

New Visions AIM Charter High School I

Financial Statements
Years Ended June 30, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



New Visions AIM Charter High School I

Financial Statements
Years Ended June 30, 2024 and 2023

New Visions AIM Charter High School I

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Independent Auditor's Report

The Board of Trustees
New Visions AIM Charter High School I
New York, New York

Opinion

We have audited the financial statements of New Visions AIM Charter High School I (the School), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 the School as of June 30, 2024 and 2023, and the changes in its net (deficit) 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. 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 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 the 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 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 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.



Other Matters

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024 on our consideration of the 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 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 School's internal control over financial reporting and compliance.

BDO USA, P.C.

October 24, 2024

New Visions AIM Charter High School I

Statements of Financial Position

<i>June 30,</i>	2024	2023
Assets		
Cash and cash equivalents	\$ 35,416	\$ 155,700
Restricted cash	81,258	78,356
Grants receivable	237,213	458,389
Due from NVPS and affiliate charters	62,596	10,164
Prepaid expenses and other assets	4,024	21,060
Equipment, net	-	633
Total Assets	\$ 420,507	\$ 724,302
Liabilities and Net (Deficit) Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 89,134	\$ 68,426
Accrued salaries and other payroll-related expenses	50,141	158,395
Due to NVPS and affiliate charters	75,906	132,436
Loan payable to NVPS	-	270,000
Due to NYC Department of Education	210,968	73,889
Total Liabilities	426,149	703,146
Commitments and Contingencies (Notes 2, 3, 4, 7, 8, 9, and 10)		
Net (Deficit) Assets		
Net (deficit) assets - without donor restrictions	(5,642)	21,156
Total Liabilities and Net (Deficit) Assets	\$ 420,507	\$ 724,302

See accompanying notes to financial statements.

New Visions AIM Charter High School I

Statements of Activities

<i>Year ended June 30,</i>	2024	2023
Revenue and Support		
State and local per-pupil operating revenue	\$ 2,972,170	\$ 3,305,126
Government grants and contracts	363,922	573,205
Contributions and other income	831,717	591,240
Interest income	13,958	10,154
Total Revenue and Support	4,181,767	4,479,725
Expenses		
Program services:		
General education	1,663,699	1,898,465
Special education	1,980,180	2,070,604
Total Program Services	3,643,879	3,969,069
Supporting services:		
Management and general	564,686	581,582
Total Expenses	4,208,565	4,550,651
Change in Net (Deficit) Assets	(26,798)	(70,926)
Net Assets, beginning of year	21,156	92,082
Net (Deficit) Assets, end of year	\$ (5,642)	\$ 21,156

See accompanying notes to financial statements.

New Visions AIM Charter High School I

Statement of Functional Expenses

Year ended June 30, 2024

	Number of Positions	Program Services			Supporting Services	Total
		General Education	Special Education	Total Program Servicers	Management and General	
Personnel Service Costs						
Administrative staff personnel	8	\$ 273,344	\$ 251,514	\$ 524,858	\$ 372,674	\$ 897,532
Instructional personnel	15	557,106	928,151	1,485,257	-	1,485,257
Total Salaries and Staff	23	830,450	1,179,665	2,010,115	372,674	2,382,789
Fringe benefits and payroll taxes		200,240	300,830	501,070	85,047	586,117
Retirement		55,830	79,307	135,137	25,054	160,191
Management company fee		182,510	132,978	315,488	18,120	333,608
Legal services		4,343	3,164	7,507	431	7,938
Accounting and audit services		-	-	-	27,527	27,527
Other purchases of professional and consulting services		153,948	109,734	263,682	5,112	268,794
Repairs and maintenance		3,175	2,768	5,943	4,889	10,832
Insurance		36,261	26,420	62,681	3,600	66,281
Utilities		20,115	14,656	34,771	1,997	36,768
Instructional supplies and materials		940	841	1,781	-	1,781
Equipment and furnishings		85	155	240	218	458
Staff development		1,280	1,059	2,339	153	2,492
Marketing and recruitment		805	1,688	2,493	320	2,813
Technology		48,986	38,177	87,163	6,176	93,339
Food service		20,644	15,288	35,932	7,074	43,006
Student services		71,724	49,983	121,707	-	121,707
Office expense		15,125	11,657	26,782	4,088	30,870
Depreciation		346	252	598	35	633
Other		16,892	11,558	28,450	2,171	30,621
		\$ 1,663,699	\$ 1,980,180	\$ 3,643,879	\$ 564,686	\$ 4,208,565

See accompanying notes to financial statements.

New Visions AIM Charter High School I

Statement of Functional Expenses

Year ended June 30, 2023

	Number of Positions	Program Services			Supporting Services	Total
		General Education	Special Education	Total Program Servicers	Management and General	
Personnel Service Costs						
Administrative staff personnel	12	\$ 423,654	\$ 309,514	\$ 733,168	\$ 419,939	\$ 1,153,107
Instructional personnel	15	489,966	865,753	1,355,719	-	1,355,719
Total Salaries and Staff	27	913,620	1,175,267	2,088,887	419,939	2,508,826
Fringe benefits and payroll taxes		178,401	248,247	426,648	79,272	505,920
Retirement		57,270	73,671	130,941	26,324	157,265
Management company fee		214,432	164,340	378,772	9,061	387,833
Legal services		691	530	1,221	29	1,250
Accounting and audit services		-	-	-	25,865	25,865
Other purchases of professional and consulting services		261,621	209,938	471,559	5,748	477,307
Repairs and maintenance		4,108	3,222	7,330	502	7,832
Insurance		27,313	20,932	48,245	1,154	49,399
Utilities		25,627	19,585	45,212	1,175	46,387
Instructional supplies and materials		222	289	511	-	511
Equipment and furnishings		602	786	1,388	647	2,035
Staff development		527	573	1,100	266	1,366
Marketing and recruitment		3,204	6,797	10,001	7	10,008
Technology		84,578	64,037	148,615	4,305	152,920
Food service		23,754	16,014	39,768	3,341	43,109
Student services		62,452	39,021	101,473	-	101,473
Office expense		17,242	12,472	29,714	3,584	33,298
Depreciation		4,775	3,660	8,435	202	8,637
Other		18,026	11,223	29,249	161	29,410
		\$ 1,898,465	\$ 2,070,604	\$ 3,969,069	\$ 581,582	\$ 4,550,651

See accompanying notes to financial statements.

New Visions AIM Charter High School I

Statements of Cash Flows

<i>Year ended June 30,</i>	2024	2023
Cash Flows from Operating Activities		
Cash received from operating revenue	\$ 3,557,268	\$ 3,736,308
Other cash received	23,125	21,394
Cash paid to employees and suppliers	(4,250,325)	(4,542,901)
Net Cash Used in Operating Activities	(699,932)	(785,199)
Cash Flows from Financing Activities		
Proceeds from NVPS loan (Note 4)	822,550	850,000
Payment on NVPS loan (Note 4)	(270,000)	-
Net Cash Provided by Financing Activities	552,550	850,000
Net (Decrease) Increase in Cash	(117,382)	64,801
Cash, Cash Equivalents, and Restricted Cash, beginning of year	234,056	169,255
Cash, Cash Equivalents, and Restricted Cash, end of year	\$ 116,674	\$ 234,056
Reconciliation of Change in Net (Deficit) Assets to Net Cash Used in Operating Activities		
Change in net (deficit) assets	\$ (26,798)	\$ (70,926)
Adjustments to reconcile change in net (deficit) assets to net cash used in operating activities:		
Depreciation	633	8,637
Forgiveness of NVPS loan (Note 4)	(822,550)	(580,000)
Changes in operating assets and liabilities:		
Grants receivable	221,176	(142,023)
Due from NVPS and affiliate charters	(52,432)	(10,164)
Prepaid expenses and other assets	17,036	(9,182)
Accounts payable and accrued expenses	20,708	(18,253)
Accrued salaries and other payroll related expenses	(108,254)	5,506
Due to related entities	(56,530)	72,110
Due to NYC Department of Education	137,079	(40,904)
Net Cash Used in Operating Activities	\$ (669,932)	\$ (785,199)
Supplemental Disclosures of Cash Flow Information		
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 35,416	\$ 155,700
Restricted cash	81,258	78,356
Cash, Cash Equivalents, and Restricted Cash, end of year	\$ 116,674	\$ 234,056

See accompanying notes to financial statements.

New Visions AIM Charter High School I

Notes to Financial Statements

1. Nature of the Organization

New Visions AIM Charter High School I (the School) is a New York State not-for-profit educational corporation that was incorporated on April 5, 2011 to operate a charter school pursuant to Article 56 of the Educational Law of the State of New York. The School was granted a provisional charter on April 5, 2011 valid for a term of five years and renewable by the Board of Regents of the University of the State of New York. The School's charter was renewed and restructured for an additional five years, expiring in July 2027.

The School opened its doors in the fall of 2012 in Brooklyn with a rigorous academic program and a highly structured and supportive school culture. While the School is comprised of students from many backgrounds, it is uniquely designed to meet the needs of at-risk students who are currently in the foster care and child welfare system.

The School, as determined by the Internal Revenue Service, is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3) of the IRC. It is also exempt under a similar provision under New York State income tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(ii) of the IRC.

In fiscal years 2024 and 2023, the School operated classes for students in ninth through twelfth grade.

There are nine New Visions Charter Schools in New York City, and they are managed by New Visions for Public Schools (NVPS), a not-for-profit organization dedicated to supporting public schools and helping to start and manage charter schools as a Charter Management Organization (CMO). There are no control or common board members between the CMO and New Visions Charter Schools. NVPS will not require payment on the payables due to NVPS at June 30, 2024 if the cash flow of the School is not in a surplus liquidity position in relation to assets over the liabilities.

2. Significant Accounting Policies

Financial Statement Presentation

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

The classification of the School's net (deficit) assets and its support, revenues, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—with donor restrictions or without donor restrictions—be displayed in a statement of financial position and that the amount of the change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

Net Assets with Donor Restrictions - This class consists of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the not-for-profit entity, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws or comparable documents.

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Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.

Net Assets Without Donor Restrictions - This class consists of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. This net asset category includes both contributions not subject to donor restrictions and exchange transactions, and is, therefore, available for general operations.

At June 30, 2024 and 2023, the School had no assets with donor restrictions.

Restricted Cash

An escrow account in the amount of \$81,258 and \$78,356 for the years ended June 30, 2024 and 2023, respectively, was held aside under the provisions of the School's charter to pay for legal and audit expenses that would be associated with a dissolution should it occur, as required by the New York State Education Department.

Grants Receivable

Grants receivable represent federal and state entitlements and grants. Grants receivable are expected to be collected within one year, are recorded at net realizable value, and amount to \$237,213 and \$458,389 at June 30, 2024 and 2023, respectively. The School evaluates the collectability of the receivables and employs the allowance method. The School has determined that no allowance for uncollectible accounts is necessary at June 30, 2024 and 2023. Such estimate is based on management's assessment of the aged basis of its receivables, as well as current economic conditions and historical information.

Contributions

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a measurable barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity, and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the School fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets as to time or purpose restrictions.

Contributions subject to donor restrictions are recognized in changes in net assets with donor restrictions. When a purpose restriction is satisfied or when a time restriction expires, the contribution is reported as net assets released from restrictions and is recognized in changes in net (deficit) assets without donor restrictions in the statements of activities.

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Notes to Financial Statements

Revenue Recognition

Per-Pupil Revenue

The School recognizes revenues from per-pupil funding in the fiscal year in which the academic programs are provided. Per-pupil revenue is billed and received based on the total number of full-time equivalent (FTE) students and the basic charter school tuition rate for the school district of residence of the students attending the School in any given fiscal year for general education and special education. The FTE is formula-driven and based on the number of days the student has been with the School as a proportion of the number of days in the entire school year (the calculation is done by using the New York State calculator online). The School's total student population includes general education and special education students. The School has determined that revenue from its students has the same performance obligations, types of contract, and services rendered. As a result, the student body is viewed as one customer base for revenue purposes. The School uses a portfolio approach to account for per-pupil contracts as a collective group rather than recognizing revenue on an individual-contract basis. The School believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach were used.

Per-pupil invoicing is managed on a bi-monthly basis to the funding source (local school district). Billing is a function of student enrollment for the upcoming fiscal year, which is the basis for the first two invoices per-pupil due June 1st and July 31st, which is a projection. Subsequent invoices are due bi-monthly. With the implementation of an automated-invoicing process through a dedicated website, the submission of each invoice is done online. After the year is complete, the School submits the FTE per-pupil reconciliation, listing every student who attended any part of the year, and the FTE each represents. Based on this final count, it calculates how much should have been paid to the School and included in the reconciliation will be any amounts due from the funding source included in grants and other receivables on the statements of financial position at year-end, or any amounts payable to the funding source included as a liability on the statements of financial position at year-end, as amounts are trued up to actual based on actual numbers submitted at year-end.

Additional funding is also provided to support special education services. All students who are identified to need special education services or settings have an Individualized Education Program (IEP), formalized for his or her unique needs. Based on this IEP, the student is categorized into one of three levels of service: 0 to 20% service, 20 to 60% service, or 60% or more service required and provided by the School. For a student receiving less than 20% in services, no additional funding is received. For a student receiving services between 20% and 60% and 60% or more services of the school day, additional funding per FTE is received. Billing for this support is incorporated into the per-pupil invoices and is also settled in the same FTE per-pupil reconciliation process.

As the students receive the benefit of these services simultaneously as the School is providing them, the School recognizes per-pupil revenue from these services over time. The School believes that this method provides a reasonable depiction of the transfer of services over the term of the performance obligation based on the services needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to students receiving academic or school services. The School measures the performance obligation from admission or enrollment into the School to the point when the student is discharged or the end of the school year where it is no longer required to provide services to the student, which is generally at the time of discharge or the completion of the school year. All of these services are bundled and considered a single-performance obligation,

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and as such, the School accounts for these bundled-performance obligations under state and local per-pupil operating revenue in the statements of activities and recognizes the per-pupil revenue over time under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* (ASC 606).

Revenue with customers is comprised of the following:

<i>June 30,</i>	2024	2023
State and local per-pupil operating revenue	\$ 2,972,170	\$ 3,305,126
Total Revenue Subject to ASC 606	2,972,170	3,305,126
Total Revenue Not Subject to ASC 606 ⁽¹⁾	1,209,597	1,174,599
Total Revenue and Support	\$ 4,181,767	\$ 4,479,725

⁽¹⁾ Other revenues not subject to ASC 606 include government grants and contracts, contributions and other income, and interest income.

As of June 30, 2024 and 2023, the School did not have receivables from per-pupil contracts.

Government Grants and Contracts

Government grants and contracts are nonexchange transactions in which no commensurate value is exchanged. Accordingly, contribution accounting is applied under FASB ASC Topic 958, *Not-for-Profit Entities*. Government grants and other contracts are evaluated for contributions that are conditional. Factors including the existence of a conditional contribution include the presence of a barrier that must be overcome and either a right of return of assets transferred or a right of release of a funder's obligation to transfer the assets. Government grants and contracts are recognized when the conditions are satisfied, which is generally when the expenditures for each contract are incurred. Government grants and contracts received in excess of revenue earned are recorded as refundable advances.

Revenue from federal, state, and local government grants and contracts is recognized by the School when qualifying expenditures are incurred and billable to the government, or when required services have been provided.

Contract Assets and Contract Liabilities

In accordance with ASC 606, contract assets are to be recognized when an entity has the right to receive consideration in exchange for goods or services that have been transferred to a customer when that right is conditional on something other than the passage of time. The School does not recognize contract assets, as the right to receive consideration is unconditional in accordance with the passage of time criteria. Also, in accordance with ASC 606, contract liabilities are to be recognized when an entity is obligated to transfer goods or services for which consideration has already been received. The School does not receive consideration prior to the transfer of goods or services and, therefore, does not recognize contract liabilities.

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Notes to Financial Statements

Contributions of Nonfinancial Assets

The School may receive contributed services that are an integral part of its operations. Such services are only recorded as contributions of nonfinancial assets, at their fair value, provided the services create or enhance nonfinancial assets, require specified skills provided by individuals possessing those skills, and typically need to be purchased, if not provided by donation.

The School receives donated space from the New York City Department of Education (NYCDOE) that it shares with a New York City public school (see Note 8). The donated space will be used for operating, general, and administrative activities. In valuing the donated space, which is located in Brooklyn, New York, the School estimated the fair value on the basis of recent comparable sales prices in Brooklyn, New York's real estate market, taking into account the restriction on use of the space.

Equipment, Net

Purchased equipment is recorded at cost. Equipment acquired with certain government funding is recorded as expenses pursuant to the terms of the contract in which ownership of such equipment is retained by the funding source. Maintenance and repairs are expensed as they occur. The School has established a \$3,000 threshold above which assets are evaluated to be capitalized. The School expenses leasehold improvements because it has no lease and is uncertain that the space will be available beyond the close of the current fiscal year. Removable equipment that can be transferred to new space, if necessary, is capitalized, based on the established threshold. Depreciation is provided on the straight-line method over the estimated useful lives, which is three years for computer equipment.

Impairment

The School reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, the School recognizes an impairment loss. No impairment losses were recognized for the years ended June 30, 2024 and 2023.

Advertising

The School expenses advertising costs as incurred. The School incurred \$2,813 and \$10,008 of advertising costs for the years ended June 30, 2024 and 2023, respectively, which are included in the accompanying statements of functional expenses under marketing and recruitment.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis and by natural classification in the accompanying statements of activities. Accordingly, certain costs have been allocated among the respective programs and activities according to the functional categories, as follows:

Program Services - This category represents expenses related to general education and special education for certain students requiring additional attention and guidance. These costs are allocated based on the FTE allocation method.

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Notes to Financial Statements

Supporting Services - This category represents expenses related to the overall administration and operation of the School that are not specific to any program services or development. These costs are allocated based on the FTE allocation method.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The School is exempt from federal, state, and local income taxes under Section 501(c)(3) of the IRC and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, the School has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the IRC. There was no unrelated business income for the years ended June 30, 2024 and 2023.

Under GAAP, an organization must recognize the tax benefit associate with tax positions taken for tax-return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The School does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The School is subject to routine audits by a taxing authority. As of June 30, 2024, the School was not subject to any examination by a taxing authority.

Credit Losses

The School recognizes credit losses for financial assets carried at amortized cost to present the net amount expected to be collected as of the year-end. Such amounts are based on the credit losses expected to arise over the life of the asset (contractual term), which includes consideration of prepayments and is based on the expectation as of the financial position date.

Assets are written off when the School determines that such financial assets are deemed uncollectible or based on regulatory requirements, whichever is earlier. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off are included in determining the necessary reserve at the financial position date.

The School pools its accounts receivable based on similar risk characteristics in estimating expected credit losses. In situations where certain accounts receivable do not share same risk characteristics with other receivables, the School measures the expected credit losses for those receivables individually. The School also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

The School determines its estimated credit losses for accounts receivable using a loss-rate approach in determining its lifetime expected credit losses on its receivables from customers. This method is used for calculating an estimate of losses based primarily on the School’s historical loss experience. In determining its loss rates, the School evaluates information related to its historical losses, adjusted for current conditions, and further adjusted for the period of time that the School can reasonably forecast. Qualitative and quantitative adjustments related to current conditions and the

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reasonable and supportable forecast period consider all of the following: the customers' creditworthiness, changes in policy and procedures, existence, and effect of any concentration of credit and changes in level of such considerations, and the current and forecasted direction of the economic and operation environment.

Recently Adopted Accounting Pronouncements

Financial Instruments - Credit Losses

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13)*. The new credit losses standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans, and certain other instruments, entities will be required to use new forward looking "expected-loss" model that generally will result in earlier recognition of credit losses than under today's incurred-loss model. ASU 2016-13 is effective for annual periods beginning after December 15, 2022. The School adopted the ASU effective July 1, 2023, and the adoption did not have a material impact on the financial statements.

3. Liquidity and Availability of Resources

The School maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The School strives to maintain a cash reserve equal to a minimum of three months of operating expenses, with a target of three to six months. Cash is kept in interest-bearing bank accounts to maximize returns.

The School's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

<i>June 30,</i>	2024	2023
Cash and cash equivalents	\$ 35,416	\$ 155,700
Restricted cash	81,258	78,356
Grants receivable	237,213	458,389
Total Financial Assets	353,887	692,445
Less amounts unavailable for general expenditures within one year due to:		
Restricted by contract	(81,258)	(78,356)
Total Financial Assets Available to Management for General Expenditures Within One Year	\$ 272,629	\$ 614,089

4. NVPS and Affiliate Charters Transactions

Due from/to NVPS and Affiliate Charters

NVPS is a not-for-profit organization dedicated to supporting public schools and helping start and manage charter schools. Pursuant to the terms of the educational services agreement by and between the School and NVPS beginning in fiscal year 2018. NVPS provides educational management,

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Notes to Financial Statements

operational, and fundraising services to the School. As compensation to NVPS for these services rendered, the School pays 10% of per-pupil revenues, received by the School during the year.

The balance due to NVPS from the School at June 30, 2024 and 2023 amounted to \$75,906 and \$131,790, respectively, which is comprised of management fees is included in due to NVPS and affiliate charters on the statements of financial position. Total management fees incurred by the School for the years ended June 30, 2024 and 2023 totaled \$333,608 and \$387,833, respectively. The balance due from NVPS to the School at June 30, 2024 and 2023 amounted to \$0 and \$10,164, respectively, which is included in due from NVPS and affiliate charters on the statements of financial position.

For operational efficiency and purchasing power, the School also shares expenses with other charter schools related by common management. At June 30, 2024 and 2023, the balance due to other charter schools was \$0 and \$646, respectively, which is included in due to NVPS and affiliate charters on the statements of financial position. The balance due from other charter schools to the School at June 30, 2024 and 2023 amounted to \$62,596 and \$0, respectively, which is included in due from NVPS and affiliate charters on the statements of financial position.

Contribution from NVPS

On June 30, 2024, the School entered into a borrowing agreement with NVPS with a maximum loan amount of \$822,550. On June 30, 2023 NVPS converted \$822,550 of the loan balance as contribution to support the School's general operations for current fiscal year, which is included in contributions and other income on the statements of activities. As of June 30, 2024, there is no outstanding balance on the loan amount.

Loan Payable to NVPS

On December 1, 2023, the School entered into a borrowing agreement with NVPS with a maximum loan amount of \$1,200,000 available through June 2023. The School borrowed \$850,000 during the current fiscal year. On June 30, 2023 NVPS converted \$580,000 from the loan as contributions to support the School's general operations for current fiscal year, which is included in contributions and other income on the statements of activities. The outstanding principal balance of \$270,000 as of June 30, 2023 was fully paid off and therefore, at June 30, 2024, the outstanding balance was \$0.

5. Equipment, Net

Property and equipment consist of the following:

<i>June 30,</i>		2024		2023
Computer equipment	\$	4,285	\$	40,306
Less: accumulated depreciation		(4,285)		(39,673)
Equipment, Net	\$	-	\$	633

Depreciation expense was \$633 and \$8,637 for the years ended June 30, 2024 and 2023, respectively.

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6. Grants Receivable

Grants receivable consist of federal and state entitlements and grants. The School expects to collect these receivables within one year. Grants receivable consist of the following:

<i>June 30,</i>		2024		2023
ESSER III - ARP	\$	132,674	\$	292,121
Title I		60,463		40,760
E-Rate Reimbursement		27,802		21,926
Title II		8,274		5,077
Title IV		8,000		6,326
ESSER II - CRRSA		-		92,179
Grants Receivable	\$	237,213	\$	458,389

7. Pension Plan

The School has adopted the NVPS's pension plan (the Plan) which is qualified under IRC Section 403(b) for the benefit of its eligible employees. The Plan is an elective contribution plan. Employees are eligible to enroll in the Plan once they have completed at least one full year of service and completed 1,000 work hours, and are also eligible for discretionary employer contributions. The School's contribution becomes fully vested after the sixth year of the employee's service. Pension expense amounted to \$160,191 and \$157,265, net of forfeitures, for the years ended June 30, 2024 and 2023, respectively, and is included in retirement in the accompanying statements of functional expenses.

8. Agreement with School Facility

The School shares space with a New York City public school, located at 1150 East New York Avenue, Brooklyn, New York 11212. As part of the New York City Chancellor's Charter School Initiative, the NYCDOE has provided this space to the School at no charge. The services provided by the NYCDOE to the charter school, such as rent, utilities, custodial services, maintenance, and school safety services, are provided at no cost.

The School is using a relative valuation model to measure the fair value of the donated space. The NYCDOE has not provided a value for the space and there is no lease agreement in place. In applying the valuation model, significant inputs include the total square footage allocated the School, the average cost per square foot based on comparable sales prices in Brooklyn, New York, and the estimated discount factor applied to the cost per square foot to account for the restricted use of the space. Based on such assumptions, the School applies a relative cost per square foot calculated using all available market information in Brooklyn, New York.

Square footage totaling 7,620 feet is allocated to the School. The value of the space and related utilities and services calculated by applying the relative valuation model is not significant and, therefore, is not recorded in the financial statements.

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9. Risk Management

The School is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School maintains commercial insurance to help protect itself from such risks. The School also intends to defend its positions on these matters. As of June 30, 2024, there are no matters for which the School believes the ultimate outcome would have a material adverse effect on the School's financial position.

The School entered into contractual relationships with certain governmental funding sources. The governmental agencies may request return of funds as a result of noncompliance by the School, as well as additional funds for the use of facilities. The accompanying financial statements make no provision for the possible disallowance or refund. The School is of the opinion that such cost disallowances, if any, will not have a material effect in the School's financial statements and will record them in the fiscal year they become known.

10. Concentration Risks

Financial instruments that potentially subject the School to a concentration of credit risk include cash accounts at a major financial institution that, at times, exceeded the Federal Deposit Insurance Corporation insured limits of \$250,000. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash accounts.

The School received approximately 71% and 74% of its total revenue from per-pupil funding from the NYCDOE for the years ended June 30, 2024 and 2023, respectively.

The School's grants receivable consists of one major grantor accounting for approximately 88% at June 30, 2024 and one major grantor accounting for approximately 93% at June 30, 2023.

The School's payables consist of two major vendors accounting for approximately 66% at June 30, 2024 and two major vendors accounting for approximately 20% at June 30, 2023.

11. Subsequent Events

The School's management has performed subsequent event procedures through October 24, 2024, which is the date the financial statements were available to be issued. No events arose during the period that required additional disclosures other than as described below.

As of July 1, 2024, NVPS and the School have mutually agreed to terminate their relationship and to transition management of the School to Urban Dove, Inc, a not-for-profit CMO.



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*

The Board of Trustees
New Visions AIM Charter High School I
New York, 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, the financial statements of New Visions AIM Charter High School I (the School), which comprise the School's statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2024.

Report on Internal Control Over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

October 24, 2024

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Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported
- Noncompliance material to financial statements noted? yes X no

Section II. Financial Statement Findings

There were no findings related to the financial statements that are required to be reported, in accordance with generally accepted government auditing standards.