

**UNCOMMON NEW YORK CITY CHARTER SCHOOLS**

**BROOKLYN, NEW YORK**

**AUDITED FINANCIAL STATEMENTS**

**OTHER FINANCIAL INFORMATION**

**AND**

**INDEPENDENT AUDITOR'S REPORTS**

**JUNE 30, 2023**

**(With Comparative Totals for 2022)**



BUSINESS  
ADVISORS  
AND CPAS

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Uncommon New York City Charter Schools

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Uncommon New York City Charter Schools which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Uncommon New York City Charter Schools as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in conformity 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 (GAAS). 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 Uncommon New York City 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.

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

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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 Uncommon New York City Charter Schools ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 Uncommon New York City 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 Uncommon New York City Charter Schools ability to continue as a going concern for a reasonable period of time.

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

### ***Report on Summarized Comparative Information***

We have previously audited Uncommon New York City Charter Schools' June 30, 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023 on our consideration of Uncommon New York City 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
October 25, 2023

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

(With Comparative Totals for 2022)

<u>ASSETS</u>	June 30,	
	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 3,700,416	\$ 2,994,034
Investments	105,625,431	113,207,462
Grants and contracts receivables	15,173,304	5,343,185
Accounts receivable	70,630	156,786
Prepaid expenses	<u>1,306,579</u>	<u>1,337,193</u>
TOTAL CURRENT ASSETS	125,876,360	123,038,660
<u>PROPERTY AND EQUIPMENT, net</u>	13,002,973	14,773,092
<u>NON-CURRENT ASSETS</u>		
Cash in escrow	397,061	384,253
Prepaid rent	-	5,261,188
Right-of-use assets - operating	<u>5,199,993</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS	<u>5,597,054</u>	<u>5,645,441</u>
TOTAL ASSETS	<u>\$ 144,476,387</u>	<u>\$ 143,457,193</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 5,343,059	\$ 9,670,000
Deferred revenue	<u>-</u>	<u>1,823,536</u>
TOTAL LIABILITIES	5,343,059	11,493,536
<u>NET ASSETS</u>		
Without donor restrictions:		
Undesignated	92,074,328	84,904,657
Designated for stability fund	<u>47,059,000</u>	<u>47,059,000</u>
TOTAL NET ASSETS	<u>139,133,328</u>	<u>131,963,657</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 144,476,387</u>	<u>\$ 143,457,193</u>

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

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2023  
(With Comparative Totals for 2022)

	Year ended June 30,	
	2023	2022
Revenue, gains and other support:		
Public school district:		
Resident student enrollment	\$ 129,018,354	\$ 134,767,395
Students with disabilities	9,014,572	9,836,722
Grants and contracts:		
Federal - Title and IDEA	5,203,434	5,358,957
Federal - ESSER	13,241,202	12,806,612
Federal - Other	874,680	943,493
Other support:		
In-kind donations	39,248,280	40,912,791
TOTAL REVENUE, GAINS AND OTHER SUPPORT	196,600,522	204,625,970
Expenses:		
Program services		
Regular education	171,181,037	161,406,465
Special education	8,919,270	11,857,172
TOTAL PROGRAM SERVICES EXPENSES	180,100,307	173,263,637
Management and general	13,757,927	15,473,864
TOTAL OPERATING EXPENSES	193,858,234	188,737,501
SURPLUS FROM SCHOOL OPERATIONS	2,742,288	15,888,469
Support and other revenue:		
Contributions:		
Foundations	265,598	6,693
Interest income	3,918,041	34,610
Miscellaneous income	243,744	106,517
TOTAL SUPPORT AND OTHER REVENUE	4,427,383	147,820
CHANGE IN NET ASSETS	7,169,671	16,036,289
Net assets at beginning of year	131,963,657	115,927,368
NET ASSETS AT END OF YEAR	<u>\$ 139,133,328</u>	<u>\$ 131,963,657</u>

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

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023  
(With Comparative Totals for 2022)

		Year ended June 30,					
		2023					2022
		Program Services			Support Services		
	No. of positions	Regular education	Special education	Total	Management and General	Total	Total
Personnel services costs:							
Administrative staff personnel	366	\$ 18,427,376	\$ 989,606	\$ 19,416,982	\$ 4,617,323	\$ 24,034,305	\$ 22,732,744
Instructional personnel	1,105	54,257,103	2,849,321	57,106,424	-	57,106,424	57,546,569
Total salaries and staff	1,471	72,684,479	3,838,927	76,523,406	4,617,323	81,140,729	80,279,313
Fringe benefits and payroll taxes		12,232,563	653,149	12,885,712	787,097	13,672,809	12,684,802
Retirement		1,094,939	57,888	1,152,827	69,935	1,222,762	1,014,610
Management company fees		16,599,649	845,530	17,445,179	3,079,027	20,524,206	21,565,950
Legal services		-	-	-	145,740	145,740	142,376
Accounting and audit services		-	-	-	193,600	193,600	275,000
Other professional and consulting services		1,427,710	76,461	1,504,171	3,205	1,507,376	1,107,005
Building rent		90,737	5,146	95,883	-	95,883	74,909
In-kind rent		36,997,694	1,842,623	38,840,317	-	38,840,317	40,360,297
Repairs and maintenance		2,045,219	119,482	2,164,701	-	2,164,701	1,588,649
Insurance		-	-	-	1,333,056	1,333,056	1,269,894
Utilities		586,370	33,136	619,506	453,689	1,073,195	1,637,825
Supplies and materials		2,790,665	138,268	2,928,933	49,519	2,978,452	4,232,662
Equipment/Furnishings		591,049	37,249	628,298	403,308	1,031,606	399,956
Staff development		2,801,834	155,949	2,957,783	-	2,957,783	1,873,542
Marketing and recruitment		592,760	35,244	628,004	-	628,004	1,780,073
Technology		6,521,419	314,355	6,835,774	518,530	7,354,304	6,811,240
Food service		72,262	2,766	75,028	-	75,028	14,209
Student services		7,503,093	410,311	7,913,404	-	7,913,404	2,983,862
Office expense		1,962,748	106,246	2,068,994	1,759,162	3,828,156	2,859,483
Depreciation and amortization		4,153,581	219,405	4,372,986	290,964	4,663,950	5,273,867
Other		432,266	27,135	459,401	53,772	513,173	507,977
		\$ 171,181,037	\$ 8,919,270	\$ 180,100,307	\$ 13,757,927	\$ 193,858,234	\$ 188,737,501

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

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023  
(With Comparative Totals for 2022)

	Year ended June 30,	
	2023	2022
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 7,169,671	\$ 16,036,289
Adjustments to reconcile change in net assets to net cash (used for) provided from operating activities:		
Bad debt expense	-	108,151
Depreciation and amortization	4,663,950	5,273,867
Changes in certain assets and liabilities affecting operations:		
Grants and contracts receivable	(9,830,119)	1,383,679
Accounts receivable	86,156	(189,202)
Prepaid expenses and other current assets	30,614	(193,398)
Right-of-use assets - operating	61,195	-
Accounts payable and accrued expenses	(4,326,941)	3,196,655
Deferred revenue	(1,823,536)	1,823,536
NET CASH (USED FOR) PROVIDED FROM OPERATING ACTIVITIES	(3,969,010)	27,439,577
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(2,893,831)	(1,300,250)
Sales (purchases) of investments	7,582,031	(25,107,117)
NET CASH PROVIDED FROM (USED FOR) INVESTING ACTIVITIES	4,688,200	(26,407,367)
NET INCREASE IN CASH AND RESTRICTED CASH	719,190	1,032,210
Cash and restricted cash at beginning of year	3,378,287	2,346,077
CASH AND RESTRICTED CASH AT END OF YEAR	\$ 4,097,477	\$ 3,378,287
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Purchases of property and equipment included in accounts payable	\$ -	\$ (29,610)
Reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total amounts shown in the statement of cash flows:		
Cash	\$ 3,700,416	\$ 2,994,034
Cash in escrow	397,061	384,253
Total cash and restricted cash shown in the statement of cash flows	\$ 4,097,477	\$ 3,378,287

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

# UNCOMMON NEW YORK CITY CHARTER SCHOOLS

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(With Comparative Totals for 2022)

### NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### The Charter School

Uncommon New York City Charter Schools (the “Charter School”), is an educational corporation operating as a group of charter schools in the borough of Brooklyn, New York City. The Charter School’s mission is to ensure academic success for children in grades K through 12. The Charter School prepares students to excel in demanding high schools and colleges and to contribute to their communities as leaders. Through educational success, students earn opportunities in life for themselves and their communities.

#### Financial Statement presentation

The financial statements of the Charter School have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The Charter School 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.

These classes of net assets are defined as follows:

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no net assets with donor restrictions at June 30, 2023 and 2022.

*Net Assets Without Donor Restrictions* – The net assets over which the Governing Board has discretionary control to use in carrying on the Charter School’s operations in accordance with the guidelines established by the Charter School. The Board may designate portions of the current net assets without donor restrictions for specific purposes, projects or investment.

#### Revenue recognition

Revenue from Exchange Transactions: The Charter School recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Charter School’s public school district resident student enrollment and student with disabilities revenue qualifies as exchange transactions and the revenues are recognized over time.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

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

Public school district revenue

The Charter School recognizes revenue as educational programming is provided to students throughout the year. The Charter School earns public school district revenue based on the approved per pupil tuition rate of the public school district in which the pupil resides. The amount received each year from the resident district is the product of the approved per pupil tuition rate and the full-time equivalent student enrollment of the School. Each NYS school district has a fixed per pupil tuition rate which is calculated annually by NYSED in accordance with NYS Education Law. Amounts are billed in advance every other month and payments are typically received in six installments during the year. At the end of each school year, a reconciliation of actual enrollment to billed enrollment is performed and any additional amounts due or excess funds received are agreed upon between the Charter School and the district(s) and are paid or recouped. Additional funding is available for students requiring special education services. The amount of additional funding is dependent upon the length of time and types of services provided by the Charter School to each student, subject to a maximum amount based upon a set rate for each district as calculated by NYSED.

The following table summarizes contract balances at their respective statement of financial position dates:

		June 30,	
	2023	2022	2021
Accounts receivable	\$ -	\$ 91,900	\$ 7,449

Contributions

The Charter School recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributions received are recorded in the appropriate class of net assets depending on the existence of any donor restrictions. A contribution that is received and expended in the same year for a specific purpose is classified as revenue without donor restrictions.

Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Cash

Cash balances are maintained at financial institutions located in New York and are insured by the Federal Deposits Insurance Corporation up to \$250,000 at each institution. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Charter School has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash.

## UNCOMMON NEW YORK CITY CHARTER SCHOOLS

### NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

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

##### Grant revenue

Some of the Charter School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Charter School has incurred expenditures in compliance with specific contract or grant provisions. Certain grants are subject to audit and retroactive adjustments by its funders. Any changes resulting from these audits are recognized in the year they become known. Qualifying expenditures that have been incurred but are yet to be reimbursed are reported as grants receivable in the accompanying statement of financial position. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the accompanying statement of financial position. The Charter School had no deferred revenue at June 30, 2023. The amount reported as deferred revenue at June 30, 2022 amounted to \$1,823,536. The Charter School received cost-reimbursement grants of approximately \$40,000 and \$52,000 that have not been recognized at June 30, 2023 and 2022, respectively.

##### Investments

Investments are maintained in accordance with the Charter School's Cash Management and Investment Policy. The goals of this policy are the preservation of principal, the maintenance of liquidity, and to obtain a competitive return on investment subject to prevailing market conditions and safe and sound investment practices. The policy was adopted by the Board in March 2019 and, as of June 30, 2023 and 2022, all funds are held in a money market fund. As the policy is put into place, the funds will be separated into the following three portfolios:

- The operating portfolio will be invested in short-term instruments to fund the daily operating needs of the Charter School and fund any capital outlays anticipated in the next 2 months. This portfolio will consist of no less than two months' worth of operating expenses and shall be continuously invested in readily available funds such as money market funds or bank deposits.
- The reserve portfolio, if sufficient funds are available, will be invested in short-term instruments to fund daily operating needs and capital outlays within the next twelve months. Assets within this portfolio will be permitted to have investments maturing in one year or less.
- The strategic portfolio, if sufficient funds are available, will be invested to fund operating needs anticipated over the next three years. This portfolio allows for investments with stated maturities of up to three years from the purchase date. Maturities are to be laddered to ensure flexibility of and access to funds in this portfolio.

##### Grants and other receivables and accounts receivable

Grants and other receivables and accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts based on its assessment of the current status of individual receivables from grants, agencies and others. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts. There was no allowance for doubtful accounts at June 30, 2023 or 2022.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

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

Property and equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which range from three to ten years.

Major renewals and betterments are capitalized, while repairs and maintenance are charged to operations as incurred. Upon sale or retirement, the related cost and allowances for depreciation are removed from the accounts and the related gain or loss is reflected in operations.

Cash in escrow

Cash is held by the Charter School as an escrow account in accordance with the terms of their charter agreement. The amount in escrow as of June 30, 2023 and 2022 was \$397,061 and \$384,253, respectively. The escrow account is restricted to fund legal and other costs should the Charter School cease operations and dissolve.

Leases

The Charter School leases buildings and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, current liabilities, and non-current operating lease liabilities on the accompanying statement of financial position, as applicable. Finance leases are included in property and equipment, current liabilities, and other non-current liabilities on the accompanying statement of financial position. There were no finance leases at June 30, 2023.

ROU assets represent the Charter School's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Charter School uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Charter School will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term, and for finance leases, as amortization expense and interest expense.

The Charter School's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Tax exempt status

The Charter School is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income.

The Charter School files Form 990 tax returns in the U.S. federal jurisdiction. The tax returns for the years ended June 30, 2020 through June 30, 2023 are still subject to potential audit by the IRS. Management of the Charter School believes it has no material uncertain income tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

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

Contributed services

The Charter School receives contributed services from volunteers to develop its academic program and to serve on the board of trustees. These services are not valued in the financial statements because they do not require “specialized skills” and would typically not be purchased if they were not contributed.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional allocation of expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses that are allocated to more than one program or supporting function are allocated on the basis of estimates of time and effort.

Adoption of new accounting standard – leases

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

The Charter School recognized and measured leases existing at July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

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

As a result of the adoption of the new lease accounting guidance, the Charter School recognized on July 1, 2022 a right-of-use asset of \$5,261,188 as a result of all building leases on July 1, 2022 being prepaid in full.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

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

New accounting pronouncement – credit losses

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

Reclassifications

Certain prior year amounts have been reclassified to conform with current year presentation.

Subsequent events

The Charter School has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 25, 2023 which is the date the financial statements are available to be issued. See Note E.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(With Comparative Totals for 2022)

NOTE B: IN-KIND CONTRIBUTIONS

The following table outlines the breakout of the different types of gifts-in-kind recognized, the programs that benefited from the gift-in kind, any donor restrictions associated with the gift, and the valuation technique(s) used to arrive at the fair value measurement:

<u>June 30, 2023</u>				
<u>Contributed Nonfinancial Assets</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs / Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
School Building. Value of contributed space	\$ 38,840,317	Regular education, special education	No associated donor restrictions	In valuing the contributed space in the school buildings, which are located in the borough of Brooklyn, NY, the Charter School estimated the fair value on the basis of the rental assistance cap at 30% of per pupil funding.
Textbooks	<u>407,963</u>	Regular education, special education	No associated donor restrictions	Contributed textbooks from FAMIS are valued at the estimated fair value.
Total Value of Contributed Nonfinancial Assets	<u>\$ 39,248,280</u>			

  

<u>Program or Supporting Service</u>	<u>Donated Space</u>	<u>Donated Services</u>	<u>Total</u>
Regular education	\$ 36,997,694	\$ 379,406	\$ 37,377,100
Special education	<u>1,842,623</u>	<u>28,557</u>	<u>1,871,180</u>
Total	<u>\$ 38,840,317</u>	<u>\$ 407,963</u>	<u>\$ 39,248,280</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

NOTE B: IN-KIND CONTRIBUTIONS, Cont'd

<u>June 30, 2022</u>				
	<u>Revenue</u>	<u>Utilization in</u>	<u>Donor</u>	<u>Valuation Techniques</u>
<u>Contributed Nonfinancial Assets</u>	<u>Recognized</u>	<u>Programs / Activities</u>	<u>Restrictions</u>	<u>and Inputs</u>
School Building. Value of contributed space	\$ 40,360,297	Regular education, special education	No associated donor restrictions	In valuing the contributed space in the school buildings, which are located in the borough of Brooklyn, NY, the Charter School estimated the fair value on the basis of the rental assistance cap at 30% of per pupil funding.
Textbooks	<u>552,494</u>	Regular education, special education	No associated donor restrictions	Contributed textbooks from FAMIS are valued at the estimated fair value.
Total Value of Contributed Nonfinancial Assets	<u>\$ 40,912,791</u>			

  

<u>Program or Supporting Service</u>	<u>Donated Space</u>	<u>Donated Services</u>	<u>Total</u>
Regular education	\$ 37,658,074	\$ 514,349	\$ 38,172,423
Special education	<u>2,702,223</u>	<u>38,145</u>	<u>2,740,368</u>
Total	<u>\$ 40,360,297</u>	<u>\$ 552,494</u>	<u>\$ 40,912,791</u>

## UNCOMMON NEW YORK CITY CHARTER SCHOOLS

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(With Comparative Totals for 2022)

#### NOTE C: COMMITMENTS AND RELATED PARTY TRANSACTIONS

Uncommon Schools, Inc. (“USI”), a not-for-profit organization dedicated to helping start and run charter schools, provides management and other administrative support services to the Charter School. In July 2019, the Charter School entered into a new five-year agreement with USI terminating on June 30, 2024. Under this agreement the Charter School pays USI a service fee which is calculated as 13.5% of the sum of recurring public revenue less facilities expenses. Recurring public revenue is defined as annual public entitlement aid including core and tuition which includes general, SPED and State special funding and all ESSA funding which includes Title I, Title IIA, IID, III, IV, V and IDEA funding. Facilities expense includes building expenses (leases, taxes), utilities, maintenance and furniture and fixtures, and excludes building related expenditures which are capitalized and amortized/depreciated. The fee incurred for the years ended June 30, 2023 and 2022 was approximately \$20,524,200 and \$21,566,000. Included in accounts payable and accrued expenses at June 30, 2023 and 2022 was approximately \$959,000 and \$4,335,000, respectively, related to this fee and other expenses incurred by USI on behalf of the Charter School, due to USI.

USI applied for and was awarded a multi-year grant from the Department of Education for the replication and expansion of high-quality charter schools. USI passed through funding of \$44,660 and \$95,200 related to this federal program to the Charter School during the years ended June 30, 2023 and 2022, respectively.

In November 2013, a wholly-owned subsidiary of USI was created, Uncommon Crown Heights, LLC (“Crown Heights”), to manage a high school facility shared between an unrelated charter school and the Charter School. All schools located in the shared high school entered into an administrative costs management agreement and advanced Crown Heights funds to operate the location. The Schools will be charged an annual service fee of 0.5% of the combined facility budget by Crown Heights. The Charter School was charged approximately \$6,500 related to this fee for the years ended June 30, 2023 and 2022. Actual expenses are tracked and allocated to each party based on metrics developed by management. Depending on the actual expenses incurred, a prepaid balance or payable could exist at any given time. At June 30, 2023, there was no outstanding balance to or from Crown Heights. At June 30, 2022 approximately \$329,000 and \$57,000 was included in accounts payable and accrued expenses and accounts receivable, respectively, related to Crown Heights.

#### NOTE D: LIQUIDITY AND AVAILABILITY

The Charter School regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Charter School’s main source of liquidity is its cash accounts.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Charter School considers all expenditures related to its ongoing activities of teaching, and public service, as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Charter School operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Charter School’s cash and shows positive cash generated by operations for fiscal years 2023 and 2022.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

NOTE D: LIQUIDITY AND AVAILABILITY, Cont'd

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Cash	\$ 3,700,416	\$ 2,994,034
Investments	105,625,431	113,207,462
Grants and contracts receivables	15,173,304	5,343,185
Accounts receivable	<u>70,630</u>	<u>156,786</u>
	\$124,569,781	121,701,467
Less amounts designated by the Board for the Stability Fund	<u>(47,059,000)</u>	<u>(47,059,000)</u>
	<u>\$ 77,510,781</u>	<u>\$ 74,642,467</u>

NOTE E: LEASES

The Charter School is located in various New York City Department of Education (“NYCDOE”) facilities. The Charter School occupies approximately 457,000 square feet of space within these facilities. At June 30, 2023 and 2022, the Board of Trustees has designated \$47,059,000 as a stability fund to meet future needs of the Charter School. Total lease expense for the years ended June 30, 2023 and 2022 was approximately \$96,000 and \$75,000, respectively.

The Company has operating leases for buildings. The leases have various remaining lease terms ranging from 82 years to 96 years, through June 30, 2119.

In June 2019, the Board approved approximately \$4,200,000 to be paid to NYCDOE on behalf of Excellence Academies Foundation, Inc. in October of 2019, for the extension of a lease to June 2105. The Charter School prepaid the entirety of the future lease payments in October 2019. Approximately \$49,000 is included in building rent expense for the years ended June 30, 2023 and 2022, and the remaining amount is included in right-of-use assets – operating as of June 30, 2023 and prepaid expenses as of June 30, 2022.

In July 2020, the Board approved \$1,200,000 to be paid to NYCDOE on behalf of Excellence Academies Foundation, Inc. for a lease agreement effective July 1, 2020 through June 30, 2119. The Charter School prepaid the entirety of the future lease payments in August 2020. Approximately \$12,000 is included in building rent expense for the years ended June 30, 2023 and 2022 and the remaining amount is included in right-of-use assets – operating as of June 30, 2023 and prepaid expenses as of June 30, 2022.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

NOTE E: LEASES, Cont'd

A summary of lease right-of-use assets are as follows:

<u>Statement of Financial Position Classification</u>		
<u>Assets</u>		
Non-current assets	Right-of-use assets - operating	<u>\$ 5,199,993</u>

The components of lease expense were as follows:

Operating lease cost:	<u>\$ 61,195</u>
-----------------------	------------------

No future lease payments are required for existing building under lease at June 30, 2023.

In December 2022, the Charter School signed a lease agreement that commences on September 1, 2023 for additional school space through June 30, 2033. This lease has escalating monthly payments ranging from \$16,667 to \$100,000. Minimum payments due for this new lease is as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ 166,667
2025	450,000
2026	600,000
2027	1,100,000
2028	1,100,000
Thereafter	<u>6,000,000</u>
	<u>\$ 9,416,667</u>

The Charter School's high school occupies space with a related charter school per a verbal agreement with a third party at no charge. At June 30, 2023 and 2022, the Charter School paid certain utility and maintenance services on a square footage basis amounting to approximately \$1,073,000 and \$1,638,000, respectively.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

NOTE F: FAIR VALUE MEASUREMENTS

Accounting principles establishes a frame work for measuring fair value. That framework provides a fair value hierarchy that prioritizes the 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). 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 or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are actively traded open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to report their daily net asset value and to transact at that price.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

NOTE F: FAIR VALUE MEASUREMENTS, Cont'd

The following table sets forth by level, within the fair value hierarchy, the Charter School's assets at fair value as of June 30, 2023 and 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2023</u>				
Mutual funds:				
Money market funds	<u>\$ 105,625,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,625,431</u>
Total assets at fair value	<u><u>\$ 105,625,431</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 105,625,431</u></u>
<u>June 30, 2022</u>				
Mutual funds:				
Money market funds	<u>\$ 113,207,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,207,462</u>
Total assets at fair value	<u><u>\$ 113,207,462</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 113,207,462</u></u>

NOTE G: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 3,352,225	\$ 3,102,955
Computer software	22,070,652	21,483,545
Construction in progress	470,064	153,182
Leasehold improvements	<u>24,164,052</u>	<u>22,423,480</u>
	50,056,993	47,163,162
Less accumulated depreciation and amortization	<u>37,054,020</u>	<u>32,390,070</u>
	<u><u>\$ 13,002,973</u></u>	<u><u>\$ 14,773,092</u></u>

Construction in progress relates to improvements to school facilities. No provision for depreciation is made on construction in progress until such time as the relevant asset are completed put into use. There are no substantial future construction commitments related to these improvements.

NOTE H: RETIREMENT PLAN

The Charter School participates in a defined contribution 403(b) plan covering most employees through a USI plan. For all employees, the Charter School matches employees' contributions up to \$3,500. The Charter School's total contribution to the Plan for the years ended June 30, 2023 and 2022 approximated \$1,223,000 and \$1,015,000, respectively.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2023

(With Comparative Totals for 2022)

NOTE I: CONTINGENCY

Certain grants and contracts may be subject to audit by funding sources. Such audits might result in disallowance of costs submitted for reimbursement by the Charter School. 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.

NOTE J: CONCENTRATIONS

At June 30, 2023 and 2022, approximately 100% and 94%, respectively, of total grants and accounts receivables are due from New York State.

During the years ended June 30, 2023 and 2022, approximately 70% and 71%, respectively, of total revenue, gains and other support came from per-pupil funding provided by New York State. The per-pupil rate is set annually by the State based on the school district in which the Charter School is located.

NOTE K: ACCOUNTING IMPACT OF COVID-19 OUTBREAK

In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The Elementary and Secondary School Emergency Relief Fund (ESSER Fund) was established to award grants to state and local educational agencies. The Charter School has recognized approximately \$13,241,000 and \$12,807,000 of revenue relative to ESSER grants during the year ended June 30, 2023 and 2022, respectively. The Charter School has approximately \$11,877,007 of ESSER grants still available through September 30, 2024 as of June 30, 2023.

**UNCOMMON NEW YORK CITY CHARTER SCHOOLS**

**OTHER FINANCIAL INFORMATION**

## INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees  
Uncommon New York City Charter Schools

We have audited the financial statements of Uncommon New York City Charter Schools as of and for the year ended June 30, 2023, and we have issued our report thereon dated October 25, 2023, which expressed an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the 2023 financial statements as a whole. The 2023 financial information hereinafter is presented for purposes of additional analysis and is not a required part of the 2023 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 2023 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 financial statements or to the 2023 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 for the year ended June 30, 2023, as a whole.

We have also audited the financial statements of Uncommon New York City Charter Schools as of and for the year ended June 30, 2022, and our report thereon dated October 28, 2022, expressed an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the 2022 financial statements as a whole. The 2022 financial information hereinafter is presented for purposes of additional analysis and is not a required part of the 2022 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 2022 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 2022 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 for the year ended June 30, 2022, as a whole.

*Mengel, Metzger, Bar & Co. LLP*

Rochester, New York  
October 25, 2023

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

COMBINING STATEMENT OF ACTIVITIES AND NET ASSETS BY CHARTER

YEAR ENDED JUNE 30, 2023

	Bedford Stuyvesant Collegiate	Brooklyn East Collegiate	Brownsville Collegiate	Williamsburg Collegiate	Ocean Hill Collegiate			King's Collegiate			
	Middle School	Middle School	Middle School	Middle School	Elementary School	Middle School	Total	Elementary School	Middle School	Uncommon Leadership Charter High School	Total
Revenue, gains and other support:											
Public school district:											
Resident student enrollment	\$ 5,888,405	\$ 919,196	\$ 1,534,784	\$ 4,116,552	\$ 3,300,469	\$ 3,102,176	\$ 6,402,645	\$ 6,436,134	\$ 5,194,823	\$ 8,535,831	\$ 20,166,788
Students with disabilities	774,720	-	204,770	752,516	72,730	216,112	288,842	190,397	312,739	381,313	884,449
Grants and contracts:											
Federal - Title and IDEA	258,399	116,511	207,088	202,738	81,148	155,919	237,068	189,788	336,978	198,134	724,900
Federal- ESSER	622,881	4,828	451,980	648,852	163,286	452,780	616,066	594,281	675,334	642,488	1,912,103
Federal - Other	39,426	-	25,045	46,271	112,255	25,045	137,300	31,889	39,427	67,301	138,618
Other support:											
In-kind donations	2,018,287	275,759	526,768	1,473,556	1,022,200	1,005,112	2,027,312	2,009,512	1,669,664	2,703,727	6,382,903
TOTAL REVENUE, GAINS AND OTHER SUPPORT	9,602,118	1,316,294	2,950,435	7,240,485	4,752,088	4,957,144	9,709,233	9,452,001	8,228,965	12,528,794	30,209,761
Personnel services costs:											
Administrative staff personnel	1,017,879	210,801	697,603	867,606	815,103	933,192	1,748,295	907,839	868,401	1,530,562	3,306,802
Instructional personnel	2,683,428	107,602	1,455,905	2,186,352	1,559,725	1,845,429	3,405,154	2,580,624	2,359,956	3,372,964	8,313,544
Non-instructional personnel	-	-	-	-	-	-	-	-	-	-	-
TOTAL STAFF AND SALARIES	3,701,307	318,403	2,153,508	3,053,958	2,374,828	2,778,621	5,153,449	3,488,463	3,228,357	4,903,526	11,620,346
Fringe benefits and payroll taxes	663,221	53,972	384,867	524,226	388,596	448,999	837,595	606,039	587,474	783,363	1,976,876
Retirement	63,043	4,378	26,319	44,711	32,436	42,217	74,653	47,017	66,325	89,503	202,845
Management company fees	1,006,150	140,200	315,124	761,598	478,709	521,086	999,795	986,818	875,276	1,305,091	3,167,185
Legal services	6,057	6,059	6,059	6,059	6,059	6,059	12,118	6,058	6,059	6,059	18,176
Accounting and audit services	8,067	8,907	8,067	8,067	8,066	8,067	16,133	8,066	7,227	8,067	23,360
Other professional and consulting services	42,200	28,197	22,646	24,792	28,171	32,694	60,865	27,665	73,878	42,194	143,737
Building rent	528	2,197	527	527	527	527	1,054	527	412	527	1,466
In-kind rent	1,998,938	275,759	521,866	1,460,721	1,011,960	995,486	2,007,446	1,987,959	1,652,269	2,675,143	6,315,371
Repairs and maintenance	28,536	8,383	7,370	15,826	7,121	29,500	36,621	24,866	-	65,984	90,850
Insurance	53,273	53,270	53,270	53,270	53,270	53,270	106,540	53,270	53,270	53,270	159,810
Utilities	22,635	2,631	21,714	21,618	16,752	20,709	37,461	39,950	10,411	18,498	68,859
Supplies and materials	132,624	15,165	40,405	80,042	148,012	77,698	225,710	177,823	101,181	203,929	482,933
Equipment/Furnishings	54,316	5,564	31,380	48,866	61,583	19,987	81,570	38,888	28,190	17,821	84,899
Staff development	152,175	41,809	89,696	104,773	104,281	127,671	231,952	122,512	117,249	161,672	401,433
Marketing and recruitment	62,765	6,085	9,656	20,519	102	39,831	39,933	39,831	21,342	750	61,923
Technology	280,731	41,490	193,662	25,667	319,944	344,956	664,900	286,749	260,020	387,547	934,316
Food service	65	64	64	64	65	64	129	27,514	64	878	28,456
Student services	345,207	138,449	222,217	285,521	256,098	339,869	595,967	244,689	307,100	498,183	1,049,972
Office expense	275,078	37,710	109,988	95,727	88,660	117,203	205,863	180,671	106,132	171,614	458,417
Depreciation and amortization	125,704	171,606	103,061	116,759	200,360	127,249	327,609	397,945	196,563	373,956	968,464
Other	17,245	21,196	29,240	32,600	27,415	3,529	30,944	16,291	30,985	31,086	78,362
TOTAL EXPENSES	9,039,865	1,381,494	4,350,706	6,785,911	5,613,015	6,135,292	11,748,307	8,809,611	7,729,784	11,798,661	28,338,056
SURPLUS / (DEFICIT) FROM SCHOOL OPERATIONS	562,253	(65,200)	(1,400,271)	454,574	(860,927)	(1,178,148)	(2,039,074)	642,390	499,181	730,133	1,871,705
Support and other revenue:											
Contributions:											
Foundations	4,097	4,087	4,087	4,087	4,087	4,087	8,174	4,087	4,087	4,087	12,261
Interest income	163,244	163,253	163,252	163,252	163,252	163,252	326,504	163,252	163,252	163,252	489,756
Miscellaneous income	7,498	7,500	7,500	7,500	7,500	7,500	15,000	7,500	7,500	7,500	22,500
TOTAL SUPPORT AND OTHER REVENUE	174,839	174,840	174,839	174,839	174,839	174,839	349,678	174,839	174,839	174,839	524,517
CHANGE IN NET ASSETS	\$ 737,092	\$ 109,640	\$ (1,225,432)	\$ 629,413	\$ (686,088)	\$ (1,003,309)	\$ (1,689,396)	\$ 817,229	\$ 674,020	\$ 904,972	\$ 2,396,222

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

COMBINING STATEMENT OF ACTIVITIES AND NET ASSETS BY CHARTER, Cont'd

YEAR ENDED JUNE 30, 2023

	Excellence Boys			Excellence Girls				Leadership Preparatory Bedford Stuyvesant			
	Elementary School	Middle School	Total	Elementary School	Middle School	Uncommon Charter High School	Total	Elementary School	Middle School	Uncommon Collegiate Charter High School	Total
Revenue, gains and other support:											
Public school district:											
Resident student enrollment	\$ 3,455,137	\$ 4,482,292	\$ 7,937,429	\$ 4,032,829	\$ 3,393,005	\$ 9,688,130	\$ 17,113,964	\$ 5,548,665	\$ 6,230,791	\$ 8,139,687	\$ 19,919,143
Students with disabilities	206,761	421,014	627,775	204,164	155,071	1,450,255	1,809,490	246,762	425,730	700,551	1,373,043
Grants and contracts:											
Federal - Title and IDEA	147,166	228,225	375,391	275,147	116,932	396,121	788,200	290,075	198,051	238,498	726,624
Federal- ESSER	177,981	739,794	917,775	508,515	545,494	873,457	1,927,466	423,353	590,409	1,026,686	2,040,448
Federal - Other	12,523	12,747	25,270	25,045	39,427	55,713	120,185	20,639	12,523	31,889	65,051
Other support:											
In-kind donations	11,203	14,533	25,736	1,282,208	1,073,771	3,368,207	5,724,186	1,755,913	2,016,366	2,677,427	6,449,706
TOTAL REVENUE, GAINS AND OTHER SUPPORT	4,010,771	5,898,605	9,909,376	6,327,908	5,323,700	15,831,883	27,483,491	8,285,407	9,473,870	12,814,738	30,574,015
Personnel services costs:											
Administrative staff personnel	1,036,162	1,167,418	2,203,580	918,385	904,399	1,511,120	3,333,904	892,107	862,317	1,527,631	3,282,055
Instructional personnel	2,054,801	2,577,311	4,632,112	2,171,457	1,642,139	3,228,536	7,042,132	2,236,653	2,290,231	4,800,214	9,327,098
Non-instructional personnel	-	-	-	-	-	-	-	-	-	-	-
TOTAL STAFF AND SALARIES	3,090,963	3,744,729	6,835,692	3,089,842	2,546,538	4,739,656	10,376,036	3,128,760	3,152,548	6,327,845	12,609,153
Fringe benefits and payroll taxes	515,346	583,009	1,098,355	527,241	443,915	1,075,069	2,046,225	516,192	530,729	799,557	1,846,478
Retirement	44,149	65,912	110,061	28,753	28,997	107,434	165,184	31,848	48,475	59,847	140,170
Management company fees	439,988	681,090	1,121,078	667,316	554,363	1,491,180	2,712,859	866,156	997,407	1,352,668	3,216,231
Legal services	6,059	6,059	12,118	6,058	6,059	6,389	18,506	6,058	6,059	6,059	18,176
Accounting and audit services	8,066	8,067	16,133	8,066	8,067	8,067	24,200	8,066	8,067	8,067	24,200
Other professional and consulting services	110,997	125,876	236,873	22,768	34,793	399,229	456,790	142,227	32,711	50,350	225,288
Building rent	25,064	25,064	50,128	527	527	527	1,581	527	527	527	1,581
In-kind rent	(554,994)	554,994	-	1,271,097	1,064,423	3,341,516	5,677,036	1,738,629	1,996,956	2,652,071	6,387,656
Repairs and maintenance	994,613	53,270	1,047,883	37,603	62,303	683,228	783,134	36,678	19,407	11,079	67,164
Insurance	(6,223)	112,763	106,540	53,271	53,270	107,842	214,383	53,270	53,270	53,270	159,810
Utilities	182,390	90,102	272,492	24,441	33,853	380,605	438,899	19,502	16,004	13,897	49,403
Supplies and materials	105,964	113,605	219,569	137,127	97,024	170,470	404,621	131,537	90,575	94,581	316,693
Equipment/Furnishings	(615)	160,020	159,405	33,819	39,722	39,754	113,295	38,657	27,978	71,760	138,395
Staff development	244,144	48,789	292,933	87,470	98,020	224,270	409,760	117,491	135,336	118,565	371,392
Marketing and recruitment	38,624	48,789	87,413	18,105	22,933	50	41,088	18,105	27,761	1,500	47,366
Technology	226,783	262,657	489,440	285,070	291,059	587,337	1,163,466	278,032	269,084	645,054	1,192,170
Food service	64	1,113	1,177	65	64	64	193	65	64	64	193
Student services	256,841	313,794	570,635	198,843	410,841	750,894	1,360,578	255,823	290,479	633,807	1,180,109
Office expense	150,406	193,564	343,970	221,152	127,042	300,344	648,538	158,589	174,366	174,951	507,906
Depreciation and amortization	229,938	150,633	380,571	121,143	199,296	287,496	607,935	141,461	175,567	206,409	523,437
Other	17,471	19,222	36,693	15,371	15,411	49,072	79,854	33,788	14,988	24,536	73,312
TOTAL EXPENSES	6,126,038	7,363,121	13,489,159	6,855,148	6,138,520	14,750,493	27,744,161	7,721,461	8,068,358	13,306,464	29,096,283
SURPLUS / (DEFICIT) FROM SCHOOL OPERATIONS	(2,115,267)	(1,464,516)	(3,579,783)	(527,240)	(814,820)	1,081,390	(260,670)	563,946	1,405,512	(491,726)	1,477,732
Support and other revenue:											
Contributions:											
Foundations	4,087	4,087	8,174	4,087	4,087	4,087	12,261	4,087	4,087	14,087	22,261
Interest income	163,252	163,252	326,504	163,252	163,252	163,252	489,756	163,252	163,252	163,252	489,756
Miscellaneous income	16,868	7,500	24,368	7,500	7,500	33,721	48,721	7,500	7,500	7,500	22,500
TOTAL SUPPORT AND OTHER REVENUE	184,207	174,839	359,046	174,839	174,839	201,060	550,738	174,839	174,839	184,839	534,517
CHANGE IN NET ASSETS	\$ (1,931,060)	\$ (1,289,677)	\$ (3,220,737)	\$ (352,401)	\$ (639,981)	\$ 1,282,450	\$ 290,068	\$ 738,785	\$ 1,580,351	\$ (306,887)	\$ 2,012,249

## UNCOMMON NEW YORK CITY CHARTER SCHOOLS

## COMBINING STATEMENT OF ACTIVITIES AND NET ASSETS BY CHARTER, Cont'd

## YEAR ENDED JUNE 30, 2023

	Leadership Preparatory Brownsville			Leadership Preparatory Ocean Hill				Leadership Preparatory Canarsie			
	Elementary School	Middle School	Total	Elementary School	Middle School	Uncommon Preparatory Charter High School	Total	Elementary School	Middle School	Total	Total
Revenue, gains and other support:											
Public school district:											
Resident student enrollment	\$ 6,970,642	\$ 4,193,666	\$ 11,164,308	\$ 6,164,694	\$ 4,971,854	\$ 9,292,427	\$ 20,428,975	\$ 7,227,101	\$ 6,199,064	\$ 13,426,165	\$ 129,018,354
Students with disabilities	280,530	426,428	706,958	292,479	272,478	532,747	1,097,704	318,454	175,851	494,305	9,014,572
Grants and contracts:											
Federal - Title and IDEA	200,051	242,412	442,463	411,258	38,884	266,532	716,674	380,769	26,609	407,378	5,203,434
Federal- ESSER	485,615	649,419	1,135,034	480,823	522,881	917,465	1,921,169	452,882	589,718	1,042,600	13,241,202
Federal - Other	25,045	59,960	85,005	12,523	26,211	54,388	93,122	53,116	46,271	99,387	874,680
Other support:											
In-kind donations	2,198,307	1,399,838	3,598,145	1,956,537	1,588,934	2,976,774	6,522,245	2,289,254	1,934,423	4,223,677	39,248,280
TOTAL REVENUE, GAINS AND OTHER SUPPORT	10,160,190	6,971,723	17,131,913	9,318,314	7,421,242	14,040,333	30,779,889	10,721,576	8,971,936	19,693,512	196,600,522
Personnel services costs:											
Administrative staff personnel	1,051,577	1,057,815	2,109,392	948,672	949,456	1,565,320	3,463,448	913,783	879,157	1,792,940	24,034,305
Instructional personnel	2,641,327	2,165,083	4,806,410	2,453,278	2,004,670	3,703,067	8,161,015	2,762,610	2,223,062	4,985,672	57,106,424
Non-instructional personnel	-	-	-	-	-	-	-	-	-	-	-
TOTAL STAFF AND SALARIES	3,692,904	3,222,898	6,915,802	3,401,950	2,954,126	5,268,387	11,624,463	3,676,393	3,102,219	6,778,612	81,140,729
Fringe benefits and payroll taxes	602,662	512,352	1,115,014	560,189	469,418	924,199	1,953,806	630,725	541,449	1,172,174	13,672,809
Retirement	54,836	66,167	121,003	48,528	33,969	78,975	161,472	55,984	52,939	108,923	1,222,762
Management company fees	1,056,026	737,321	1,793,347	980,489	778,129	1,478,464	3,237,082	1,120,961	932,596	2,053,557	20,524,206
Legal services	6,059	6,059	12,118	6,058	6,059	6,059	18,176	6,059	6,059	12,118	145,740
Accounting and audit services	8,066	8,067	16,133	8,066	8,067	8,067	24,200	8,066	8,067	16,133	193,600
Other professional and consulting services	21,696	23,946	45,642	31,540	70,235	47,472	149,247	46,465	24,634	71,099	1,507,376
Building rent	33,132	527	33,659	527	527	527	1,581	527	527	1,054	95,883
In-kind rent	2,175,352	1,386,028	3,561,380	1,937,151	1,573,300	2,947,552	6,458,003	2,263,667	1,912,474	4,176,141	38,840,317
Repairs and maintenance	-	-	-	2,941	17,263	29,871	50,075	10,533	18,326	28,859	2,164,701
Insurance	53,270	53,270	106,540	53,270	53,270	53,270	159,810	53,270	53,270	106,540	1,333,056
Utilities	17,766	18,783	36,549	29,925	17,765	9,683	57,373	21,481	22,080	43,561	1,073,195
Supplies and materials	167,592	104,019	271,611	121,154	143,765	222,176	487,095	141,848	160,136	301,984	2,978,452
Equipment/Furnishings	56,216	35,236	91,452	67,843	14,579	22,561	104,983	56,995	60,486	117,481	1,031,606
Staff development	141,012	115,135	256,147	107,178	106,199	144,782	358,159	128,333	119,221	247,554	2,957,783
Marketing and recruitment	19,312	37,417	56,729	19,312	18,305	-	37,617	59,143	97,767	156,910	628,004
Technology	399,803	363,105	762,908	257,748	264,633	504,244	1,026,625	303,074	275,855	578,929	7,354,304
Food service	64	44,237	44,301	65	64	64	193	65	64	129	75,028
Student services	299,573	290,369	589,942	225,892	332,082	469,026	1,027,000	258,217	289,590	547,807	7,913,404
Office expense	160,430	248,686	409,116	182,159	92,358	185,083	459,600	122,698	153,545	276,243	3,828,156
Depreciation and amortization	183,560	186,023	369,583	133,644	140,290	364,888	638,822	202,513	127,886	330,399	4,663,950
Other	4,319	18,279	22,598	6,827	25,031	24,861	56,719	16,509	17,901	34,410	513,173
TOTAL EXPENSES	9,153,650	7,477,924	16,631,574	8,182,456	7,119,434	12,790,211	28,092,101	9,183,526	7,977,091	17,160,617	193,858,234
SURPLUS / (DEFICIT) FROM SCHOOL OPERATIONS	1,006,540	(506,201)	500,339	1,135,858	301,808	1,250,122	2,687,788	1,538,050	994,845	2,532,895	2,742,288
Support and other revenue:											
Contributions:											
Foundations	4,087	4,087	8,174	4,087	4,087	4,087	12,261	4,087	161,587	165,674	265,598
Interest income	163,252	163,252	326,504	163,252	163,252	163,252	489,756	163,252	163,252	326,504	3,918,041
Miscellaneous income	7,500	7,500	15,000	7,500	33,900	7,500	48,900	9,257	7,500	16,757	243,744
TOTAL SUPPORT AND OTHER REVENUE	174,839	174,839	349,678	174,839	201,239	174,839	550,917	176,596	332,339	508,935	4,427,383
CHANGE IN NET ASSETS	\$ 1,181,379	\$ (331,362)	\$ 850,017	\$ 1,310,697	\$ 503,047	\$ 1,424,961	\$ 3,238,705	\$ 1,714,646	\$ 1,327,184	\$ 3,041,830	\$ 7,169,671

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – BEDFORD STUYVESANT COLLEGIATE

YEAR ENDED JUNE 30, 2023

	No. of positions	<u>Program Services</u>			<u>Support Services</u> Management and General	<u>Total</u>
		<u>Regular education</u>	<u>Special education</u>	<u>Total</u>		
Personnel services costs:						
Administrative staff personnel	13.83	\$ 689,610	\$ 94,038	\$ 783,648	\$234,231	\$ 1,017,879
Instructional personnel	51.38	2,361,417	322,011	2,683,428	-	2,683,428
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	65.21	3,051,027	416,049	3,467,076	234,231	3,701,307
Fringe benefits and payroll taxes		545,382	74,371	619,753	43,468	663,221
Retirement		51,823	7,067	58,890	4,153	63,043
Management company fees		752,598	102,628	855,226	150,924	1,006,150
Legal services		-	-	-	6,057	6,057
Accounting and audit services		-	-	-	8,067	8,067
Other professional and consulting services		37,136	5,064	42,200	-	42,200
Building rent		465	63	528	-	528
In-kind rent		1,759,065	239,873	1,998,938	-	1,998,938
Repairs and maintenance		25,113	3,423	28,536	-	28,536
Insurance		-	-	-	53,273	53,273
Utilities		3,014	411	3,425	19,210	22,635
Supplies and materials		114,431	15,605	130,036	2,588	132,624
Equipment/Furnishings		45,457	6,199	51,656	2,660	54,316
Staff development		133,914	18,261	152,175	-	152,175
Marketing and recruitment		55,233	7,532	62,765	-	62,765
Technology		222,555	30,348	252,903	27,828	280,731
Food service		57	8	65	-	65
Student services		303,782	41,425	345,207	-	345,207
Office expense		85,751	11,693	97,444	177,634	275,078
Depreciation and amortization		110,620	15,084	125,704	-	125,704
Other		15,159	2,067	17,226	19	17,245
		<u>\$ 7,312,582</u>	<u>\$ 997,171</u>	<u>\$ 8,309,753</u>	<u>\$ 730,112</u>	<u>\$ 9,039,865</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – BROOKLYN EAST COLLEGIATE

YEAR ENDED JUNE 30, 2023

	No. of positions	<u>Program Services</u>			<u>Support Services</u>	
		<u>Regular education</u>	<u>Special education</u>	<u>Total</u>	<u>Management and General</u>	<u>Total</u>
Personnel services costs:						
Administrative staff personnel	3.83	\$ 185,505	\$ 25,296	\$ 210,801	\$ -	\$ 210,801
Instructional personnel	4.38	94,690	12,912	107,602	-	107,602
Non-instructional personnel	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total salaries and staff	8.21	280,195	38,208	318,403	-	318,403
Fringe benefits and payroll taxes		47,495	6,477	53,972	-	53,972
Retirement		3,853	525	4,378	-	4,378
Management company fees		104,524	14,253	118,777	21,423	140,200
Legal services		-	-	-	6,059	6,059
Accounting and audit services		-	-	-	8,907	8,907
Other professional and consulting services		24,813	3,384	28,197	-	28,197
Building rent		1,933	264	2,197	-	2,197
In-kind rent		242,668	33,091	275,759	-	275,759
Repairs and maintenance		7,377	1,006	8,383	-	8,383
Insurance		-	-	-	53,270	53,270
Utilities		417	57	474	2,157	2,631
Supplies and materials		13,149	1,793	14,942	223	15,165
Equipment/Furnishings		3,505	478	3,983	1,581	5,564
Staff development		36,792	5,017	41,809	-	41,809
Marketing and recruitment		5,355	730	6,085	-	6,085
Technology		34,062	4,645	38,707	2,783	41,490
Food service		56	8	64	-	64
Student services		121,835	16,614	138,449	-	138,449
Office expense		21,835	2,977	24,812	12,898	37,710
Depreciation and amortization		151,013	20,593	171,606	-	171,606
Other		18,636	2,541	21,177	19	21,196
		<u>\$ 1,119,513</u>	<u>\$ 152,661</u>	<u>\$ 1,272,174</u>	<u>\$ 109,320</u>	<u>\$ 1,381,494</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – BROWNSVILLE COLLEGIATE

YEAR ENDED JUNE 30, 2023

	No. of positions	Program Services			Support Services Management and General	Total
		Regular education	Special education	Total		
Personnel services costs:						
Administrative staff personnel	9.83	\$ 495,587	\$ 67,580	\$ 563,167	\$ 134,436	\$ 697,603
Instructional personnel	22.38	1,281,196	174,709	1,455,905	-	1,455,905
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	32.21	1,776,783	242,289	2,019,072	134,436	2,153,508
Fringe benefits and payroll taxes		318,189	43,389	361,578	23,289	384,867
Retirement		21,752	2,966	24,718	1,601	26,319
Management company fees		235,712	32,143	267,855	47,269	315,124
Legal services		-	-	-	6,059	6,059
Accounting and audit services		-	-	-	8,067	8,067
Other professional and consulting services		19,928	2,718	22,646	-	22,646
Building rent		464	63	527	-	527
In-kind rent		459,242	62,624	521,866	-	521,866
Repairs and maintenance		6,486	884	7,370	-	7,370
Insurance		-	-	-	53,270	53,270
Utilities		1,369	187	1,556	20,158	21,714
Supplies and materials		32,679	4,456	37,135	3,270	40,405
Equipment/Furnishings		25,086	3,421	28,507	2,873	31,380
Staff development		78,932	10,764	89,696	-	89,696
Marketing and recruitment		8,497	1,159	9,656	-	9,656
Technology		146,655	19,998	166,653	27,009	193,662
Food service		56	8	64	-	64
Student services		195,551	26,666	222,217	-	222,217
Office expense		58,665	8,000	66,665	43,323	109,988
Depreciation and amortization		90,694	12,367	103,061	-	103,061
Other		25,731	3,509	29,240	-	29,240
		<u>\$ 3,502,471</u>	<u>\$ 477,611</u>	<u>\$ 3,980,082</u>	<u>\$ 370,624</u>	<u>\$ 4,350,706</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – WILLIAMSBURG COLLEGIATE

YEAR ENDED JUNE 30, 2023

	No. of positions	Program Services			Support Services	Total
		Regular education	Special education	Total	Management and General	
Personnel services costs:						
Administrative staff personnel	12.83	\$ 616,998	\$ 108,882	\$ 725,880	\$ 141,726	\$ 867,606
Instructional personnel	35.38	1,858,399	327,953	2,186,352	-	2,186,352
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	48.21	2,475,397	436,835	2,912,232	141,726	3,053,958
Fringe benefits and payroll taxes		423,632	74,758	498,390	25,836	524,226
Retirement		36,122	6,374	42,496	2,215	44,711
Management company fees		550,254	97,104	647,358	114,240	761,598
Legal services		-	-	-	6,059	6,059
Accounting and audit services		-	-	-	8,067	8,067
Other professional and consulting services		21,073	3,719	24,792	-	24,792
Building rent		448	79	527	-	527
In-kind rent		1,241,613	219,108	1,460,721	-	1,460,721
Repairs and maintenance		13,452	2,374	15,826	-	15,826
Insurance		-	-	-	53,270	53,270
Utilities		1,052	186	1,238	20,380	21,618
Supplies and materials		63,046	11,126	74,172	5,870	80,042
Equipment/Furnishings		34,059	6,010	40,069	8,797	48,866
Staff development		89,057	15,716	104,773	-	104,773
Marketing and recruitment		17,441	3,078	20,519	-	20,519
Technology		-	-	-	25,667	25,667
Food service		54	10	64	-	64
Student services		242,693	42,828	285,521	-	285,521
Office expense		54,107	9,548	63,655	32,072	95,727
Depreciation and amortization		99,245	17,514	116,759	-	116,759
Other		25,674	4,531	30,205	2,395	32,600
		<u>\$ 5,388,419</u>	<u>\$ 950,898</u>	<u>\$ 6,339,317</u>	<u>\$ 446,594</u>	<u>\$ 6,785,911</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – OCEAN HILL COLLEGIATE

YEAR ENDED JUNE 30, 2023

		Program Services			Support Services	
	No. of	Regular	Special	Total	Management	Total
	positions	education	education		and General	
Personnel services costs:						
Administrative staff personnel	22.67	\$ 1,332,879	\$ 85,077	1,417,956	\$ 330,339	\$ 1,748,295
Instructional personnel	81.75	3,200,845	204,309	3,405,154	-	3,405,154
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	104.42	4,533,724	289,386	4,823,110	330,339	5,153,449
Fringe benefits and payroll taxes		734,221	46,865	781,086	56,509	837,595
Retirement		65,440	4,177	69,617	5,036	74,653
Management company fees		798,836	50,990	849,826	149,969	999,795
Legal services		-	-	-	12,118	12,118
Accounting and audit services		-	-	-	16,133	16,133
Other professional and consulting services		57,213	3,652	60,865	-	60,865
Building rent		991	63	1,054	-	1,054
In-kind rent		1,886,999	120,447	2,007,446	-	2,007,446
Repairs and maintenance		34,424	2,197	36,621	-	36,621
Insurance		-	-	-	106,540	106,540
Utilities		9,378	599	9,977	27,484	37,461
Supplies and materials		211,725	13,514	225,239	471	225,710
Equipment/Furnishings		53,921	3,442	57,363	24,207	81,570
Staff development		218,035	13,917	231,952	-	231,952
Marketing and recruitment		37,537	2,396	39,933	-	39,933
Technology		568,691	36,299	604,990	59,910	664,900
Food service		121	8	129	-	129
Student services		560,209	35,758	595,967	-	595,967
Office expense		149,374	9,534	158,908	46,955	205,863
Depreciation and amortization		261,760	16,708	278,468	49,141	327,609
Other		17,917	1,144	19,061	11,883	30,944
		<u>\$ 10,200,516</u>	<u>\$ 651,096</u>	<u>\$ 10,851,612</u>	<u>\$ 896,695</u>	<u>\$ 11,748,307</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – KING’S COLLEGIATE

YEAR ENDED JUNE 30, 2023

	No. of positions	Program Services			Support Services	Total
		Regular education	Special education	Total	Management and General	
Personnel services costs:						
Administrative staff personnel	49.50	\$ 2,728,783	\$ 84,395	\$ 2,813,178	\$ 493,624	\$ 3,306,802
Instructional personnel	149.13	8,064,138	249,406	8,313,544	-	8,313,544
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	198.63	10,792,921	333,801	11,126,722	493,624	11,620,346
Fringe benefits and payroll taxes		1,833,449	56,705	1,890,154	86,722	1,976,876
Retirement		188,191	5,820	194,011	8,834	202,845
Management company fees		2,611,344	80,763	2,692,107	475,078	3,167,185
Legal services		-	-	-	18,176	18,176
Accounting and audit services		-	-	-	23,360	23,360
Other professional and consulting services		139,425	4,312	143,737	-	143,737
Building rent		1,422	44	1,466	-	1,466
In-kind rent		6,125,910	189,461	6,315,371	-	6,315,371
Repairs and maintenance		88,124	2,726	90,850	-	90,850
Insurance		-	-	-	159,810	159,810
Utilities		15,897	492	16,389	52,470	68,859
Supplies and materials		459,817	14,221	474,038	8,895	482,933
Equipment/Furnishings		74,082	2,291	76,373	8,526	84,899
Staff development		389,390	12,043	401,433	-	401,433
Marketing and recruitment		60,065	1,858	61,923	-	61,923
Technology		825,757	25,539	851,296	83,020	934,316
Food service		27,602	854	28,456	-	28,456
Student services		1,018,473	31,499	1,049,972	-	1,049,972
Office expense		243,814	7,541	251,355	207,062	458,417
Depreciation and amortization		798,499	24,696	823,195	145,269	968,464
Other		68,068	2,105	70,173	8,189	78,362
		<u>\$ 25,762,250</u>	<u>\$ 796,771</u>	<u>\$ 26,559,021</u>	<u>\$ 1,779,035</u>	<u>\$ 28,338,056</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – EXCELLENCE BOYS

YEAR ENDED JUNE 30, 2023

	No. of positions	Program Services			Support Services Management and General	Total
		Regular education	Special education	Total		
Personnel services costs:						
Administrative staff personnel	31.67	\$ 1,768,551	\$ 112,886	\$ 1,881,437	\$ 322,143	\$ 2,203,580
Instructional personnel	94.75	4,354,185	277,927	4,632,112	-	4,632,112
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	126.42	6,122,736	390,813	6,513,549	322,143	6,835,692
Fringe benefits and payroll taxes		980,527	62,587	1,043,114	55,241	1,098,355
Retirement		98,132	6,264	104,396	5,665	110,061
Management company fees		895,741	57,175	952,916	168,162	1,121,078
Legal services		-	-	-	12,118	12,118
Accounting and audit services		-	-	-	16,133	16,133
Other professional and consulting services		221,638	14,147	235,785	1,088	236,873
Building rent		47,120	3,008	50,128	-	50,128
In-kind rent		-	-	-	-	-
Repairs and maintenance		985,010	62,873	1,047,883	-	1,047,883
Insurance		-	-	-	106,540	106,540
Utilities		192,237	12,270	204,507	67,985	272,492
Supplies and materials		201,169	12,841	214,010	5,559	219,569
Equipment/Furnishings		66,539	4,247	70,786	88,619	159,405
Staff development		275,357	17,576	292,933	-	292,933
Marketing and recruitment		82,168	5,245	87,413	-	87,413
Technology		446,310	28,488	474,798	14,642	489,440
Food service		1,106	71	1,177	-	1,177
Student services		536,397	34,238	570,635	-	570,635
Office expense		179,916	11,484	191,400	152,570	343,970
Depreciation and amortization		352,671	22,511	375,182	5,389	380,571
Other		34,491	2,202	36,693	-	36,693
		<u>\$ 11,719,265</u>	<u>\$ 748,040</u>	<u>\$ 12,467,305</u>	<u>\$ 1,021,854</u>	<u>\$ 13,489,159</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – EXCELLENCE GIRLS

YEAR ENDED JUNE 30, 2023

	No. of positions	Program Services			Support Services	Total
		Regular education	Special education	Total	Management and General	
Personnel services costs:						
Administrative staff personnel	55.50	\$ 2,517,056	\$ 132,477	\$ 2,649,533	\$ 684,371	\$ 3,333,904
Instructional personnel	166.13	6,690,025	352,107	7,042,132	-	7,042,132
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	221.63	9,207,081	484,584	9,691,665	684,371	10,376,036
Fringe benefits and payroll taxes		1,835,338	96,597	1,931,935	114,290	2,046,225
Retirement		148,934	7,839	156,773	8,411	165,184
Management company fees		2,190,633	115,297	2,305,930	406,929	2,712,859
Legal services		-	-	-	18,506	18,506
Accounting and audit services		-	-	-	24,200	24,200
Other professional and consulting services		433,950	22,840	456,790	-	456,790
Building rent		1,502	79	1,581	-	1,581
In-kind rent		5,393,184	283,852	5,677,036	-	5,677,036
Repairs and maintenance		743,977	39,157	783,134	-	783,134
Insurance		-	-	-	214,383	214,383
Utilities		351,873	18,520	370,393	68,506	438,899
Supplies and materials		378,543	19,923	398,466	6,155	404,621
Equipment/Furnishings		39,929	2,102	42,031	71,264	113,295
Staff development		389,272	20,488	409,760	-	409,760
Marketing and recruitment		39,034	2,054	41,088	-	41,088
Technology		1,027,058	54,056	1,081,114	82,352	1,163,466
Food service		183	10	193	-	193
Student services		1,292,549	68,029	1,360,578	-	1,360,578
Office expense		268,422	14,127	282,549	365,989	648,538
Depreciation and amortization		571,314	30,069	601,383	6,552	607,935
Other		70,845	3,729	74,574	5,280	79,854
		<u>\$ 24,383,621</u>	<u>\$ 1,283,352</u>	<u>\$ 25,666,973</u>	<u>\$ 2,077,188</u>	<u>\$ 27,744,161</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – LEADERSHIP PREPARATORY BEDFORD STUYVESANT

YEAR ENDED JUNE 30, 2023

	No. of positions	Program Services			Support Services Management and General	Total
		Regular education	Special education	Total		
Personnel services costs:						
Administrative staff personnel	47.50	\$ 2,491,736	\$ 103,822	\$ 2,595,558	\$ 686,497	\$ 3,282,055
Instructional personnel	153.13	8,954,014	373,084	9,327,098	-	9,327,098
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	200.63	11,445,750	476,906	11,922,656	686,497	12,609,153
Fringe benefits and payroll taxes		1,664,202	69,342	1,733,544	112,934	1,846,478
Retirement		126,254	5,261	131,515	8,655	140,170
Management company fees		2,624,444	109,352	2,733,796	482,435	3,216,231
Legal services		-	-	-	18,176	18,176
Accounting and audit services		-	-	-	24,200	24,200
Other professional and consulting services		216,276	9,012	225,288	-	225,288
Building rent		1,518	63	1,581	-	1,581
In-kind rent		6,132,150	255,506	6,387,656	-	6,387,656
Repairs and maintenance		64,477	2,687	67,164	-	67,164
Insurance		-	-	-	159,810	159,810
Utilities		2,254	94	2,348	47,055	49,403
Supplies and materials		294,045	12,252	306,297	10,396	316,693
Equipment/Furnishings		52,110	2,171	54,281	84,114	138,395
Staff development		356,536	14,856	371,392	-	371,392
Marketing and recruitment		45,471	1,895	47,366	-	47,366
Technology		1,083,571	45,149	1,128,720	63,450	1,192,170
Food service		185	8	193	-	193
Student services		1,132,905	47,204	1,180,109	-	1,180,109
Office expense		235,362	9,807	245,169	262,737	507,906
Depreciation and amortization		499,183	20,799	519,982	3,455	523,437
Other		45,432	1,893	47,325	25,987	73,312
		<u>\$ 26,022,125</u>	<u>\$ 1,084,257</u>	<u>\$ 27,106,382</u>	<u>\$ 1,989,901</u>	<u>\$ 29,096,283</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – LEADERSHIP PREPARATORY BROWNSVILLE

YEAR ENDED JUNE 30, 2023

	No. of positions	Program Services			Support Services Management and General	Total
		Regular education	Special education	Total		
Personnel services costs:						
Administrative staff personnel	34.67	\$ 1,578,826	\$ 65,784	\$ 1,644,610	\$ 464,782	\$ 2,109,392
Instructional personnel	89.75	4,614,154	192,256	4,806,410	-	4,806,410
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	124.42	6,192,980	258,040	6,451,020	464,782	6,915,802
Fringe benefits and payroll taxes		994,900	41,454	1,036,354	78,660	1,115,014
Retirement		107,814	4,492	112,306	8,697	121,003
Management company fees		1,463,371	60,974	1,524,345	269,002	1,793,347
Legal services		-	-	-	12,118	12,118
Accounting and audit services		-	-	-	16,133	16,133
Other professional and consulting services		43,816	1,826	45,642	-	45,642
Building rent		32,313	1,346	33,659	-	33,659
In-kind rent		3,418,925	142,455	3,561,380	-	3,561,380
Repairs and maintenance		-	-	-	-	-
Insurance		-	-	-	106,540	106,540
Utilities		2,084	87	2,171	34,378	36,549
Supplies and materials		260,624	10,859	271,483	128	271,611
Equipment/Furnishings		28,211	1,175	29,386	62,066	91,452
Staff development		245,901	10,246	256,147	-	256,147
Marketing and recruitment		54,460	2,269	56,729	-	56,729
Technology		675,787	28,158	703,945	58,963	762,908
Food service		42,529	1,772	44,301	-	44,301
Student services		566,344	23,598	589,942	-	589,942
Office expense		222,081	9,253	231,334	177,782	409,116
Depreciation and amortization		352,010	14,667	366,677	2,906	369,583
Other		21,694	904	22,598	-	22,598
		<u>\$ 14,725,844</u>	<u>\$ 613,575</u>	<u>\$ 15,339,419</u>	<u>\$ 1,292,155</u>	<u>\$ 16,631,574</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – LEADERSHIP PREPARATORY OCEAN HILL

YEAR ENDED JUNE 30, 2023

	No. of positions	Program Services			Support Services	
		Regular education	Special education	Total	Management and General	Total
Personnel services costs:						
Administrative staff personnel	57.50	\$ 2,738,086	\$ 55,879	\$ 2,793,965	\$ 669,483	\$ 3,463,448
Instructional personnel	164.13	7,997,795	163,220	8,161,015	-	8,161,015
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	221.63	10,735,881	219,099	10,954,980	669,483	11,624,463
Fringe benefits and payroll taxes		1,804,596	36,828	1,841,424	112,382	1,953,806
Retirement		149,230	3,045	152,275	9,197	161,472
Management company fees		2,696,490	55,030	2,751,520	485,562	3,237,082
Legal services		-	-	-	18,176	18,176
Accounting and audit services		-	-	-	24,200	24,200
Other professional and consulting services		144,187	2,943	147,130	2,117	149,247
Building rent		1,549	32	1,581	-	1,581
In-kind rent		6,328,843	129,160	6,458,003	-	6,458,003
Repairs and maintenance		49,074	1,001	50,075	-	50,075
Insurance		-	-	-	159,810	159,810
Utilities		2,363	48	2,411	54,962	57,373
Supplies and materials		472,678	9,646	482,324	4,771	487,095
Equipment/Furnishings		60,814	1,241	62,055	42,928	104,983
Staff development		350,996	7,163	358,159	-	358,159
Marketing and recruitment		36,865	752	37,617	-	37,617
Technology		961,916	19,631	981,547	45,078	1,026,625
Food service		189	4	193	-	193
Student services		1,006,460	20,540	1,027,000	-	1,027,000
Office expense		291,327	5,945	297,272	162,328	459,600
Depreciation and amortization		550,850	11,242	562,092	76,730	638,822
Other		55,585	1,134	56,719	-	56,719
		<u>\$ 25,699,893</u>	<u>\$ 524,484</u>	<u>\$ 26,224,377</u>	<u>\$ 1,867,724</u>	<u>\$ 28,092,101</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – LEADERSHIP PREPARATORY CANARSIE

YEAR ENDED JUNE 30, 2023

	No. of positions	Program Services			Support Services Management and General	Total
		Regular education	Special education	Total		
Personnel services costs:						
Administrative staff personnel	26.67	\$ 1,283,759	\$ 53,490	\$ 1,337,249	\$ 455,691	\$ 1,792,940
Instructional personnel	93.13	4,786,245	199,427	4,985,672	-	4,985,672
Non-instructional personnel	-	-	-	-	-	-
Total salaries and staff	119.80	6,070,004	252,917	6,322,921	455,691	6,778,612
Fringe benefits and payroll taxes		1,050,632	43,776	1,094,408	77,766	1,172,174
Retirement		97,394	4,058	101,452	7,471	108,923
Management company fees		1,675,702	69,821	1,745,523	308,034	2,053,557
Legal services		-	-	-	12,118	12,118
Accounting and audit services		-	-	-	16,133	16,133
Other professional and consulting services		68,255	2,844	71,099	-	71,099
Building rent		1,012	42	1,054	-	1,054
In-kind rent		4,009,095	167,046	4,176,141	-	4,176,141
Repairs and maintenance		27,705	1,154	28,859	-	28,859
Insurance		-	-	-	106,540	106,540
Utilities		4,432	185	4,617	38,944	43,561
Supplies and materials		288,759	12,032	300,791	1,193	301,984
Equipment/Furnishings		107,336	4,472	111,808	5,673	117,481
Staff development		237,652	9,902	247,554	-	247,554
Marketing and recruitment		150,634	6,276	156,910	-	156,910
Technology		529,057	22,044	551,101	27,828	578,929
Food service		124	5	129	-	129
Student services		525,895	21,912	547,807	-	547,807
Office expense		152,094	6,337	158,431	117,812	276,243
Depreciation and amortization		315,722	13,155	328,877	1,522	330,399
Other		33,034	1,376	34,410	-	34,410
		<u>\$ 15,344,538</u>	<u>\$ 639,354</u>	<u>\$ 15,983,892</u>	<u>\$ 1,176,725</u>	<u>\$ 17,160,617</u>

**UNCOMMON NEW YORK CITY CHARTER SCHOOLS**

**REPORT TO THE AUDIT COMMITTEE**

**JUNE 30, 2023**



October 25, 2023

The Audit Committee  
Uncommon New York City Charter Schools

We have audited the financial statements of Uncommon New York City Charter Schools as of and for the year ended June 30, 2023, and have issued our report thereon dated October 25, 2023. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 23, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America and *Government Auditing Standards*. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Uncommon New York City Charter Schools solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence. Safeguards in place to eliminate or reduce threats to independence to an acceptable level include a skilled, knowledgeable and experienced Director of Accounting and CFO who review draft financial statements prior to issuance and accepts responsibility for them.

## Significant Potential Risks Identified

We have identified the following potential significant risks:

- Management override
- Improper revenue recognition
- Improper allocation of expenses to grants
- Misappropriation of assets
- Improper implementation of ASC 842 - Leases

Professional auditing standards require that we identify and assess risks and design and perform our audit procedures to address those risks. The identification of a risk does not mean it has occurred but rather it has the potential to impact the financial statements. There were no issues found with these risks impacting the financial statements.

## Qualitative Aspects of the Entity's Significant Accounting Practices

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Uncommon New York City Charter Schools is included in Note A to the financial statements. As described in Note A to the financial statements, during the year, the Charter School adopted new guidance for leases (ASC 842). No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the collectability of accounts receivable and grants and other receivables, as well as the allocation of costs for the statement of functional expenses. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Uncommon New York City Charter Schools' financial statements relate to revenue and support recognition, which is referred to in the notes of the financial statements.

## Significant Difficulties Encountered during the Audit

We are pleased to report we encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Uncommon New York City Charter Schools' financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with Uncommon New York City Charter Schools, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Uncommon New York City Charter Schools' auditors.

## **Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

\* \* \* \* \*

Should you desire further information concerning these matters, Shelby Stenson or Blake Sanderson will be happy to meet with you at your convenience.

This report is intended solely for the information and use of the Finance Committee, the Board of Trustees, and management of Uncommon New York City Charter Schools and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Mengel, Metzger, Barr & Co. LLP*

MENGEL, METZGER, BARR & CO. LLP

**UNCOMMON NEW YORK CITY CHARTER SCHOOLS**

**BROOKLYN, NEW YORK**

**SCHEDULES REQUIRED BY**  
**GOVERNMENT AUDITING STANDARDS**  
**AND THE UNIFORM GUIDANCE**

**AND**

**INDEPENDENT AUDITOR'S REPORTS**

**JUNE 30, 2023**



BUSINESS  
ADVISORS  
AND CPAS

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Board of Trustees  
Uncommon New York City Charter Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Uncommon New York City Charter Schools, which comprise the statement of financial position as of June 30, 2023 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the financial statements and have issued our report thereon dated October 25, 2023.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Uncommon New York City Charter Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

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

*Mengel, Metzger, Bar & Co. LLP*

Rochester, New York  
October 25, 2023

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees  
Uncommon New York City Charter Schools

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

***Opinion on Each Major Federal Program***

We have audited Uncommon New York City Charter Schools’ 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 Uncommon New York City Charter Schools’ major federal programs for the year ended June 30, 2023. Uncommon New York City Charter 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, Uncommon New York City Charter Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Uncommon New York City Charter Schools 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 Uncommon New York City Charter 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 Uncommon New York City Charter 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 Uncommon New York City Charter Schools' 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 Uncommon New York City Charter Schools' 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 Uncommon New York City Charter Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Uncommon New York City Charter 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Uncommon New York City Charter 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Uncommon New York City Charter Schools as of and for the year ended June 30, 2023, and have issued our report thereon dated October 25, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
October 25, 2023

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Education:			
<u>Passed through NYS Department of Education</u>			
Title I - Grants to Local Educational Agencies	84.010	0021	\$ 3,460,019
Title IIA - Supporting Effective Instruction State Grant	84.367	0147	378,038
Title IV - Student Support and Academic Enrichment Program	84.424	0204	278,041
Expanding Access and Opportunity Through Culturally Responsive Computer Science	84.411C	S411C210094	59,235
 <u>Education Stabilization Funds -</u>			
American Rescue Plan - Elementary and Secondary Emergency Relief Fund	84.425U	5880	<u>13,241,202</u>
<i>Total Education Stabilization Funds</i>			13,241,202
 <u>Passed through Uncommon Schools, Inc.:</u>			
CSP - Uncommon	84.282M	U282M160015	<u>44,660</u>
 TOTAL DEPARTMENT OF EDUCATION			<u>17,461,195</u>
 TOTAL ALL PROGRAMS			<u>\$ 17,461,195</u>

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Cont'd

YEAR ENDED JUNE 30, 2023

NOTE A: BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of Uncommon New York City Charter Schools and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Uncommon New York City Charter Schools has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITOR'S RESULTS

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Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes   x   no

Identification of major program:

*CFDA Number:*

84.425U

*Name of Federal Program or Cluster:*

American Rescue Plan - Elementary and  
Secondary Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

  \$750,000  

Auditee qualified as low-risk auditee?

  x   yes \_\_\_\_\_ no

UNCOMMON NEW YORK CITY CHARTER SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Cont'd

YEAR ENDED JUNE 30, 2023

FINDINGS – FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None.