending	<u>\$ 3,513,114</u>	<u>\$ 9,269,837</u>	<u>\$ 934,695</u>	<u>\$ 4,231,330</u>	<u>\$ 2,282,795</u>	<u>\$ 2,568,885</u>	<u>\$ (12,213,181)</u>	<u>\$ 10,587,475</u>
Supplemental Disclosure of Cash Flow Information								
Cash paid for interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,239	\$ 372,239

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Directors of
Amethod Public Schools

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of Amethod Public Schools (the Organization), which comprise the Organization's statement of financial position as of June 30, 2023, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 9, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The Organization's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompany schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

San Diego, California
May 9, 2024

**Report on Compliance
for Each Major Federal Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditors' Report

To the Board of Directors of
Amethod Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Amethod Public Schools' (the Organization) 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 the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' 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 the Organization's 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 about the Organization's 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 the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's 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 Auditors' 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.

Baker Tilly US, LLP

San Diego, California
May 9, 2024

Report on State Compliance and on Internal Control Over Compliance for State Programs

Independent Auditors' Report

To the Board of Directors of
Amethod Public Schools

Report on Compliance

Qualified and Unmodified Opinions

We have audited the Amethod Public Schools' (the Organization) compliance with the requirements specified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the Organization's state compliance requirements identified for the year ended June 30, 2023.

Qualified Opinions on After / Before School Education and Safety Program and Mode of Instruction

In our opinion, except for the noncompliance described in the "Matters Giving Rise to Qualified Opinion on After / Before School Education and Safety Program and Mode of Instruction" section of our report, the Organization complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Unmodified Opinion on the Other State Programs

In our opinion, the Organization complied, in all material respects, with the laws and regulations of the other state programs noted in the table below for the year ended June 30, 2023.

Basis for Qualified and Unqualified Opinions

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, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 opinion. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on After / Before School Education and Safety Program and Mode of Instruction

As described in the accompanying schedule of findings and questions costs, the Organization did not comply with requirements regarding After / Before School Education and Safety Program and Mode of Instruction as described in findings 2023-002 and 2023-003.

Compliance with such requirements is necessary, in our opinion, for the Organization to comply with the requirements applicable to that program.

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, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's state programs.

Auditors' 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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a 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 about the Organization's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstance;
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls over compliance. Accordingly, we express no such opinion; and

- Select and test transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

Description	Procedures
California Clean Energy Jobs Act	Not Applicable
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Not Applicable
Expanded Learning Opportunities Grant (E LO-G)	Not Applicable
Career Technical Education Incentive Grant	Not Applicable
Transitional Kindergarten	Yes
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes, Classroom-Based	Yes
Charter School Facility Grant Program	Yes

The term "Not Applicable" is used above to mean either that the Organization did not offer the program during the current fiscal year, or that the program applies only to a different type of local education agency.

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 identify 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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 and 2023-003, to be material weaknesses.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 identified 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.

Government Auditing Standards requires the auditor to perform limited procedures over the Organization's response to the findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Baker Tilly US, LLP

San Diego, California
May 9, 2024

Amethod Public Schools

Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance? yes X no

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	COVID-19 - Elementary and Secondary School Emergency Relief II (ESSER II) Fund
84.425	COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund
84.425U	COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss
84.425D	COVID-19 - Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve
84.425C	COVID-19 - Expanded Learning Opportunities (ELO) Grant GEER II
84.425U	COVID-19 - Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

Amethod Public Schools

Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023

State Awards

Internal control over state programs:

Material weakness(es) identified?	<u> X </u>	Yes	<u> </u>	no
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	none reported

Type of auditor's report issued on compliance for state programs:

 Qualified

Section II - Financial Statement Findings

Finding 2023-001

(1) Criteria

Internal controls over financial reporting should include preparing reliable and accurate financial reports in a timely manner.

(2) Condition

The Organization did not ensure accurate or reliable year-end accounting records.

(3) Cause

The Organization experienced multiple instances of turnover at the CEO and CFO position during the course of the audit. In addition, the Organization did not have sufficient experience and background to help maintain accurate and reliable financial records during the year end audit and ensure a timely closure of year end accounting records.

(4) Effect or Potential Effect

The turnover at the CEO and CFO position along with the inconsistency of accounting records resulted in a delay in obtaining sufficient and proper audit support which in part delayed the audit testing and completion timeline.

(5) Recommendation

We recommend the Organization assess the adequacy of their accounting and finance staff to ensure the Organization can properly follow and perform their established policies and procedures over financial reporting and ensure accuracy and consistency of accounting records.

(6) Views of Responsible Officials and Planned Corrective Actions

As of May 1, 2024, Amethod Public Schools (the Organization) has entered into a contract with Charter Impact, a business services management company. Charter Impact will be supporting the Organization with the following: Implementation and Training, Budgeting and Forecasting, Monthly Financial Reporting, Compliance And Grant Reporting, Bank Reconciliation and GL Maintenance, Cash Management, AP/AR, Audit Preparation and Authorizer Oversight, Tax Preparation and Support, and Board Support and Training. The Charter Impact support team consists of a: Director of Finance, Accounting Manager, Senior Accountant, Staff Accountant, AP Manager, AP Analyst, AP Associate, Payroll Supervisor, Payroll Specialist, Payroll Assistant, and a Retirement Specialist.

Amethod Public Schools

Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023

In addition to adding the services that Charter Impact will provide, the Organization will hire a Chief Operations Officer (COO) who will be responsible for overseeing the partnership between Charter Impact and our internal finance team to ensure effective management structures and strong internal controls. Furthermore, the Organization's Board of Directors and the Organization's Board of Directors Finance Committee will have regular meetings with the COO and CEO to provide oversight of financial reporting operations.

Section III - Federal Award Findings and Questioned Costs

None

Section IV - State Award Findings and Questioned Costs

Finding 2023-002

40000 - State Compliance - After / Before School Education and Safety Program

(1) Criteria

The Organization is required to accurately report the number of pupils served in the program through attendance records.

(2) Condition

The Organization did not have a process or procedure that provided sufficient oversight and confirmation of the attendance reporting.

(3) Effect

Pupils who are identified on the hand-written attendance record at the site were not properly entered into the information system resulting in a potential overstatement of pupils served by the program which may result in a change in funds allocated to the Organization.

(4) Cause

The Organization experienced challenges with ASES staff turnover which led to inconsistencies in ASES attendance reporting.

(5) Effect on ADA

None.

(6) Recommendation

We recommend the Organization establish policies or procedures to properly capture the attendance of each pupil participating in the program and review processes in place to ensure proper transfer of that attendance to the information attendance system.

Amethod Public Schools

Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023

(7) Organization's Corrective Action Plan

The Organization agrees with the recommendation and all sites are now required to enter daily students' attendance into the student information system so that the reports are clear, saved and can be accessed. In addition, attendance will be reconciled monthly at the same time that the ADA is reconciled and reported.

ASES coordinators will receive training and be asked to use a standard template for sign in sheets and uniform symbols to track attendance. Schools will maintain the sign in sheets but will be required to scan and upload copies into a shared drive with both finance and operations who will be reviewing the sheets and making sure that they match the reported monthly attendance.

Finding 2023-003

40000 - State Compliance - Mode of Instruction

(1) Criteria

Pupils are required to be engaged in educational activities required of those pupils and the pupils are under the immediate supervision and control of an employee of the Organization who possessed a valid teaching certification in accordance with Education Code Section 47605(l) or 47605.4.

(2) Condition

One teacher did not possess a valid teaching certification in accordance with Education Code Section 47605(l) or 47605.4.

(3) Effect

A penalty will be derived in accordance with Education Code Section 45037(b) and is approximately \$33,241 based on the number of days of instruction provided by the teacher without a valid certification which equated to 0.1300% of total days of instruction multiplied by the Revenue Limit Sources totaling \$25,570,342.

(4) Cause

The Organization did not sufficiently complete the application process to obtain a California credential for an out-of-state teacher until after the year under audit.

(5) Effect on ADA

None.

(6) Recommendation

We recommend the Organization establish a system to validate each teacher's credential on an annual basis prior to the start of the school year, and to validate teachers hired during the school year.

Amethod Public Schools

Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023

(7) Organization's Corrective Action Plan

The Organization agrees with the recommendation and has implemented changes to staffing and training for new staff. The Organization's hiring process was updated to ensure that trained HR personnel check credentials early in the hiring process and track when credentials will expire. The purpose is to ensure there is no lapse in credentialing. The Organization purchased a new software tracking system, Helios, which is customizable and can report on important credential information. The Organization will be conducting monthly staffing and credential audits at all school sites to make sure that the Organization is aware of any teaching assignment changes and that staff is properly credentialed.

Amethod Public Schools

Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2023

<u>Findings/Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Implemented</u>
2022-1: The Organization required material audit adjustments to the financial statements in order for the financial statements to be presented in accordance with GAAP / The Organization should enhance their financial close process by including reviews of financial records and adjustments by the Director of Finance and the Board.	Repeat finding	Refer to finding 2023-001 language in the Schedule of Findings and Questioned Costs

Appendix F. 2023-24 AMPS Audit Report

On following page.

AMPS

AMETHOD PUBLIC SCHOOLS

AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2024**

**A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING THE FOLLOWING SIX (6) CALIFORNIA CHARTER SCHOOLS**

Oakland Charter Academy (Charter No. 0014)
Oakland Charter High School (Charter No. 0883)
Richmond Charter Academy (Charter No. 1441)
Richmond Charter Elementary - Benito Juarez Elementary (Charter No. 1660)
Downtown Charter Academy (Charter No. 1661)
John Henry High School (Charter No. 1741)

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Amethod Public Schools
Richmond, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Amethod Public Schools (the "Organization") which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amethod Public Schools as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
March 10, 2025

AMETHOD PUBLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Current assets	
Cash and cash equivalents	\$ 13,927,492
Accounts receivable	8,514,819
Other current assets	660,657
Total current assets	<u>23,102,968</u>
Noncurrent assets	
Deposits	120,000
Right-of-use assets	32,396,398
Capital assets, net	12,104,048
Total noncurrent assets	<u>44,620,446</u>
Total Assets	<u>\$ 67,723,414</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 3,205,616
Deferred revenue	236,039
Lease liabilities	37,633,648
Loan payable	7,133,005
Total liabilities	<u>48,208,308</u>
Net assets	
Without donor restrictions	<u>19,515,106</u>
Total net assets	<u>19,515,106</u>
Total Liabilities and Net Assets	<u>\$ 67,723,414</u>

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

**AMETHOD PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>
SUPPORT AND REVENUES	
Federal and state support and revenues	
Local control funding formula, state aid	\$ 19,703,074
Federal revenues	4,879,081
Other state revenues	<u>10,334,590</u>
Total federal and state support and revenues	<u>34,916,745</u>
Local support and revenues	
Payments in lieu of property taxes	5,594,552
Donations and fundraising	39,396
Other local revenues	<u>978,351</u>
Total local support and revenues	<u>6,612,299</u>
Total Support and Revenues	<u>41,529,044</u>
EXPENSES	
Program services	25,927,449
Management and general	<u>9,135,019</u>
Total Expenses	<u>35,062,468</u>
CHANGE IN NET ASSETS	6,466,576
Net Assets - Beginning	<u>13,048,530</u>
Net Assets - Ending	<u>\$ 19,515,106</u>

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

**AMETHOD PUBLIC SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services	Management and General	Total
EXPENSES			
Personnel expenses			
Certificated salaries	\$ 7,924,831	\$ 879,497	\$ 8,804,328
Non-certificated salaries	4,679,859	1,075,771	5,755,630
Payroll taxes	1,416,176	230,698	1,646,874
Other employee benefits	1,182,804	192,681	1,375,485
Total personnel expenses	<u>15,203,670</u>	<u>2,378,647</u>	<u>17,582,317</u>
Non-personnel expenses			
Books and supplies	1,861,305	141,554	2,002,859
Insurance	-	51,406	51,406
Facilities	6,197,177	1,102,290	7,299,467
Professional services	1,634,333	4,405,644	6,039,977
Interest expense	-	359,225	359,225
Depreciation	930,893	224,033	1,154,926
Fees to authorizing agencies	-	253,618	253,618
Other operating expenses	100,071	218,602	318,673
Total non-personnel expenses	<u>10,723,779</u>	<u>6,756,372</u>	<u>17,480,151</u>
Total Expenses	<u>\$ 25,927,449</u>	<u>\$ 9,135,019</u>	<u>\$ 35,062,468</u>

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

**AMETHOD PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 6,466,576
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	1,154,926
Lease expense - amortization of right-of-use asset	109,372
(Increase) decrease in operating assets	
Accounts receivable	464,965
Other current assets	100,214
Increase (decrease) in operating liabilities	
Accounts payable	(3,298,142)
Deferred revenue	(1,255,894)
Net cash provided by (used in) operating activities	<u>3,742,017</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on loan payable	<u>(402,000)</u>
Net cash provided by (used in) financing activities	<u>(402,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,340,017
Cash and cash equivalents - Beginning	<u>10,587,475</u>
Cash and cash equivalents - Ending	<u>\$ 13,927,492</u>
SUPPLEMENTAL DISCLOSURE	
Cash paid for interest	<u>\$ 359,225</u>

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

**AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Amethod Public Schools (the “Organization”) was formed as a nonprofit public benefit corporation on August 5, 1993 for the purpose of operating California public schools. During the year ended June 30, 2024, Amethod Public Schools operated six (6) public charter schools and a home office for charter management. Information on each of the charter schools is as follows:

Charter No.	Charter School Name	Grades Served	Petition End Date	Authorizer
0014	Oakland Charter Academy	6 - 8	6/30/2026	Oakland Unified
0883	Oakland Charter High School	9 - 12	6/30/2025	Oakland Unified
1441	Richmond Charter Academy	6 - 8	6/30/2025	West Contra Costa Unified
1660	Richmond Charter Elementary - Benito Juarez Elementary	TK/K - 5	6/30/2027	West Contra Costa Unified
1661	Downtown Charter Academy	6 - 8	6/30/2027	Oakland Unified
1741	John Henry High School	9 - 12	6/30/2028	State Board of Education

Funding sources primarily consist of state apportionments, federal grants, in lieu of property tax revenues, and grants and donations from the public.

B. Basis of Accounting

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

C. Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). ASC 958-205 was effective July 1, 2018. Under the Guide, Amethod Public Schools is required to report information regarding its financial position and activities according to two classes of net assets:

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

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

The Organization also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual* presented in Procedure 810 Charter Schools. Fund accounting is only used to the extent that internal accounting for multiple charter school or other program operations is necessary and is not used for external financial statement presentation.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Estimates

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

E. Contributions

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

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

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

F. In Lieu of Property Tax Revenue

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

G. Functional Expenses

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

H. Cash and Investments

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Receivables and Allowances

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Organization establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2024, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

J. Capital Assets

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

K. Deferred Revenue

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

L. Income Taxes

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

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

M. Fair Value Measurements

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

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

AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Lease Arrangements

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

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents, as of June 30, 2024, consists of cash in banks of \$13,927,492. As of June 30, 2024, a portion of the Organization’s bank balance was exposed to custodial credit risk as there were deposits over \$250,000 in accounts held at one or more banks. Custodial credit risk is the risk that in the event of a bank failure, an organization’s deposits may not be returned to it. Amethod Public Schools does not currently have a policy for custodial credit risk for deposits. The FDIC insures up to \$250,000 per depositor per insured bank.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2024, consists of the following:

Local control funding sources, state aid	\$ 2,176,330
Federal sources	3,257,347
Other state sources	1,361,585
In lieu property tax payments	589,407
Other local sources	1,130,150
Total Accounts Receivable	\$ 8,514,819

NOTE 4 – CAPITAL ASSETS

A summary of activity related to capital assets during the year ended June 30, 2024 consists of the following:

	Balance July 1, 2023	Additions	Disposals	Balance June 30, 2024
Property and equipment				
Leasehold improvements	\$ 11,692,294	\$ -	\$ -	\$ 11,692,294
Land improvements	6,351,846	-	-	6,351,846
Buildings	1,961,079	-	-	1,961,079
Equipment	489,772	-	-	489,772
Total property and equipment	20,494,991	-	-	20,494,991
Less accumulated depreciation	(7,236,017)	(1,154,926)	-	(8,390,943)
Capital Assets, net	\$ 13,258,974	\$ (1,154,926)	\$ -	\$ 12,104,048

AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2024, consists of the following:

Vendor payables	\$ 1,413,508
Due to grantor government	1,349,640
Salaries and benefits	437,254
Authorizer oversight fees	5,214
Total Accounts Payable	\$ 3,205,616

NOTE 6 – DEFERRED REVENUE

Deferred revenue as of June 30, 2024, consists of unspent conditional contributions from state and/or federal sources of \$236,039. Revenue will be recognized in a future period when the conditions of the funding are substantially met.

NOTE 7 – OPERATING LEASES

The Organization entered into lease agreements to occupy facility space located in Richmond and Oakland, California, and holds leases for use of equipment. The facilities are utilized for instructional services in order to meet the goals established by the Organization as well as a portion for administrative operations. The facility leases called for security deposits of \$120,000, which has been recorded as noncurrent assets on the statement of financial position. The lease agreements cover terms ending through April 2035.

During the fiscal year ended June 30, 2024, the Organization paid \$5,208,336 in lease payments under the operating leases. At June 30, 2024, the right-of-use assets were \$32,396,398, net of amortization, and the lease liabilities totaled \$37,633,648. The Organization has accounted for its lease agreements using an implied discount rate of 3.41%. The weighted average remaining lease term is 9.61 years. Future lease payment obligations are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Lease Payments</u>
2025	\$ 5,358,095
2026	4,624,737
2027	3,895,719
2028	3,929,987
2029	3,347,459
Thereafter	24,073,863
Total lease payments	45,229,860
NPV adjustment	(7,596,212)
Total Lease Liabilities	\$ 37,633,648

NOTE 8 – LOAN PAYABLE

A summary of activity related to loan payable during the year ended June 30, 2024 consists of the following:

	<u>Balance July 1, 2023</u>	<u>Draws</u>	<u>Payments</u>	<u>Balance June 30, 2024</u>
Promissory note	\$ 7,535,005	\$ -	\$ 402,000	\$ 7,133,005
Total Loan Payable	\$ 7,535,005	\$ -	\$ 402,000	\$ 7,133,005

AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 8 – LOAN PAYABLE (continued)

April 2022, the Organization entered into a loan agreement with Umpqua Bank for \$8,000,000. The loan holds an interest rate of 4.79% and matures in April 2027. The fiscal year ended June 30, 2024, the Organization made payments of \$748,702, which included \$402,000 of principal and \$346,702 of interest expense. As of June 30, 2024, the outstanding balance on the loan was \$7,133,005. Repayment obligations on the above referenced debt are as follows:

<u>Fiscal Year Ending June 30,</u>	
2025	\$ 748,702
2026	748,702
2027	<u>6,642,167</u>
Total payments	<u>8,139,571</u>
Less interest	<u>(1,006,566)</u>
Total Loan Payable	<u>\$ 7,133,005</u>

NOTE 9 – NET ASSETS

As of June 30, 2024, the Organization did not hold any net assets with donor restrictions. Certain designations or reserves have been made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Organization. At June 30, 2024, the Organization’s net assets without donor restrictions consists of the following:

Net investment in capital assets	\$ 12,104,048
Undesignated	<u>7,411,058</u>
Total Net Assets without Donor Restrictions	<u>\$ 19,515,106</u>

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization’s financial assets as of June 30, 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered not available for general use when illiquid or not convertible to cash within one year, consist of assets held for others or are held aside by the governing board for specific contingency reserves. Any board designations could be drawn upon if the board approves that action.

Financial Assets	
Cash and cash equivalents	\$ 13,927,492
Accounts receivable	8,514,819
Other current assets	660,657
Contractual or donor-imposed restrictions	
Cash held for conditional contributions	<u>(236,039)</u>
Financial Assets available to meet cash needs for expenditures within one year	<u>\$ 22,866,929</u>

NOTE 11 – DONATED GOODS AND SERVICES

During the year, many parents, administrators and other individuals donated significant amounts of time and services to Amethod Public Schools in an effort to advance its programs and objectives. These services have not been recorded in the Organization’s financial statements because they do not meet the criteria required by generally accepted accounting principles. The Organization did not receive any donated items during the year ended June 30, 2024.

AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 12 – EMPLOYEE RETIREMENT PLAN

In accordance with *California Education Code 47605*, charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. The Organization has not made such election but may choose to in a future period. Certificated employees can be members of the California State Teachers' Retirement System (CalSTRS), and non-certificated employees can be members of the California Public Employees' Retirement System (CalPERS).

As established by federal law, all public sector employees who are not members of their employer's existing retirement plan (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The Organization offers both social security and a 401(k) employee funded plan. All employees are eligible to participate in the plans. A participant of the 401(k) plan may make an election to defer compensation and have it contributed to this plan. The Organization may make discretionary matching contribution equal to 100% of the participant's elective deferrals up to 3% of the participant's salary. The Organization's contribution to plan for the fiscal year ended June 30, 2024 was \$170,391.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Charter School Authorization

As mentioned in Note 1A, Amethod Public Schools operates six (6) charter schools that are approved to operate as public charter schools through authorization by the listed authorizer. As such, the charter schools are subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

The Organization makes payments to the authorizing agencies to provide required services for oversight. Fees associated with oversight consisted of 1% of revenue from local control funding formula sources. Total oversight fees amounted to \$253,618 for the fiscal year ending June 30, 2024.

Governmental Funds

Amethod Public Schools has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements would not be material.

Pending or Threatened Litigation

The Organization is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Organization as of June 30, 2024.

NOTE 14 – SUBSEQUENT EVENTS

Amethod Public Schools has evaluated subsequent events for the period from June 30, 2024 through March 10, 2025, the date the financial statements were available to be issued. Management did not identify any transactions or events that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTARY INFORMATION

AMETHOD PUBLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION BY CHARTER
JUNE 30, 2024

Charter No.	0014	0883	1441	1660	1661	1741			
	Oakland Charter Academy	Oakland Charter High School	Richmond Charter Academy	RCE - Benito Juarez Elementary	Downtown Charter Academy	John Henry High School	Home Office	Eliminations	Total
ASSETS									
Current assets									
Cash and cash equivalents	\$ 3,850,740	\$ 11,025,179	\$ 1,639,323	\$ 5,795,494	\$ 4,589,089	\$ 3,869,431	\$ (16,841,764)	\$ -	\$ 13,927,492
Accounts receivable	2,376,741	1,532,744	1,006,885	1,779,576	757,385	1,060,226	1,262	-	8,514,819
Interagency receivables	-	-	-	-	-	-	10,324,001	(10,324,001)	-
Other current assets	118,479	112,330	90,324	99,613	128,607	49,518	61,786	-	660,657
Total current assets	<u>6,345,960</u>	<u>12,670,253</u>	<u>2,736,532</u>	<u>7,674,683</u>	<u>5,475,081</u>	<u>4,979,175</u>	<u>(6,454,715)</u>	<u>(10,324,001)</u>	<u>23,102,968</u>
Noncurrent assets									
Deposits	-	-	25,000	-	45,000	50,000	-	-	120,000
Right-of-use assets	1,437,963	728,797	9,029,012	9,611,580	1,079,401	8,121,628	2,388,017	-	32,396,398
Capital assets, net	105,365	113,191	5,076,116	2,583,855	13,101	488,515	3,723,905	-	12,104,048
Total noncurrent assets	<u>1,543,328</u>	<u>841,988</u>	<u>14,130,128</u>	<u>12,195,435</u>	<u>1,137,502</u>	<u>8,660,143</u>	<u>6,111,922</u>	<u>-</u>	<u>44,620,446</u>
Total Assets	<u>7,889,288</u>	<u>13,512,241</u>	<u>16,866,660</u>	<u>19,870,118</u>	<u>6,612,583</u>	<u>13,639,318</u>	<u>(342,793)</u>	<u>\$ (10,324,001)</u>	<u>67,723,414</u>
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable	\$ 485,232	\$ 415,125	\$ 777,074	\$ 372,439	\$ 245,934	\$ 650,422	\$ 259,390	\$ -	\$ 3,205,616
Interagency payables	175,561	773,578	6,091,021	2,097,210	541,434	645,197	-	(10,324,001)	-
Deferred revenue	106,859	41,534	12,566	-	24,495	50,585	-	-	236,039
Lease liabilities	1,510,137	762,033	10,054,523	11,709,747	1,116,732	9,851,967	2,628,509	-	37,633,648
Loan payable	-	-	-	-	-	-	7,133,005	-	7,133,005
Total liabilities	<u>2,277,789</u>	<u>1,992,270</u>	<u>16,935,184</u>	<u>14,179,396</u>	<u>1,928,595</u>	<u>11,198,171</u>	<u>10,020,904</u>	<u>(10,324,001)</u>	<u>48,208,308</u>
Net assets									
Without donor restrictions	5,611,499	11,519,971	(68,524)	5,690,722	4,683,988	2,441,147	(10,363,697)	-	19,515,106
Total net assets	<u>5,611,499</u>	<u>11,519,971</u>	<u>(68,524)</u>	<u>5,690,722</u>	<u>4,683,988</u>	<u>2,441,147</u>	<u>(10,363,697)</u>	<u>-</u>	<u>19,515,106</u>
Total Liabilities and Net Assets	<u>\$ 7,889,288</u>	<u>\$ 13,512,241</u>	<u>\$ 16,866,660</u>	<u>\$ 19,870,118</u>	<u>\$ 6,612,583</u>	<u>\$ 13,639,318</u>	<u>\$ (342,793)</u>	<u>\$ (10,324,001)</u>	<u>\$ 67,723,414</u>

**AMETHOD PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES BY CHARTER
FOR THE YEAR ENDED JUNE 30, 2024**

Charter No.	0014	0883	1441	1660	1661	1741	Home Office	Eliminations	Total
	Oakland Charter Academy	Oakland Charter High School	Richmond Charter Academy	RCE - Benito Juarez Elementary	Downtown Charter Academy	John Henry High School			
SUPPORT AND REVENUES									
Federal and state support and revenues									
Local control funding formula, state aid	\$ 2,100,959	\$ 4,178,463	\$ 2,501,066	\$ 4,105,446	\$ 2,500,883	\$ 4,316,257	\$ -	\$ -	\$ 19,703,074
Federal revenues	866,924	1,173,227	683,590	811,545	386,226	957,569	-	-	4,879,081
Other state revenues	1,236,054	1,671,447	1,492,775	3,246,804	1,510,622	1,176,888	-	-	10,334,590
Total federal and state support and revenues	4,203,937	7,023,137	4,677,431	8,163,795	4,397,731	6,450,714	-	-	34,916,745
Local support and revenues									
Payments in lieu of property taxes	764,845	1,220,343	1,052,510	1,613,176	943,678	-	-	-	5,594,552
Management fees	-	-	-	-	-	-	3,961,709	(3,961,709)	-
Donations and fundraising	-	18,242	827	-	-	17,214	3,113	-	39,396
Other local revenues	153,512	130,814	109,923	181,861	144,637	88,344	169,260	-	978,351
Total local support and revenues	918,357	1,369,399	1,163,260	1,795,037	1,088,315	105,558	4,134,082	(3,961,709)	6,612,299
Donor restrictions satisfied	-	-	-	-	-	-	-	-	-
Total Support and Revenues	5,122,294	8,392,536	5,840,691	9,958,832	5,486,046	6,556,272	4,134,082	(3,961,709)	41,529,044
EXPENSES									
Program services	1,823,921	5,166,213	3,993,941	5,686,675	3,484,200	3,371,209	2,401,290	-	25,927,449
Management and general	1,957,606	878,480	2,414,940	2,278,004	1,462,599	1,747,949	2,357,150	(3,961,709)	9,135,019
Total Expenses	3,781,527	6,044,693	6,408,881	7,964,679	4,946,799	5,119,158	4,758,440	(3,961,709)	35,062,468
CHANGE IN NET ASSETS	1,340,767	2,347,843	(568,190)	1,994,153	539,247	1,437,114	(624,358)	-	6,466,576
Net Assets - Beginning	4,270,732	9,172,128	499,666	3,696,569	4,144,741	1,004,033	(9,739,339)	-	13,048,530
Net Assets - Ending	\$ 5,611,499	\$ 11,519,971	\$ (68,524)	\$ 5,690,722	\$ 4,683,988	\$ 2,441,147	\$ (10,363,697)	\$ -	\$ 19,515,106

**AMETHOD PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization 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 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 financial statements. The Organization has not elected to use the 10 percent de minimis indirect cost rate.

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 1,167,670
Comprehensive Support and Improvement for LEAs	84.010	15438	174,382
Subtotal Title I, Part A			<u>1,342,052</u>
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	107,662
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	1,619,363
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	1,005,392
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	104,543
Expanded Learning Opportunities (ELO) Grant GEER II	84.425	15619	26,338
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	21,141
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	31,114
American Rescue Plan - Homeless Children and Youth II (ARP HYC II) Program	84.425	15566	2,676
Subtotal Education Stabilization Fund Discretionary Grants			<u>2,810,567</u>
Special Education: ARP IDEA Part B, Sec 611, Local Assistance Entitlement	84.027	15638	331,006
Total U. S. Department of Education			<u>4,591,287</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition: National School Lunch Program	10.555	13391	325,294
Total U. S. Department of Agriculture			<u>325,294</u>
Total Federal Expenditures			<u>\$ 4,916,581</u>

The following schedule provides a reconciliation between revenues reported on the statement of activities and the related expenditures reported on the schedule of expenditures of federal awards. The reconciling amounts represent federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2024 or federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2024.

	AL Number	Amount
Total Federal Revenues reported in the Statement of Activities		\$ 4,879,081
ESF: ESSER II Fund	84.425	<u>37,500</u>
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 4,916,581</u>

**AMETHOD PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2024**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

	<u>Second Period</u>		<u>Second Period</u>	
	<u>Report</u>	<u>Annual Report</u>	<u>Report</u>	<u>Annual Report</u>
	<u>Oakland Charter Academy (#0014)</u>		<u>Richmond Charter Academy (#1441)</u>	
	Classroom-Based		Classroom-Based	
Grade Span				
Regular				
Fourth through sixth	71.00	70.96	87.62	86.97
Seventh through eighth	135.98	134.50	187.85	185.82
Total Average Daily Attendance - Classroom-Based	206.98	205.46	275.47	272.79
Total Average Daily Attendance	206.98	205.46	275.47	272.79
	<u>RCE - Benito Juarez Elementary (#1660)</u>		<u>Downtown Charter Academy (#1661)</u>	
	Classroom-Based		Classroom-Based	
Grade Span				
Regular				
Kindergarten* through third	274.70	272.93	-	-
Fourth through sixth	147.95	147.10	89.55	89.41
Seventh through eighth	-	-	165.74	165.02
Total Average Daily Attendance - Classroom-Based	422.65	420.03	255.29	254.43
Total Average Daily Attendance	422.65	420.03	255.29	254.43
	<u>Oakland Charter High School (#0883)</u>		<u>John Henry High School (#1741)</u>	
	Classroom-Based		Classroom-Based	
Grade Span				
Regular				
Ninth through twelfth	332.08	325.37	277.72	281.76
Total Average Daily Attendance - Classroom-Based	332.08	325.37	277.72	281.76
Total Average Daily Attendance	332.08	325.37	277.72	281.76

*Includes Transitional Kindergarten (TK)

None of the charter schools above reported Nonclassroom-Based ADA in 2023-24.

**AMETHOD PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2024**

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

Charter School	Minutes	2023-24	2023-24	
Grade Level	Requirement	Instructional	Number of	Status
		Minutes	Days	
Oakland Charter Academy (Charter No. 0014)				
Grade 6	54,000	63,028	180	Complied
Grade 7	54,000	63,028	180	Complied
Grade 8	54,000	63,028	180	Complied
Oakland Charter High School (Charter No. 0883)				
Grade 9	64,800	69,012	180	Complied
Grade 10	64,800	69,012	180	Complied
Grade 11	64,800	69,012	180	Complied
Grade 12	64,800	69,012	180	Complied
Richmond Charter Academy (Charter No. 1441)				
Grade 6	54,000	65,620	180	Complied
Grade 7	54,000	65,620	180	Complied
Grade 8	54,000	65,620	180	Complied
Richmond Charter Elementary - Benito Juarez Elementary (Charter No. 1660)				
Kindergarten*	36,000	59,420	180	Complied
Grade 1	50,400	58,780	180	Complied
Grade 2	50,400	58,780	180	Complied
Grade 3	50,400	66,400	180	Complied
Grade 4	54,000	66,400	180	Complied
Grade 5	54,000	66,400	180	Complied
Downtown Charter Academy (Charter No. 1661)				
Grade 6	54,000	64,240	180	Complied
Grade 7	54,000	64,240	180	Complied
Grade 8	54,000	64,240	180	Complied
John Henry High School (Charter No. 1741)				
Grade 9	64,800	66,940	180	Complied
Grade 10	64,800	66,940	180	Complied
Grade 11	64,800	66,940	180	Complied
Grade 12	64,800	66,940	180	Complied

*Includes Transitional Kindergarten (TK)

AMETHOD PUBLIC SCHOOLS
RECONCILIATION OF FINANCIAL REPORT – ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
JUNE 30, 2024

This schedule provides the information necessary to reconcile fund balance reported on the Financial Report – Alternative Form (Charter School Unaudited Actuals) to net assets on the audited financial statements.

Charter No.	0014 Oakland Charter Academy	0883 Oakland Charter High School	1441 Richmond Charter Academy	1660 RCE - Benito Juarez Elementary	1661 Downtown Charter Academy	1741 John Henry High School
June 30, 2024, fund balance/net position on Unaudited Actuals	\$ 4,716,401	\$ 10,426,149	\$ (506,509)	\$ 5,891,633	\$ 4,336,078	\$ 2,268,377
Adjustments:						
Increase (decrease) in total net assets:						
Accounts receivable	525,363	843,182	178,695	29,692	153,315	79,993
Other current assets	118,479	110,853	90,324	99,710	104,607	48,424
Deposits	-	-	25,000	-	45,000	50,000
Right-of-use assets	-	-	(25,117)	7,762,789	(45,000)	(50,000)
Capital assets, net of accumulated depreciation	-	-	(1,887,125)	(7,826,708)	-	-
Accounts payable	299,873	112,661	(148,008)	(229,702)	89,988	44,353
Deferred revenue	(48,617)	27,126	-	(36,692)	-	-
Lease liabilities	-	-	2,204,216	-	-	-
Net adjustments	895,098	1,093,822	437,985	(200,911)	347,910	172,770
June 30, 2024, net assets per audited financial statements	\$ 5,611,499	\$ 11,519,971	\$ (68,524)	\$ 5,690,722	\$ 4,683,988	\$ 2,441,147

OTHER INFORMATION

**AMETHOD PUBLIC SCHOOLS
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2024**

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

Amethod Public Schools was formed as a nonprofit public benefit corporation in August 1993. During the year ended June 30, 2024, Amethod Public Schools operated six (6) public charter schools and a home office for charter management. Information on each of the charter schools is as follows:

Charter No.	Charter School Name	Grades Served	Petition End Date	Authorizer
0014	Oakland Charter Academy	6 - 8	6/30/2026	Oakland Unified
0883	Oakland Charter High School	9 - 12	6/30/2025	Oakland Unified
1441	Richmond Charter Academy	6 - 8	6/30/2025	West Contra Costa Unified
1660	Richmond Charter Elementary - Benito Juarez Elementary	TK/K - 5	6/30/2027	West Contra Costa Unified
1661	Downtown Charter Academy	6 - 8	6/30/2027	Oakland Unified
1741	John Henry High School	9 - 12	6/30/2028	State Board of Education

The board of directors and administration for the Organization is as follows:

BOARD OF DIRECTORS

Name	Office	Term Expiration
Gilbert Lopez, Jr.	Chair	January 2028
Edgar Quiroz	Member	January 2027
Andres Emmanuelli	Member	February 2027
Elisa Gallegos	Member	October 2026

ADMINISTRATION

Sylvia Flores
Interim Chief Executive Officer

Adrienne Barnes
Chief Operating Officer

Site Directors

Philip Ellingberg
Oakland Charter Academy

Jasmine Nash
Oakland Charter High School

Michelle Coleman
Richmond Charter Academy

Esther Prokopienko
Downtown Charter Academy

LaSonya Michelle Walker, Ed.D.
Richmond Charter Elementary - Benito Juarez Elementary

Jennifer Crocker
John Henry High School

OTHER INDEPENDENT AUDITORS' REPORTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**Independent Auditors' Report

To the Board of Directors of
Amethod Public Schools
Richmond, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Amethod Public Schools (the "Organization") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated March 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Amethod Public Schools' Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Amethod Public Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs as the corrective action plan. The Organization's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
March 10, 2025

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

To the Board of Directors of
Amethod Public Schools
Richmond, California

Report on Compliance for Each Major Federal Program**Opinion on Each Major Federal Program**

We have audited Amethod Public Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Amethod Public Schools' major federal programs for the year ended June 30, 2024. Amethod Public Schools' 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, Amethod Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Amethod Public 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 on compliance for each major federal program. Our audit does not provide a legal determination of Amethod Public Schools' 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 Amethod Public Schools' 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 Amethod Public Schools' compliance based on our audit.

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

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

In performing an audit in accordance with generally accepted auditing standards and *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 Amethod Public Schools' compliance with the compliance requirements referred to above and performing such procedures as we consider necessary in the circumstances.
- Obtain an understanding of Amethod Public Schools' 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Amethod Public Schools' 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 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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Christy White, Inc.

San Diego, California
March 10, 2025

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

To the Board of Directors of
Amethod Public Schools
Richmond, California

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

We have audited Amethod Public Schools' compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to Amethod Public Schools' state program requirements for the fiscal year ended June 30, 2024. Reference to Amethod Public Schools within this letter is inclusive of the six (6) public charter schools listed on the cover page, within Note 1A and on the Local Education Agency Organization Structure page.

In our opinion, Amethod Public Schools complied, in all material respects, with the laws and regulations of the applicable state programs for the year ended June 30, 2024, as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for State Compliance

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

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

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

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

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

Description	Procedures Performed
School Districts, County Offices of Education and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes (1)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes (2)
Transitional Kindergarten	Yes (3)
Charter Schools	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

(1) *The After/Before School Education and Safety program was not applicable to Charters No. 0883 and 1741.*
 (2) *The Expanded Learning Opportunities Program (ELOP) was not applicable to Charters No. 0883 and 1741.*
 (3) *Transitional Kindergarten (TK) was only applicable to Charter No. 1660.*

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

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

Report on Internal Control Over Compliance

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

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

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

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

Christy White, Inc.

San Diego, California
March 10, 2025

FINDINGS AND QUESTIONED COSTS SECTION

**AMETHOD PUBLIC SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2024**

PART I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

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

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A
84.425, 84.425U	Education Stabilization Fund (ESF) Discretionary Grants

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

State Awards

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2023-24 Guide for Annual Audits of California K-12 Local Education Agencies ?</i>	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

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

<u>FIVE DIGIT CODE</u>	<u>AB 3627 FINDING TYPE</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

**AMETHOD PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

PART II – FINANCIAL STATEMENT FINDINGS

FINDING 2024-001: FINANCIAL STATEMENT REPORTING (30000) – Material Weaknesses

Criteria: Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted accounting principles, which includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition: The Organization did not have adequate accounting controls in place to ensure for timely closing of the financial records for the 2023-24 fiscal year. The financial statements required numerous audit adjustments, which entailed timely reconciliation of all balance sheet accounts. Double-entry accounting by location/charter school was not utilized and required audit adjustments to balance by site.

Cause: Turnover in management and accounting personnel.

Effect: Numerous closing/audit adjustments were necessary.

Repeat Finding: This is a repeat finding. Refer to Finding 2023-001.

Recommendation: We recommend that management employ or contract with accounting personnel experienced in charter school accounting to ensure that the financial records are properly reconciled on a timely basis. Additionally, management should obtain and review all lease agreements and either work with a consultant or software specific to proper implementation of the lease standard.

Corrective Action Plan: Management consulted with a professional services consultant to assist in the accounting recordkeeping and reconciliation of accounts. As of May 1, 2024, the Organization entered into a contract with Charter Impact, a business services management company. Charter Impact is supporting the Organization with the financial and budget reporting, bank reconciliations and payroll, as well as other business services to improve internal controls as of June 2024. The management team expanded to include both a COO and a Senior Director of Finance & Administration, in order to have a strong background and training in finance. Furthermore, the Organization's Board of Directors and the Organization's Board of Directors Finance Committee will have regular meetings with the COO and CEO to provide oversight of financial reporting operations.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings and questioned costs related to federal awards for the year ended June 30, 2024.

PART IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings and questioned costs related to state awards for the year ended June 30, 2024.

**AMETHOD PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

PART V – SUMMARY OF PRIOR AUDIT FINDINGS

This section presents the status of actions taken by the Organization on each of the findings and recommendations reported in the prior year audit. There were a total of three (3) audit findings reported in the year ended June 30, 2023; one (1) for financial statements and two (2) for state awards.

FINDING 2023-001: FINANCIAL STATEMENTS (30000)

Summary: Internal controls over financial reporting should include preparing reliable and accurate financial reports in a timely manner. The Organization did not ensure accurate or reliable year-end accounting records. The Organization experienced multiple instances of turnover at the CEO and CFO position during the course of the audit. In addition, the Organization did not have sufficient experience and background to help maintain accurate and reliable financial records during the year end audit and ensure a timely closure of year end accounting records.

Current Status: Not fully implemented. Refer to Finding 2024-001.

FINDING 2023-002: AFTER / BEFORE SCHOOL EDUCATION AND SAFETY PROGRAM (40000)

Summary: The Organization is required to accurately report the number of pupils served in the program through attendance records. The Organization did not have a process or procedure that provided sufficient oversight and confirmation of the attendance reporting. Pupils who are identified on the hand-written attendance record at the site were not properly entered into the information system resulting in a potential overstatement of pupils served by the program which may result in a change in funds allocated to the Organization. The Organization experienced challenges with ASES staff turnover which led to inconsistencies in ASES attendance reporting.

The Organization agrees with the recommendation and all sites are now required to enter daily students' attendance into the student information system so that the reports are clear, saved and can be accessed. In addition, attendance will be reconciled monthly at the same time that the ADA is reconciled and reported. ASES coordinators will receive training and be asked to use a standard template for sign in sheets and uniform symbols to track attendance. Schools will maintain the sign in sheets but will be required to scan and upload copies into a shared drive with both finance and operations who will be reviewing the sheets and making sure that they match the reported monthly attendance.

Current Status: Implemented.

FINDING 2023-003: MODE OF INSTRUCTION (40000)

Summary: Pupils are required to be engaged in educational activities required of those pupils and the pupils are under the immediate supervision and control of an employee of the Organization who possessed a valid teaching certification in accordance with Education Code Section 47605(l) or 47605.4. One teacher did not possess a valid teaching certification in accordance with Education Code Section 47605(l) or 47605.4. The Organization did not sufficiently complete the application process to obtain a California credential for an out-of-state teacher until after the year under audit.

Current Status: Implemented.

Appendix G. 2024-25 AMPS Audit Report

On following page.

AMPS

AMETHOD PUBLIC SCHOOLS

AUDIT REPORT

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

**A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING THE FOLLOWING SIX (6) CALIFORNIA CHARTER SCHOOLS**

Oakland Charter Academy (Charter No. 0014)

Richmond Charter Academy (Charter No. 1441)

Richmond Charter Elementary - Benito Juarez Elementary (Charter No. 1660)

Downtown Charter Academy (Charter No. 1661)

John Henry High School (Charter No. 1741)

Oakland Charter High School (Charter No. 0883) – Closed effective June 30, 2025

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Amethod Public Schools
Richmond, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Amethod Public Schools (the "Organization") which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amethod Public 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 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
January 28, 2026

AMETHOD PUBLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

Current assets	
Cash and cash equivalents	\$ 11,773,823
Accounts receivable	7,545,443
Prepaid expenses	545,686
Total current assets	<u>19,864,952</u>
Noncurrent assets	
Deposits	120,000
Right-of-use assets	28,577,712
Capital assets, net	9,528,342
Total noncurrent assets	<u>38,226,054</u>
Total Assets	<u>\$ 58,091,006</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 3,613,089
Deferred revenue	291,150
Lease liabilities	33,850,082
Loan payable	6,767,669
Total liabilities	<u>44,521,990</u>
Net assets	
Without donor restrictions	<u>13,569,016</u>
Total net assets	<u>13,569,016</u>
Total Liabilities and Net Assets	<u>\$ 58,091,006</u>

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

**AMETHOD PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Without Donor Restrictions</u>
SUPPORT AND REVENUES	
Federal and state support and revenues	
Local control funding formula, state aid	\$ 20,420,978
Federal revenues	1,885,064
Other state revenues	<u>7,595,248</u>
Total federal and state support and revenues	<u>29,901,290</u>
Local support and revenues	
Payments in lieu of property taxes	5,967,174
Donations and fundraising	66,152
Other local revenues	<u>1,134,121</u>
Total local support and revenues	<u>7,167,447</u>
Total Support and Revenues	<u>37,068,737</u>
 EXPENSES	
Program services	38,024,588
Supporting services	
Management and general	4,981,552
Fundraising	<u>8,687</u>
Total Expenses	<u>43,014,827</u>
 CHANGE IN NET ASSETS	 (5,946,090)
 Net Assets - Beginning	 <u>19,515,106</u>
 Net Assets - Ending	 <u>\$ 13,569,016</u>

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

**AMETHOD PUBLIC SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
EXPENSES				
Personnel expenses				
Certificated salaries	\$ 9,789,928	\$ -	\$ -	\$ 9,789,928
Non-certificated salaries	4,225,209	2,372,580	-	6,597,789
Payroll taxes	1,331,511	225,407	-	1,556,918
Other employee benefits	1,047,515	177,331	-	1,224,846
Total personnel expenses	16,394,163	2,775,318	-	19,169,481
Non-personnel expenses				
Books and supplies	4,351,442	152,028	-	4,503,470
Insurance	-	399,261	-	399,261
Facilities	7,600,702	245,450	-	7,846,152
Professional services	6,936,767	644,848	8,687	7,590,302
Interest expense	-	358,365	-	358,365
Depreciation	2,202,801	372,905	-	2,575,706
Fees to authorizing agencies	261,038	-	-	261,038
Other operating expenses	277,675	33,377	-	311,052
Total non-personnel expenses	21,630,425	2,206,234	8,687	23,845,346
Total Expenses	\$ 38,024,588	\$ 4,981,552	\$ 8,687	\$ 43,014,827

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

**AMETHOD PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (5,946,090)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	2,575,706
Lease expense - amortization of right-of-use asset	35,120
(Increase) decrease in operating assets	
Accounts receivable	969,376
Prepaid expenses	114,971
Increase (decrease) in operating liabilities	
Accounts payable	407,473
Deferred revenue	55,111
Net cash provided by (used in) operating activities	<u>(1,788,333)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on loan payable	<u>(365,336)</u>
Net cash provided by (used in) financing activities	<u>(365,336)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,153,669)
Cash and cash equivalents - Beginning	<u>13,927,492</u>
Cash and cash equivalents - Ending	<u>\$ 11,773,823</u>
SUPPLEMENTAL DISCLOSURE	
Cash paid for interest	<u>\$ 358,365</u>

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

**AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Amethod Public Schools (the “Organization”) was formed as a nonprofit public benefit corporation on August 5, 1993 for the purpose of operating California public schools. During the year ended June 30, 2025, Amethod Public Schools operated six (6) public charter schools and a home office for charter management. Information on each of the charter schools is as follows:

Charter No.	Charter School Name	Grades Served	Petition End Date	Authorizer
0014	Oakland Charter Academy	6 - 8	6/30/2026	Oakland Unified
0883	Oakland Charter High School	9 - 12	6/30/2025	Oakland Unified
1441	Richmond Charter Academy	6 - 8	6/30/2025	West Contra Costa Unified
1660	Richmond Charter Elementary - Benito Juarez Elementary	TK/K - 5	6/30/2027	West Contra Costa Unified
1661	Downtown Charter Academy	6 - 8	6/30/2027	Oakland Unified
1741	John Henry High School	9 - 12	6/30/2028	State Board of Education

Effective June 30, 2025, Charter No. 0883 closed due to nonrenewal. Additionally, in June 2025, a charter petition renewal for Charter No. 1441 was approved by the Contra Costa County Office of Education. Beginning July 1, 2025, Charter No. 1441 operated under this new authorizing agency.

Funding sources primarily consist of state apportionments, federal grants, in lieu of property tax revenues, and grants and donations from the public.

B. Basis of Accounting

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

C. Financial Statement Presentation

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

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

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

The Organization also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual* presented in Procedure 810 Charter Schools. Fund accounting is only used to the extent that internal accounting for multiple charter school or other program operations is necessary and is not used for external financial statement presentation.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Estimates

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

E. Contributions

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

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

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

F. In Lieu of Property Tax Revenue

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

G. Functional Expenses

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

H. Cash and Cash Equivalents

Amethod Public Schools considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents.

I. Investments

The Organization’s method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities. Investment return is presented net of any investment fees.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Receivables and Allowances

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

K. Capital Assets

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

L. Deferred Revenue

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

M. Lease Arrangements

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

N. Fair Value Measurements

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

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

AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Income Taxes

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

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

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents, as of June 30, 2025, consists of cash in banks of \$11,773,823. As of June 30, 2025, a portion of the Organization’s bank balance was exposed to custodial credit risk as there were deposits over \$250,000 in accounts held at one or more banks. Custodial credit risk is the risk that in the event of a bank failure, an organization’s deposits may not be returned to it. Amethod Public Schools does not currently have a policy for custodial credit risk for deposits. The FDIC insures up to \$250,000 per depositor per insured bank.

NOTE 3 – ACCOUNTS RECEIVABLE

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

Local control funding sources, state aid	\$ 2,990,509
Federal sources	1,145,959
Other state sources	1,962,222
In lieu property tax payments	1,183,563
Other local sources	263,190
Total Accounts Receivable	\$ 7,545,443

NOTE 4 – CAPITAL ASSETS

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

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Property and equipment				
Leasehold improvements	\$ 11,692,294	\$ -	\$ 5,532,631	\$ 6,159,663
Land improvements	6,351,846	-	-	6,351,846
Buildings	1,961,079	-	-	1,961,079
Equipment	489,772	-	-	489,772
Total property and equipment	20,494,991	-	5,532,631	14,962,360
Less accumulated depreciation	(8,390,943)	(2,575,706)	(5,532,631)	(5,434,018)
Capital Assets, net	\$ 12,104,048	\$ (2,575,706)	\$ -	\$ 9,528,342

AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 5 – ACCOUNTS PAYABLE

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

Due to grantor government	\$ 1,852,762
Salaries and benefits	815,464
Vendor payables	712,971
Settlement payable	118,238
Authorizer oversight fees	113,654
Total Accounts Payable	\$ 3,613,089

NOTE 6 – DEFERRED REVENUE

Deferred revenue as of June 30, 2025, consists of unspent conditional contributions from the following sources. Revenue will be recognized in a future period when the conditions of the funding are substantially met.

Federal sources	\$ 118,101
State sources	173,049
Total Deferred Revenue	\$ 291,150

NOTE 7 – OPERATING LEASES

The Organization entered into lease agreements to occupy facility space located in Richmond and Oakland, California, and holds leases for use of equipment. The facilities are utilized for instructional services in order to meet the goals established by the Organization as well as a portion for administrative operations. The facility leases called for security deposits of \$120,000, which has been recorded as noncurrent assets on the statement of financial position. The lease agreements cover terms ending through April 2035.

During the fiscal year ended June 30, 2025, the Organization paid \$4,489,336 in lease payments under the operating leases. At June 30, 2025, the right-of-use assets were \$28,577,712, net of amortization, and the lease liabilities totalled \$35,850,082. The Organization has accounted for its lease agreements using an implied discount rate of 3.41%. The weighted average remaining lease term is 9.43 years and the weighted average discount rate is 3.43%. Future lease payment obligations are as follows:

Fiscal Year Ending June 30,	Operating Lease Liability	Right-of-Use Asset
2026	\$ 4,624,738	\$ 4,533,084
2027	3,895,720	3,728,196
2028	3,929,986	3,655,024
2029	3,781,093	3,419,854
2030	3,761,438	3,302,269
Thereafter	19,878,788	15,960,966
Total lease payments	39,871,763	34,599,393
NPV adjustment	(6,021,681)	(6,021,681)
Total	\$ 33,850,082	\$ 28,577,712

AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 8 – LOAN PAYABLE

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

	Balance July 1, 2024	Draws	Payments	Balance June 30, 2025
Promissory note	\$ 7,133,005	\$ -	\$ 365,336	\$ 6,767,669
Total Loan Payable	\$ 7,133,005	\$ -	\$ 365,336	\$ 6,767,669

In April 2022, the Organization entered into a loan agreement with Umpqua Bank for \$8,000,000. The loan holds an interest rate of 4.79% and matures in April 2027. The fiscal year ended June 30, 2025, the Organization made payments of \$748,702, which included \$365,336 of principal and \$383,366 of interest expense. As of June 30, 2025, the outstanding balance on the loan was \$6,767,669. Repayment obligations on the above referenced debt are as follows:

Fiscal Year Ending June 30,	
2026	\$ 748,702
2027	6,517,383
Total payments	7,266,085
Less interest	(498,416)
Total Loan Payable	\$ 6,767,669

NOTE 9 – NET ASSETS

As of June 30, 2025, the Organization did not hold any net assets with donor restrictions. Certain designations or reserves have been made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Organization. At June 30, 2025, the Organization’s net assets without donor restrictions consists of the following:

Net investment in capital assets	\$ 9,528,342
Undesignated	4,040,674
Total Net Assets without Donor Restrictions	\$ 13,569,016

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Financial Assets	
Cash and cash equivalents	\$ 11,773,823
Accounts receivable	7,545,443
Prepaid expenses	545,686
Contractual or donor-imposed restrictions	
Cash held for conditional contributions	(291,150)
Financial Assets available to meet cash needs for expenditures within one year	\$ 19,573,802

AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – EMPLOYEE RETIREMENT PLAN

In accordance with *California Education Code 47605*, charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. The Organization has not made such election but may choose to in a future period. Certificated employees can be members of the California State Teachers' Retirement System (CalSTRS), and non-certificated employees can be members of the California Public Employees' Retirement System (CalPERS).

As established by federal law, all public sector employees who are not members of their employer's existing retirement plan (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The Organization offers both social security and a 401(k) employee funded plan. All employees are eligible to participate in the plans. A participant of the 401(k) plan may make an election to defer compensation and have it contributed to this plan. The Organization may make discretionary matching contribution equal to 100% of the participant's elective deferrals up to 3% of the participant's salary.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Charter School Authorization

As mentioned in Note 1A, Amethod Public Schools operates six (6) charter schools that are approved to operate as public charter schools through authorization by the listed authorizer. As such, the charter schools are subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

The Organization makes payments to the authorizing agencies to provide required services for oversight. Fees associated with oversight consisted of 1% of revenue from local control funding formula sources. Total oversight fees amounted to \$261,038 for the fiscal year ending June 30, 2025.

Governmental Funds

Amethod Public Schools has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements would not be material.

Pending or Threatened Litigation

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

NOTE 13 – DONATED GOODS AND SERVICES

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

AMETHOD PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 14 – CHARTER SCHOOL CLOSURE

As mentioned in Note 1A, the Organization has closed Oakland Charter High School (Charter No. 0883) due to nonrenewal effective June 30, 2025. The Organization has informed the California Department of Education (CDE) and followed the charter school closure procedures. An accounting of all financial assets and liabilities as of the closure date is presented on the Statement of Financial Position by Charter in the supplementary information section. Because the Organization remains active and in existence following the school closure, all remaining net assets will remain with the Organization to further its exempt purpose.

NOTE 15 – SUBSEQUENT EVENTS

Amethod Public Schools has evaluated subsequent events for the period from June 30, 2025 through January 28, 2026, the date the financial statements were available to be issued. As mentioned at Notes 1A and 14, Oakland Charter High School (Charter No. 0883) will no longer be in operation after June 30, 2025. Additionally, Richmond Charter Academy (Charter No. 1441) transferred its charter authorization to the Contra Costa County Office of Education on July 1, 2025. Management did not identify any other transactions or events that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTARY INFORMATION

AMETHOD PUBLIC SCHOOLS
STATEMENT OF FINANCIAL POSITION BY CHARTER
JUNE 30, 2025

Charter No.	0014	0883	1441	1660	1661	1741	Home Office	Eliminations	Total
	Oakland Charter Academy	Oakland Charter High School	Richmond Charter Academy	RCE - Benito Juarez Elementary	Downtown Charter Academy	John Henry High School			
ASSETS									
Current assets									
Cash and cash equivalents	\$ 4,410,342	\$ 11,720,399	\$ 1,526,969	\$ 4,500,407	\$ 4,629,445	\$ 3,235,585	\$ (18,249,324)	\$ -	\$ 11,773,823
Accounts receivable	1,335,656	1,257,614	1,158,682	1,752,418	1,108,374	932,699	-	-	7,545,443
Interagency receivables	-	-	-	-	-	-	9,171,264	(9,171,264)	-
Prepaid expenses	36,212	81,630	93,033	112,392	88,794	93,400	40,225	-	545,686
Total current assets	<u>5,782,210</u>	<u>13,059,643</u>	<u>2,778,684</u>	<u>6,365,217</u>	<u>5,826,613</u>	<u>4,261,684</u>	<u>(9,037,835)</u>	<u>(9,171,264)</u>	<u>19,864,952</u>
Noncurrent assets									
Deposits	-	-	25,000	-	45,000	50,000	-	-	120,000
Right-of-use assets	1,113,698	-	8,324,736	8,876,779	562,472	7,497,665	2,202,362	-	28,577,712
Capital assets, net	83,037	-	4,594,788	1,231,716	10,917	221,745	3,386,139	-	9,528,342
Total noncurrent assets	<u>1,196,735</u>	<u>-</u>	<u>12,944,524</u>	<u>10,108,495</u>	<u>618,389</u>	<u>7,769,410</u>	<u>5,588,501</u>	<u>-</u>	<u>38,226,054</u>
Total Assets	<u>6,978,945</u>	<u>13,059,643</u>	<u>15,723,208</u>	<u>16,473,712</u>	<u>6,445,002</u>	<u>12,031,094</u>	<u>(3,449,334)</u>	<u>\$ (9,171,264)</u>	<u>58,091,006</u>
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable	\$ 275,567	\$ 1,611,475	\$ 347,244	\$ 286,207	\$ 548,504	\$ 270,435	\$ 273,657	\$ -	\$ 3,613,089
Interagency payables	175,561	773,578	4,938,284	2,097,210	541,434	645,197	-	(9,171,264)	-
Deferred revenue	132,859	-	56,119	8,820	46,553	46,799	-	-	291,150
Lease liabilities	1,195,023	-	9,411,043	10,962,354	587,369	9,236,876	2,457,417	-	33,850,082
Loan payable	-	-	-	-	-	-	6,767,669	-	6,767,669
Total liabilities	<u>1,779,010</u>	<u>2,385,053</u>	<u>14,752,690</u>	<u>13,354,591</u>	<u>1,723,860</u>	<u>10,199,307</u>	<u>9,498,743</u>	<u>(9,171,264)</u>	<u>44,521,990</u>
Net assets									
Without donor restrictions	5,199,935	10,674,590	970,518	3,119,121	4,721,142	1,831,787	(12,948,077)	-	13,569,016
Total net assets	<u>5,199,935</u>	<u>10,674,590</u>	<u>970,518</u>	<u>3,119,121</u>	<u>4,721,142</u>	<u>1,831,787</u>	<u>(12,948,077)</u>	<u>-</u>	<u>13,569,016</u>
Total Liabilities and Net Assets	<u>\$ 6,978,945</u>	<u>\$ 13,059,643</u>	<u>\$ 15,723,208</u>	<u>\$ 16,473,712</u>	<u>\$ 6,445,002</u>	<u>\$ 12,031,094</u>	<u>\$ (3,449,334)</u>	<u>\$ (9,171,264)</u>	<u>\$ 58,091,006</u>

**AMETHOD PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES BY CHARTER
FOR THE YEAR ENDED JUNE 30, 2025**

Charter No.	0014	0883	1441	1660	1661	1741	Home Office	Eliminations	Total
	Oakland Charter Academy	Oakland Charter High School	Richmond Charter Academy	RCE - Benito Juarez Elementary	Downtown Charter Academy	John Henry High School			
WITHOUT DONOR RESTRICTIONS									
SUPPORT AND REVENUES									
Federal and state support and revenues									
Local control funding formula, state aid	\$ 1,985,038	\$ 3,548,075	\$ 2,876,823	\$ 4,145,919	\$ 2,905,686	\$ 4,959,437	\$ -	\$ -	\$ 20,420,978
Federal revenues	237,460	532,600	430,550	488,893	243,742	(48,181)	-	-	1,885,064
Other state revenues	1,005,186	1,518,030	1,118,591	1,937,687	1,155,782	859,972	-	-	7,595,248
Total federal and state support and revenues	<u>3,227,684</u>	<u>5,598,705</u>	<u>4,425,964</u>	<u>6,572,499</u>	<u>4,305,210</u>	<u>5,771,228</u>	-	-	<u>29,901,290</u>
Local support and revenues									
Payments in lieu of property taxes	802,406	1,177,551	1,069,035	1,750,338	1,167,843	1	-	-	5,967,174
Management fees	-	-	-	-	-	-	3,466,206	(3,466,206)	-
Donations and fundraising	5,344	15,987	975	-	50	6,652	37,144	-	66,152
Other local revenues	113,994	76,248	1,534,476	146,560	265,572	101,752	48,256	(1,152,737)	1,134,121
Total local support and revenues	<u>921,744</u>	<u>1,269,786</u>	<u>2,604,486</u>	<u>1,896,898</u>	<u>1,433,465</u>	<u>108,405</u>	<u>3,551,606</u>	<u>(4,618,943)</u>	<u>7,167,447</u>
Total Support and Revenues	<u>4,149,428</u>	<u>6,868,491</u>	<u>7,030,450</u>	<u>8,469,397</u>	<u>5,738,675</u>	<u>5,879,633</u>	<u>3,551,606</u>	<u>(4,618,943)</u>	<u>37,068,737</u>
EXPENSES									
Program services	4,002,344	6,482,279	5,507,279	9,955,815	4,900,926	5,752,622	2,576,060	(1,152,737)	38,024,588
Supporting services									
Management and general	558,648	1,222,906	484,129	1,085,183	800,595	736,371	3,559,926	(3,466,206)	4,981,552
Fundraising	-	8,687	-	-	-	-	-	-	8,687
Total Expenses	<u>4,560,992</u>	<u>7,713,872</u>	<u>5,991,408</u>	<u>11,040,998</u>	<u>5,701,521</u>	<u>6,488,993</u>	<u>6,135,986</u>	<u>(4,618,943)</u>	<u>43,014,827</u>
CHANGE IN NET ASSETS	(411,564)	(845,381)	1,039,042	(2,571,601)	37,154	(609,360)	(2,584,380)	-	(5,946,090)
Net Assets - Beginning	<u>5,611,499</u>	<u>11,519,971</u>	<u>(68,524)</u>	<u>5,690,722</u>	<u>4,683,988</u>	<u>2,441,147</u>	<u>(10,363,697)</u>	-	<u>19,515,106</u>
Net Assets - Ending	<u>\$ 5,199,935</u>	<u>\$ 10,674,590</u>	<u>\$ 970,518</u>	<u>\$ 3,119,121</u>	<u>\$ 4,721,142</u>	<u>\$ 1,831,787</u>	<u>\$ (12,948,077)</u>	<u>\$ -</u>	<u>\$ 13,569,016</u>

**AMETHOD PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization 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 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 financial statements. The Organization has not elected to use the de minimis indirect cost rate of up to 15 percent.

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 663,077
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	64,024
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	53,316
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	220,822
Subtotal Education Stabilization Fund Discretionary Grants			<u>274,138</u>
Special Education: ARP IDEA Part B, Sec 611, Local Assistance Entitlement	84.027	15638	308,928
Total U. S. Department of Education			<u>1,310,167</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	503,229
Supply Chain Assistance (SCA)	10.555	15655	5,764
Subtotal Child Nutrition Cluster			<u>508,993</u>
Total U. S. Department of Agriculture			<u>508,993</u>
Total Federal Expenditures			<u>\$ 1,819,160</u>

The following schedule provides a reconciliation between revenues reported on the statement of activities and the related expenditures reported on the schedule of expenditures of federal awards. The reconciling amounts represent federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2025 or federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2025.

	AL Number	Amount
Total Federal Revenues reported in the Statement of Activities		\$ 1,885,064
ESF: ESSER II Fund	84.425	<u>(65,904)</u>
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 1,819,160</u>

**AMETHOD PUBLIC SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2025**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

	<u>Second Period</u>		<u>Second Period</u>	
	<u>Report</u>	<u>Annual Report</u>	<u>Report</u>	<u>Annual Report</u>
	<u>Oakland Charter Academy (#0014)</u>		<u>Richmond Charter Academy (#1441)</u>	
	Classroom-Based		Classroom-Based	
Grade Span				
Regular				
Fourth through sixth	70.94	70.33	91.46	90.54
Seventh through eighth	133.22	132.39	178.63	177.21
Total Average Daily Attendance - Classroom-Based	204.16	202.72	270.09	267.75
Total Average Daily Attendance	204.16	202.72	270.09	267.75
	<u>RCE - Benito Juarez Elementary (#1660)</u>		<u>Downtown Charter Academy (#1661)</u>	
	Classroom-Based		Classroom-Based	
Grade Span				
Regular				
Kindergarten* through third	294.99	293.56	-	-
Fourth through sixth	147.23	146.72	106.94	106.91
Seventh through eighth	-	-	190.20	189.11
Total Average Daily Attendance - Classroom-Based	442.22	440.28	297.14	296.02
Total Average Daily Attendance	442.22	440.28	297.14	296.02
	<u>Oakland Charter High School (#0883)</u>		<u>John Henry High School (#1741)</u>	
	Classroom-Based		Classroom-Based	
Grade Span				
Regular				
Ninth through twelfth	299.61	297.75	311.85	309.03
Total Average Daily Attendance - Classroom-Based	299.61	297.75	311.85	309.03
Total Average Daily Attendance	299.61	297.75	311.85	309.03

*Includes Transitional Kindergarten (TK)

None of the charter schools above reported Nonclassroom-Based ADA in 2024-25

**AMETHOD PUBLIC SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025**

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

Charter School Grade Level	Minutes Requirement	2024-25 Instructional Minutes	2024-25 Number of Days	Status
Oakland Charter Academy (Charter No. 0014)				
Grade 6	54,000	66,420	180	Complied
Grade 7	54,000	66,420	180	Complied
Grade 8	54,000	66,420	180	Complied
Oakland Charter High School (Charter No. 0883)				
Grade 9	64,800	67,740	180	Complied
Grade 10	64,800	67,740	180	Complied
Grade 11	64,800	67,740	180	Complied
Grade 12	64,800	67,740	180	Complied
Richmond Charter Academy (Charter No. 1441)				
Grade 6	54,000	65,620	180	Complied
Grade 7	54,000	65,620	180	Complied
Grade 8	54,000	65,620	180	Complied
Richmond Charter Elementary - Benito Juarez Elementary (Charter No. 1660)				
Kindergarten*	36,000	43,860	180	Complied
Grade 1	50,400	55,920	180	Complied
Grade 2	50,400	61,320	180	Complied
Grade 3	50,400	61,320	180	Complied
Grade 4	54,000	61,320	180	Complied
Grade 5	54,000	61,320	180	Complied
Downtown Charter Academy (Charter No. 1661)				
Grade 6	54,000	64,536	180	Complied
Grade 7	54,000	64,536	180	Complied
Grade 8	54,000	64,536	180	Complied
John Henry High School (Charter No. 1741)				
Grade 9	64,800	67,740	180	Complied
Grade 10	64,800	67,740	180	Complied
Grade 11	64,800	67,740	180	Complied
Grade 12	64,800	67,740	180	Complied

*Includes Transitional Kindergarten (TK)

AMETHOD PUBLIC SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
JUNE 30, 2025

This schedule provides the information necessary to reconcile fund balance/net position reported on the Financial Report – Alternative Form (Charter School Unaudited Actuals) to net assets on the audited financial statements.

Charter No.	0014 Oakland Charter Academy	0883 Oakland Charter High School	1441 Richmond Charter Academy	1660 RCE - Benito Juarez Elementary	1661 Downtown Charter Academy	1741 John Henry High School
June 30, 2025, fund balance/net position on Unaudited Actuals	\$ 5,369,466	\$ 10,520,645	\$ 513,924	\$ 3,295,326	\$ 4,694,749	\$ 1,848,016
Adjustments:						
Increase (decrease) in total net assets:						
Client closing adjustments to:						
Cash and cash equivalents	(525,838)	(1,277,591)	(406,332)	(1,013,200)	(714,191)	(668,909)
Accounts receivable	(308,336)	1,014,135	(1,145,028)	(274,300)	38,073	(33,225)
Prepaid expenses	-	(1,477)	-	-	-	(1,094)
Right-of-use assets	(324,265)	(728,797)	(704,276)	(734,801)	(516,929)	(623,963)
Capital assets, net of accumulated depreciation	(388)	(15,346)	103,293	(1,178,139)	(2)	(221,238)
Accounts payable	709,728	1,349,202	1,997,698	2,276,842	725,260	962,953
Deferred revenue	(35,546)	(948,214)	(32,241)	-	(35,181)	(45,844)
Lease liabilities	315,114	762,033	643,480	747,393	529,363	615,091
Net adjustments	(169,531)	153,945	456,594	(176,205)	26,393	(16,229)
June 30, 2025, net assets per audited financial statements	\$ 5,199,935	\$ 10,674,590	\$ 970,518	\$ 3,119,121	\$ 4,721,142	\$ 1,831,787

OTHER INFORMATION

**AMETHOD PUBLIC SCHOOLS
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2025**

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

Amethod Public Schools was formed as a nonprofit public benefit corporation in August 1993. During the year ended June 30, 2025, Amethod Public Schools operated six (6) public charter schools and a home office for charter management. Information on each of the charter schools is as follows:

Charter No.	Charter School Name	Grades Served	Petition End Date	Authorizer
0014	Oakland Charter Academy	6 - 8	6/30/2026	Oakland Unified
0883	Oakland Charter High School	9 - 12	6/30/2025	Oakland Unified
1441	Richmond Charter Academy	6 - 8	6/30/2025	West Contra Costa Unified
1660	Richmond Charter Elementary - Benito Juarez Elementary	TK/K - 5	6/30/2027	West Contra Costa Unified
1661	Downtown Charter Academy	6 - 8	6/30/2027	Oakland Unified
1741	John Henry High School	9 - 12	6/30/2028	State Board of Education

The board of directors and administration for the Organization is as follows:

BOARD OF DIRECTORS

Name	Office	Term Expiration
Rodolfo Ornelas	Chair	April 2029
Margie DiGiorgio	Vice Chair	May 2029
Peter H. Hanley	Member	March 2029
Jorge Lerma	Member	February 2029
Davis Leung	Member	May 2029
Elizabeth Martinez	Member	June 2029

ADMINISTRATION

Adrienne Barnes
Chief Operating Officer & Acting Chief Executive Officer

Maria Arechiga
Chief of Strategy & Compliance Officer

OTHER INDEPENDENT AUDITORS' REPORTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**Independent Auditors' Report

To the Board of Directors of
Amethod Public Schools
Richmond, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Amethod Public Schools (the "Organization") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated January 28, 2026 .

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
January 28, 2026

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

To the Board of Directors of
Amethod Public Schools
Richmond, California

Report on Compliance for Each Major Federal Program**Opinion on Each Major Federal Program**

We have audited Amethod Public Schools' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Amethod Public Schools' major federal programs for the year ended June 30, 2025. Amethod Public Schools' 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, Amethod Public Schools complied, in all material respects, with the types of 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, 2025.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Amethod Public 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 on compliance for each major federal program. Our audit does not provide a legal determination of Amethod Public Schools' 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 Amethod Public Schools' 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 Amethod Public Schools' compliance based on our audit.

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

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

In performing an audit in accordance with generally accepted auditing standards and *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 Amethod Public Schools' compliance with the compliance requirements referred to above and performing such procedures as we consider necessary in the circumstances.
- Obtain an understanding of Amethod Public Schools' 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Amethod Public Schools' 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 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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Christy White, Inc.

San Diego, California
January 28, 2026

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

To the Board of Directors of
Amethod Public Schools
Richmond, California

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

We have audited Amethod Public Schools' compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to Amethod Public Schools' state program requirements for the fiscal year ended June 30, 2025. Reference to Amethod Public Schools within this letter is inclusive of the six (6) public charter schools listed on the cover page, within Note 1A and on the Local Education Agency Organization Structure page.

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

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for State Compliance

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

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

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

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

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

Description	Procedures Performed
School Districts, County Offices of Education and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes (1)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes (2)
Transitional Kindergarten	Yes (3)
Kindergarten Continuance	Yes (3)
Charter Schools	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

- (1) *The After/Before School Education and Safety program was not applicable to Charters No. 0883 and 1741.*
 (2) *The Expanded Learning Opportunities Program (ELOP) was not applicable to Charters No. 0883 and 1741.*
 (3) *Transitional Kindergarten (TK) and Kindergarten Continuance was only applicable to Charter No. 1660.*

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Christy White, Inc.

San Diego, California
January 28, 2026

FINDINGS AND QUESTIONED COSTS SECTION

**AMETHOD PUBLIC SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2025**

PART I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A
84.425	Education Stabilization Fund (ESF) Discretionary Grants

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

State Awards

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

**AMETHOD PUBLIC SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
 FOR THE YEAR ENDED JUNE 30, 2025**

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

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

PART II – FINANCIAL STATEMENT FINDINGS

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

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

PART IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

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

**AMETHOD PUBLIC SCHOOLS
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

This section presents the status of actions taken by the Organization on each of the findings and recommendations reported in the prior year audit. There was one audit finding reported in the year ended June 30, 2024. A summary of the prior audit finding and its current status is noted below:

FINDING 2024-001: FINANCIAL STATEMENT REPORTING (30000) – Material Weaknesses

Criteria: Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted accounting principles, which includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition: The Organization did not have adequate accounting controls in place to ensure for timely closing of the financial records for the 2023-24 fiscal year. The financial statements required numerous audit adjustments, which entailed timely reconciliation of all balance sheet accounts. Double-entry accounting by location/charter school was not utilized and required audit adjustments to balance by site.

Cause: Turnover in management and accounting personnel.

Effect: Numerous closing/audit adjustments were necessary.

Repeat Finding: This is a repeat finding. Refer to Finding 2023-001 in the 2022-23 audit report.

Recommendation: We recommend that management employ or contract with accounting personnel experienced in charter school accounting to ensure that the financial records are properly reconciled on a timely basis. Additionally, management should obtain and review all lease agreements and either work with a consultant or software specific to proper implementation of the lease standard.

Corrective Action Plan: Management consulted with a professional services consultant to assist in the accounting recordkeeping and reconciliation of accounts. As of May 1, 2024, the Organization entered into a contract with Charter Impact, a business services management company. Charter Impact is supporting the Organization with the financial and budget reporting, bank reconciliations and payroll, as well as other business services to improve internal controls as of June 2024. The management team expanded to include both a COO and a Senior Director of Finance & Administration, in order to have a strong background and training in finance. Furthermore, the Organization's Board of Directors and the Organization's Board of Directors Finance Committee will have regular meetings with the COO and CEO to provide oversight of financial reporting operations.

Current Status: Implemented.

Appendix H. 2025-26 First Interim

On following page.

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report Certification**

Charter School Name: Downtown Charter Academy
(continued) _____
CDS #: 01-61259-0129635
Charter Approving Entity: Oakland Unified School Distri
County: Alameda
Charter #: 1661
Fiscal Year: 2025/26

CERTIFICATION OF FINANCIAL CONDITION

- POSITIVE CERTIFICATION**
As the Charter School Official, I certify that based upon current projections this charter will meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- QUALIFIED CERTIFICATION**
As the Charter School Official, I certify that based upon current projections this charter may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.
- NEGATIVE CERTIFICATION**
As the Charter School Official, I certify that based upon current projections this charter will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.

() To the entity that approved the charter school:
2025/26 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 47604.33.

Signed: _____ Date: 12/1/2025
Charter School Official
(Original signature required)

Print
Name: Adrienne Barnes Title: Chief Executive Officer

() To the County Superintendent of Schools:
2025/26 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 47604.33.

Signed: _____ Date: _____
Authorize
d
Represent
ative of
Charter
Approving
Entity
(Original signature required)

Print
Name: Timothy Ryan-Conner Title: Accounting Manager

For additional information on the First Interim Report, please contact:

For Approving Entity:	For Charter School:
<u>Timothy Ryan-Conner</u>	<u>Adrienne Barnes</u>
Name	Name
<u>Accounting Manager</u>	<u>Chief Executive Officer</u>
Title	Title
<u>(415) 706-6595</u>	<u>510-734-1555</u>
Phone	Phone
<u>timothy.ryan@ousd.org</u>	<u>abarnes@amethodschools.org</u>
E-mail	E-mail

This report has been verified for mathematical accuracy by the County Superintendent of Schools, pursuant to *Education Code* Section 47604.33.

ACOE District Advisor

Date

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Detail**

Charter School Name: Downtown Charter Academy
(continued)
CDS #: 01-61259-0129635
Charter Approving Entity: Oakland Unified School District
County: Alameda
Charter #: 1661
Fiscal Year: 2025/26

This charter school uses the following basis of accounting:

- Accrual Basis** (Applicable Capital Assets/Interest on Long-Term Debt/Long-Term Liabilities/Net Position objects are 6900, 6910, 6920, 7438, 9400-9489, 9660-9669, 9796, and 9797)
 Modified Accrual Basis (Applicable Capital Outlay/Debt Service/Fund Balance objects are 6100-6170, 6200-6500, 6600, 7438, 7439, and 9711-9789)

Description	Object Code	Adopted Budget - July 1			Actuals thru 10/31			1st Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
A. REVENUES										
1. LCFF Sources										
State Aid - Current Year	8011	3,007,187.00		3,007,187.00	\$559,221.00		559,221.00	\$2,972,354.00		2,972,354.00
Education Protection Account State Aid - Current Year	8012	60,800.00		60,800.00	14,857.00		14,857.00	\$60,800.00		60,800.00
State Aid - Prior Years	8019	-		-	(14,360.00)		(14,360.00)	(\$14,360.00)		(14,360.00)
Transfers to Charter Schools in Lieu of Property Taxes	8096	1,186,575.00		1,186,575.00	397,066.62		397,066.62	\$1,194,805.00		1,194,805.00
Other LCFF Transfers	8091, 8097	-		-	-		-	-		-
Total, LCFF Sources		4,254,562.00	-	4,254,562.00	956,784.62	-	956,784.62	4,213,599.00	-	4,213,599.00
2. Federal Revenues										
No Child Left Behind/Every Student Succeeds Act	8290	103,236.00		103,236.00			-		\$103,236.00	103,236.00
Special Education - Federal	8181, 8182	36,260.00		36,260.00			-	\$44,225.00		44,225.00
Child Nutrition - Federal	8220	100,511.43		100,511.43		5,555.11	5,555.11	\$100,511.00		100,511.00
Donated Food Commodities	8221	-		-			-			-
Other Federal Revenues	8110, 8260-8299	-		-			-			-
Total, Federal Revenues		240,007.43	-	240,007.43	-	5,555.11	5,555.11	-	247,972.00	247,972.00
3. Other State Revenues										
Special Education - State	StateRevSE		269,164.64	269,164.64		75,982.00	75,982.00		\$276,783.00	276,783.00
All Other State Revenues	StateRevAO	72,528.80	900,784.87	973,313.67	69,772.00	8,322.03	78,094.03	43,844.13	900,784.87	944,629.00
Total, Other State Revenues		72,528.80	1,169,949.51	1,242,478.31	69,772.00	84,304.03	154,076.03	43,844.13	1,177,567.87	1,221,412.00
4. Other Local Revenues										
All Other Local Revenues	LocalRevAO	97,430.10		97,430.10	237.37		237.37	\$104,649.00		104,649.00
Total, Local Revenues		97,430.10	-	97,430.10	237.37	-	237.37	104,649.00	-	104,649.00
5. TOTAL REVENUES		4,664,528.33	1,169,949.51	5,834,477.84	1,026,793.99	89,859.14	1,116,653.13	4,362,092.13	1,425,539.87	5,787,632.00
B. EXPENDITURES										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	737,232.70	430,170.60	1,167,403.30	235,076.24	150.00	235,226.24	882,454.00	88,003.00	970,457.00
Certificated Pupil Support Salaries	1200	75,790.08	-	75,790.08	18,045.25		18,045.25	75,790.00		75,790.00
Certificated Supervisors' and Administrators' Salaries	1300	345,061.17	50,416.56	395,477.73	114,183.85		114,183.85	345,061.44	50,416.56	395,478.00
Other Certificated Salaries	1900	-		-			-			-
Total, Certificated Salaries		1,158,083.95	480,587.16	1,638,671.11	367,305.34	150.00	367,455.34	1,227,515.44	214,209.56	1,441,725.00
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	376,465.19	158,104.08	534,569.27	83,878.18	26,204.50	110,082.68	138,725.00	361,116.00	499,841.00
Non-certificated Support Salaries	2200	51,179.52		51,179.52	15,305.33		15,305.33		51,180.00	51,180.00
Non-certificated Supervisors' and Administrators' Sal.	2300	-		-			-			-
Clerical and Office Salaries	2400	153,329.66		153,329.66	46,155.52		46,155.52	\$153,330.00		153,330.00
Other Non-certificated Salaries	2900	-		-			-			-
Total, Non-certificated Salaries		580,974.37	158,104.08	739,078.45	145,339.03	26,204.50	171,543.53	292,055.00	412,296.00	704,351.00
3. Employee Benefits										
STRS	3101-3102			-			-			-
PERS	3201-3202			-			-			-
OASDI / Medicare / Alternative	3301-3302	162,834.38	19,063.46	181,897.84	38,689.35	2,016.03	40,705.38	164,199.54	19,063.46	183,263.00
Health and Welfare Benefits	3401-3402	182,454.76	59,345.24	241,800.00	68,442.45	(34.80)	68,407.65	168,054.76	59,345.24	227,400.00
Unemployment Insurance	3501-3502	11,998.67	5,641.33	17,640.00	1,304.32	97.70	1,402.02	12,488.67	5,641.33	18,130.00
Workers' Compensation Insurance	3601-3602	24,346.81	8,941.68	33,288.49	10,804.65		10,804.65	24,596.32	8,941.68	33,538.00
OPEB, Allocated	3701-3702	-		-			-			-
OPEB, Active Employees	3751-3752	-		-			-			-
Other Employee Benefits	3901-3902	8,695.29	3,193.46	11,888.75	3,409.48	182.07	3,591.55	8,784.54	3,193.46	11,978.00
Total, Employee Benefits		390,329.91	96,185.17	486,515.08	122,650.25	2,261.00	124,911.25	378,123.83	96,185.17	474,309.00
4. Books and Supplies										
Approved Textbooks and Core Curricula Materials	4100	50,000.00	-	50,000.00	26,154.50		26,154.50	\$68,000.00		68,000.00
Books and Other Reference Materials	4200	1,500.00		1,500.00	198.01	70.84	268.85	1,429.16	70.84	1,500.00
Materials and Supplies	4300	68,301.60	26,598.40	94,900.00	45,777.10	4,507.84	50,284.94	73,529.60	26,598.40	100,128.00
Noncapitalized Equipment	4400	40,000.00		40,000.00	8,001.06		8,001.06	17,500.00		17,500.00
Food	4700	1,500.00	110,025.10	111,525.10	2,339.61	26,479.30	28,818.91	\$7,500.00	\$110,025.00	117,525.00
Total, Books and Supplies		161,301.60	136,623.50	297,925.10	82,470.28	31,057.98	113,528.26	167,958.76	136,694.24	304,653.00
5. Services and Other Operating Expenditures										
Subagreements for Services	5100	45,000.00	131,500.00	176,500.00	44,102.41	95,620.00	139,722.41	\$277,471.00	\$200,000.00	477,471.00
Travel and Conferences	5200	3,100.00		3,100.00	248.50		248.50	\$3,000.00		3,000.00
Dues and Memberships	5300	9,100.00		9,100.00	17,338.00		17,338.00	\$20,000.00		20,000.00
Insurance	5400	91,600.00		91,600.00	39,246.58		39,246.58	\$50,000.00		50,000.00
Operations and Housekeeping Services	5500	196,500.00		196,500.00	59,826.62		59,826.62	221,500.00		221,500.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	700,597.05	413,082.80	1,113,679.85	348,510.94		348,510.94	596,092.20	413,082.80	1,009,175.00
Transfers of Direct Costs	5700-5799	-		-			-			-
Professional/Consulting Services and Operating Expend.	5800	1,028,052.91	3,054.25	1,031,107.16	41,484.01	27,372.44	68,856.45	\$1,026,259.00		1,026,259.00
Communications	5900	16,000.00		16,000.00	5,512.01		5,512.01	16,500.00		16,500.00
Total, Services and Other Operating Expenditures		2,089,949.96	547,637.05	2,637,587.01	556,269.07	122,992.44	679,261.51	2,210,822.20	613,082.80	2,823,905.00

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Detail**

Charter School Name: Downtown Charter Academy
(continued)
CDS #: 01-61259-0129635
Charter Approving Entity: Oakland Unified School District
County: Alameda
Charter #: 1661
Fiscal Year: 2025/26

This charter school uses the following basis of accounting:

- Accrual Basis** (Applicable Capital Assets/Interest on Long-Term Debt/Long-Term Liabilities/Net Position objects are 6900, 6910, 6920, 7438, 9400-9489, 9660-9669, 9796, and 9797)
 Modified Accrual Basis (Applicable Capital Outlay/Debt Service/Fund Balance objects are 6100-6170, 6200-6500, 6600, 7438, 7439, and 9711-9789)

Description	Object Code	Adopted Budget - July 1			Actuals thru 10/31			1st Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
6. Capital Outlay (Objects 6100-6170, 6200-6500, 6600 for modified accrual only)										
Land and Land Improvements	6100-6170			-			-			-
Buildings and Improvements of Buildings	6200			-			-			-
Books and Media for New School Libraries or Major Expansion of School Libraries	6300			-			-			-
Equipment	6400			-			-			-
Equipment Replacement	6500			-			-			-
Lease Assets	6600			-			-			-
Subscription Assets	6700			-			-			-
Depreciation Expense (for accrual basis only)	6900	2,183.00		2,183.00	545.82		545.82	\$2,183		2,183.00
Amortization Expense-Lease Assets	6910			-			-			-
Amortization Expense-Subscription Assets	6920			-			-			-
Total, Capital Outlay		2,183.00	-	2,183.00	545.82	-	545.82	2,183.00	-	2,183.00
7. Other Outgo										
Tuition to Other Schools	7110-7143	-		-			-			-
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-		-			-			-
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-		-			-			-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-		-			-			-
All Other Transfers	7281-7299	-		-			-			-
Transfers of Indirect Costs	7300-7399	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest	7438			-			-			-
Principal (for modified accrual basis only)	7439			-			-			-
Total, Other Outgo		-	-	-	-	-	-	-	-	-
8. TOTAL EXPENDITURES		4,382,822.79	1,419,136.96	5,801,959.75	1,274,579.79	182,665.92	1,457,245.71	4,278,658.23	1,472,467.77	5,751,126.00
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		281,705.53	(249,187.44)	32,518.09	(247,785.80)	(92,806.78)	(340,592.58)	83,433.90	(46,927.90)	36,506.00
D. OTHER FINANCING SOURCES / USES										
1. Other Sources	8930-8979			-			-			-
2. Less: Other Uses	7630-7699			-			-			-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	(9,180.02)	9,180.02	-	(92,806.78)	92,806.78	-	(46,927.90)	46,927.90	-
4. TOTAL OTHER FINANCING SOURCES / USES		(9,180.02)	9,180.02	-	(92,806.78)	92,806.78	-	(46,927.90)	46,927.90	-
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		272,525.51	(240,007.42)	32,518.09	(340,592.58)	-	(340,592.58)	36,506.00	(0.00)	36,506.00
F. FUND BALANCE, RESERVES										
1. Beginning Fund Balance										
a. As of July 1	9791	4,065,924.88	307,567.00	4,373,491.88	4,028,511.00	307,567.00	4,336,078.00	4,028,511.00	307,567.00	4,336,078.00
b. Adjustments to Beginning Balance	9793, 9795	655,477.01	(307,567.00)	347,910.01	655,477.00	(307,567.00)	347,910.00	655,477.00	(307,567.00)	347,910.00
c. Adjusted Beginning Balance		4,721,401.89	-	4,721,401.89	4,683,988.00	-	4,683,988.00	4,683,988.00	-	4,683,988.00
2. Ending Fund Balance, June 30 (E + F.1.c.)		4,993,927.40	(240,007.42)	4,753,919.97	4,343,395.42	-	4,343,395.42	4,720,494.00	(0.00)	4,720,494.00
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)	9711			-			-			-
Stores (equals object 9320)	9712			-			-			-
Prepaid Expenditures (equals object 9330)	9713			-			-			-
All Others	9719			-			-			-
b. Restricted	9740			-			-			-
c. Committed										
Stabilization Arrangements	9750			-			-			-
Other Commitments	9760			-			-			-
d. Assigned										
Other Assignments	9780			-			-			-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties	9789	290,097.99		290,097.99	72,862.29		72,862.29	287,556.30		287,556.30
Unassigned/Unappropriated Amount	9790	4,703,829.41	(240,007.42)	4,463,821.99	4,270,533.13	-	4,270,533.13	4,432,937.70	(0.00)	4,432,937.70

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary**

Charter School Name: Downtown Charter Academy
(continued)
CDS #: 01-61259-0129635
Charter Approving Entity: Oakland Unified School District
County: Alameda
Charter #: 1661
Fiscal Year: 2025/26

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Budget Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
A. REVENUES						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	3,007,187.00	559,221.00	2,972,354.00	(34,833.00)	-1.16%
Education Protection Account State Aid - Current Year	8012	60,800.00	14,857.00	60,800.00	-	0.00%
State Aid - Prior Years	8019	-	(14,360.00)	(14,360.00)	(14,360.00)	New
Transfers to Charter Schools Funding in Lieu of Property Tax	8096	1,186,575.00	397,066.62	1,194,805.00	8,230.00	0.69%
Other LCFF Transfers	8091, 8097	-	-	-	-	-
Total, LCFF Sources		4,254,562.00	956,784.62	4,213,599.00	(40,963.00)	-0.96%
2. Federal Revenues						
No Child Left Behind/Every Student Succeeds Act	8290	103,236.00	-	103,236.00	-	0.00%
Special Education - Federal	8181, 8182	36,260.00	-	44,225.00	7,965.00	21.97%
Child Nutrition - Federal	8220	100,511.43	5,555.11	100,511.00	(0.42)	0.00%
Donated Food Commodities	8221	-	-	-	-	-
Other Federal Revenues	8110, 8260-8299	-	-	-	-	-
Total, Federal Revenues		240,007.43	5,555.11	247,972.00	7,964.58	3.32%
3. Other State Revenues						
Special Education - State	StateRevSE	269,164.64	75,982.00	276,783.00	7,618.36	2.83%
All Other State Revenues	StateRevAO	973,313.67	78,094.03	944,629.00	(28,684.67)	-2.95%
Total, Other State Revenues		1,242,478.31	154,076.03	1,221,412.00	(21,066.31)	-1.70%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	97,430.10	237.37	104,649.00	7,218.90	7.41%
Total, Local Revenues		97,430.10	237.37	104,649.00	7,218.90	7.41%
5. TOTAL REVENUES						
		5,834,477.84	1,116,653.13	5,787,632.00	(46,845.84)	-0.80%
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	1,167,403.30	235,226.24	970,457.00	(196,946.30)	-16.87%
Certificated Pupil Support Salaries	1200	75,790.08	18,045.25	75,790.00	(0.08)	0.00%
Certificated Supervisors' and Administrators' Salaries	1300	395,477.73	114,183.85	395,478.00	0.27	0.00%
Other Certificated Salaries	1900	-	-	-	-	-
Total, Certificated Salaries		1,638,671.11	367,455.34	1,441,725.00	(196,946.11)	-12.02%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	534,569.27	110,082.68	499,841.00	(34,728.27)	-6.50%
Non-certificated Support Salaries	2200	51,179.52	15,305.33	51,180.00	0.48	0.00%
Non-certificated Supervisors' and Administrators' Sal.	2300	-	-	-	-	-
Clerical and Office Salaries	2400	153,329.66	46,155.52	153,330.00	0.34	0.00%
Other Non-certificated Salaries	2900	-	-	-	-	-
Total, Non-certificated Salaries		739,078.45	171,543.53	704,351.00	(34,727.45)	-4.70%
3. Employee Benefits						
STRS	3101-3102	-	-	-	-	-
PERS	3201-3202	-	-	-	-	-
OASDI / Medicare / Alternative	3301-3302	181,897.84	40,705.38	183,263.00	1,365.16	0.75%
Health and Welfare Benefits	3401-3402	241,800.00	68,407.65	227,400.00	(14,400.00)	-5.96%
Unemployment Insurance	3501-3502	17,640.00	1,402.02	18,130.00	490.00	2.78%
Workers' Compensation Insurance	3601-3602	33,288.49	10,804.65	33,538.00	249.51	0.75%
OPEB, Allocated	3701-3702	-	-	-	-	-
OPEB, Active Employees	3751-3752	-	-	-	-	-
Other Employee Benefits	3901-3902	11,888.75	3,591.55	11,978.00	89.25	0.75%
Total, Employee Benefits		486,515.08	124,911.25	474,309.00	(12,206.08)	-2.51%

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary**

Charter School Name: Downtown Charter Academy
(continued)
CDS #: 01-61259-0129635
Charter Approving Entity: Oakland Unified School District
County: Alameda
Charter #: 1661
Fiscal Year: 2025/26

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Budget Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	50,000.00	26,154.50	68,000.00	18,000.00	36.00%
Books and Other Reference Materials	4200	1,500.00	268.85	1,500.00	-	0.00%
Materials and Supplies	4300	94,900.00	50,284.94	100,128.00	5,228.00	5.51%
Noncapitalized Equipment	4400	40,000.00	8,001.06	17,500.00	(22,500.00)	-56.25%
Food	4700	111,525.10	28,818.91	117,525.00	5,999.90	5.38%
Total, Books and Supplies		297,925.10	113,528.26	304,653.00	6,727.90	2.26%
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	176,500.00	139,722.41	477,471.00	300,971.00	170.52%
Travel and Conferences	5200	3,100.00	248.50	3,000.00	(100.00)	-3.23%
Dues and Memberships	5300	9,100.00	17,338.00	20,000.00	10,900.00	119.78%
Insurance	5400	91,600.00	39,246.58	50,000.00	(41,600.00)	-45.41%
Operations and Housekeeping Services	5500	196,500.00	59,826.62	221,500.00	25,000.00	12.72%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	1,113,679.85	348,510.94	1,009,175.00	(104,504.85)	-9.38%
Transfers of Direct Costs	5700-5799	-	-	-	-	-
Professional/Consulting Services and Operating Expend.	5800	1,031,107.16	68,856.45	1,026,259.00	(4,848.16)	-0.47%
Communications	5900	16,000.00	5,512.01	16,500.00	500.00	3.13%
Total, Services and Other Operating Expenditures		2,637,587.01	679,261.51	2,823,905.00	186,317.99	7.06%
6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual only)						
Land and Land Improvements	6100-6170	-	-	-	-	-
Buildings and Improvements of Buildings	6200	-	-	-	-	-
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	-
Equipment	6400	-	-	-	-	-
Equipment Replacement	6500	-	-	-	-	-
Lease Assets	6600	-	-	-	-	-
Subscription Assets	6700	-	-	-	-	-
Depreciation Expense (for accrual basis only)	6900	2,183.00	545.82	2,183.00	-	0.00%
Amortization Expense-Lease Assets	6910	-	-	-	-	-
Amortization Expense-Subscription Assets	6920	-	-	-	-	-
Total, Capital Outlay		2,183.00	545.82	2,183.00	-	0.00%
7. Other Outgo						
Tuition to Other Schools	7110-7143	-	-	-	-	-
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	-
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	-
All Other Transfers	7281-7299	-	-	-	-	-
Transfers of Indirect Costs	7300-7399	-	-	-	-	-
Debt Service:						
Interest	7438	-	-	-	-	-
Principal (for modified accrual basis only)	7439	-	-	-	-	-
Total, Other Outgo		-	-	-	-	-
8. TOTAL EXPENDITURES		5,801,959.75	1,457,245.71	5,751,126.00	(50,833.75)	-0.88%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		32,518.09	(340,592.58)	36,506.00	3,987.91	12.26%

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary**

Charter School Name: Downtown Charter Academy
(continued)
CDS #: 01-61259-0129635
Charter Approving Entity: Oakland Unified School District
County: Alameda
Charter #: 1661
Fiscal Year: 2025/26

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Budget Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	-	-	-	-	
2. Less: Other Uses	7630-7699	-	-	-	-	
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	-	-	-	-	
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)						
		32,518.09	(340,592.58)	36,506.00	3,987.91	12.26%
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	4,373,491.88	4,336,078.00	4,336,078.00	(37,413.88)	-0.86%
b. Adjustments/Restatements	9793, 9795	347,910.01	347,910.00	347,910.00	(0.01)	0.00%
c. Adjusted Beginning Fund Balance		4,721,401.89	4,683,988.00	4,683,988.00		
2. Ending Fund Balance, June 30 (E + F.1.c.)		4,753,919.97	4,343,395.42	4,720,494.00		
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted						
9740	9740	-	-	-	-	
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	290,097.99	72,862.29	287,556.30	(2,541.69)	-0.88%
Unassigned/Unappropriated Amount	9790	4,463,821.99	4,270,533.13	4,432,937.70	(30,884.29)	-0.69%

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
First Interim Report - MYP**

Charter School Name: Downtown Charter Academy
(continued) _____
CDS #: 01-61259-0129635
Charter Approving Entity: Oakland Unified School District
County: Alameda
Charter #: 1661
Fiscal Year: 2025/26

This charter school uses the following basis of accounting:

- Accrual Basis** (Applicable Capital Assets/Interest on Long-Term Debt/Long-Term Liabilities/Net Position objects are 6900, 6910, 6920, 7438, 9400-9489, 9660-9669, 9796 and 9797)
 Modified Accrual Basis (Applicable Capital Outlay/Debt Service/Fund Balance objects are 6100-6170, 6200-6500, 6600, 7438, 7439 and 9711-9789)

Description	Object Code	FY 2025/26			Totals for 2026/27	Totals for 2027/28
		Unrestricted	Restricted	Total		
A. REVENUES						
1. LCFF Sources						
State Aid - Current Year	8011	2,972,354.00	0.00	2,972,354.00	4,309,112.00	4,220,247.00
Education Protection Account State Aid - Current Year	8012	60,800.00	0.00	60,800.00	85,120.00	79,800.00
State Aid - Prior Years	8019	(14,360.00)	0.00	(14,360.00)		
Transfers of Charter Schools in Lieu of Property Taxes	8096	1,194,805.00	0.00	1,194,805.00	1,672,727.00	1,568,181.00
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00		
Total, LCFF Sources		4,213,599.00	0.00	4,213,599.00	6,066,959.00	5,868,228.00
2. Federal Revenues						
Every Student Succeeds Act (Title I - V)	8290	0.00	103,236.00	103,236.00	103,236.00	103,236.00
Special Education - Federal	8181, 8182	0.00	44,225.00	44,225.00	46,110.00	59,861.00
Child Nutrition - Federal	8220	0.00	100,511.00	100,511.00	140,716.00	131,921.00
Donated Food Commodities	8221	0.00	0.00	0.00		
Other Federal Revenues	8110, 8260-8299	0.00	0.00	0.00		
Total, Federal Revenues		0.00	247,972.00	247,972.00	290,062.00	295,018.00
3. Other State Revenues						
Special Education - State	StateRevSE	0.00	276,783.00	276,783.00	399,198.00	355,112.00
All Other State Revenues	StateRevAO	43,844.13	900,784.87	944,629.00	1,133,545.00	1,065,929.00
Total, Other State Revenues		43,844.13	1,177,567.87	1,221,412.00	1,532,743.00	1,421,041.00
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	104,649.00	0.00	104,649.00	104,649.00	104,649.00
Total, Local Revenues		104,649.00	0.00	104,649.00	104,649.00	104,649.00
5. TOTAL REVENUES						
		4,362,092.13	1,425,539.87	5,787,632.00	7,994,413.00	7,688,936.00
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	882,454.00	88,003.00	970,457.00	\$1,755,431	1,703,539.00
Certificated Pupil Support Salaries	1200	0.00	75,790.00	75,790.00	\$117,096	119,438.00
Certificated Supervisors' and Administrators' Salaries	1300	345,061.44	50,416.56	395,478.00	\$517,342	527,689.00
Other Certificated Salaries	1900	0.00	0.00	0.00		
Total, Certificated Salaries		1,227,515.44	214,209.56	1,441,725.00	2,389,869.00	2,350,666.00
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	138,725.00	361,116.00	499,841.00	724,848.00	739,345.00
Non-certificated Support Salaries	2200	0.00	51,180.00	51,180.00	128,315.00	130,881.00
Non-certificated Supervisors' and Administrators' Sal.	2300	0.00	0.00	0.00	0.00	-
Clerical and Office Salaries	2400	153,330.00	0.00	153,330.00	176,866.00	180,404.00
Other Non-certificated Salaries	2900	0.00	0.00	0.00		
Total, Non-certificated Salaries		292,055.00	412,296.00	704,351.00	1,030,029.00	1,050,630.00

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
First Interim Report - MYP**

Charter School Name: Downtown Charter Academy
(continued) _____
CDS #: 01-61259-0129635
Charter Approving Entity: Oakland Unified School District
County: Alameda
Charter #: 1661
Fiscal Year: 2025/26

Description	Object Code	FY 2025/26			Totals for 2026/27	Totals for 2027/28
		Unrestricted	Restricted	Total		
3. Employee Benefits						
STRS	3101-3102	0.00	0.00	0.00		
PERS	3201-3202	0.00	0.00	0.00		
OASDI / Medicare / Alternative	3301-3302	164,199.54	19,063.46	183,263.00	\$261,622	260,199.00
Health and Welfare Benefits	3401-3402	168,054.76	59,345.24	227,400.00	\$345,462	352,371.00
Unemployment Insurance	3501-3502	12,488.67	5,641.33	18,130.00	\$24,010	24,010.00
Workers' Compensation Insurance	3601-3602	24,596.32	8,941.68	33,538.00	\$47,879	47,618.00
OPEB, Allocated	3701-3702	0.00	0.00	0.00		
OPEB, Active Employees	3751-3752	0.00	0.00	0.00		
Other Employee Benefits	3901-3902	8,784.54	3,193.46	11,978.00	17,099.00	17,006.00
Total, Employee Benefits		378,123.83	96,185.17	474,309.00	696,072.00	701,204.00
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	68,000.00	0.00	68,000.00	100,000.00	96,338.00
Books and Other Reference Materials	4200	1,429.16	70.84	1,500.00	1,500.00	1,500.00
Materials and Supplies	4300	73,529.60	26,598.40	100,128.00	153,692.00	151,999.00
Noncapitalized Equipment	4400	17,500.00	0.00	17,500.00	60,000.00	35,000.00
Food	4700	7,500.00	110,025.00	117,525.00	165,694.00	159,626.00
Total, Books and Supplies		167,958.76	136,694.24	304,653.00	480,886.00	444,463.00
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	277,471.00	200,000.00	477,471.00	178,096.00	172,756.00
Travel and Conferences	5200	3,000.00	0.00	3,000.00	4,457.00	4,294.00
Dues and Memberships	5300	20,000.00	0.00	20,000.00	13,084.00	12,605.00
Insurance	5400	50,000.00	0.00	50,000.00	131,702.00	126,879.00
Operations and Housekeeping Services	5500	221,500.00	0.00	221,500.00	282,528.00	272,180.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	596,092.20	413,082.80	1,009,175.00	1,131,165.00	1,084,475.00
Transfers of Direct Costs	5700-5799	0.00	0.00	0.00		
Professional/Consulting Services and Operating Expend.	5800	1,026,259.00	0.00	1,026,259.00	1,419,392.00	1,333,508.00
Communications	5900	16,500.00	0.00	16,500.00	23,005.00	22,162.00
Total, Services and Other Operating Expenditures		2,210,822.20	613,082.80	2,823,905.00	3,183,429.00	3,028,859.00
6. Capital Outlay (Obj. 6100-6170, 6200-6500, 6600 for modified accrual)						
Land and Land Improvements	6100-6170	0.00	0.00	0.00		
Buildings and Improvements of Buildings	6200	0.00	0.00	0.00		
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0.00	0.00	0.00		
Equipment	6400	0.00	0.00	0.00		
Equipment Replacement	6500	0.00	0.00	0.00		
Lease Assets	6600	0.00	0.00	0.00		
Subscription Assets	6700	0.00	0.00	0.00		
Depreciation Expense (for accrual basis only)	6900	2,183.00	0.00	2,183.00	102,183.00	102,183.00
Amortization Expense-Lease Assets	6910	0.00	0.00	0.00		
Amortization Expense-Subscription Assets	6920	0.00	0.00	0.00		
Total, Capital Outlay		2,183.00	0.00	2,183.00	102,183.00	102,183.00
7. Other Outgo						
Tuition to Other Schools	7110-7143	0.00	0.00	0.00		
Transfers of Pass-through Revenues to Other LEAs	7211-7213	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00	0.00		
All Other Transfers	7280-7299	0.00	0.00	0.00		
Transfers of Indirect Costs	7300-7399	0.00	0.00	0.00		
Debt Service:						
Interest	7438	0.00	0.00	0.00		
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00		
Total, Other Outgo		0.00	0.00	0.00	0.00	0.00
8. TOTAL EXPENDITURES		4,278,658.23	1,472,467.77	5,751,126.00	7,882,468.00	7,678,005.00
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		83,433.90	(46,927.90)	36,506.00	111,945.00	10,931.00

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
First Interim Report - MYP**

Charter School Name: Downtown Charter Academy
 (continued) _____
 CDS #: 01-61259-0129635
 Charter Approving Entity: Oakland Unified School District
 County: Alameda
 Charter #: 1661
 Fiscal Year: 2025/26

Description	Object Code	FY 2025/26			Totals for 2026/27	Totals for 2027/28
		Unrestricted	Restricted	Total		
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	0.00	0.00	0.00		
2. Less: Other Uses	7630-7699	0.00	0.00	0.00		
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	(46,927.90)	46,927.90	0.00		
4. TOTAL OTHER FINANCING SOURCES / USES		(46,927.90)	46,927.90	0.00	0.00	0.00
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)						
		36,506.00	(0.00)	36,506.00	111,945.00	10,931.00
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	4,028,511.00	307,567.00	4,336,078.00	4,720,494.00	4,832,439.00
b. Adjustments/Restatements	9793, 9795	655,477.00	(307,567.00)	347,910.00		
c. Adjusted Beginning Balance		4,683,988.00	0.00	4,683,988.00	4,720,494.00	4,832,439.00
2. Ending Fund Balance, June 30 (E + F.1.c.)		4,720,494.00	(0.00)	4,720,494.00	4,832,439.00	4,843,370.00
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00		
Stores (equals object 9320)	9712	0.00	0.00	0.00		
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00		
All Others	9719	0.00	0.00	0.00		
b. Restricted	9740		0.00	0.00		
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00		
Other Commitments	9760	0.00	0.00	0.00		
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00		
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	287,556.30	0.00	287,556.30	394,123.40	383,900.25
Unassigned/Unappropriated Amount	9790	4,432,937.70	(0.00)	4,432,937.70	4,438,315.60	4,459,469.75