Growing Up Green Charter Schools

Financial Statements

June 30, 2025 and 2024

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Trustees
Growing Up Green Charter Schools

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Growing Up Green Charter Schools (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years 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 Growing Up Green Charter Schools as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Growing Up Green Charter Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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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 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.

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 Growing Up Green Charter Schools' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Growing Up Green Charter Schools' ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of activities by school for the year ended June 30, 2025 on page 20 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 October 27, 2025, on our consideration of Growing Up Green Charter Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Growing Up Green Charter Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Growing Up Green Charter Schools' internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Harrison, New York
October 27, 2025

Growing Up Green Charter Schools

Statements of Financial Position

	June 30, 2025	June 30, 2024
ASSETS		
Current Assets		
Cash	$ 1,657,503	$ 1,398,640
Investments	10,738,181	9,353,549
Grants and contracts receivable	428,906	784,754
Due from related party, net	704,846	871,587
Prepaid expenses and other current assets	1,153,449	891,683
Total Current Assets	14,682,885	13,300,213
Property and equipment, net	4,200,666	4,229,438
Security deposits	388,320	408,966
Restricted cash - escrow	200,064	200,028
Right of use assets, finance leases, net	453,074	568,468
Right of use assets, operating leases, net	134,013,501	140,726,014
	$ 153,938,510	$ 159,433,127
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 618,520	$ 594,156
Accrued payroll and payroll taxes	2,831,995	2,415,638
Refundable advances	318,653	143,236
Finance lease liabilities	117,963	113,215
Operating lease liabilities	1,879,448	2,670,817
Total Current Liabilities	5,766,579	5,937,062
Finance lease liabilities, less current portion	374,384	492,348
Operating lease liabilities, less current portion	141,790,389	144,826,024
Total Liabilities	147,931,352	151,255,434
Net assets, without donor restrictions	6,007,158	8,177,693
	$ 153,938,510	$ 159,433,127

See notes to financial statements

Growing Up Green Charter Schools

Statements of Activities

	Year Ended June 30, 2025	Year Ended June 30, 2024
OPERATING REVENUE		
Public School District		
Regular student enrollment	$ 28,323,969	$ 28,358,322
Student with disabilities	4,903,554	4,251,638
Facilities funding	6,029,043	5,830,739
Grants and Contracts		
Federal grants	577,007	876,259
Federal E-Rate and IDEA	457,235	408,137
State and local	121,979	111,664
Total Operating Revenue	40,412,787	39,836,759
EXPENSES		
Program Services		
Regular education	24,581,008	23,746,411
Special education	13,034,681	12,103,046
After school	52,091	49,159
Total Program Services	37,667,780	35,898,616
Supporting Services		
Management and general	5,583,012	5,096,374
Fundraising	92,983	126,460
Total Expenses	43,343,775	41,121,450
(Deficit) from Operations	(2,930,988)	(1,284,691)
SUPPORT, OTHER REVENUE, AND LOSSES		
Contributions and fundraising	265,000	179,086
Investment and other income	503,524	197,035
Lease transition of interest fee	-	1,000,000
Loss of disposal of property and equipment	(8,071)	-
Total Support, Other Revenue and Losses	760,453	1,376,121
Change in Net Assets	(2,170,535)	91,430
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	8,177,693	8,086,263
End of year	$ 6,007,158	$ 8,177,693

See notes to financial statements

Growing Up Green Charter Schools

Statement of Functional Expenses
Year Ended June 30, 2025

		Program Services				Management		
	Regular Education	Regular Education	Special Education	After School	Total	and General	Fundraising	Total
Personnel Services Costs								
Adminstrative staff personnel	53	$ 2,663,722	$ 930,189	$ -	$ 3,593,911	$ 1,960,940	$ 38,856	$ 5,593,707
Instructional personnel	190	9,636,525	5,703,073	41,643	15,381,241	10,411	-	15,391,652
Non instructional personnel	12	68,575	50,572	-	119,147	433,113	-	552,260
Total Personnel Services Costs	255	12,368,822	6,683,834	41,643	19,094,299	2,404,464	38,856	21,537,619
Fringe benefits and payroll taxes		2,838,708	1,540,625	9,806	4,389,139	546,660	9,025	4,944,824
Retirement		236,809	125,693	642	363,144	44,860	700	408,704
Legal fees		-	-	-	-	188,503	-	188,503
Accounting and audit services		-	-	-	-	138,164	-	138,164
Other professional and consulting services		361,050	209,419	-	570,469	755,853	11,200	1,337,522
Building and land rent		5,950,949	3,145,293	-	9,096,242	1,047,171	-	10,143,413
Repairs and maintenance		187,007	106,821	-	293,828	38,065	-	331,893
Insurance		173,487	94,889	-	268,376	34,138	-	302,514
Utilities		193,995	111,893	-	305,888	39,788	-	345,676
Supplies and materials		629,911	251,859	-	881,770	29,191	-	910,961
Equipment and furnishings		24,149	12,818	-	36,967	4,643	-	41,610
Staff development		130,050	55,458	-	185,508	102,376	-	287,884
Marketing and recruiting		235,876	91,855	-	327,731	8,791	33,202	369,724
Technology		220,425	118,178	-	338,603	42,711	-	381,314
Food services		55,447	19,541	-	74,988	-	-	74,988
Student services		294,677	100,759	-	395,436	-	-	395,436
Office expense		168,604	90,535	-	259,139	32,709	-	291,848
Depreciation and amortization		511,042	275,211	-	786,253	99,363	-	885,616
Other		-	-	-	-	25,562	-	25,562
Total Expenses		$ 24,581,008	$ 13,034,681	$ 52,091	$ 37,667,780	$ 5,583,012	$ 92,983	$ 43,343,775

See notes to financial statements

Growing Up Green Charter Schools

Statement of Functional Expenses
Year Ended June 30, 2024

		Program Services				Management		
	Regular Education	Regular Education	Special Education	After School	Total	and General	Fundraising	Total
Personnel Services Costs								
Adminstrative staff personnel	58	$ 2,652,887	$ 882,801	$ -	$ 3,535,688	$ 1,730,980	$ 90,378	$ 5,357,046
Instructional personnel	201	9,482,867	5,406,007	15,601	14,904,475	13,813	-	14,918,288
Non instructional personnel	12	61,403	46,813	474	108,690	395,722	-	504,412
Total Personnel Services Costs	271	12,197,157	6,335,621	16,075	18,548,853	2,140,515	90,378	20,779,746
Fringe benefits and payroll taxes		2,739,044	1,439,943	3,753	4,182,740	477,741	20,548	4,681,029
Retirement		250,499	135,362	415	386,276	43,140	1,996	431,412
Legal fees		-	-	-	-	267,437	-	267,437
Accounting and audit services		-	-	-	-	113,411	-	113,411
Other professional and consulting services		276,008	99,469	-	375,477	627,847	13,538	1,016,862
Building and land rent		5,877,022	3,005,359	-	8,882,381	1,037,186	-	9,919,567
Repairs and maintenance		140,353	78,282	-	218,635	24,932	-	243,567
Insurance		161,469	85,298	-	246,767	29,269	-	276,036
Utilities		135,906	76,244	-	212,150	24,087	-	236,237
Supplies and materials		442,604	151,521	28,916	623,041	16,481	-	639,522
Equipment and furnishings		45,354	18,245	-	63,599	4,374	-	67,973
Staff development		135,232	48,760	-	183,992	84,687	-	268,679
Marketing and recruiting		94,324	40,507	-	134,831	7,397	-	142,228
Technology		274,983	144,543	-	419,526	49,934	-	469,460
Food services		42,872	13,313	-	56,185	-	-	56,185
Student services		271,882	77,696	-	349,578	-	-	349,578
Office expense		202,985	109,431	-	312,416	36,523	-	348,939
Depreciation and amortization		398,926	207,156	-	606,082	72,753	-	678,835
Other		59,791	36,296	-	96,087	38,660	-	134,747
Total Expenses		$ 23,746,411	$ 12,103,046	$ 49,159	$ 35,898,616	$ 5,096,374	$ 126,460	$ 41,121,450

See notes to financial statements

Growing Up Green Charter Schools

Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (2,170,535)	$ 91,430
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	770,222	612,633
Amortization of right of use assets - operating leases	5,162,596	5,132,109
Amortization of right of use assets - finance leases	115,394	66,202
Unrealized (gain) on investments	(34,899)	(17,139)
Loss on disposal of property and equipment	8,071	-
Changes in operating assets and liabilities		
Grants and contracts receivable	355,848	351,070
Due from related party	166,741	195,603
Prepaid expenses and other current assets	(261,766)	345,619
Security deposits	20,646	6,284
Accounts payable and accrued expenses	24,364	52,727
Accrued payroll and payroll taxes	416,357	271,682
Operating lease liabilities	(2,277,087)	(2,395,883)
Refundable advances	175,417	(931,154)
Net Cash from Operating Activities	2,471,369	3,781,183
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(749,521)	(1,294,988)
Purchase of investments	(6,501,454)	(6,277,836)
Proceeds from maturity of investments	5,151,721	-
Net Cash from Investing Activities	(2,099,254)	(7,572,824)
CASH FLOW FROM FINANCING ACTIVITY		
Finance lease liabilities	(113,216)	(29,107)
Net Change in Cash and Restricted Cash	258,899	(3,820,748)
CASH AND RESTRICTED CASH		
Beginning of year	1,598,668	5,419,416
End of year	$ 1,857,567	$ 1,598,668

See notes to financial statements

1. Organization and Tax Status

Growing Up Green Charter Schools is a New York State, not-for-profit educational corporation operating in New York City pursuant to Article 56 of the Education Law of the State of New York. The accompanying financial statements include the following charter schools, collectively referred to as the "School":

Growing Up Green Charter School ("GUG") operates a charter school in the borough of Queens, New York City. GUG was granted a provisional charter on December 16, 2008 valid for a term of five years and renewable upon expiration by the Board of Regents of the University of the State of New York (the "Board of Regents"). The Board of Regents approved and issued several renewals to GUG charter, which now expires on June 30, 2027.

Growing Up Green Charter School II ("GUG II") operates a charter school in the borough of Queens, New York City. GUG II was granted a provisional charter on December 15, 2015 valid for a term of five years and renewable upon expiration by the Board of Regents. The Board of Regents approved and issued several renewals to GUG II charter, which now expires on June 30, 2029.

The School's mission is to empower children to be conscious, contributing members of their community through a rigorous curriculum and an engaging green culture. Graduates of the School will be prepared to attend high performing schools where their interdisciplinary academic foundations, knowledge of sustainability, and strong sense of self sets them apart as leaders of the future. The School provided education to approximately 1488 students in grades kindergarten through eight during the 2024-2025 academic year.

GUG and GUG II merged into a single not-for-profit legally entity under GUG II, which serves as the sole surviving educational corporation. The plan of the merger was approved by the New York State Board of Regents on June 2, 2022, and became effective for financial reporting purposes on July 1, 2022 and the surviving entity's name was changed to Growing Up Green Charter Schools.

The New York City Department of Education provides free lunches and transportation directly to some of the School's students. Such costs are not included in these financial statements. The School covers a portion of the cost of lunches for children not entitled to the free lunches.

Except for taxes that may be due for unrelated business income, the School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local income taxes under comparable laws.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Net Asset Presentation

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Net assets without donor restrictions – consist of resources available for the general support of the School's operations. Net assets without donor restrictions may be used at the discretion of the School's management and/or the Board of Trustees.

Net assets with donor restrictions – represents amounts restricted by donors for specific activities of the School or to be used at a future date. The School records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The School had no net assets with donor restrictions at June 30, 2025 and 2024.

Fair Value Measurements

The School follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investment Valuation

Investments are stated at fair value.

2. Summary of Significant Accounting Policies *(continued)*

Investment Income Recognition

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of change in net assets.

Restricted Cash

Under the provisions of its charter, the School established an escrow account to pay for legal and audit expenses that would be associated with a dissolution, should it occur.

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position to the amounts presented in the statements of cash flows at June 30:

	2025	2024
Cash	$ 1,657,503	$ 1,398,640
Restricted cash	200,064	200,028
	$ 1,857,567	$ 1,598,668

Property and Equipment

The School follows the practice of capitalizing all expenditures for property and equipment with costs in excess of $1,000 and a useful life in excess of one year. Leasehold improvements are amortized over the shorter of the term of the lease, inclusive of all renewal periods, which are reasonably assured, or the estimated useful life of the asset. Purchased property and equipment are recorded at cost at the date of acquisition. Maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding is capitalized, unless the government agency retains legal title to such assets, in which case it is expensed as incurred.

Depreciation and amortization is recognized on the straight-line method over the estimated useful lives of such assets as follows:

Computers	3 years
Furniture and fixtures	7 years
Office and classroom Equipment	5 years

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to its fair value less costs to sell. There were no asset impairments for the years ended June 30, 2025 and 2024.

2. Summary of Significant Accounting Policies *(continued)*

Leases

The School accounts for leases under Topic 842. The School determines if an arrangement is a lease at inception. Operating and finance leases are included in operating and finance lease ROU assets and operating and finance lease liabilities on the accompanying statements of financial position. The School made the short-term lease election for leases with an initial term of less than 12 months. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. The School uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating and finance lease ROU assets include any lease payments made and exclude lease incentives. The lease terms may include options to extend the lease and when it is reasonably certain that the School will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The School's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The School has lease agreements with lease and non-lease components, which are generally accounted for separately. The School applies the short-term lease exemption to all of its classes of underlying assets.

Refundable Advances

The School records certain government operating revenue as refundable advances until related services are performed, at which time they are recognized as revenue.

Revenue and Support

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and other state and local funds are recorded when expenditures are incurred and billable to the government agency.

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Grants and other contributions of cash are reported as net assets with donor restrictions if they are received with donor stipulations. Restricted contributions and grants that are made to support the School's current year activities are recorded as net assets without donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

Marketing and Recruiting

Marketing and recruiting costs are expensed as incurred for staff and student recruitment. Marketing and recruiting expense for the years ended June 30, 2025 and 2024 were $369,724 and $142,228.

2. Summary of Significant Accounting Policies *(continued)*

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the School's ongoing services. Non-operating activities include loss on disposal of property and equipment, revenue and support from non-governmental and other sources that include contributions revenue and other activities considered to be of a more non-recurring nature.

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses such as personnel services costs, fringe benefits and payroll taxes, other professional and consulting services, and building and land rent have been allocated among program and supporting services classifications on the basis of periodic time and expense studies and other basis as determined by management of the School to be appropriate.

Accounting for Uncertainty in Income Taxes

The School recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the School had no uncertain tax positions that would require financial statement recognition or disclosure. The School is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2022.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issue, which date is October 27, 2025.

3. Grants and Contracts Receivable

Grants and contracts receivable consist of federal, state, city entitlements and grants. The School expects to collect these receivables within one year. Management has assessed the need for an allowance and has determined that such an allowance is not necessary.

4. Investments

Major categories of investments categorized by the fair value hierarchy are as follows at June 30:

	2025		
	Level I	Level II	Total
Certificates of deposit	$ -	$ 1,000,000	$ 1,000,000
U.S. Treasury Securities	9,658,103	-	9,658,103
	$ 9,658,103	$ 1,000,000	10,658,103
Cash equivalents, at cost			80,078
			$ 10,738,181

	2024		
	Level I	Level II	Total
Certificates of deposit	$ -	$ 6,151,721	$ 6,151,721
U.S. Treasury Securities	3,163,142	-	3,163,142
	$ 3,163,142	$ 6,151,721	9,314,863
Cash equivalents, at cost			38,686
			$ 9,353,549

5. Property and Equipment

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

	2025	2024
Furniture and fixtures	$ 831,861	$ 751,103
Computers and equipment	2,726,047	2,523,230
Leasehold improvements	3,975,450	3,523,065
	7,533,358	6,797,398
Accumulated depreciation and amortization	(3,332,692)	(2,567,960)
	$ 4,200,666	$ 4,229,438

Assets with a cost basis of $13,561 and accumulated depreciation of $5,490 were disposed of during the year ended June 30, 2025. Loss on disposal of property and equipment was $8,071 for the year ended June 30, 2025. There was no disposal of assets during the year ended June 30, 2024.

6. Line-of-Credit

On September 28, 2023, the School entered into a $2,000,000 revolving line of credit agreement with JP Morgan Chase to provide working capital. The line expired on March 22, 2025. On May 1, 2025, the School renewed the revolving line of credit. The line has an expiration of May 1, 2026 and bears interest at the one-month Secured Overnight Financing Rate. Interest is payable on a monthly basis. The School did not draw down on the line of credit during the year ended June 30, 2025.

7. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the statements of financial position date, are comprised of the following at June 30:

	2025	2024
Cash	$ 1,657,503	$ 1,398,640
Investments	10,738,181	9,353,549
Grants and contracts receivable	428,906	784,754
Due from related party, net	704,846	871,587
	$13,529,436	$12,408,530

As part of the School's liquidity management plan, the status of grants and contracts receivable is monitored regularly and any excess cash is held in liquid instruments until it is required for operational use. In the event of unanticipated liquid need, the School could draw upon investments and a $2,000,000 Line of Credit. The School will continue to rely on funding received from the New York City Department of Education to cover its future operating costs (see Note 10).

8. Employee Benefit Plan

The School maintains a pension plan qualified under Internal Revenue Code 401(k), for the benefit of its eligible employees. Under the plan, the School provided matching contributions up to 5% of the participant's annual compensation. Total employer match for the years ended June 30, 2025 and 2024 amounted to $408,704 and $431,412.

9. Concentration of Credit Risk

Financial instruments that potentially subject the School to concentrations of credit and market risk consist principally of cash and restricted cash on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. Investments are maintained at a broker which insures the balance up to $500,000 with Securities Investor Protection Corporation ("SIPC") insurance. The School does not believe that a significant risk of loss due to the failure of a financial institution presently exists. At June 30, 2025 and 2024, approximately $1,857,000 and $1,349,000 of cash was maintained with an institution in excess of FDIC limits, and approximately $10,238,000 and $8,853,000 of investments were maintained with an institution in excess of SIPC limits.

10. Concentration of Revenue and Support

The School receives a substantial portion of its revenue and support from the New York City Department of Education. For the years ended June 30, 2025 and 2024, the School received approximately 95% and 93% of its total revenue and support from the New York City Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

11. Related Party Transactions (not disclosed elsewhere)

The School is an affiliate of Friends of Growing Up Green ("Friends of GUG"), a New York State not-for-profit corporation, through common management. Friends of GUG supports the School through technical and financial assistance and by managing the School's real estate and facilities-related needs. During the years ended June 30, 2025 and 2024, the School charged $158,664 and $1,139,493 of operating expenses to Friends of GUG. At June 30, 2025 and 2024, the net balance due from Friends of GUG was $704,846 and $871,587.

Effective July 1, 2021, the lease agreements for three facilities used by the School were transferred to Friends of GUG (see Note 12) and new sublease agreements were entered into between Friends of GUG (sublandlord) and the School (subtenant).

12. Commitments

The School is obligated under a non-cancelable operating lease for office and classroom space at 39-27 28th Street, Long Island City, New York, which expires on August 31, 2029. The lease provides for rent escalations and the School is responsible for utilities and other operating expenses.

On May 15, 2014, the School entered into an agreement to lease additional property at 36-49 11th Street, Long Island City, New York for a period of 10 years. The lease provides for rent escalations and the School is responsible for utilities and other operating expenses. This location became the home of Growing Up Green Middle School starting with the 2014-2015 academic year. In July 2021, the lease agreement was transferred to Friends of GUG (see Note 11) and a new sublease agreement between Friends of GUG (sublandlord) and the School (subtenant) was executed effective July 1, 2021 for a period of 3 years originally ending on June 30, 2024. The School entered into a lease transition agreement effective July 1, 2023, with an unrelated third party. As part of this agreement, the School collected a $1,000,000 transition of interest fee, which is reflected accompanying 2024 statement of activities.

12. Commitments *(continued)*

In July 2016, the School entered into a lease agreement for office and classroom space at 84-35 152nd Street, Jamaica, New York, expiring on June 30, 2036, with a renewal option for an additional ten years and subsequently a renewal option for an additional five years. The lease provides for rent escalations and the School is responsible for utilities and other operating expenses. In July 2021, the lease agreement was transferred to Friends of GUG (see Note 11) and a new sublease agreement between Friends of GUG (sublandlord) and the School (subtenant) was executed effective July 1, 2021 for a period concurrent to the lease term. In March 2025, the School executed an amendment to the lease agreement, which increases the base rent effective July 1, 2025, and continues through the original expiration of date of July 31, 2053.

In September 2019, the School entered into a lease agreement for office and classroom space at 89-17 161st Street, Jamaica, New York, which commenced July 1, 2020 and expires July 31, 2053. The lease provides for rent escalations and the School is responsible for utilities and other operating expenses. Under the terms of the lease, the School paid a security deposit in the amount of $130,000. In July 2021, the lease agreement was transferred to Friends of GUG (see Note 11) and a new sublease agreement between Friends of GUG (sublandlord) and the School (subtenant) was executed effective July 1, 2021 for a period concurrent to the lease term. In March 2025, the School executed an amendment to the lease agreement, which increases the base rent effective July 1, 2025, and continues through the original expiration of date of July 31, 2053.

In May 2023, the School entered into a sublease agreement with Friends of GUG (sublandlord) for office and classroom space at 34-12 10th Street, Long Island City, New York, which commenced July 1, 2023 and expires on June 30, 2055. The lease provides for rent escalations and the School is responsible for utilities and other operating expenses. Under the terms of the lease, the School paid a security deposit in the amount of $130,000.

The School entered into five operating leases for copiers between 2020 and 2022, with payments due on a monthly basis with varying expiration dates through 2026.

During the year ended June 30, 2024, the School entered into five finance leases for copiers, with payments due on a monthly basis with varying expiration dates through 2029.

ROU assets consist of the following at June 30, 2025:

	Operating	Finance
ROU assets	$ 149,627,347	$ 634,670
Less: accumulated amortization	(15,613,846)	(181,596)
	$ 134,013,501	$ 453,074
Weighted average remaining lease term (years)	25.20	3.93
Weighted average discount rate	4.19%	4.12%

12. Commitments *(continued)*

ROU assets consist of the following at June 30, 2024:

	Operating	Finance
ROU assets	$ 151,177,264	$ 634,670
Less: accumulated amortization	(10,451,250)	(66,202)
	$ 140,726,014	$ 568,468
Weighted average remaining lease term (years)	25.98	4.93
Weighted average discount rate	3.35%	4.12%

The future minimum lease payments under the lease agreements are as follows for the years ending June 30:

	Operating	Finance
2026	$ 7,810,359	$ 135,552
2027	8,051,215	135,552
2028	8,337,462	135,552
2029	8,634,172	125,553
2030	7,895,800	-
Thereafter	214,606,290	-
Total minimum lease payments	255,335,298	532,209
Present value discount	(111,665,461)	(39,862)
Present value of lease liabilities	143,669,837	492,347
Current portion	(1,879,448)	(117,963)
Lease liabilities, less current portion	$ 141,790,389	$ 374,384

Supplemental cash flow disclosures are as follows as of and for the years ended June 30:

	2025	2024
Finance lease interest paid	$ 22,723	$ 12,709
Operating right-of-use asset recognized in exchange for operating lease liabilities	200,436	46,128,150
Cash paid for amounts included in the measurement of finance lease liabilties	112,828	31,176
Cash paid for amounts included in the measurement of operating lease liabilties	7,486,788	7,136,431
Finance right-of-use asset recognized in exchange for finance lease liabilities	-	634,670

12. Commitments *(continued)*

Building and land operating lease/rent expense for the years ended June 30, 2025 and 2024, were $10,143,413 and $9,919,567.

Utilities expense for the years ended June 30, 2025 and 2024, were $236,237 and $345,676

Copier operating lease expense for the years ended June 30, 2025 and 2024, were $93,336 and $53,466. Copier finance lease expense for the years ended June 30, 2025 and 2024, were $36,609 and $51,582.

13. Contingency

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

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Growing Up Green Charter Schools

Supplementary Information

Year Ended June 30, 2025

Growing Up Green Charter Schools

Schedule of Activites by School
Year Ended June 30, 2025

	GUG	GUG II	Total
OPERATING REVENUE			
Public School District			
Regular student enrollment	$ 13,034,391	$ 15,289,578	$ 28,323,969
Student with disabilities	2,134,464	2,769,090	4,903,554
Facilities funding	1,473,863	4,555,180	6,029,043
Grants and Contracts			
Federal grants	279,808	297,199	577,007
Federal E-Rate and IDEA	202,298	254,937	457,235
State and local	60,621	61,358	121,979
Total Operating Revenue	17,185,445	23,227,342	40,412,787
EXPENSES			
Program Services			
Regular education	10,636,135	13,944,873	24,581,008
Special education	6,251,254	6,783,427	13,034,681
After school	52,091	-	52,091
Total Program Services	16,939,480	20,728,300	37,667,780
Supporting Services			
Management and general	2,936,967	2,646,045	5,583,012
Fundraising	47,487	45,496	92,983
Total Expenses	19,923,934	23,419,841	43,343,775
(Deficit) from Operations	(2,738,489)	(192,499)	(2,930,988)
SUPPORT, OTHER REVENUE, AND LOSSES			
Contributions and fundraising	25,000	240,000	265,000
Investment and other income	300,653	202,871	503,524
Loss of disposal of property and equipment	(8,071)	-	(8,071)
Total Support, Other Revenue and Losses	317,582	442,871	760,453
Change in Net Assets	(2,420,907)	250,372	(2,170,535)
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Beginning of year	6,759,169	1,418,524	8,177,693
End of year	$ 4,338,262	$ 1,668,896	$ 6,007,158

See independent auditors' report

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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

Board of Trustees
Growing Up Green Charter 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, the financial statements of Growing Up Green Charter Schools (The "School") (a nonprofit 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, and have issued our report thereon dated October 27, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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.

PKF O'Connor Davies, LLP

Harrison, New York
October 27, 2025