




Merrick Academy – Queens Public Charter School

Independent Auditor’s Reports and Financial Statements

June 30, 2025 and 2024



Merrick Academy – Queens Public Charter School
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Independent Auditor's Report

Board of Trustees
Merrick Academy – Queens Public Charter School
Laurelton, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Merrick Academy – Queens Public Charter School, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Merrick Academy – Queens Public Charter School as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information within the statements of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025, on our consideration of the Merrick Academy – Queens Public Charter School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Merrick Academy – Queens Public Charter School’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Merrick Academy – Queens Public Charter School’s internal control over financial reporting and compliance.

Forvis Mazars, LLP

**New York, New York
October 31, 2025**

Merrick Academy – Queens Public Charter School
Statements of Financial Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash	\$ 377,495	\$ 283,863
Grants and contracts receivable	174,186	165,599
Prepaid expenses	165,000	-
Total Current Assets	<u>716,681</u>	<u>449,462</u>
Security deposits	627,770	627,770
Cash – reserve	102,874	106,185
Property and equipment – net	904,007	961,047
Right-of-use-assets – operating leases	3,098,740	3,452,143
Total Assets	<u>\$ 5,450,072</u>	<u>\$ 5,596,607</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 581,784	\$ 187,587
Accrued salaries and related liabilities	1,199,377	1,022,264
Deferred revenue	340,200	-
Current portion of operating lease liability	1,597,479	1,075,065
Total Current Liabilities	<u>3,718,840</u>	<u>2,284,916</u>
Operating lease liabilities	1,608,968	2,440,204
Total Long-term Liabilities	<u>1,608,968</u>	<u>2,440,204</u>
Total Liabilities	5,327,808	4,725,120
Net Assets, Without Donor Restrictions	<u>122,264</u>	<u>871,487</u>
Total Liabilities and Net Assets	<u>\$ 5,450,072</u>	<u>\$ 5,596,607</u>

**Merrick Academy – Queens Public Charter School
Statements of Activities
Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Operating Revenues and Other Support		
Resident student enrollment	\$ 14,741,931	\$ 10,915,797
Students with disabilities	1,962,016	1,663,296
Total State and Local Per-Pupil Operating Revenues	16,703,947	12,579,093
Government grants and contracts	883,459	310,226
Contributions	394,000	575,225
Interest	43,198	45,610
Miscellaneous income	-	800
Total Operating Revenues and Other Support	<u>18,024,604</u>	<u>13,510,954</u>
Expenses		
Program Services		
Education	10,705,441	8,128,552
Special education	5,064,178	4,219,077
Total Program Services	15,769,619	12,347,629
Supporting Services		
Management and general	3,004,208	2,225,954
Total Expenses	<u>18,773,827</u>	<u>14,573,583</u>
Change in Net Assets	(749,223)	(1,062,629)
Net Assets Without Donor Restrictions, Beginning of Year	<u>871,487</u>	<u>1,934,116</u>
Net Assets Without Donor Restrictions, End of Year	<u>\$ 122,264</u>	<u>\$ 871,487</u>

Merrick Academy – Queens Public Charter School
Statement of Functional Expenses
Year Ended June 30, 2025

	* No. of Positions	Program Services			Supporting Services	Total
		Education	Special Education	Total	Management and General	
Personnel service costs						
Administrative staff personnel	21	\$ 1,002,042	\$ 626,277	\$ 1,628,319	\$ 876,787	\$ 2,505,106
Instructional personnel	72	4,670,562	2,170,495	6,841,057	-	6,841,057
Noninstructional personnel	12	-	-	-	799,073	799,073
Salaries		5,672,604	2,796,772	8,469,376	1,675,860	10,145,236
Payroll taxes and employee benefits		1,472,708	726,091	2,198,799	227,629	2,426,428
Retirement		130,503	64,342	194,845	20,171	215,016
Legal service		-	-	-	98,893	98,893
Accounting/audit services		-	-	-	195,766	195,766
Other purchased/professional/ consulting services		420,374	207,258	627,632	452,838	1,080,470
Building and land rent/lease		999,807	492,936	1,492,743	154,535	1,647,278
Repairs and maintenance		145,332	71,653	216,985	22,463	239,448
Insurance		87,662	43,220	130,882	13,550	144,432
Utilities		95,509	47,089	142,598	14,762	157,360
Supplies/materials		133,883	40,910	174,793	6,912	181,705
Equipment/furnishings		8,405	4,144	12,549	1,299	13,848
Staff development		262,216	115,172	377,388	32,782	410,170
Marketing/recruitment		42,224	15,671	57,895	3,701	61,596
Technology		93,182	45,942	139,124	14,403	153,527
Food service		432,667	91,528	524,195	-	524,195
Student services		264,259	82,493	346,752	-	346,752
Office expense		192,770	95,042	287,812	29,795	317,607
Depreciation		189,510	93,434	282,944	29,292	312,236
Other		61,826	30,481	92,307	9,557	101,864
Total Expenses		\$ 10,705,441	\$ 5,064,178	\$ 15,769,619	\$ 3,004,208	\$ 18,773,827

* Supplemental information

See Notes to Financial Statements

Merrick Academy – Queens Public Charter School
Statement of Functional Expenses
Year Ended June 30, 2024

	* No. of Positions	Program Services			Supporting Services	Total
		Education	Special Education	Total	Management and General	
Personnel service costs						
Administrative staff personnel	15	\$ 731,725	\$ 457,328	\$ 1,189,053	\$ 640,260	\$ 1,829,313
Instructional personnel	62	3,889,425	2,003,132	5,892,557	-	5,892,557
Noninstructional personnel	11	-	-	-	682,215	682,215
Salaries		4,621,150	2,460,460	7,081,610	1,322,475	8,404,085
Payroll taxes and employee benefits		1,155,586	615,274	1,770,860	160,106	1,930,966
Retirement		140,082	74,584	214,666	19,408	234,074
Legal service		-	-	-	54,212	54,212
Accounting/audit services		-	-	-	207,080	207,080
Other purchased/professional/ consulting services		245,881	119,059	364,940	242,712	607,652
Building and land rent/lease		617,172	328,603	945,775	85,509	1,031,284
Repairs and maintenance		90,541	48,207	138,748	12,544	151,292
Insurance		61,262	32,618	93,880	8,488	102,368
Utilities		98,676	52,538	151,214	13,672	164,886
Supplies/materials		144,513	41,936	186,449	4,386	190,835
Equipment/furnishings		7,900	4,206	12,106	1,095	13,201
Staff development		175,053	83,536	258,589	19,935	278,524
Marketing/recruitment		25,073	10,872	35,945	2,367	38,312
Technology		87,955	46,830	134,785	12,186	146,971
Student services		226,246	70,631	296,877	-	296,877
Office expense		114,304	60,859	175,163	15,837	191,000
Depreciation		239,987	127,777	367,764	33,250	401,014
Other		77,171	41,087	118,258	10,692	128,950
Total Expenses		<u>\$ 8,128,552</u>	<u>\$ 4,219,077</u>	<u>\$ 12,347,629</u>	<u>\$ 2,225,954</u>	<u>\$ 14,573,583</u>

* Supplemental information

Merrick Academy – Queens Public Charter School
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Activities		
Change in net assets	\$ (749,223)	\$ (1,062,629)
Items not requiring (providing) operating cash flows		
Depreciation	312,236	401,014
Noncash operating lease expense	1,513,414	965,659
Changes in		
Grants and contracts receivable	(8,587)	342,804
Prepaid expenses	(165,000)	(500,000)
Accounts payable and accrued expenses	408,479	57,662
Accrued salaries and related liabilities	177,113	156,388
Deferred revenue	340,200	(336,000)
Change in operating lease liabilities	(1,468,833)	(850,256)
Net Cash Provided by (Used in) Operating Activities	<u>359,799</u>	<u>(825,358)</u>
Investing Activities		
Acquisitions of property and equipment	(269,478)	(108,602)
Net Cash Used in Investing Activities	<u>(269,478)</u>	<u>(108,602)</u>
Net Change in Cash and Restricted Cash	90,321	(933,960)
Cash and Restricted Cash, Beginning of Year	<u>390,048</u>	<u>1,324,008</u>
Cash and Restricted Cash, End of Year	<u>\$ 480,369</u>	<u>\$ 390,048</u>
Cash and Cash Equivalents and Restricted Cash Consist of:		
Cash	\$ 377,495	\$ 283,863
Cash – reserve	102,874	106,185
	<u>\$ 480,369</u>	<u>\$ 390,048</u>
Supplemental Cash Flows Information		
Property and equipment in accounts payable	\$ -	\$ 20,803
ROU assets obtained in exchange for new operating lease liabilities	\$ 1,160,011	\$ -

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Merrick Academy – Queens Public Charter School (the School) is an educational corporation that operates as a charter school in the borough of Queens, New York City. On January 1, 2000, the Board of Regents and the Board of Trustees of the University of the State of New York, for and on behalf of the State Education Department, granted the School a charter from grades K to 6. The charter has been renewed until June 30, 2030. During the fiscal years ended June 30, 2025 and 2024, the School operated classes for approximately 720 and 589 students in grades K to 6, respectively.

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, the School is subject to federal income tax on any unrelated business taxable income. The School is supported primarily by state and local per-pupil operating revenues.

Use of Estimates

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

Cash and Restricted Cash

As part of the School's charter agreement, the School agreed to establish a long-term reserve account to pay for legal and audit expenses that would be associated with a dissolution should it occur.

Grants and Contracts Revenue and Receivables

Revenues from government grants and contracts to which the School is entitled are recognized mostly on student enrollment. Some grants are provided for specific educational endeavors which are not based on student enrollment and are recorded when related expenditures are incurred by the School. Receivables are recorded when the revenue is earned.

Allowance for Doubtful Accounts

Management determines whether an allowance for doubtful accounts should be provided for tuition, contributions, or grants receivable. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. Such estimates are based upon management's assessment of the aged basis of its receivables, historical information, expected collections, business and economic conditions, and collections subsequent to year-end. Interest income is not accrued or recorded on receivables. Management deemed no allowance necessary for the years ended June 30, 2025 and 2024 .

Property and Equipment

Property and equipment acquisitions over \$1,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

Merrick Academy – Queens Public Charter School
Notes to Financial Statements
June 30, 2025 and 2024

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Leasehold improvements	5 years
Furniture and fixtures	7 years
Office and classroom equipment	3 years
Computer equipment	3 years
Software	3 years

Long-Lived Asset Impairment

The School evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2025 and 2024 .

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are 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.

At June 30, 2025 and 2024 , all net assets are without donor restrictions and are available to be used for operations.

State and Local Per-Pupil Operating Revenues

Revenues from the state and local governments resulting from the School’s charter status and based on the number of students enrolled are recorded when services are performed in accordance with the charter agreement. These grants are recorded as revenue by the School when services are rendered.

Contributions

Contributions are provided to the School either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the School overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met

Merrick Academy – Queens Public Charter School
Notes to Financial Statements
June 30, 2025 and 2024

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

As of June 30, 2025, \$340,200 received from conditional contributions were recorded as a liability. As of June 30, 2024, there were no conditional contributions received that were recorded as a liability .

Leases

The School determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The School determines lease classification as operating or finance at the lease commencement date.

The School combines lease and nonlease components, such as common area and other maintenance costs, and accounts for them as a single lease component in calculating the ROU assets and lease liabilities.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The School has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the School is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The School has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Merrick Academy – Queens Public Charter School
Notes to Financial Statements
June 30, 2025 and 2024

Income Taxes

The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the School is subject to federal income tax on any unrelated business taxable income. The School is exempt from filing tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the separate statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. All of these expense line items are allocated based on staffing allocations to the main functional areas of the School: general education, special education, and management and general.

Note 2. Property and Equipment

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 2,010,753	\$ 1,880,651
Furniture and fixtures	951,089	882,360
Office and classroom equipment	508,084	497,893
Computer equipment	1,493,275	1,448,407
Construction in progress	20,650	20,650
Software	361,851	360,545
	5,345,702	5,090,506
Accumulated depreciation and amortization	<u>(4,441,695)</u>	<u>(4,129,459)</u>
	<u>\$ 904,007</u>	<u>\$ 961,047</u>

Note 3. Leases

Nature of Leases

The School has entered into the following lease arrangements:

Operating Leases

The School has a lease for a building that expires in fiscal year 2028. This lease contains a renewal option for five years and requires the School to pay all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule, which is a 2.5% increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

On July 29, 2024, the School entered into a lease agreement for a middle school. The lease is set to expire on July 31, 2026, and monthly payments range from \$49,545 to \$51,211 during the term of the lease. Termination of the lease is generally prohibited unless there is a violation under the lease agreement.

Merrick Academy – Queens Public Charter School
Notes to Financial Statements
June 30, 2025 and 2024

The School has leases for office equipment that expire in various years through fiscal year 2028. Termination of the leases is generally prohibited unless there is a violation under the lease agreements.

All Leases

The School has no material related-party leases.

The School's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

As of June 30, 2025, the School has entered into an operating lease agreement for a new building for its middle school to commence in a future period after the building is ready for occupancy. The lease commences upon a specified date as included in a delivery day notice to be received from the lessor, and is expected to occur on January 1, 2026. The lease agreement provides the School with an option to purchase the building during the term of the lease.

Quantitative Disclosures

The lease cost and other required information for the years ended June 30, 2025 and 2024 are:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 1,666,975	\$ 1,120,664
Total lease cost	<u>\$ 1,666,975</u>	<u>\$ 1,120,664</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,624,652	\$ 1,081,766
ROU assets obtained in exchange for new operating lease liabilities	1,160,011	-
Weighted-average remaining lease term		
Operating leases	2.19 years	3.44 years
Weighted-average discount rate		
Operating leases	3.99%	3.89%

Merrick Academy – Queens Public Charter School
Notes to Financial Statements
June 30, 2025 and 2024

Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2025 are as follows:

	Operating Leases
2026	\$ 1,690,583
2027	1,128,129
2028	<u>524,217</u>
Total undiscounted lease payments	3,342,929
Less imputed interest	<u>(136,482)</u>
Lease liabilities	<u><u>\$ 3,206,447</u></u>

Note 4. Contingencies and Concentrations

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

Substantially all of the School's operating revenue is paid by New York State Education Department.

In addition, all grants and contracts receivable due at year-end were all due from the New York State Education Department.

Note 5. Retirement Plan

The School sponsors a 401(k) retirement plan for its employees. All employees are immediately eligible to participate in the plan. Employees can make pretax contributions up to a maximum of 100% of the annual compensation, subject to IRS restrictions. The School matches the employee contribution up to 4% of the employee's annual compensation. Pension expense under this plan for the years ended June 30, 2025 and 2024 was \$215,017 and \$234,074, respectively.

Merrick Academy – Queens Public Charter School
Notes to Financial Statements
June 30, 2025 and 2024

Note 6. Liquidity and Availability

The School’s financial assets available within one year of the date of the statements of financial position for general expenditures as of June 30, 2025 and 2024 are:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end		
Cash	\$ 377,495	\$ 283,863
Grants and contracts receivable	<u>174,186</u>	<u>165,599</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 551,681</u>	<u>\$ 449,462</u>

The financial assets of the School without donor restrictions or restricted by state laws, are available for general expenditures. As part of liquidity management, the School invests cash in excess of daily requirements in short-term investments. During the years ended June 30, 2025 and 2024, the level of liquidity and reserves was managed within the policy requirements.

The School has incurred recurring losses and negative cash flows from operations in recent years in its expansion to middle school operations. The School anticipates the additional per pupil revenue from the state from the increased enrollment, as well as grant funding, will support the operations of the School.

Note 7. Grant Reimbursements Receivable and Future Commitments

Government grants received are conditional upon incurring allowable expenditures as specified in the contracts for the Summer Boost Program and Charter School Program. The School receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the School are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2025 have been recorded as receivables. Following are the grant commitments that extend beyond June 30, 2025:

<u>Grant</u>	<u>Term</u>	<u>Grant Amount</u>	<u>Earned Through 2025</u>	<u>Funding Available</u>
Various	Through 2026	\$ 486,000	\$ -	\$ 486,000

Note 8. Subsequent Events

Subsequent events have been evaluated through October 31, 2025, which is the date the financial statements were available to be issued.

Merrick Academy – Queens Public Charter School
Notes to Financial Statements
June 30, 2025 and 2024

Subsequent to year-end, the School amended the lease for their middle school to end the lease on February 28, 2026. The monthly payments for the second year of the lease range from \$51,211 to \$77,707. The School anticipates moving into their new middle school lease (mentioned in Note 3) January 2026 to begin transitioning students to the new location.

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

Independent Auditor's Report

Board of Trustees
Merrick Academy – Queens Public Charter School
Laurelton, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Merrick Academy – Queens Public Charter School, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Forvis Mazars, LLP

**New York, New York
October 31, 2025**

**Merrick Academy – Queens Public Charter School
Schedule of Findings and Responses
Year Ended June 30, 2025**

Reference Number

Summary of Findings

No matters are reportable

**Merrick Academy – Queens Public Charter School
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025**

Reference Number	Summary of Findings	Status
2024-001	Reconciliation of Account Balances The accounting records for accrued payroll and leases did not agree to the supporting schedules, and adjusting journal entries were required to correct the errors.	Corrected

Forvis Mazars Report to the Board of Trustees, Audit Committee, and Management

Merrick Academy – Queens Public Charter School

Results of the 2025 Financial Statement Audit, Including Required Communications

June 30, 2025

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to your financial statements and supplementary information:</p> <ul style="list-style-type: none"> • As of and for the year ended June 30, 2025 • Conducted in accordance with our contract dated April 9, 2025
Our Responsibilities	<p>Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
Audit Scope & Inherent Limitations to Reasonable Assurance	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.</p>
Extent of Our Communication	<p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p>
Independence	<p>The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.</p>
Your Responsibilities	<p>Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.</p>



Matter	Discussion
Distribution Restriction	<p>This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:</p> <ul style="list-style-type: none"> • The Board of Trustees, Audit Committee, and Management • Others within the Entity

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	<p>We also provided reports as of June 30, 2025, on the following as required by GAGAS:</p> <ul style="list-style-type: none"> • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	<p>Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.</p>

Substantial Doubt About the Entity’s Ability to Continue as a Going Concern

Management is required to evaluate the Entity’s ability to continue as a going concern for a reasonable period of time and provide disclosures related to the Entity’s ability to continue as a going concern.

Factors

Events or conditions that, when considered in the aggregate, indicate there could be substantial doubt about the Entity’s ability to continue as a going concern for a reasonable period of time

- The Entity experienced losses during 2025 and 2024 resulting in a significant decrease in the net asset balance as of June 30, 2025.
- During our analysis, we considered management’s fully implemented plan to continue the opening of a new middle school which expands the per pupil revenue and qualifies the Entity for additional rental assistance provide by the New York City Department of Revenue.
- The financial statements have been prepared assuming that the Entity will continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects should the Entity be unable to continue as a going concern. Management’s use of the going concern basis of accounting appears to be appropriate in the preparation of the financial statements.
- There are no modifications to the independent auditor’s reports regarding the analysis of going concern.

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics:

- No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- No matters are reportable

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- No matters are reportable

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are included as an attachment to this communication.

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Current-Period Uncorrected Misstatements

- Overaccrual of payroll expense

Other Required Communications

Significant Issues Discussed with Management

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Financial condition of the School

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)

We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Schedule of Uncorrected Misstatements (Attachment B)

The detail of uncorrected misstatements identified as a result of our engagement are included herein.



Attachment A

Management Representation Letter

Representation of:

Merrick Academy – Queens Public Charter School
136-25 218th ST
Springfield Garden, New York 11413

Provided to:

Forvis Mazars, LLP
Certified Public Accountants
135 West 50th Street
New York, NY 10020-1299

The undersigned (“We”) are providing this letter in connection with Forvis Mazars’ audits of our financial statements as of and for the years ended June 30, 2025 and 2024.

Our representations are current and effective as of the date of Forvis Mazars’ report: October 31, 2025.

Our engagement with Forvis Mazars is based on our contract for services dated: April 9, 2025.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars’ report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars’ Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.
3. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data,

- documentation, and other matters.
- b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of member's meetings, held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board, if applicable, and maintained as part of our records.
 - e. All significant contracts and grants.
4. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

5. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
7. We have identified and disclosed to you any violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.
11. We have provided our views on any findings, conclusions, and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

Misappropriation, Misstatements, & Fraud

12. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, liabilities, or net assets.
13. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in internal control over financial

reporting, or

- b. Others when the fraud could have a material effect on the financial statements.
14. We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, SEC or other regulators, suppliers, or others.
16. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

17. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management’s plans not yet fully implemented and concluded substantial doubt does not exist. Fully implemented management plans considered in our evaluation include the opening of a new middle school which provides an increased revenue stream as well as qualify the organization for a rent subsidy to cover the cost of the additional building..
18. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing declines in the volume of business, constraints on liquidity, difficulty obtaining financing or bonding, significant credit quality problems, etc. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts receivable, capital,, etc., that could negatively impact the entity’s ability to maintain sufficient liquidity.

We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity’s financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including reviewing allowances for uncollectible amounts; evaluating capital needs and liquidity plans; etc.

Related Parties

19. We have disclosed to you the identity of all of the entity’s related parties and all the related-party relationships of which we are aware. The entity has not entered into any new agreements with a related party or modified terms related to an existing related-party transaction during the year under audit, or as of the date of this letter. Further, we do not have any existing or ongoing agreements with related parties that are still in effect as of the date of this letter.
20. We understand that the term related party refers to:
- Affiliates
 - Entities for which investments are accounted for by the equity method
 - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are

managed by or under the trusteeship of management

- Management and members of their immediate families
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings & Regulations

21. We are not aware of any pending or threatened litigation or claims whose effects should be considered when preparing the financial statements. We have not sought or received attorney's services related to pending or threatened litigation or claims during or subsequent to the audit period. Also, we are not aware of any litigation or claims, pending or threatened, for which legal counsel should be sought.
22. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
23. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
24. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
25. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations:

Nonattest Services

26. You have provided nonattest services, including the following, during the period of this engagement:
 - Preparing a draft of the financial statements and related notes and supplementary information
 - All federal information return preparation
 - Assistance with calculations of lease assets and liabilities
27. With respect to these services:
 - a. We have designated a qualified management-level individual to be responsible and

accountable for overseeing the nonattest services.

- b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
- c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
- d. We have evaluated the adequacy of the services performed and any findings that resulted.
- e. We have established and maintained internal controls, including monitoring ongoing activities.
- f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

- 28. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
- 29. With regard to supplementary information:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
 - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
 - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
- 30. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

Transactions, Records, & Adjustments

- 31. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 32. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
- 33. We have everything we need to keep our books and records.
- 34. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
- 35. We are in agreement with the adjusting journal entries you have proposed, and they have been

posted to the entity's accounts.

36. We believe the effects of the uncorrected financial statement misstatement(s) and omitted disclosures summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Nonprofit Accounting & Disclosure Matters

37. Adequate provisions and allowances have been accrued for any material losses from uncollectible pledges.
38. We have identified to you any activities conducted having both fund-raising and program or management and general components (joint activities) and have allocated the costs of any joint activities in accordance with the provisions of FASB ASC 958-720-45.
39. We are an entity exempt from income tax under Section 501(c) of the Internal Revenue Code and a similar provision of state law and, except as disclosed in the financial statements, there are no activities that would jeopardize our tax-exempt status or subject us to income tax on unrelated business income or excise tax on prohibited transactions and events.
40. We acknowledge the entity is not a conduit debt obligor whose debt securities are listed, quoted, or traded on an exchange or an over-the-counter market. As a result, we acknowledge the entity does not meet the definition of a "public entity" under generally accepted accounting principles for certain accounting standards.

Accounting & Disclosure

41. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
42. Except as reflected in the financial statements, there are no:
- a. Plans or intentions that may materially affect carrying values or classifications of assets, liabilities, or net assets.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure in accordance with Accounting Standards Codification (ASC) Topic 450, *Contingencies*, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
 - g. Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or anticipated asset retirement obligations.

43. Except as disclosed in the financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
 - b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

Revenue and Accounts Receivable

44. Adequate provisions, allowances, or other adjustments in basis have been recorded for any material losses from:
- a. Uncollectible receivables.

Estimates

45. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
46. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business, revenues, available sources of supply, or deposits, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Off-Balance-Sheet Risk

47. The following information about financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk have been properly disclosed in the financial statements:
- a. The extent, nature, and terms of financial instruments with off-balance-sheet risk.
 - b. The amount of credit risk of financial instruments with off-balance-sheet risk and information about the collateral supporting such financial instruments.
 - c. Significant concentrations of credit risk arising from all financial instruments and information about the collateral of such financial instruments.
 - d. The common activity, region, or characteristic that identified the concentration.
 - e. The maximum loss that could result if the counterparties completely failed to perform their obligations and any collateral for the amounts due were worthless.
 - f. The entity’s policy of requiring collateral to minimize the risk, the nature of this collateral, and information about the entity’s access to collateral.

Cameil Dalgetty-Jarvis

[Cameil Dalgetty-Jarvis \(Oct 31, 2025 14:51:40 EDT\)](#)

Cameil Dalgetty-Jarvis, Board Chair

Cdalgetty-jarvis@merrickacademy.org



[Rael Jones \(Oct 31, 2025 13:19:18 EDT\)](#)

Rael Jones, Chief Operating Officer

Rjones@merrickacademy.org

Attachment:

Schedule of Uncorrected Misstatements and Omitted Disclosures



Attachment B

Schedule of Uncorrected Misstatements

Appendix B
Merrick Academy – Queens Public Charter School
Summary of Uncorrected Misstatements and Omitted Disclosures, as applicable
As of and for the Year Ended June 30, 2025

Financial Statement Impact

	Debit (Credit)			
	As Reported	Misstatements	Subsequent to Misstatements	% Change
Current Assets	\$ 716,681	\$ -	\$ 716,681	- %
Non-Current Assets	4,733,391	-	4,733,391	- %
Current Liabilities	(3,718,840)	29,193	(3,689,647)	(0.79)%
Non-Current Liabilities	(1,608,968)	-	(1,608,968)	- %
Current Ratio	(0.19)		(0.19)	- %
Total Assets	5,450,072	-	5,450,072	- %
Total Liabilities	(5,327,808)	29,193	(5,298,615)	(0.55)%
Net Assets	(122,264)	(29,193)	(151,457)	23.88 %
Revenues	(18,024,604)	-	(18,024,604)	- %
Expenses	18,773,827	(29,193)	18,744,634	(0.16)%
Change in Net Assets	749,223	(29,193)	720,030	(3.90)%

Merrick Academy – Queens Public Charter School

Year End: June 30, 2025

Unrecorded misstatements - Factual

Date: 7/1/2024 To 6/30/2025

5114

Completed by WZ201325 10/1/2025	Reviewed by	Reviewed by	EE GA116970 10/6/2025
EQR	Reviewed by	Reviewed by	Reviewed by

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	6/30/2025	Accruals:Accrued Payroll	2120	4600-2	1	29,193.00			
1	6/30/2025	Employee Salaries:Administrative Salaries	6010	4600-2			6,210.00		
1	6/30/2025	Employee Salaries:Operational Support Staff Sa	6090	4600-2			22,983.00		
PAJE to reverse 4 days of salary accrual for non teachers for the first pay period after year end.									
						29,193.00	29,193.00		
Net Income (Loss)			(720,032.00)						