

NYC AUTISM CHARTER SCHOOLS
NEW YORK, NEW YORK

AUDITED FINANCIAL STATEMENTS
OTHER FINANCIAL INFORMATION

REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2025
(With Comparative Totals for 2024)



BUSINESS
ADVISORS
AND CPAS

CONTENTS

<u>AUDITED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
Independent Auditor's Report	3
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9
 <u>OTHER FINANCIAL INFORMATION</u>	
Independent Auditor's Report on Other Financial Information	21
Statement of Activities and Changes in Net Assets by Charter	22
Statement of Functional Expenses by Charter:	
East Harlem School	23
Bronx School	24
 <u>REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS</u>	
Independent Auditor's Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
NYC Autism Charter Schools

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NYC Autism Charter Schools, which comprise the statement of financial position as of June 30, 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of NYC Autism Charter Schools as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 NYC Autism 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 NYC Autism 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 NYC Autism 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 NYC Autism Charter Schools' June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2025 on our consideration of NYC Autism Charter Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering NYC Autism Charter Schools' internal control over financial reporting and compliance.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 22, 2025

NYC AUTISM CHARTER SCHOOLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(With Comparative Totals for 2024)

<u>ASSETS</u>	June 30,	
	2025	2024
<u>CURRENT ASSETS</u>		
Cash	\$ 1,337,370	\$ 1,280,364
Investments	5,222,244	5,005,995
Grants and contracts receivable	36,331	85,067
Current portion of contribution receivable	50,000	-
TOTAL CURRENT ASSETS	6,645,945	6,371,426
<u>PROPERTY AND EQUIPMENT, net</u>	240,141	241,447
<u>OTHER ASSETS</u>		
Cash in escrow	157,677	152,875
Contribution receivable	50,000	-
Deferred compensation	53,722	26,944
	261,399	179,819
TOTAL ASSETS	\$ 7,147,485	\$ 6,792,692
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 524,482	\$ 475,605
TOTAL CURRENT LIABILITIES	524,482	475,605
<u>OTHER LIABILITIES</u>		
Deferred compensation	53,722	26,944
TOTAL LIABILITIES	578,204	502,549
<u>NET ASSETS</u>		
Without donor restrictions	6,337,710	6,206,205
With donor restrictions	231,571	83,938
TOTAL NET ASSETS	6,569,281	6,290,143
TOTAL LIABILITIES AND NET ASSETS	\$ 7,147,485	\$ 6,792,692

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

NYC AUTISM CHARTER SCHOOLS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2025
(With Comparative Totals for 2024)

	Year ended June 30,			
	2025			2024
	Without donor restrictions	With donor restrictions	Total	Total
Revenue, gains and other support:				
Public school district:				
Students with disabilities	\$ 8,014,092	\$ -	\$ 8,014,092	\$ 7,817,327
Grants and contracts:				
State and local	30,000	-	30,000	30,000
Federal - Title and IDEA	54,314	-	54,314	34,799
Federal - other	-	-	-	589
In-kind - contributed rent	2,404,228	-	2,404,228	2,345,198
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	10,502,634	-	10,502,634	10,227,913
Expenses:				
Program services:				
Special education	9,134,667	-	9,134,667	9,019,387
Management and general	1,658,855	-	1,658,855	1,605,993
Fundraising and special events	85,572	-	85,572	111,859
TOTAL OPERATING EXPENSES	10,879,094	-	10,879,094	10,737,239
DEFICIT FROM SCHOOL OPERATIONS	(376,460)	-	(376,460)	(509,326)
Support and other revenue:				
Contributions:				
Foundations	57,000	235,000	292,000	191,825
Individuals	132,710	-	132,710	165,257
Investment income	228,388	-	228,388	220,106
Miscellaneous income	2,500	-	2,500	983
Net assets released from restriction	87,367	(87,367)	-	-
TOTAL SUPPORT AND OTHER REVENUE	507,965	147,633	655,598	578,171
CHANGE IN NET ASSETS	131,505	147,633	279,138	68,845
Net assets at beginning of year	6,206,205	83,938	6,290,143	6,221,298
NET ASSETS AT END OF YEAR	<u>\$ 6,337,710</u>	<u>\$ 231,571</u>	<u>\$ 6,569,281</u>	<u>\$ 6,290,143</u>

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

NYC AUTISM CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025
(With Comparative Totals for 2024)

	Year ended June 30,						
	2025					2024	
	No. of Positions	Program Services	Supporting Services			Total	Total
Special Education		Management and General	Fundraising and Special Events	Sub-total			
Personnel services costs:							
Administrative staff personnel	8	\$ 166,918	\$ 860,829	\$ 63,079	\$ 923,908	\$ 1,090,826	\$ 1,100,030
Instructional personnel	75	4,568,927	-	-	-	4,568,927	4,664,170
Total salaries and staff	83	4,735,845	860,829	63,079	923,908	5,659,753	5,764,200
Fringe benefits and payroll taxes		1,273,371	140,056	13,951	154,007	1,427,378	1,454,716
Retirement		90,036	22,345	-	22,345	112,381	118,400
Legal fees		-	27,352	-	27,352	27,352	21,172
Accounting and auditing services		-	31,201	-	31,201	31,201	31,966
Other professional and consulting services		381,175	161,693	2,036	163,729	544,904	424,794
In-kind - contributed rent		2,163,805	240,423	-	240,423	2,404,228	2,345,198
Repairs and maintenance		9,812	2,453	-	2,453	12,265	5,910
Insurance		56,718	14,179	-	14,179	70,897	66,224
Utilities		-	5,106	-	5,106	5,106	3,230
Supplies and materials		114,428	13,096	5,514	18,610	133,038	125,809
Equipment and furnishings		14,462	5,826	-	5,826	20,288	16,250
Staff development		23,766	17,549	-	17,549	41,315	63,439
Marketing and recruiting		-	26,738	-	26,738	26,738	5,430
Technology services		-	11,612	-	11,612	11,612	18,590
Student services		65,669	10,538	-	10,538	76,207	77,614
Office expenses		102,562	51,680	992	52,672	155,234	80,569
Depreciation and amortization		97,952	10,883	-	10,883	108,835	106,111
Other		5,066	5,296	-	5,296	10,362	7,617
		<u>\$ 9,134,667</u>	<u>\$ 1,658,855</u>	<u>\$ 85,572</u>	<u>\$ 1,744,427</u>	<u>\$ 10,879,094</u>	<u>\$ 10,737,239</u>

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

NYC AUTISM CHARTER SCHOOLS

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2025
(With Comparative Totals for 2024)

	<u>Year ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS - OPERATING ACTIVITIES</u>		
Change in net assets	\$ 279,138	\$ 68,845
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation and amortization	108,835	106,111
Realized and unrealized gain on investments	(28)	(298)
Changes in certain assets and liabilities affecting operations:		
Grants and contracts receivable	48,736	(7,381)
Contribution receivable	(100,000)	-
Prepaid expenses	-	27,840
Accounts payable and accrued expenses	48,877	(71,678)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	<u>385,558</u>	<u>123,439</u>
<u>CASH FLOWS - INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(107,529)	(34,598)
Proceeds from maturity of investments	5,425,000	4,800,000
Purchase of investments	(5,641,221)	(4,717,557)
NET CASH (USED FOR) PROVIDED FROM INVESTING ACTIVITIES	<u>(323,750)</u>	<u>47,845</u>
NET INCREASE IN CASH AND RESTRICTED CASH	61,808	171,284
Cash and restricted cash at beginning of year	<u>1,433,239</u>	<u>1,261,955</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 1,495,047</u>	<u>\$ 1,433,239</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
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	\$ 1,337,370	\$ 1,280,364
Cash in escrow	<u>157,677</u>	<u>152,875</u>
Total cash and restricted cash shown in the statement of cash flows	<u>\$ 1,495,047</u>	<u>\$ 1,433,239</u>
<u>NON-CASH OPERATING ACTIVITIES</u>		
In-kind - contributed rent	<u>\$ 2,404,228</u>	<u>\$ 2,345,198</u>

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

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With Comparative Totals for 2024)

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

The Charter School

New York Center for Autism Charter School (“East Harlem School”) is an education corporation formed in 2005 to operate a charter school located in the City of New York, borough of Manhattan. In July 2005, the Board of Regents of the University of the State of New York (the “Board”), for and on behalf of the State Education Department, granted a provisional charter valid for a term of five years and renewable upon expiration.

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

Effective July 1, 2017, East Harlem School and the Bronx School merged under one Education Corporation with the Bronx School Employer Identification Number, and the combined entity is known as NYC Autism Charter Schools (the “Charter School”). On June 28, 2022, the Board granted the Charter School a renewal for both charters valid for a term of five years through July 31, 2027.

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

Basis of accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Classification of net assets

To ensure observance of limitations and restrictions placed on the use of resources available to the Charter School, the accounts of the Charter School are maintained in accordance with the principles of accounting for not-for-profit organizations. This is the procedure by which resources are classified for reporting purposes into net asset groups, established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by net asset group.

The assets, liabilities, activities and net assets are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Trustees has discretionary control to use these in carrying on operations in accordance with the guidelines established by the Charter School.

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

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

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. The Charter School had \$231,571 and \$83,938 of net assets with donor restrictions at June 30, 2025 and 2024, respectively.

Revenue and support 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 records substantially all revenues over time as follows:

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 Charter 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. Contract balances at June 30, 2025 amounted to \$27,677. There were no contract balances at June 30, 2024 or 2023.

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 and unconditional promises to give are recorded as revenue 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 period for a specific purpose is classified as revenue without donor restrictions.

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

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

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.

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 and contracts receivable in the accompanying statement of financial position. There were no amounts received prior to incurring qualifying expenditures, which would be reported as deferred revenue in the accompanying statement of financial position at June 30, 2025 and 2024. Qualifying expenditures that have been incurred but are yet to be reimbursed are reported as grants receivable in the accompanying statement of financial position.

Cash

Cash balances are maintained at financial institutions located in New York and are insured by the Federal Deposit 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.

Cash in escrow

The Charter School maintains cash in an escrow account in accordance with the terms of its charter agreement. The amount in escrow was \$157,677 and \$152,875 at June 30, 2025 and 2024, respectively. The agreement requires a balance be maintained to fund any audit and legal expense should the Charter School cease operations and dissolve.

Grants and contracts receivable and allowance for credit losses

At each fiscal year end, the Charter School evaluates the need for an expected allowance for credit losses for all outstanding balances that fall under ASU 2014-09. As necessary, the allowance for credit losses is updated at fiscal year end to reflect any changes in credit risk since the receivable was initially recorded. The allowance for credit losses is calculated on a pooled basis where similar risk characteristics exist.

The Charter School uses historical loss data as a starting point to estimate expected credit losses, given consistent revenue sources since its inception. There were no write-offs for the years ended June 30, 2025 and 2024.

Investments

Investments consist of cash equivalents and certificates of deposit with maturities of less than twelve months and are measured at fair value. Investment income is recorded as revenue in the period earned.

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

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

Contribution receivable

Contribution receivable represents unconditional promises to give. Those that are expected to be collected within one year are recorded at their net realizable value. No discount was deemed necessary to present the estimated future collections at their present value for amounts expected to be received in subsequent years. There was no allowance for uncollectible contribution receivable necessary at June 30, 2025.

Property and equipment

Property and equipment are recorded at cost. Depreciation and amortization are 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 five years. Leasehold improvements are capitalized at cost and amortized over the lesser of the term of the lease or the estimated useful life of the improvement.

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 or amortization are removed from the accounts and the related gain or loss is reflected in operations.

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. In addition, the Charter School received donated transportation services and a nurse from the local district. The Charter School was unable to determine a value for these services.

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 Charter School's current and prior three years tax returns remain subject to review by taxing authorities. Management of the Charter School believes they have no material uncertain tax positions and, accordingly, they have not recognized any liability for unrecognized tax benefits.

Marketing costs

The Charter School expenses marketing costs as they are incurred. Total marketing and recruiting costs approximated \$27,000 and \$5,000 for the years ended June 30, 2025 and 2024, respectively.

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.

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

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

Comparatives for year ended June 30, 2024

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Charter School's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Reclassifications

Certain prior year amounts have been reclassified to confirm with the 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 22, 2025, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted.

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

NOTE B: 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 and investment accounts.

For the purpose 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 education 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.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2025 and 2024:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Cash	\$ 1,337,370	\$ 1,280,364
Investments	5,222,244	5,005,995
Grants and contracts receivable	36,331	85,067
Current portion of contribution receivable	<u>50,000</u>	<u>-</u>
Total financial assets available within one year	6,595,945	6,371,426
Less:		
Amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	<u>(131,571)</u>	<u>(83,938)</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 6,464,374</u>	<u>\$ 6,287,488</u>

NOTE C: INVESTMENTS

Investments at market value consisted of the following:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Certificates of deposit	\$ 4,500,000	\$ 4,499,966
Cash	<u>722,244</u>	<u>506,029</u>
Total assets at fair value	<u>\$ 5,222,244</u>	<u>\$ 5,005,995</u>

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

NOTE D: FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establishes a framework 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, 2025 and 2024.

Certificates of Deposit: Valued at the daily average yields and other observable inputs.

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 Charter School 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.

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

NOTE D: 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, 2025 and 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2025</u>				
Certificates of deposit	\$ -	\$ 4,500,000	\$ -	\$ 4,500,000
Cash (ast cost) *	-	-	-	722,244
Total assets at fair value	<u>\$ -</u>	<u>\$ 4,500,000</u>	<u>\$ -</u>	<u>\$ 5,222,244</u>
<u>June 30, 2024</u>				
Certificates of deposit	\$ -	\$ 4,499,966	\$ -	\$ 4,499,966
Cash (ast cost) *	-	-	-	506,029
Total assets at fair value	<u>\$ -</u>	<u>\$ 4,499,966</u>	<u>\$ -</u>	<u>\$ 5,005,995</u>

* Investments as of June 30, 2025 and 2024 include cash in the amount of \$722,244 and \$506,029, respectively, intended for investment purposes.

NOTE E: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Equipment, furniture and fixtures	\$ 643,208	\$ 593,714
Computer equipment	199,006	416,648
Leasehold improvements	<u>1,144,151</u>	<u>1,101,884</u>
	1,986,365	2,112,246
Less accumulated depreciation and amortization	<u>1,746,224</u>	<u>1,870,799</u>
	<u>\$ 240,141</u>	<u>\$ 241,447</u>

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

NOTE F: NET ASSETS

Net assets with donor restrictions are as follows:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Subject to expenditure for a specified purpose:		
Extended school-year program	\$ 75,000	\$ 75,000
Transition program	8,938	8,938
Consultant program	<u>47,633</u>	<u>-</u>
	131,571	83,938
Subject to passage of time:		
Foundation contribution	<u>100,000</u>	<u>-</u>
	<u>\$ 231,571</u>	<u>\$ 83,938</u>

Net assets without donor restrictions are as follows:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Undesignated	\$ 6,097,569	\$ 5,964,758
Invested in property and equipment	<u>240,141</u>	<u>241,447</u>
	<u>\$ 6,337,710</u>	<u>\$ 6,206,205</u>

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

NOTE G: SCHOOL FACILITY – GIFTS IN-KIND

East Harlem School has a Facility Shared Use Agreement (the “Facility Agreement”) with the NYCDOE for dedicated and shared space at P.S. 50, a New York City public school located at 433 East 100th Street, New York, New York at a cost of \$1 per year. The total square footage utilized by East Harlem School during the years ended June 30, 2025 and 2024 amounted to approximately 8,200 square feet. East Harlem School will continue to operate under the terms of the Facility Agreement unless either party terminates the Facility Agreement with appropriate notice. In addition, East Harlem School continues to be responsible for any overtime-related costs for services provided beyond the regular opening hours.

Bronx School is co-located on the 4th floor of 1180 Tinton Avenue in the Bronx. The space houses eight classrooms, one student gym, one staff room and multiple administrative spaces. Each classroom is approximately 600 square feet, and the school occupies approximately 7,500 square feet at the site.

In valuing the contributed space in the school buildings, the Charter School estimated the fair value of \$2,404,228 and \$2,345,198 for the years ended June 30, 2025 and 2024, respectively, on the basis of financial information provided to the Charter School under the New York City School Rental Assistance Program. There were no associated donor restrictions with the contributed facilities.

See the table below for program utilization:

<u>Program or Supporting Service</u>	<u>Year ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Special education	\$ 2,163,805	\$ 2,110,678
Management and general	<u>240,423</u>	<u>234,520</u>
Total	<u>\$ 2,404,228</u>	<u>\$ 2,345,198</u>

NOTE H: 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.

NYC AUTISM CHARTER SCHOOLS

NOTES TO FINANCIAL STATEMENTS, Cont'd

JUNE 30, 2025

(With Comparative Totals for 2024)

NOTE I: CONCENTRATIONS

For both years ended June 30, 2025 and 2024, approximately 76% of total operating revenue and support came from per-pupil funding provided by New York State through the New York City School District. The per-pupil rate is set time to time by petition of the Charter School to the City.

At June 30, 2025 and 2024, approximately 80% and 14%, respectively, of grants and contracts receivable were due from federal agencies relating to certain grants.

NOTE J: RETIREMENT PLANS

The Charter School sponsors a 401(k) retirement plan available to all eligible full-time employees who have completed at least one year of service. The Charter School matches up to 4% of gross compensation. Contributions amounted to \$89,381 and \$95,900 for the years ended June 30, 2025 and 2024, respectively.

The Charter School has also established a 457(b) deferred compensation plan for a certain employee. The Charter School may make discretionary contributions to the plan at any time. For the years ended June 30, 2025 and 2024, the Charter School contributed \$23,000 and \$22,500 to the plan, respectively.

NOTE K: FUNCTIONAL 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. The expenses that are allocated include rent, repairs and maintenance which are allocated on a square footage basis, as well as salaries, benefits, payroll taxes and others which are allocated on the basis of estimates of time and effort spent in each functional category or program.

NOTE L: FINANCIAL IMPACT OF COVID-19 OUTBREAK

On March 27, 2020, the CARES Act was enacted. Under the CARES Act, the Employee Retention Credit, a refundable, wage-related tax credit, was made available to eligible employers. The Charter School has applied for this credit related to the calendar year 2020 and the first two quarters of calendar year 2021. The amounts have not been approved, and therefore are not included in the accompanying financial statements. The total credits applied for is approximately \$1,429,000.

NYC AUTISM CHARTER SCHOOLS

OTHER FINANCIAL INFORMATION



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
NYC Autism Charter Schools

We have audited the financial statements of NYC Autism Charter Schools as of and for the year ended June 30, 2025, and have issued our report thereon dated October 22, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The other financial information hereinafter is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mengel, Metzger, Bar & Co. LLP

Rochester, New York
October 22, 2025

NYC AUTISM CHARTER SCHOOLS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY CHARTER

YEAR ENDED JUNE 30, 2025

	<u>East Harlem School</u>	<u>Bronx School</u>	<u>Total</u>
Revenue, gains, and other support:			
Public school district:			
Students with disabilities	\$ 4,390,901	\$ 3,623,191	\$ 8,014,092
Grants and contracts:			
State and local	15,000	15,000	30,000
Federal - Title and IDEA	23,495	30,819	54,314
In-kind - contributed rent	<u>1,317,271</u>	<u>1,086,957</u>	<u>2,404,228</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	5,746,667	4,755,967	10,502,634
Expenses:			
Program services:			
Special education	5,164,332	3,970,335	9,134,667
Management and general	897,949	760,906	1,658,855
Fundraising and special events	<u>44,942</u>	<u>40,630</u>	<u>85,572</u>
TOTAL OPERATING EXPENSES	<u>6,107,223</u>	<u>4,771,871</u>	<u>10,879,094</u>
DEFICIT FROM SCHOOL OPERATIONS	(360,556)	(15,904)	(376,460)
Support and other revenue:			
Contributions:			
Foundations	223,750	68,250	292,000
Individuals	86,823	45,887	132,710
Investment income	112,690	115,698	228,388
Miscellaneous income	<u>2,500</u>	<u>-</u>	<u>2,500</u>
TOTAL SUPPORT AND OTHER REVENUE	<u>425,763</u>	<u>229,835</u>	<u>655,598</u>
CHANGE IN NET ASSETS	65,207	213,931	279,138
Net assets at beginning of year	<u>5,661,753</u>	<u>628,390</u>	<u>6,290,143</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,726,960</u>	<u>\$ 842,321</u>	<u>\$ 6,569,281</u>

NYC AUTISM CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – EAST HARLEM SCHOOL

YEAR ENDED JUNE 30, 2025

	No. of Positions	Program Services	Supporting Services			Total
		Special Education	Management and General	Fundraising and Special Events	Sub-total	
Personnel services costs:						
Administrative staff personnel	4	\$ 85,542	\$ 462,466	\$ 31,713	\$ 494,179	\$ 579,721
Instructional personnel	45	2,579,714	-	-	-	2,579,714
Total salaries and staff	49	2,665,256	462,466	31,713	494,179	3,159,435
Fringe benefits and payroll taxes		757,629	84,445	8,269	92,714	850,343
Retirement		56,009	14,836	-	14,836	70,845
Legal fees		-	10,999	-	10,999	10,999
Accounting and auditing services		-	15,600	-	15,600	15,600
Other professional and consulting services		226,718	83,447	1,185	84,632	311,350
In-kind - contributed rent		1,185,544	131,727	-	131,727	1,317,271
Repairs and maintenance		2,015	504	-	504	2,519
Insurance		30,722	7,680	-	7,680	38,402
Utilities		-	2,128	-	2,128	2,128
Supplies and materials		67,533	7,685	2,783	10,468	78,001
Equipment and furnishings		8,988	4,091	-	4,091	13,079
Staff development		18,053	6,442	-	6,442	24,495
Marketing and recruiting		-	13,369	-	13,369	13,369
Technology services		-	6,397	-	6,397	6,397
Student services		33,526	5,607	-	5,607	39,133
Office expenses		57,419	29,691	992	30,683	88,102
Depreciation and amortization		54,388	6,043	-	6,043	60,431
Other		532	4,792	-	4,792	5,324
		<u>\$ 5,164,332</u>	<u>\$ 897,949</u>	<u>\$ 44,942</u>	<u>\$ 942,891</u>	<u>\$ 6,107,223</u>

NYC AUTISM CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES – BRONX SCHOOL

YEAR ENDED JUNE 30, 2025

	No. of Positions	Program Services	Supporting Services			Total
		Special Education	Management and General	Fundraising and Special Events	Sub-total	
Personnel services costs:						
Administrative staff personnel	4	\$ 81,376	\$ 398,363	\$ 31,366	\$ 429,729	\$ 511,105
Instructional personnel	30	1,989,213	-	-	-	1,989,213
Total salaries and staff	34	2,070,589	398,363	31,366	429,729	2,500,318
Fringe benefits and payroll taxes		515,742	55,611	5,682	61,293	577,035
Retirement		34,027	7,509	-	7,509	41,536
Legal fees		-	16,353	-	16,353	16,353
Accounting and auditing services		-	15,601	-	15,601	15,601
Other professional and consulting services		154,457	78,246	851	79,097	233,554
In-kind - contributed rent		978,261	108,696	-	108,696	1,086,957
Repairs and maintenance		7,797	1,949	-	1,949	9,746
Insurance		25,996	6,499	-	6,499	32,495
Utilities		-	2,978	-	2,978	2,978
Supplies and materials		46,895	5,411	2,731	8,142	55,037
Equipment and furnishings		5,474	1,735	-	1,735	7,209
Staff development		5,713	11,107	-	11,107	16,820
Marketing and recruiting		-	13,369	-	13,369	13,369
Technology services		-	5,215	-	5,215	5,215
Student services		32,143	4,931	-	4,931	37,074
Office expenses		45,143	21,989	-	21,989	67,132
Depreciation and amortization		43,564	4,840	-	4,840	48,404
Other		4,534	504	-	504	5,038
		<u>\$ 3,970,335</u>	<u>\$ 760,906</u>	<u>\$ 40,630</u>	<u>\$ 801,536</u>	<u>\$ 4,771,871</u>

NYC AUTISM CHARTER SCHOOLS

REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S 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

Board of Trustees
NYC Autism 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 NYC Autism Charter Schools, which comprise the statement of financial position as of June 30, 2025, 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 22, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NYC Autism 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 NYC Autism Charter Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of NYC Autism 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NYC Autism 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, Barw & Co. LLP

Rochester, New York
October 22, 2025