



**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Financial Statements

June 30, 2025

## Independent Auditors' Report

**Board of Trustees**  
**Urban Dove Team Charter School III**  
**(Formerly New Visions AIM Charter High School II)**

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Urban Dove Team Charter School III (formerly New Visions AIM Charter High School II) (the "School") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Urban Dove Team Charter School III 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 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 Auditors' 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 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 School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' 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 auditors' 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 generally accepted auditing standards and *Government Audit 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 generally accepted auditing standards and *Government Audit 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025, on our consideration of the 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.

*PKF O'Connor Davies, LLP*

Harrison, New York  
October 31, 2025

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Statement of Financial Position  
June 30, 2025

**ASSETS**

Current Assets

|   |            |
|---|------------|
| Cash                                      | \$ 197,743 |
| Grants and contracts receivable           | 96,064     |
| Prepaid expenses and other current assets | <u>83</u>  |
| Total Current Assets                      | 293,890    |

|   |                   |
|---|-------------------|
| Property and equipment, net               | 92,209            |
| Right-of-use asset - operating lease, net | 483,882           |
| Restricted cash                           | <u>75,006</u>     |
|   | <u>\$ 944,987</u> |

**LIABILITIES AND NET (DEFICIT)**

Current Liabilities

|                                       |                |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 89,123      |
| Accrued payroll and payroll taxes     | 235,127        |
| Due to related parties                | 623,607        |
| Operating lease liability             | <u>733,882</u> |
| Total Current Liabilities             | 1,681,739      |

|   |                   |
|---|-------------------|
| Net (deficit), without donor restrictions | <u>(736,752)</u>  |
|   | <u>\$ 944,987</u> |

See notes to financial statements

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Statement of Activities  
Year Ended June 30, 2025

**REVENUE AND SUPPORT**

|  |                  |
|--|------------------|
| State and local per pupil operating revenue  | \$ 2,338,447     |
| State and local per pupil facilities funding | 119,829          |
| Federal grants                               | 298,452          |
| Interest and other income                    | <u>12,386</u>    |
| Total Revenue and Support                    | <u>2,769,114</u> |

**EXPENSES**

|                        |                  |
|------------------------|------------------|
| Program Services       |                  |
| Regular education      | 2,078,942        |
| Special education      | <u>689,175</u>   |
| Total Program Services | 2,768,117        |
| Supporting Services    |                  |
| Management and general | 766,502          |
| Fundraising            | <u>37,719</u>    |
| Total Expenses         | <u>3,572,338</u> |

|   |                  |
|---|------------------|
| Change in Net (Deficit) Before<br>Other Income (Expenses) | <u>(803,224)</u> |
|---|------------------|

**OTHER INCOME (EXPENSES)**

|                                  |                  |
|----------------------------------|------------------|
| Gain on forgiveness of debt      | 94,717           |
| Transfer of cash balance to NVPS | <u>(139,041)</u> |
| Total Other Income (Expenses)    | <u>(44,324)</u>  |

|                         |           |
|-------------------------|-----------|
| Change in Net (Deficit) | (847,548) |
|-------------------------|-----------|

**NET ASSETS (DEFICIT), WITHOUT DONOR RESTRICTIONS**

|                   |                     |
|-------------------|---------------------|
| Beginning of year | <u>110,796</u>      |
| End of year       | <u>\$ (736,752)</u> |

See notes to financial statements

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Statement of Functional Expenses  
Year Ended June 30, 2025

|                                | Program Services        |                       |                         | Management<br>and General | Fundraising          | Total                   |
|--------------------------------|-------------------------|-----------------------|-------------------------|---------------------------|----------------------|-------------------------|
|                                | Regular<br>Education    | Special<br>Education  | Total                   |                           |                      |                         |
| Personnel Services Costs       |                         |                       |                         |                           |                      |                         |
| Salaries and wages             | \$ 1,167,950            | \$ 372,916            | \$ 1,540,866            | \$ 398,682                | \$ -                 | \$ 1,939,548            |
| Payroll taxes and benefits     | 224,056                 | 71,539                | 295,595                 | 96,505                    | -                    | 392,100                 |
| Total Personnel Services Costs | <u>1,392,006</u>        | <u>444,455</u>        | <u>1,836,461</u>        | <u>495,187</u>            | -                    | <u>2,331,648</u>        |
| Professional development       | -                       | -                     | -                       | 9,473                     | -                    | 9,473                   |
| Management company fees        | 214,996                 | 86,753                | 301,749                 | 37,719                    | 37,719               | 377,187                 |
| Professional fees              | 28,963                  | 3,087                 | 32,050                  | 57,472                    | -                    | 89,522                  |
| Staff recruitment              | -                       | -                     | -                       | 5,735                     | -                    | 5,735                   |
| Supplies and materials         | 20,052                  | -                     | 20,052                  | -                         | -                    | 20,052                  |
| Office expenses                | 9,952                   | 4,016                 | 13,968                  | 3,558                     | -                    | 17,526                  |
| Food services                  | 3,389                   | 1,367                 | 4,756                   | 1,573                     | -                    | 6,329                   |
| Student services               | 38,755                  | -                     | 38,755                  | -                         | -                    | 38,755                  |
| Insurance                      | 14,395                  | 5,808                 | 20,203                  | 5,051                     | -                    | 25,254                  |
| Technology                     | 8,603                   | 3,471                 | 12,074                  | 3,019                     | -                    | 15,093                  |
| Equipment and furniture        | 11,581                  | 4,673                 | 16,254                  | 4,063                     | -                    | 20,317                  |
| Repairs and maintenance        | 41,554                  | 16,768                | 58,322                  | 14,580                    | -                    | 72,902                  |
| Occupancy and facility costs   | 285,000                 | 115,000               | 400,000                 | 100,000                   | -                    | 500,000                 |
| Utilities                      | 1,207                   | 487                   | 1,694                   | 424                       | -                    | 2,118                   |
| Depreciation                   | 6,881                   | 2,777                 | 9,658                   | 2,415                     | -                    | 12,073                  |
| Other                          | <u>1,608</u>            | <u>513</u>            | <u>2,121</u>            | <u>26,233</u>             | -                    | <u>28,354</u>           |
| <br>Total Expenses             | <br><u>\$ 2,078,942</u> | <br><u>\$ 689,175</u> | <br><u>\$ 2,768,117</u> | <br><u>\$ 766,502</u>     | <br><u>\$ 37,719</u> | <br><u>\$ 3,572,338</u> |

See notes to financial statements

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Statement of Cash Flows  
Year Ended June 30, 2025

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                  |
|---|------------------|
| Change in net (deficit)   | \$ (847,548)     |
| Adjustments to reconcile change in net (deficit)<br>to net cash from operating activities |                  |
| Depreciation  | 12,073           |
| Gain on forgiveness of debt   | (94,717)         |
| Loss on disposal of property and equipment  | 7,977            |
| Amortization of right-of-use asset - operating lease                                      | 460,509          |
| Changes in operating assets and liabilities   |                  |
| Grants and contracts receivable   | 504,078          |
| Prepaid expenses and other current assets   | 1,971            |
| Accounts payable and accrued expenses   | (44,472)         |
| Accrued payroll and payroll taxes   | 176,110          |
| Due to related parties  | 467,812          |
| Refundable advances   | (272,710)        |
| Operating lease liability   | <u>(210,509)</u> |
| Net Cash from Operating Activities  | 160,574          |

**CASH FLOWS FROM INVESTING ACTIVITY**

|  |                  |
|--|------------------|
| Purchase of property and equipment     | <u>(104,282)</u> |
| Net Change in Cash and Restricted Cash | 56,292           |

**CASH AND RESTRICTED CASH**

|                   |                   |
|-------------------|-------------------|
| Beginning of year | <u>216,457</u>    |
| End of year       | <u>\$ 272,749</u> |

See notes to financial statements

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Notes to Financial Statements  
June 30, 2025

**1. Organization and Tax Status**

Urban Dove Team Charter School III (formerly New Visions AIM Charter High School I) (the “School”) is a New York State, not-for-profit educational corporation that was incorporated to operate a Charter School pursuant to Article 56 of the Education 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 upon expiration by the Board of Regents of the University of the State of New York (the “Board of Regents”). The Board of Regents issued several renewals to the School’s charter expiring on July 31, 2027. The School’s mission is to ensure academic success for certain over-age/under-credited students in an alternative high school setting and program. Classes commenced in fall of 2012 and the School provided education to approximately 94 students in the ninth through twelfth grades during the 2024-2025 academic year.

The School was managed by New Visions for Public Schools (“NVPS”), a not-for-profit charter management organization dedicated to supporting public schools and helping to start and manage charter schools. Effective July 1, 2024, the School terminated its contract with NVPS and entered into a management agreement with Urban Dove, Inc., a not-for-profit charter management organization. Under the terms of the separation agreement, NVPS indemnified the School against any and all debts, obligations, and/or liabilities as of June 30, 2024. Gain on forgiveness of debt from NVPS recognized during the year ended June 30, 2025 totaled \$94,717, and the School transferred its cash balance of \$139,041 to NVPS on April 9, 2025. On July 23, 2024, the Board of Regents approved an amendment to the School’s charter to change the corporate name of the School from “New Visions AIM Charter School II” to “Urban Dove Team Charter School III”.

The New York City Department of Education provides free lunches and transportation directly to some of the School’s students. Such costs are not included in these financial statements. The School covers a portion of the cost of lunches for children not entitled to the free lunches.

Except for taxes that may be due for unrelated business income, the School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local income taxes under comparable laws.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which 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. Accordingly actual results could differ from those estimates.

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Notes to Financial Statements  
June 30, 2025

**2. Summary of Significant Accounting Policies (continued)**

***Net Assets Presentation***

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general support of the School’s operations and not subject to donor or grantor restrictions. Net assets without donor restrictions may be used at the discretion of the School’s management and Board of Trustees.

*Net Assets With Donor Restrictions* – Net assets subject to donor or grantor imposed restrictions for specific activities of the School or to be used at some future date. 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 those 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 School had no net assets with donor restrictions at June 30, 2025.

***Restricted Cash***

Under the provisions of its charter, the School established an escrow account to pay for legal and audit expenses that would be associated with a dissolution, should it occur.

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position to the amounts presented in the statement of cash flows at June 30, 2025:

|                 |                   |
|-----------------|-------------------|
| Cash            | \$ 197,743        |
| Restricted cash | <u>75,006</u>     |
|                 | <u>\$ 272,749</u> |

***Property and Equipment***

The School follows the practice of capitalizing all expenditures for property and equipment with costs in excess of \$1,000. Purchased property and equipment are recorded at cost at the date of acquisition. Minor costs of maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding is capitalized, unless the government agency retains legal title to such assets, in which case it is expensed as incurred.

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Notes to Financial Statements  
June 30, 2025

**2. Summary of Significant Accounting Policies (continued)**

Depreciation is recognized on the straight-line method over the estimated useful lives of such assets as follows:

|                        |         |
|------------------------|---------|
| Equipment              | 5 years |
| Furniture and fixtures | 7 years |

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to its fair value. There were no asset impairments for the year ended June 30, 2025.

**Leases**

The School accounts for leases under ASC 842 Leases. The School determines if an arrangement is a lease at inception. Leases are included in the right-of-use (“ROU”) assets and operating lease liabilities in the statement of financial position. All leases are recorded on the statement of financial position except for leases with an initial term less than 12 months for which the School made the short-term lease election.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating leases ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. The School uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating leases ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The School’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. The School has lease agreements with lease and non-lease components, which are generally accounted for separately. The School’s lease agreements do not contain any variable lease components. The School applies the short-term lease exemption to all of its classes of underlying assets.

**Refundable Advances**

The School records certain government operating revenue as refundable advances until related services are performed, at which time they are recognized as revenue.

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Notes to Financial Statements  
June 30, 2025

**2. Summary of Significant Accounting Policies (continued)**

***Revenue and Support***

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and other state and local funds are recorded when expenditures are incurred and billable to the government agency.

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Grants and other contributions of cash are reported as net assets with donor restrictions if they are received with donor stipulations. Restricted contributions and grants that are made to support the School's current year activities are recorded as net assets without donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

***Measure of Operations***

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the School's ongoing services. Non-operating activities consist of gain on forgiveness of debt and transfer of cash balance to NVPS.

***Functional Expense Allocation***

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses such as personnel services costs, payroll taxes and fringe benefits, professional fees, and occupancy and facility costs have been allocated among program and supporting services classifications on the basis of periodic time and expense studies and other basis as determined by management of the School to be appropriate.

***Accounting for Uncertainty in Income Taxes***

The School recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the School had no uncertain tax positions that would require financial statement recognition or disclosure. The School is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2022.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 31, 2025.

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Notes to Financial Statements  
June 30, 2025

**3. Grants and Contracts Receivable**

Grants and contracts receivable consist of federal, state, city entitlements and grants. The School expects to collect these receivables within one year. Management has assessed the need for an allowance for doubtful accounts and has determined that such an allowance is not necessary.

**4. Related Party Transactions (not disclosed elsewhere)**

The School is related to The Urban Dove, Inc. ("UD"), a New York State not-for-profit charter management organization, through common management and a board member. UD provides management services to the School. As compensation to UD for these services rendered, the School pays UD an annual fee, equal to 12% of non-competitive public revenue for the year ended June 30, 2025. The three-year agreement dated July 1, 2024 expires on June 30, 2027. During the year ended June 30, 2025, fees charged by UD to the School amounted to \$377,187. For operational efficiency, UD pays certain expenses on behalf of the School.

In addition to the management fee, the School has a license agreement for rent with UD, which includes a 2-year lease for classroom space and administrative offices. The license agreement commenced July 1, 2024 and expires June 30, 2026. The amounts charged to the School under this license agreement amounted to \$250,000 for the year ended June 30, 2025.

The School is also related to Urban Dove Team Charter Schools ("UDTCS") and Urban Dove Team Charter School IV ("UD IV") through common management and Boards of Trustees. The School was not required to consolidate with UDTCS or UD IV as the School does not have an economic interest in the net assets of UDTCS or UD IV. For operational efficiency, UDTCS pays certain expenses on behalf of the School.

Net balances due (to)/ from related parties are due on demand without interest as follows at June 30, 2025:

|                             |                     |
|-----------------------------|---------------------|
| Due to UD, net              | \$ (437,422)        |
| Due to UDTCS, net           | (196,737)           |
| Due from UD IV, net         | <u>10,552</u>       |
| Due to related parties, net | <u>\$ (623,607)</u> |

**5. Property and Equipment**

Property and equipment, net consisted of the following at June 30, 2025:

|                          |                  |
|--------------------------|------------------|
| Equipment                | \$ 30,950        |
| Furniture and fixtures   | <u>73,332</u>    |
|                          | 104,282          |
| Accumulated depreciation | <u>(12,073)</u>  |
|                          | <u>\$ 92,209</u> |

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Notes to Financial Statements  
June 30, 2025

**5. Property and Equipment (continued)**

Assets with a cost basis of \$49,507 and accumulated depreciation of \$41,530 were disposed of during the year ended June 30, 2025. Loss of disposal of property and equipment was \$7,977 for the year ended June 30, 2025.

**6. Liquidity and Availability of Financial Assets**

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

|                                 |                   |
|---------------------------------|-------------------|
| Cash                            | \$ 197,743        |
| Grants and contracts receivable | <u>96,064</u>     |
|                                 | <u>\$ 293,807</u> |

As part of the School's liquidity management plan, the status of grants and contracts receivable is monitored regularly and any excess cash is invested in highly liquid instruments until it is required for operational use. The School will continue to rely on funding received from the New York City Department of Education to cover its future operating costs (see Note 8).

**7. Concentration of Credit Risk**

Financial instruments that potentially subject the School to concentrations of credit and market risk consist principally of cash on deposit and certificates of deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The School does not believe that a significant risk of loss due to the failure of a financial institution presently exists. At June 30, 2025, no cash was maintained with an institution in excess of FDIC limits.

**8. Concentration of Revenue and Support**

The School receives a substantial portion of its revenue and support from the New York City Department of Education. For the year ended June 30, 2025, the School received approximately 86% of its total revenue and support from the New York City Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

**9. Employee Benefit Plan**

The School maintains an employee benefit plan qualified under Internal Revenue Code 401(k), for the benefit of its eligible employees. Under the plan, the School may make a discretionary matching contribution equal to a uniform percentage of eligible salary deferrals. There were no discretionary matching contributions for the year ended June 30, 2025.

**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter High School II)

Notes to Financial Statements  
June 30, 2025

**10. Commitments**

The School has a license agreement for rent with UD, which includes a 2-year lease for classroom space and administrative offices. The license agreement commenced July 1, 2024 and expires June 30, 2026.

Right-of-use assets consist of the following at June 30, 2025:

|                          |                   |
|--------------------------|-------------------|
| ROU assets               | \$ 944,391        |
| Accumulated amortization | <u>(460,509)</u>  |
|                          | <u>\$ 483,882</u> |

Weighted average remaining lease term (years) 1.00

Weighted average discount rate 4.77%

Future minimum lease payments under non-cancellable lease as of June 30, 2025 are as follows:

|                                    |                   |
|------------------------------------|-------------------|
| 2026                               | \$ 750,000        |
| Present value discount             | <u>(16,118)</u>   |
| Present value of lease liabilities | <u>\$ 733,882</u> |

Occupancy and facility cost for the year ended June 30, 2025 was \$500,000.

Supplemental cash flows are as follows for the year ended June 30, 2025:

|  |            |
|--|------------|
| Cash paid for amounts in the measurement<br>of operating lease liabilities | \$ 250,000 |
| Change in operating ROU asset<br>recognized due to new lease liabilities   | 944,391    |

**11. Contingency**

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

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

**Independent Auditors' Report**

**Board of Trustees  
Urban Dove Team Charter School III  
(Formerly New Visions AIM Charter High School II)**

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 Urban Dove Team Charter School III (formerly New Visions AIM Charter High School II) (the "School"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing the 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 may exist that have not been 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.

*PKF O'Connor Davies, LLP*

Harrison, New York  
October 31, 2025

**Board of Trustees**  
**Urban Dove Team Charter School III**  
(Formerly New Visions AIM Charter School II)

Auditors' Communication on Internal Control

In planning and performing our audit of the financial statements of Urban Dove Team Charter School III (Formerly New Visions AIM Charter School II) (the "School") as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, 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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, Board of Trustees, the Charter School Institute of the State University of New York, the State Education Department of the State University of New York, and others within the School, and is not intended to be and should not be used by anyone other than these specified parties.

*PKF O'Connor Davies, LLP*

Harrison, NY  
October 31, 2025