New Visions for Public Schools, Inc.

Financial Statements

Year Ended June 30, 2022

New Visions for Public Schools, Inc.

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Year Ended June 30, 2022

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Independent Auditor's Report

Board of Trustees
New Visions for Public Schools, Inc.

Opinion

We have audited the financial statements of New Visions for Public Schools, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2022, the related statements of activities, 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 the Organization as of June 30, 2022, 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"). 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 Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 the Organization'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 Organization'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.

Sax LLP

Parsippany, New Jersey
February 15, 2023

New Visions for Public Schools, Inc.

Statement of Financial Position

June 30, 2022

ASSETS	
Cash and cash equivalents	$ 10,895,690
Restricted cash	1,698,533
Investments - at fair value	36,165,271
Grant receivable, net	15,910,788
Due from others	2,140,923
Prepaid expenses and other assets	123,112
Capital lease asset, net	4,524,693
Property and equipment, net	4,205,577
TOTAL ASSETS	**$ 75,664,587**
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable and accrued expenses	$ 475,954
Accrued salary and related expenses	1,383,480
Grants payable, net	1,841,923
Deferred rent	2,281,860
Capital lease obligation	7,002,813
Agency funds held for others	1,698,533
TOTAL LIABILITIES	14,684,563
NET ASSETS	
Without donor restrictions	49,330,039
With donor restrictions	11,649,985
Total net assets	60,980,024
TOTAL LIABILITIES AND NET ASSETS	**$ 75,664,587**

See accompanying Notes to Financial Statements.

New Visions for Public Schools, Inc.

Statement of Activities

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions and grants	$ 2,165,938	$ 4,839,671	$ 7,005,609
Government and other contracted services	15,537,312	-	15,537,312
Investment loss	(4,015,247)	-	(4,015,247)
Other income	59,920	-	59,920
Management fee income	6,312,179	-	6,312,179
Release of donor restrictions	10,627,097	(10,627,097)	-
Total revenues, gains and other support	30,687,199	(5,787,426)	24,899,773
EXPENSES			
Program services	26,247,039	-	26,247,039
General and administrative	3,638,078	-	3,638,078
Fundraising	691,628	-	691,628
Total expenses	30,576,745	-	30,576,745
Change in net assets	**110,454**	**(5,787,426)**	**(5,676,972)**
NET ASSETS, ***beginning of year***	49,219,585	17,437,411	66,656,996
NET ASSETS, ***end of year***	**$ 49,330,039**	**$ 11,649,985**	**$ 60,980,024**

See accompanying Notes to Financial Statements.

New Visions for Public Schools, Inc.

Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services				Supporting Services			
	School Support	Curriculum and Instruction	Systems and Data	Total	Management and General	Fundraising	Total	Total
Salaries	$ 8,104,497	$ 2,341,657	$ 5,093,792	$ 15,539,946	$ 2,488,427	$ 477,339	$ 2,965,766	$ 18,505,712
Employee retirement and health benefits	1,312,703	333,955	752,349	2,399,007	401,732	78,935	480,667	2,879,674
Payroll taxes	684,523	194,508	422,137	1,301,168	197,069	35,568	232,637	1,533,805
Grants	2,007,565	435,596	-	2,443,161	-	-	-	2,443,161
Consulting and professional fees	438,819	200,329	118,557	757,705	34,213	1,144	35,357	793,062
Occupancy costs	553,791	145,865	355,777	1,055,433	176,488	24,760	201,248	1,256,681
Printing and stationery	10,223	1,372	2,715	14,310	1,249	6,305	7,554	21,864
Supplies	383,120	145,562	759,963	1,288,645	131,158	31,240	162,398	1,451,043
Travel and conferences	203,328	48,277	45,138	296,743	47,236	3,425	50,661	347,404
Postage and shipping	22,754	3,466	3,688	29,908	1,698	1,544	3,242	33,150
Telecommunication	22,800	8,064	11,130	41,994	6,548	1,707	8,255	50,249
Equipment rental and maintenance	28,340	7,503	18,056	53,899	8,476	1,294	9,770	63,669
Insurance	40,056	10,493	25,774	76,323	11,472	1,424	12,896	89,219
Miscellaneous	372,468	70,453	200,821	643,742	85,425	19,903	105,328	749,070
Depreciation and amortization	160,541	42,287	102,227	305,055	46,887	7,040	53,927	358,982
Total expenses	**$ 14,345,528**	**$ 3,989,387**	**$ 7,912,124**	**$ 26,247,039**	**$ 3,638,078**	**$ 691,628**	**$ 4,329,706**	**$ 30,576,745**

See accompanying Notes to Financial Statements.

New Visions for Public Schools, Inc.

Statement of Cash Flows

Year Ended June 30, 2022

CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Change in net assets	$ (5,676,972)
Adjustments to reconcile decrease in net assets	
to net cash used in operating activities	
Depreciation and amortization	443,199
Deferred rent	(111,517)
Net investment losses	4,707,260
(Increase) decrease in assets	
Grants receivable	(2,057,292)
Due to/from related parties	(341,723)
Prepaid expenses and other assets	(105,038)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	107,128
Accrued salary and related expenses	(179,302)
Grants payable	931,337
Capital lease obligation	165,690
Agency funds held for others	814,462
Net cash flow used in operating activities	**(1,302,768)**
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES	
Proceeds from sale of investments	3,483,962
Purchases of investments	(4,291,407)
Net cash flow used in investing activities	**(807,445)**
Net decrease in cash and cash equivalents	**(2,110,213)**
CASH AND CASH EQUIVALENTS, *beginning of year*	14,704,436
CASH AND CASH EQUIVALENTS, *end of year*	**$ 12,594,223**

See accompanying Notes to Financial Statements.

Note 1 - Nature of Activities

a. Nature of Organization

New Visions for Public Schools, Inc. (“New Visions” or the “Organization”) is one of the largest non-profit organizations solely dedicated to improving public education in New York City. For over 30 years, New Visions has partnered with students, parents, communities, and the Department of Education to pursue its mission of ensuring that all New York City public school students, regardless of race or economic class, have access to a high-quality education that prepares them for college, the workforce, and full participation in society. New Visions commenced operations as the fund for New York City Public Education on January 2, 1989, and was incorporated in October 1989, pursuant to the provisions of the Not-for-Profit Corporation Law of the State of New York. Effective August 1, 1996, the fund for New York City Public Education changed its name to New Visions for Public Schools, Inc.

New Visions has pioneered the model of small high schools in New York City, creating more than 130 small new schools, and eight charter high schools; established a nationally recognized Urban Teacher Residency program to train new teachers; produced free curriculum used by thousands of teachers across New York State; and built a comprehensive suite of school management tools that are helping to establish common ways of supporting student progress to graduation. Since July 2007, New Visions has served as a lead partner to a network of NYC Department of Education (“NYCDOE”) public high schools. As of June 30, 2022, the Organization worked directly with 71 NYCDOE schools serving over 36,000 students. As of June 30, 2022, New Visions had educational services agreements with ten public charter high schools to provide academic, business, and administrative services. These ten schools include New Visions AIM Charter High School I and II, formerly operating under the names ROADS Charter School I and II, which are transfer high schools.

b. Program Descriptions

School Support works with over 1,580 schools in all five boroughs of New York City, serving over 835,000 students as of June 30, 2022. In addition to functioning as a Charter Management Organization (“CMO”) for its ten Charter High Schools, the Organization supports schools through its Affinity Group and citywide partnerships with the NYCDOE. New Visions provides direct, one-to-one support to its Charter and Affinity schools through two core strategies: Continuous Improvement Coaching (“CIC”) and Strategic Data Check-Ins (“SDCs”). The Organization also makes leadership, special education, and multilingual learner supports available to its Charter Schools and Affinity network and provides additional support on compliance and literacy interventions for its Charter Schools. Additionally, the Organization works with multiple subgroups of schools in its Affinity and Charter networks on grant-funded activities, including the College Readiness Network for School Improvement, which focuses on establishing models for one-to-one check-ins between students and educators to help keep students on-track during ninth grade; and multiple efforts to support postsecondary advising and success, including the Postsecondary Advising Model that develops strategies for consistent, high-quality postsecondary advising, and the College Access and Action Network, which develops the capacity of counselors to support students’ college and career readiness.

Note 1 - Nature of Activities - Continued

b. Program Descriptions - continued

The Curriculum & Instruction ("C&I") Department supports the growth of teachers, administrators, counselors, and librarians at various stages throughout their careers. New Visions is committed to providing teachers, counselors, and librarians with the tools and skills necessary to do their jobs as effectively as possible. The C&I department focuses on supporting in-service teachers to develop their content and pedagogical knowledge, primarily by developing or identifying high-quality instructional materials and providing aligned professional learning opportunities. The Instructional Network for School Improvement, launched in the school year 2020-21, supports a network of NYCDOE high schools to adopt and effectively use common curriculum and instructional approach for 9th grade Algebra. The Organization also supports school librarians through the Astor Campus Librarian Network ("CLN") Program.

Systems and Data Analytics (sysDaar) builds school management tools that provide actionable information and insights that help school staff make plans for student success, track the implementation of those plans, and provide targeted support when students need it. The Organization works to empower those closest to students - especially principals, teachers, and counselors - to be data-driven decision makers and powerful actors in improving student outcomes. The Organization additionally works with the NYCDOE to develop district-level tools that help central office staff, superintendents, and other key leaders within the district understand patterns of performance in schools they oversee and provide support where needed.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The Organization prepares its financial statements on the accrual basis.

b. Basis of Presentation

Financial statement presentation follows the provisions included in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") for "Not-For-Profit Entities," which constitutes generally accepted accounting principles in the United States of America ("GAAP") for non-profit entities such as the Organization. GAAP requires the Organization to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. It requires that the amounts for both of the classes of net assets be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These two classes are defined as follows:

Net Assets With Donor Restrictions - Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When such stipulations end or are fulfilled, such net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as changes in net assets. In addition, some donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions.

Note 2 - Summary of Significant Accounting Policies - Continued

c. Cash and Cash Equivalents

Cash and cash equivalents consist of bank checking accounts and cash equivalents. This may include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

d. Cash Flow Presentation of Restricted Cash

Cash and restricted cash are presented in more than one-line item within the statement of financial position. The following provides a reconciliation of cash and restricted cash as shown in the statement of cash flows:

Cash and cash equivalents	$ 10,895,690
Restricted cash	1,698,533
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 12,594,223

e. Investments

Investments in marketable securities are stated at fair value. New Visions' marketable securities consist entirely of exchange traded funds ("ETFs") and mutual funds. All gains and investment income arising from investments in marketable securities are unrestricted.

ETFs are valued at the last quoted market price on the last business day of New Visions' fiscal year and shares of mutual funds are valued at the daily closing price reported by the fund on the last business day of the fiscal year. Mutual funds held by New Visions are open ended mutual funds that are registered with the Securities and Exchange Commission ("SEC"). These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by New Visions are deemed to be actively traded. All realized and unrealized gains and losses are included in the statement of activities. Investments in marketable securities that are donated are recorded at fair value on the date of donation.

f. Revenue and Support Recognition

Contributions and grants received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Accordingly, expenses incurred related to the restriction are reported as decreases in net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises and grants receivable. The allowance is based on prior years' experience and management's analysis of specific promises made and grants approved. For the year ended June 30, 2022, no allowance has been recognized based on management's determination.

Note 2 - Summary of Significant Accounting Policies – Continued

f. Revenue and Support Recognition - continued

The Organization receives conditional grants and advances for program services for which revenue is recognized when the program condition is met. The Organization earns management fees from ten charter schools that it manages. The fees are equal to the percentage of the schools' revenue.

The Organization receives an administrative fee ranging from 3% to 5% to act as a fiscal intermediary for third parties. This fee is included in other income on the statement of activities.

g. Other Receivables

Management periodically reviews other receivables for uncollectible accounts and uses the direct write-off method to specifically identify and write off any accounts determined to be uncollectible when a realistic probability of collection does not exist, which does not differ materially from GAAP because of the insignificance of doubtful accounts in the Organization's financial statements.

h. Property and Equipment

Items capitalized as property and equipment are reported at cost or, if donated, at the approximate fair value at the date of donation. The Organization uses a capitalization policy of $3,000 or greater, depending on the type of asset. Depreciation is computed on a straight-line basis over the estimated service lives of the assets. Repairs and maintenance that do not improve or extend the lives of the property and equipment are charged to expense as incurred.

i. Agency Funds Held for Others

The Organization acts as fiscal agent for other entities. As a fiscal agent, the Organization holds cash on behalf of other entities, which is reported as a liability on the statement of financial position. As of June 30, 2022, the amount of funds held by New Visions for other parties was $1,698,533.

j. Functional Allocation of Expenses

The costs of providing the programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are allocated to program and supporting services based on the proportionate share of expenses, which is measured by time and level of effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. The Organization recognizes grant expense when grants are approved, and notification has been given to the grantee.

k. Use of 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies - Continued

l. Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and New York State Not-for-Profit Corporation law, respectively, and qualifies for the charitable contribution deduction.

The Organization accounts for uncertainty in income taxes using a recognition threshold of more likely than not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management has determined that there were no tax uncertainties that met the recognition threshold at the statement of financial position date and no interest and penalties related to unrecognized tax benefits have been recognized in the Organization's financial statements.

The Organization timely files federal Form 990 annually and New York State annual reports as required. The Organization's filing years prior to June 30, 2019 are no longer subject to examination. No returns or registrations are presently under examination by the relevant authorities.

m. Fair Value Measurements

The provisions included in GAAP concerning "Fair Value Measurements and Disclosures" define fair value, establish a framework for measuring fair value, and expand disclosures about fair value measurements. These provisions apply to the Organization's investments, which are presented at fair value.

n. Compensated Absences

The Organization allows for the carryover of unused paid time off ("PTO") beyond the calendar year. At June 30, 2022, employees can carry over up to ten unused PTO days from one year to the next and are limited to 24 PTO days accrued at fiscal year-end. $877,027 of PTO days was accrued at June 30, 2022 and is included in accrued salary and related expenses in the accompanying statement of financial position.

o. Recently Adopted Pronouncements

In September 2020, the FASB issued Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The Organization adopted the provisions of ASU 2020-07 for in-kind transactions of goods and services as of June 30, 2022. Adoption did not have a material impact on the Organization's financial statements.

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair in-kin value when received. The amounts reflected in the accompanying financial statements as contributions are offset by like amounts included in expenses or additions to property and equipment.

Note 2 - Summary of Significant Accounting Policies - Continued

o. Recently Adopted Pronouncements - continued

The Organization did not receive contributed investments during the year ended June 30, 2022.

Additionally, the Board of Directors donates a significant amount of its time to program activities. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the criteria for recognition provided in GAAP. In addition, no objective basis is available to measure the value of such services.

p. Pending Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842), which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The standard is effective for fiscal years beginning on or after January 1, 2022. The Organization is in the process of evaluating the impact of this new guidance.

Note 3 - Liquidity Management and Availability of Resources

The Organization consistently monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Excess operating cash is kept in interest-bearing bank accounts, and additional reserves are invested in short-term and long-term investments, including mutual funds and ETFs. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of school support, curriculum, systems and data analytics, as well as services undertaken to support those activities, to be general expenditures.

Note 3 - Liquidity Management and Availability of Resources - Continued

As of June 30, 2022, the Organization holds the following financial assets, which could be made readily available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	$ 10,895,690
Investments - at fair value	36,165,271
Grant receivable in less than one year	15,910,788
Other receivables	2,140,923
Financial assets at year-end	65,112,672
Less those unavailable for general expenditure within one year due to donor-imposed purpose restrictions	(18,061,290)
Financial assets available to meet cash needs for general expenditures within one year	$ 47,051,382

At June 30, 2022, the Organization has no board-designated assets.

Note 4 - Investments

Investments are comprised of the following at June 30, 2022:

ETFs	$ 23,227,510
Mutual funds	12,937,761
	$ 36,165,271

For the year ended June 30, 2022, investment return consisted of the following:

Interest and dividend income	$ 614,092
Realized gains, net	936,094
Unrealized loss	(5,643,354)
	(4,093,168)
Less investment fees	77,921
	$ (4,015,247)

Note 5 - Fair Value Measurements

Fair value of assets measured on a recurring basis at June 30, 2022 consists of the following:

	Level 1	Level 2	Level 3	Total
Investments				
ETFs	$ 23,227,510	$ -	$ -	$ 23,227,510
Mutual funds	12,937,761	-	-	12,937,761
Total	$ 36,165,271	$ -	$ -	$ 36,165,271

There were no transfers between levels during the year ended June 30, 2022. In addition, transfers, if any, would be recognized at the end of the reporting period.

Note 5 - Fair Value Measurements - Continued

GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. New Visions uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

When available, New Visions measures fair value using Level 1 inputs, because they generally provide the most reliable evidence of fair value.

For the year ended June 30, 2022, the investments in ETFs consisted of the following:

Blended funds	$ 22,360,350
International stocks	867,160
	$ 23,227,510

Investments in mutual funds are invested in mixed security funds, such as corporate and government bonds and various equity stocks. Blended fund ETFs are invested in mixed security funds.

Note 6 - Concentrations of Credit Risk and Major Grantors

a. Cash and Cash Equivalents

As of June 30, 2022, the Organization maintains cash balances at a bank which is insured by the Federal Deposit Insurance Corporation for a limit of up to $250,000. New Visions also maintains cash balances at a brokerage firm, which at June 30, 2022, are insured by the Securities Investor Protection Corporation up to $250,000. The Organization maintains its cash in bank deposit accounts and a brokerage firm which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

b. Major Grantors

During the year ended June 30, 2022, one grantor accounted for approximately 60% of total public support and revenue, and approximately 34% of the Organization's outstanding grants receivable at June 30, 2022.

Note 7 - Grants Receivable

As of June 30, 2021, New Visions has grants receivable as follows:

Due within one year	$ 12,578,073
Due years two through four	3,388,260
	15,966,333
Present value discount (at rates varying from .46% to 3.01%)	(55,545)
Grants receivable, net	$ 15,910,788

Note 8 - Related Party

As of June 30, 2022, New Visions had $2,140,923 due from ten charter schools under its management, which is related to management fees and other expenses charged by New Visions.

Note 9 - Property and Equipment

At June 30, 2022, property and equipment consists of:

Computer equipment	$ 331,696
Furniture and fixtures	877,096
Software	11,716
Leasehold improvements	5,428,894
	6,649,402
Less accumulated depreciation and amortization	2,443,825
	$ 4,205,577

At June 20, 2022, the capital lease asset consists of:

Capital lease asset with an estimated useful life of 27 years	$ 5,851,210
Less accumulated amortization	1,326,517
	$ 4,524,693

Note 10 - Grants Payable

As of June 30, 2022, New Visions has recorded grants payable as follows:

Payable within one year	$ 818,669
Payable years two through four	1,070,432
	1,889,101
Present value discount (at rates varying from .29% to 1.03%)	(47,178)
Grants payable, net	$ 1,841,923

Note 11 - Advertising Expenses

Advertising expenses are charged to operations in the period in which they are incurred. Advertising expense for the year ended June 30, 2022 was $128,244.

Note 12 - Retirement Plan

New Visions has a tax-deferred annuity retirement plan under IRC Section 403(b) for its employees. Under this plan, employees become eligible for employer contributions after completing one year of service, with a vesting schedule of 20% per year for five years. For staff hired before July 1, 2013, employer contributions began after employees completed two years of service and were immediately vested at 100%. Employer contributions are based upon management's discretion, subject to Internal Revenue Service maximum limitations. For the year ended June 30, 2022, the Organization contributed an amount equal to 8% of employee compensation. New Visions' contribution expense for the year ended June 30, 2022 was $1,187,596.

New Visions established a tax-deferred annuity retirement plan under IRC Section 457 for its employees on January 1, 2003. New Visions does not make contributions under this plan.

Note 13 - Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2022 consisted of the following:

Purpose restrictions	
School support	$ 4,599,086
Curriculum and instruction	6,968,427
Systems and data	82,472
	$ 11,649,985

Note 14 - Management Agreement

The Organization manages ten charter schools within the New York City area at June 30, 2022.

Pursuant to the terms of the Educational Services Agreement by and between New Visions and the schools, the Organization shall provide educational management, operational, and fundraising services to the schools. As compensation for these services rendered, New Visions earned a fee equal to 8% of the school's gross revenue or 10% of per pupil revenue depending on the school. Gross revenue is defined as all such funding provided by the state, federal, and local government (if applicable) but shall exclude any private grant funding awarded to the schools. For the year ended June 30, 2021, New Visions earned $6,312,179 in management fee income, which is segregated as a separate line item on the statement of activities. The balance due to New Visions from the schools related to management fees at June 30, 2022 amounted to $2,139,960, which is included in other receivables on the accompanying statement of financial position.

Note 15 - Risks and Uncertainties

Investments

New Visions invests in investment securities (ETFs and mutual funds). Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term, and that such changes could materially affect New Visions' total net assets.

Note 16 - Commitments and Contingencies

Leases

New Visions purchased a leasehold condominium at 205 East 42nd Street on December 30, 2015 with payments to be made from February 2017 through March 2043. The purchase and sale agreement (the "Agreement") expires in March 2043. At the end of the Agreement, the seller has the option to repurchase the leasehold condominium at a repurchase price of $10. In accordance with GAAP, the purchase of the leasehold condominium was classified as a capital lease. The present value of the minimum lease payments at the beginning of the leasehold condominium (discounted at an estimated incremental borrowing rate of 7.56%) amounted to $5,851,210 and the transaction is recorded as a capital lease asset and obligation in the statement of financial position. During the year ended June 30, 2022, New Visions incurred $557,192 of interest expense, which is allocated among the program and supporting services in the accompanying statement of activities and included in miscellaneous expense on the statement of functional expenses.

Note 16 - Commitments and Contingencies - Continued

Leases - Continued

The Agreement includes a ground rent charge at $36.10 per square foot to be paid annually over the life of the Agreement. In accordance with GAAP, the ground rent and lease incentives received from the landlord were accounted for as an operating lease on a straight-line basis. As of June 30, 2022, there is deferred rent of $2,281,860. Rent expense for the year ended June 30, 2022 was $1,100,453.

Future minimum payments are as follows for the years ending after June 30, 2022:

	Capital Lease	Ground Rent	Total
2023	$ 479,384	$ 1,087,729	$ 1,567,113
2024	479,384	1,087,729	1,567,113
2025	479,384	1,087,729	1,567,113
2026	479,384	1,087,729	1,567,113
2027	542,157	1,087,729	1,629,886
2028-2043	13,257,555	17,090,798	30,348,353
Less amount representing interest	8,714,230	-	8,714,230
	$ 7,003,018	$ 22,529,443	$ 29,532,461

Contingencies

The Organization is a defendant in a number of claims relating to matters arising in the ordinary course of business. The amount of liability, if any, from the claims cannot be determined with certainty; however, management is of the opinion that the outcome of the claims will not have a material adverse impact on the Organization's financial position, results of operations, or cash flows.

The Organization established a deferred compensation arrangement effective January 1, 2019 for the benefit of its President, requiring annual accruals at a percentage of the officer's compensation as called for under the terms of the contract. At June 30, 2022, deferred compensation of $367,114 is included in accrued salary and related expenses on the statement of financial position. The agreement contains, among other things, provisions for vesting and termination.

Note 17 - Subsequent Events

The Organization has evaluated subsequent events through February 15, 2023 , the date the financial statements were available to be issued.