



**Financial Statements  
and Supplementary Information**

**(Together with Independent Auditors' Report  
and  
Report Required by *Government Auditing Standards*)**

**Year Ended June 30, 2018**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**NYC AUTISM CHARTER SCHOOLS**  
**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report**  
**and**  
**Report Required by *Government Auditing Standards*)**  
**YEAR ENDED JUNE 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees of  
NYC Autism Charter Schools

### **Report on the Financial Statements**

We have audited the accompanying financial statements of NYC Autism Charter Schools (the "Schools"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Schools as of June 30, 2018, 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.

## **Other Matters**

Effective July 1, 2017, NYC Autism Charter Schools was established through the merger of New York Center for Autism Charter School and New York Center for Autism Charter School Bronx ("Bronx School"). The financial statements of New York Center for Autism Charter School as of and for the year ended June 30, 2017 were audited by us. Approximately \$536,000 of net assets from the Bronx School were merged to NYC Autism Charter Schools as of July 1, 2017 (Note 11).

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information (shown on page 13) is presented for purposes of additional analysis of the financial statements 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 supplementary 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, based on our audit, the supplementary 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 19, 2018, on our consideration of the 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Schools' internal control over financial reporting and compliance.

*Marks Paneth LLP*

New York, NY  
October 19, 2018

**NYC AUTISM CHARTER SCHOOLS  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2018**

**ASSETS**

Cash and cash equivalents (Notes 2C and 9B)	\$ 673,758
Investments, at fair value (Notes 2D, 2E, and 4)	1,960,525
Contributions and grants receivable (Notes 2F and 2H)	48,986
Prepaid expenses and other assets	9,874
Restricted cash and cash equivalents (Notes 2C and 3)	125,899
Property and equipment, net (Notes 2I and 5)	<u>444,560</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,263,602</u></b>

**LIABILITIES**

Accounts payable and accrued expenses	\$ 218,168
Refundable advances (Note 2G)	<u>22,273</u>
<b>TOTAL LIABILITIES</b>	<b><u>240,441</u></b>

**CONTINGENCIES** (Note 7)

**NET ASSETS** (Note 2B)

Unrestricted	2,939,223
Temporarily restricted (Note 8)	<u>83,938</u>
<b>TOTAL NET ASSETS</b>	<b><u>3,023,161</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 3,263,602</u></b>

The accompanying notes are an integral part of these financial statements.

**NYC AUTISM CHARTER SCHOOLS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>OPERATING REVENUE:</b>			
State and local per pupil operating revenue (Notes 2G and 9A)	\$ 4,090,941	\$ -	\$ 4,090,941
Contributions from individuals (Note 2F)	142,446	-	142,446
Government grants (Notes 2G and 7B)	599,622	-	599,622
Grants from foundations (Note 2F)	25,000	75,500	100,500
Net assets released from restrictions (Note 8)	152,816	(152,816)	-
<b>TOTAL OPERATING REVENUE</b>	<b>5,010,825</b>	<b>(77,316)</b>	<b>4,933,509</b>
<b>OPERATING EXPENSES (Note 2J):</b>			
<b>Program Services</b>			
Regular Education	4,003,563	-	4,003,563
<b>Total Program Services</b>	<b>4,003,563</b>	<b>-</b>	<b>4,003,563</b>
<b>Supporting Services</b>			
Management and General	930,649	-	930,649
Fundraising	75,437	-	75,437
<b>Total Supporting Services</b>	<b>1,006,086</b>	<b>-</b>	<b>1,006,086</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>5,009,649</b>	<b>-</b>	<b>5,009,649</b>
<b>NET INCREASE (DECREASE) FROM OPERATIONS</b>	<b>1,176</b>	<b>(77,316)</b>	<b>(76,140)</b>
<b>NON-OPERATING ACTIVITIES:</b>			
Other income (Note 4)	24,180	-	24,180
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<b>24,180</b>	<b>-</b>	<b>24,180</b>
<b>CHANGE IN NET ASSETS</b>	<b>25,356</b>	<b>(77,316)</b>	<b>(51,960)</b>
Net Assets - beginning of year (Note 11)	2,913,867	161,254	3,075,121
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,939,223</b>	<b>\$ 83,938</b>	<b>\$ 3,023,161</b>

**NYC AUTISM CHARTER SCHOOLS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total</u>
	<u>Regular Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries and wages	\$ 2,780,354	\$ 576,410	\$ 45,290	\$ 621,700	\$ 3,402,054
Fringe benefits and payroll taxes (Note 10)	<u>720,565</u>	<u>97,124</u>	<u>8,094</u>	<u>105,218</u>	<u>825,783</u>
<b>Total Salaries and Related Costs</b>	3,500,919	673,534	53,384	726,918	4,227,837
Consulting and professional fees	168,930	102,378	-	102,378	271,308
Classroom and teaching supplies	84,985	-	-	-	84,985
Repairs & maintenance	94,788	31,548	-	31,548	126,336
Insurance	31,257	7,814	-	7,814	39,071
Staff recruitment and development	1,484	13,331	-	13,331	14,815
Communications and outreach	16,708	18,742	9,346	28,088	44,796
Expensed furniture and equipment	7,928	10,003	-	10,003	17,931
Travel	2,498	2,498	-	2,498	4,996
Office expense	11,900	61,672	12,707	74,379	86,279
Depreciation and amortization	<u>82,166</u>	<u>9,129</u>	<u>-</u>	<u>9,129</u>	<u>91,295</u>
<b>TOTAL EXPENSES</b>	<u>\$ 4,003,563</u>	<u>\$ 930,649</u>	<u>\$ 75,437</u>	<u>\$ 1,006,086</u>	<u>\$ 5,009,649</u>

The accompanying notes are an integral part of these financial statements.

**NYC AUTISM CHARTER SCHOOLS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ (51,960)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Unrealized loss on investments	1,517
Depreciation and amortization expense	91,295
Subtotal	<u>40,852</u>
Changes in operating assets and liabilities:	
Decrease (increase) in assets:	
Contributions and grants receivable	(48,986)
Prepaid expenses and other assets	36,972
(Decrease) increase in liabilities:	
Accounts payable and accrued expenses	(12,141)
Refundable advances	<u>(106,887)</u>
<b>Net Cash Used In Operating Activities</b>	<u>(90,190)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Increase in restricted cash	(55,855)
Purchases of property and equipment	(313,264)
Proceeds from maturity of investments	2,005,000
Purchase of investments	<u>(1,870,805)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(234,924)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(325,114)
Cash and cash equivalents - beginning of year	<u>998,872</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 673,758</u>

The accompanying notes are an integral part of these financial statements.



**NYC AUTISM CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

New York Center for Autism Charter School (“East Harlem School”) is an education corporation formed in 2005 to operate a charter school located in the City of New York, borough of Manhattan. In July 2005, the Board of Regents of the University of the State of New York (the “Board”), for and on behalf of the State Education Department, granted a provisional charter valid for a term of five years, incorporating the School. On April 20, 2010, the Board granted the School a first charter renewal valid for an additional term of five years through and including April 14, 2015. On June 10, 2015, the Board granted the School a second and third charter renewal valid for an additional term of five years through and including June 30, 2020.

During the year ended June 30, 2016, the East Harlem School received from the State University of New York Charter Schools Institute authorization of the granting of a new charter to establish a New York Center for Autism Charter School Bronx (“Bronx School”) that will operate identically to the current Manhattan school. The new Bronx School opened in September 2017 for the 2017-18 school year.

Effective July 1, 2017, East Harlem School and the Bronx School merged under one Education Corporation, with the Bronx School Employer Identification Number and the combined entity is known as NYC Autism Charter Schools (the “Schools”). The Schools operates two separate schools as divisions of the Schools, identified as NYC Autism Charter School East Harlem and NYC Autism Charter School Bronx.

The Schools’ mission is to provide individualized, scientifically-based educational services to children with autism and other pervasive developmental disorders. The Schools promote the achievement of high educational standards and the full intellectual, social, physical, and emotional potential of each of its students. It extends its educational programming beyond the Schools’ walls through training, consultation, and support for students’ families. The Schools also offer ongoing professional development opportunities to its staff, as well as to other educators in New York City and the surrounding area. The Schools are exempt from federal income tax under Section 501(a) of the Internal Revenue Code and is classified as an organization described in Section 501(c)(3).

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. ***Basis of Accounting*** – The Schools prepare its financial statements using the accrual basis of accounting. The Schools adhere to accounting principles generally accepted in the United States of America.
- B. ***Basis of Presentation*** – The Schools maintain its net assets under the following two classes;
  - Unrestricted – represents net assets not subject to donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor.
  - Temporarily Restricted – represents net assets subject to donor-imposed stipulations that will be met by actions of the Schools or by the passage of time.
- C. ***Cash and Cash Equivalents*** – Cash equivalents include all highly liquid instruments purchased with maturities of 90 days or less.
- D. ***Investments*** – Investments are stated at fair value. Donated securities are recorded at their fair values on the date received using an average of the high and low price on the date received. Investment income is recorded as revenue in the period earned.

**NYC AUTISM CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- E. ***Fair Value Measurements*** – Fair value measurements are the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.
  
- F. ***Contributions and Grants*** – Contributions received, including unconditional promises to give, are recognized as revenues in the appropriate category of net assets in the period received. Conditional promises to give are recognized when they become unconditional, that is, when the conditions are substantially met. All contributions receivable are expected to be collected within one year.
  
- G. ***Government Support*** – State and local per pupil revenue resulting from the Schools' charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement.

Revenue from federal, state and local government grants and contract are recorded by the Schools when qualifying expenditures are incurred and billable. Funds received in advance for which expenditures have not been incurred are reflected as refundable advances in the accompanying statement of financial position.

- H. ***Contributions and Grants Receivable*** – Contributions and grants receivables are stated at the amount management expects to collect from outstanding balances. The Schools provide an allowance for doubtful accounts for receivables. This estimate is based on management's assessment of the aged basis of its government funding sources, current economic conditions and creditworthiness of its donors and grantors. The Schools determined that no allowance for doubtful accounts was necessary as of June 30, 2018.
  
- I. ***Property and Equipment*** – The Schools capitalize property and equipment having a cost of \$500 or more and a useful life of at least one year. Depreciation is recognized using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized on a straight-line basis over the lesser of the life of the improvements or the charter term.
  
- J. ***Functional Allocation of Expenses*** – The Schools allocate expenses on a functional basis among its programs and supporting services. Expenses that can be identified as belonging to a specific program and/or support service are allocated directly according to their natural expense classification.
  
- K. ***Use of Estimates*** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

**NOTE 3 – RESTRICTED CASH**

The New York City Department of Education (the "NYCDOE") requires the Schools to maintain funds in a separate cash account to have funds available to ensure an orderly liquidation, dissolution or transition process if the Schools charters were to be terminated or the Schools were closed for other reasons. Restricted cash amounted to \$125,899 as of June 30, 2018.

**NYC AUTISM CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments consisted of the following as of June 30, 2018 and were classified in the table below in two of the three levels as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 1,871,366	\$ 1,871,366
Money market funds	<u>89,159</u>	<u>-</u>	<u>89,159</u>
Total investments	<u>\$ 89,159</u>	<u>\$ 1,871,366</u>	<u>\$ 1,960,525</u>

Investments are subject to market volatility that could substantially change their carrying values in the near term.

Investment income consisted of the following for the year ended June 30, 2018 and is included in other income in the accompanying statement of activities:

Interest and dividends	\$ 22,025
Unrealized loss on investments	<u>(1,517)</u>
Total	<u>\$ 20,508</u>

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 1 valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3: Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models or similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining fair value, the Schools utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. Investments in money market funds are valued using market prices in active markets (Level 1). Investments in certificates of deposit are valued based on average daily yields and other observable inputs (Level 2).

The Schools' policy is to recognize transfers in and out between fair value levels as of the beginning of the period in which the transfer takes place. During the year ended June 30, 2018, no such transfers between fair value levels occurred.

**NYC AUTISM CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 5 – PROPERTY AND EQUIPMENT, NET**

Property and equipment consisted of the following as of June 30, 2018:

		<u>Estimated Useful Lives</u>
Furniture and fixtures	\$ 376,530	5 years
Computer equipment	417,511	3 years
Leasehold improvements	<u>618,884</u>	Remaining charter term
	1,412,925	
Less: accumulated depreciation and amortization	<u>(968,365)</u>	
Total	<u>\$ 444,560</u>	

Depreciation and amortization expense amounted to \$91,295 for the year ended June 30, 2018.

**NOTE 6 – SCHOOL FACILITIES**

- A. East Harlem School has a Facility Shared Use Agreement (the “Facility Agreement”) with the NYCDOE for dedicated and shared space at P.S. 50, a New York City public school located at 433 East 100<sup>th</sup> Street, New York, New York at a cost of \$1 per year. The total square footage utilized by East Harlem School during the year ended June 30, 2018 amounted to approximately 8,200 square feet. East Harlem School will continue to operate under the terms of the Facility Agreement unless either party terminates the Facility Agreement with appropriate notice. In addition, East Harlem School continues to be responsible for any overtime-related costs for services provided beyond the regular opening hours.
  
- B. Bronx School is co-located on the 4th floor of 1180 Tinton Avenue in the Bronx. The space houses 8 classrooms, 1 student gym, 1 staff room and multiple administrative spaces. Each classroom is approximately 600 square feet, and the school occupies approximately 7500 square feet at the site. Bronx School was requested by the NYCDOE to re-locate after 1 year in existence due to changed space planning.

**NOTE 7 – CONTINGENCIES**

- A. The Schools believe it had no uncertain tax positions as of June 30, 2018, in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
  
- B. Certain grants and contracts may be subject to audit by funding sources. Such audits might result in disallowances of costs submitted for reimbursement by the Schools. Management is of the opinion that such 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.

**NYC AUTISM CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available for the following purposes as of June 30, 2018:

Purpose restricted:	
Extended school-year program	\$ 75,000
Transition program	<u>8,938</u>
	<u>\$ 83,938</u>

For the year ended June 30, 2018, temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors as follows:

Purpose restrictions accomplished:	
Extended school-year program	\$ 45,000
Payroll for two positions	104,000
Other	<u>3,816</u>
	<u>\$ 152,816</u>

**NOTE 9 – CONCENTRATIONS**

- A. The Schools receive a majority of its revenues from the New York State Education Department through the New York City Department of Education Office of Schools. The New York City Department of Education provides general operating support to the Schools based upon the location and the number of students enrolled. Operating support provided to the Schools by the New York City Department of Education totaled \$4,090,941 for the year ended June 30, 2018. The Schools are dependent upon this level of funding in order to continue its operations.
- B. Cash accounts that potentially subject the Schools to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Cash accounts are insured up to \$250,000 per depositor. As of June 30, 2018, there was approximately \$435,000 of cash and cash equivalents held by a bank that exceeded FDIC limits.

**NOTE 10 – PENSION PLAN**

The Schools maintain a defined contribution plan (“Plan”) in accordance with the provisions of Section 401(k) of the Internal Revenue Code. This Plan is available to all eligible full-time employees who have at least one year of service. The Schools, at its own discretion, can make matching and nonelective contributions. Effective July 1, 2013, the Plan was amended to match each participant’s contribution, up to a maximum 3% of gross compensation. Contributions amounted to \$42,628 for the year ended June 30, 2018, and are included in fringe benefits and payroll taxes in the accompanying statement of functional expenses.

**NYC AUTISM CHARTER SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 11 – MERGER**

Pursuant to an order of consolidation and extension to provisional charter dated June 8, 2017 (the “Order”), by the University of the State of New York, Education Department, the Bronx School Corporation and the East Harlem School Corporation consolidated its operations. The order consolidated the corporations under the name “NYC Autism Charter Schools”, effective July 1, 2017 (the “Merger Date”) and the separate existence of the two educational corporations ceased on the merger date. The amounts recognized as of the Merger Date for each major class of assets and liabilities and each class of net assets are as follows:

As of July 1, 2017					
	East Harlem School	Bronx School	Elimination		Total NYC Autism Schools
			Debit	Credit	
<b>Assets</b>					
Cash and cash equivalents	\$ 199,709	\$ 799,163	\$ -	\$ -	\$ 998,872
Investments, at fair value	2,096,237	-	-	-	2,096,237
Due from related party	218,894	-	-	(218,894)	-
Prepaid expenses and other assets	21,939	24,907	-	-	46,846
Restricted cash and cash equivalents	70,044	-	-	-	70,044
Property and equipment	997,830	101,831	-	-	1,099,661
Accumulated depreciation	(877,070)	-	-	-	(877,070)
Property and equipment, net	120,760	101,831	-	-	222,591
<b>Liabilities</b>					
Accounts payable and accrued expenses	166,651	63,658	-	-	230,309
Due to related party	-	218,894	(218,894)	-	-
Refundable advances	22,273	106,887	-	-	129,160
<b>Net assets</b>					
Unrestricted	2,377,405	536,462	-	-	2,913,867
Temporarily restricted	161,254	-	-	-	161,254
Total net assets	\$ 2,538,659	\$ 536,462	\$ -	\$ -	\$ 3,075,121

**NOTE 12 – SUBSEQUENT EVENTS**

Subsequent to year end, the Bronx School was relocated to a different facility. Leasehold improvements of approximately \$92,000 as of June 30, 2018 will be written off during the fiscal year 2019.

Management has evaluated, for potential accrual or disclosure, events subsequent to the date of the statements of financial position through October 19, 2018, the date the financial statements were available to be issued.

NYC AUTISM CHARTER SCHOOLS  
COMBINING SCHEDULES OF ACTIVITIES BY SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2018

	East Harlem School			Bronx School			Total		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>OPERATING REVENUE:</b>									
State and local per pupil operating revenue	\$ 2,998,441	\$ -	\$ 2,998,441	\$ 1,092,500	\$ -	\$ 1,092,500	\$ 4,090,941	\$ -	\$ 4,090,941
Contributions from individuals	130,326	-	130,326	12,120	-	12,120	142,446	-	142,446
Government grants	29,312	-	29,312	570,310	-	570,310	599,622	-	599,622
Grants from foundations	25,000	45,500	70,500	-	30,000	30,000	25,000	75,500	100,500
Net assets released from restrictions	152,816	(152,816)	-	-	-	-	152,816	(152,816)	-
<b>TOTAL OPERATING REVENUE</b>	<b>3,335,895</b>	<b>(107,316)</b>	<b>3,228,579</b>	<b>1,674,930</b>	<b>30,000</b>	<b>1,704,930</b>	<b>5,010,825</b>	<b>(77,316)</b>	<b>4,933,509</b>
<b>OPERATING EXPENSES:</b>									
<b>Program Services</b>									
Regular Education	2,793,141	-	2,793,141	1,210,422	-	1,210,422	4,003,563	-	4,003,563
<b>Total Program Services</b>	<b>2,793,141</b>	<b>-</b>	<b>2,793,141</b>	<b>1,210,422</b>	<b>-</b>	<b>1,210,422</b>	<b>4,003,563</b>	<b>-</b>	<b>4,003,563</b>
<b>Supporting Services</b>									
Management and General	499,824	-	499,824	430,825	-	430,825	930,649	-	930,649
Fundraising	43,410	-	43,410	32,027	-	32,027	75,437	-	75,437
<b>Total Supporting Services</b>	<b>543,234</b>	<b>-</b>	<b>543,234</b>	<b>462,852</b>	<b>-</b>	<b>462,852</b>	<b>1,006,086</b>	<b>-</b>	<b>1,006,086</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>3,336,375</b>	<b>-</b>	<b>3,336,375</b>	<b>1,673,274</b>	<b>-</b>	<b>1,673,274</b>	<b>5,009,649</b>	<b>-</b>	<b>5,009,649</b>
<b>NET INCREASE (DECREASE) FROM OPERATIONS</b>	<b>(480)</b>	<b>(107,316)</b>	<b>(107,796)</b>	<b>1,656</b>	<b>30,000</b>	<b>31,656</b>	<b>1,176</b>	<b>(77,316)</b>	<b>(76,140)</b>
<b>NON-OPERATING ACTIVITIES:</b>									
Other income	23,628	-	23,628	552	-	552	24,180	-	24,180
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<b>23,628</b>	<b>-</b>	<b>23,628</b>	<b>552</b>	<b>-</b>	<b>552</b>	<b>24,180</b>	<b>-</b>	<b>24,180</b>
<b>CHANGE IN NET ASSETS</b>	<b>23,148</b>	<b>(107,316)</b>	<b>(84,168)</b>	<b>2,208</b>	<b>30,000</b>	<b>32,208</b>	<b>25,356</b>	<b>(77,316)</b>	<b>(51,960)</b>
Net Assets - beginning of year	2,377,405	161,254	2,538,659	536,462	-	536,462	2,913,867	161,254	3,075,121
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,400,553</b>	<b>\$ 53,938</b>	<b>\$ 2,454,491</b>	<b>\$ 538,670</b>	<b>\$ 30,000</b>	<b>\$ 568,670</b>	<b>\$ 2,939,223</b>	<b>\$ 83,938</b>	<b>\$ 3,023,161</b>

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

To the Board of Trustees of  
NYC Autism 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 NYC Autism Charter Schools (the "Schools"), which comprise the statement of financial position as of June 30, 2018, 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 19, 2018.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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



## Purpose of this Report

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

*Mark Paneth UP*

New York, NY  
October 19, 2018