AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2024

A NONPROFIT PUBLIC BENEFIT CORPORATION
OPERATING THE FOLLOWING CALIFORNIA CHARTER SCHOOL

New Heights Charter (Charter No. 0761)

NEW HEIGHTS CHARTER SCHOOL
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
New Heights Charter School
Los Angeles, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of New Heights Charter School which comprise the statement of financial position as of June 30, 2024, 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 referred to above present fairly, in all material respects, the financial position of New Heights Charter School as of June 30, 2024, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Heights Charter 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 New Heights Charter School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 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 generally accepted auditing standards 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 New Heights Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Heights Charter School's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9. 2024, on our consideration of New Heights Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of New Heights Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Heights Charter School's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
December 9. 2024

NEW HEIGHTS CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS		
Current assets		
Cash and cash equivalents	$	4,014,901
Investments		2,540,180
Accounts receivable		1,232,700
Prepaid expenses		175,027
Total current assets		7,962,808
Noncurrent assets		
Right-of-use asset		164,233
Deposits		12,500
Capital assets, net		470,645
Total noncurrent assets		647,378
Total Assets	$	8,610,186
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$	538,962
Operating lease liability		167,462
Deferred revenue		2,790,179
Total liabilities		3,496,603
Net assets		
Without donor restrictions		5,113,583
Total net assets		5,113,583
Total Liabilities and Net Assets	$	8,610,186

The notes to the financial statements are an integral part of this statement.

NEW HEIGHTS CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions
SUPPORT AND REVENUES	
Federal and state support and revenues	
Local control funding formula, state aid	$ 4,020,868
Federal revenues	1,337,929
Other state revenues	1,934,684
Total federal and state support and revenues	7,293,481
Local support and revenues	
Payments in lieu of property taxes	1,467,263
Grants and donations	42,532
Investment income, net	145,763
Other local revenues	86,311
Total local support and revenues	1,741,869
Total Support and Revenues	9,035,350
EXPENSES	
Program services	6,840,355
Management and general	1,992,520
Total Expenses	8,832,875
CHANGE IN NET ASSETS	202,475
Net Assets - Beginning	4,911,108
Net Assets - Ending	$ 5,113,583

The notes to the financial statements are an integral part of this statement.

NEW HEIGHTS CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Total
EXPENSES			
Personnel expenses			
Certificated salaries	$ 2,332,465	$ -	$ 2,332,465
Non-certificated salaries	1,485,381	960,666	2,446,047
Pension plan contributions	256,146	164,789	420,935
Payroll taxes	207,882	88,601	296,483
Other employee benefits	513,326	129,166	642,492
Total personnel expenses	4,795,200	1,343,222	6,138,422
Non-personnel expenses			
Books and supplies	805,906	105,829	911,735
Insurance	-	84,014	84,014
Facilities	438,264	12,727	450,991
Professional services	582,967	307,888	890,855
Depreciation	25,481	34,106	59,587
Fees to authorizing agency	140,898	-	140,898
Other operating expenses	51,639	104,734	156,373
Total non-personnel expenses	2,045,155	649,298	2,694,453
Total Expenses	$ 6,840,355	$ 1,992,520	$ 8,832,875

The notes to the financial statements are an integral part of this statement.

NEW HEIGHTS CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	202,475
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation		59,587
Unrealized gain on investment		(90,180)
Lease expense - amortization of right-of-use asset		106
(Increase) decrease in operating assets		
Accounts receivable		814,419
Prepaid expenses		(92,673)
Increase (decrease) in operating liabilities		
Accounts payable		(540,613)
Deferred revenue		124,778
Net cash provided by (used in) operating activities		477,899
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments		(2,450,000)
Purchase of capital assets		(38,840)
Net cash provided by (used in) investing activities		(2,488,840)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(2,010,941)
Cash and cash equivalents - Beginning		6,025,842
Cash and cash equivalents - Ending	$	4,014,901
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	$	-

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

New Heights Charter School (the "Charter") was formed as a nonprofit public benefit corporation on December 1, 2005 for the purpose of operating as a California public school located in Los Angeles County. The Charter was numbered by the State Board of Education in March 2006 as California Charter No. 0761. The Charter's primary purpose is to enhance equity in educational opportunity. During the year ended June 30, 2024, New Heights Charter School served grades TK to 8.

New Heights Charter School is authorized to operate as a charter school through the Los Angeles Unified School District (the "authorizing agency"). On November 20, 2020, the Board of Directors of Los Angeles Unified School District approved a charter renewal for a five-year term beginning July 1, 2021 and ending June 30, 2026. As a result of SB 114, the charter petition end date extended to June 30, 2027. Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public.

B. Basis of Accounting

The Charter's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

C. Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 was effective July 1, 2018.

Under the Guide, New Heights Charter School is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions – These assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires (that is until the stipulated time restriction ends or the purpose of the restriction is accomplished) the net assets are restricted. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

As a public charter school, the Charter also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual* presented in Procedure 810 Charter Schools. Fund accounting is not used in the Charter's financial statement presentation.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

E. Functional Expenses

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenses have been allocated between program and supporting services based on management's estimates.

F. Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as "net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without restriction upon acquisition of the assets and the assets are placed in service.

Non-cash contributions of goods, materials, and facilities are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the organization if not donated.

G. In Lieu of Property Taxes Revenue

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to New Heights Charter School. Revenues are recognized by the Charter when earned.

H. Cash and Cash Equivalents

New Heights Charter School considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents.

I. Investments

The Charter's method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities. Investment return is presented net of any investment fees.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Receivables and Allowances

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Charter establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2024, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

K. Capital Assets

New Heights Charter School has adopted a policy to capitalize asset purchases over $1,000. Lesser amounts are expensed. Donations of capital assets are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions. Capital assets are depreciated using the straight-line method over the estimated useful lives of the property and equipment or the related lease terms.

L. Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the organization prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

M. Income Taxes

New Heights Charter School is a 509(a)(1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Charter is exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. As a school, the Charter is not required to register with the California Attorney General as a charity.

The Charter's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Charter's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

N. Fair Value Measurements

The Fair Value Measurements Topic of the FASB *Accounting Standards Codification* establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2	Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fair Value Measurements (continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

O. Lease Arrangements

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, a new lease standard effective no later than the fiscal year 2022-23. Under FASB ASC 842, a right-of-use asset and a related lease liability must be recorded on the statement of financial position (balance sheet) for proper recognition of any operating lease. A right-of-use asset is an intangible asset that pertains to the lessee's right to occupy, operate, and hold a leased asset during the agreed rental period. A lease liability is the financial obligation for the payments required by the lease, discounted to present value.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2024, consists of the following:

Cash in banks, non-interest bearing	$ 136,158
Cash in banks, interest bearing	3,878,543
Cash on hand or awaiting deposit	200
Total Cash and Cash Equivalents	$ 4,014,901

Custodial Credit Risk
Custodial credit risk is the risk that in the event of a bank failure, an organization's deposits may not be returned to it. New Heights Charter School does not have a policy for custodial credit risk for deposits. The FDIC insures up to $250,000 per depositor per insured bank. As of June 30, 2024, $1,189,685 New Heights Charter School's bank balance was not exposed to custodial credit risk as there were no deposits over $250,000 in accounts one or more banks.

NOTE 3 – INVESTMENTS

The following table provides a description and sets forth, by level within the fair value hierarchy explained in Note 1N, the Charter's investments as of June 30, 2024. Investments as of June 30, 2024 are presented on the statement of financial position at the market value noted below.

	Market Value	Fair Value Classification			At Cost
		Level 1	Level 2	Level 3	
Bank sweeps	$ 11,544	$ -	$ -	$ -	$ 11,544
Certificate of deposits	716,896	-	-	-	716,896
Fixed income securities	1,811,740	1,811,740	-	-	1,748,859
Total Investments	$ 2,540,180	$ 1,811,740	$ -	$ -	$ 2,477,299

Additionally, investment return for the year ended June 30, 2024, was as follows:

Interest and dividends	$ 55,583
Realized gain/(loss)	90,180
Net Investment Income	$ 145,763

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2024, consists of the following:

Local control funding sources, state aid	$ 711,425
Federal sources	226,874
Other state sources	240,224
In lieu property tax payments	47,640
Other local sources	6,537
Total Accounts Receivable	$ 1,232,700

NOTE 5 – CAPITAL ASSETS

A summary of activity related to capital assets during the year ended June 30, 2024 consists of the following:

	Balance July 1, 2023	Additions	Disposals	Balance June 30, 2024
Property and equipment				
Site and leasehold improvements	$ 46,618	$ 13,398	$ -	$ 60,016
Buildings	837,603	-	-	837,603
Computer and equipment	184,542	17,757	-	202,299
Furniture and fixtures	51,476	7,685	-	59,161
Total property and equipment	1,120,239	38,840	-	1,159,079
Less accumulated depreciation	(628,847)	(59,587)	-	(688,434)
Capital Assets, net	$ 491,392	$ (20,747)	$ -	$ 470,645

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2024, consists of the following:

Due to grantor government	$ 414,121
Vendor payables	123,530
Salaries and benefits	1,299
Due to authorizing agency	12
Total Accounts Payable	$ 538,962

NOTE 7 –OPERATING LEASES

In June 2008, New Heights Charter School entered into a commercial lease agreement to occupy space located at 2202-2204 West Martin Luther King Boulevard in Los Angeles, California, referred to as the "Lower Campus." The facility is utilized by the Charter for instructional services for students in grades TK through 2 as well as for an administrative office. The original agreement called for a security deposit of $7,400 upon execution and an additional deposit payable on June 1, 2010. The Charter has recorded the total security deposit of $8,000 as a noncurrent asset. An option was executed to extend the lease term for five years, terminating on June 30, 2025. As of June 30, 2024, the Charter recorded $12,727 in rent expense.

NOTE 7 –OPERATING LEASE (continued)

In April 2010, New Heights Charter School entered into a separate commercial lease agreement to occupy space located at 4100 Arlington Avenue in Los Angeles, California. The agreement called for a security deposit of $4,500, as well as an annual increase of two percent for the monthly rental rate up to the date of termination. The lease commenced on July 14, 2010 and terminated on July 31, 2020. During the fiscal year ended June 30, 2024, the Charter paid a total of $158,133 in lease payments. On May 18, 2020, the lease was renewed for the period commencing August 1, 2020 and ending July 31, 2025.

The following table shows the present value of the operating lease liability as the actual lease payments less the implied discount rate and the right-of-use asset as the lease expense over the straight-line basis reduced by the implied discount rate. The Charter has accounted for its lease agreements using an implied discount rate of 4%. The associated asset and liability are amortized over the remaining term of the lease as follows:

Fiscal Year Ending June 30,	Lease Expense	Lease Payments	Discount (4%)	Operating Lease Liability	Right-of-Use Asset
2025	$ 158,133	$ 161,188	$ 2,344	$ 158,844	$ 155,789
2026	8,444	8,618	-	8,618	8,444
Total	$ 166,577	$ 169,806	$ 2,344	$ 167,462	$ 164,233

NOTE 8 –PAYABLE

Proposition 39 Facilities Alternative Agreement

In April 2022, the Charter entered into an alternative agreement to pay LAUSD a total amount of $216,770 to resolve any and all claims by LAUSD of Proposition 39 over allocation of space. The payable is to be repaid over a twenty-two month period ending December 2024. The full amount was repaid during the fiscal year and there was no outstanding balance as of June 30, 2024.

NOTE 9 – DEFFERED REVENUE

Deferred revenue as of June 30, 2024, consists of $2,790,179 in conditional contributions for state sources.

NOTE 10 – NET ASSETS

At June 30, 2024, the Charter did not hold any net assets with donor restrictions. Certain designations or reserves have been made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Charter. At June 30, 2024, the Charter's net assets without donor restrictions consist of the following:

Net investment in capital assets	$ 470,645
Undesignated	4,642,938
Total Net Assets without Donor Restrictions	$ 5,113,583

As agreed upon within the charter petition, the Charter agrees to establish and maintain a reserve for economic uncertainty equal to five percent of total expenditures. As noted in the previous table, the Charter has met this reserve limit.

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Charter's financial assets as of June 30, 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered not available for general use when illiquid or not convertible to cash within one year, consist of assets held for others or are held aside by the governing board for specific contingency reserves. Any board designations could be drawn upon if the board approves that action.

Financial Assets	
Cash and cash equivalents	$ 4,014,901
Investments, at cost	2,477,299
Accounts receivable	1,232,700
Prepaid expenses	175,027
Contractual or donor-imposed restrictions	
Cash held for conditional contributions	(2,790,179)
Financial Assets available to meet cash needs for expenditures within one year	$ 5,109,748

NOTE 12 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multi-employer defined benefit pension plans maintained by agencies of the State of California. In accordance with *California Education Code* 47605, charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. The Charter has made such election for its certificated personnel. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS). The Charter also offers all employees an alternative plan who may not qualify for CalSTRS retirement plan.

California State Teachers' Retirement System (CalSTRS)

Plan Description
New Heights Charter School contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Boulevard; Sacramento, California 95826.

Funding Policy
Active plan members are required to contribute 10.25% or 10.205% of their 2023-24 salary depending on the employee's membership date in the plan. The required employer contribution rate for fiscal year 2023-24 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. The Charter's contributions to CalSTRS for the last three fiscal years were as follows:

	Contribution	Percent of Required Contribution
2023-24	$ 420,935	100%
2022-23	$ 335,604	100%
2021-22	$ 272,238	100%

NOTE 12 – EMPLOYEE RETIREMENT PLANS(continued)

California State Teachers' Retirement System (CalSTRS) (continued)

On-Behalf Payments
The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all school agencies in California. The amount of on-behalf payments made for New Heights Charter School is estimated at $164,789. The on-behalf payment amount is computed as the proportionate share of total 2022-23 State on-behalf contributions.

Alternative Plan

As established by federal law, all public sector employees who are not members of their employer's existing retirement plan (CalSTRS) must be covered by social security or an alternative plan. The Charter offers both social security and a 403(b) employee funded plan. All employees are eligible to participate in the plans. A participant of the 403(b) plan may make an election to defer compensation and have it contributed to this plan.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Charter School Authorization

As mentioned in Note 1A, New Heights Charter School is approved to operate as a public charter school through authorization by the Los Angeles Unified School District. As such, the Charter is subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

The Charter makes payments to the authorizing agency, Los Angeles Unified School District, to provide required services for special education and other purchased services in addition to fees for oversight. Fees associated with oversight consisted of one percent of local control funding formula sources. Total fees paid to the authorizing agency for oversight and special education amounted to $140,898 for the fiscal year ending June 30, 2024. The Charter entered into a facility use agreement with the District; refer to Operating Leases – Upper Campus at Note 7.

Governmental Funds

New Heights Charter School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements would not be material.

Joint Powers Agency (JPA)

During the fiscal year ended June 30, 2024, the Charter participated in a joint venture with CharterSafe. CharterSafe arranges for insurance coverage related to general liability, workers' compensation, and other miscellaneous liability coverage specific to the operation of a charter school. The relationship between the Charter and the JPA is such that the JPA is not financially inter-related to the Charter for financial reporting purposes. Premiums paid to CharterSafe totaled $243,421 during the year ended June 30, 2024. As of June 30, 2024, $33,907 is recorded as a prepaid expense attributed to the 2024-25 fiscal year.

NOTE 13 – COMMITMENTS AND CONTINGENCIES (continued)

Multiemployer Defined Benefit Plan Participation

Under current law on multi-employer defined benefit plans, the Charter's voluntary withdrawal from any underfunded multi-employer defined benefit plan would require the Charter to make payments to the plan, which would approximate the Charter's proportionate share of the multi-employer plan's unfunded vested liabilities. CalSTRS has estimated that the Charter's share of withdrawal liability is approximately $2,149,990 as of June 30, 2023. The Charter does not currently intend to withdraw from CalSTRS. Refer to Note 12 for additional information on employee retirement plans.

Pending or Threatened Litigation

The Charter is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Charter as of June 30, 2024.

NOTE 14 – RELATED PARTY TRANSACTIONS

The charter has a related entity named NHCS Facilities Holdings formed in April 11, 2017. The charter has not had any financial transactions with NHCS Facilities Holdings during the fiscal year ending June 30, 2024.

NOTE 15 – DONATED GOODS AND SERVICES

During the year, many parents, administrators and other individuals donated significant amounts of time and services to New Heights Charter School in an effort to advance the Charter's programs and objectives. These services have not been recorded in the Charter's financial statements because they do not meet the criteria required by generally accepted accounting principles. The Charter did not receive any donated items during the year ended June 30, 2024.

NOTE 16 – SUBSEQUENT EVENTS

New Heights Charter School has evaluated subsequent events for the period from June 30, 2024 through December 9. 2024, the date the financial statements were available to be issued. Management did not identify any transactions or events that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTARY INFORMATION

NEW HEIGHTS CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Charter and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The Charter has not elected to use the 10 percent de minimis indirect cost rate.

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	$ 179,897
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	17,616
Title III, Immigrant Education Program	84.365	15146	19,119
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	14,641
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants **[1]**:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	208,452
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	282,116
Expanded Learning Opportunities (ELO) Grant GEER II	84.425	15619	4,299
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	31,739
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	54,713
American Rescue Plan-Homeless Children and Youth (ARP-HCY) Program	84.425	15564	5,231
ASES Rate Increase: ESSER III State Reserve Summer Learning Programs	84.425	15652	60,000
Subtotal Education Stabilization Fund Discretionary Grants			646,550
Passed through Los Angeles Unified School Dictrict:			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	95,058
Total U. S. Department of Education			972,881
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through California Department of Education:			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	106,448
National School Lunch Program	10.555	13391	217,379
Meal Supplements	10.555	*	41,221
Subtotal Child Nutrition Cluster			365,048
Total U. S. Department of Agriculture			365,048
Total Federal Expenditures			$ 1,337,929

[1] - Major Program
* - Pass-Through Entity Identifying Number not available or not applicable

NEW HEIGHTS CHARTER SCHOOL
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2024

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

	Second Period Report	Annual Report
	Classroom-Based	
Grade Span		
Regular		
Kindergarten* through third	154.06	154.38
Fourth through sixth	122.65	122.85
Seventh through eighth	93.71	93.72
Total Average Daily Attendance - Classroom-Based	370.42	370.95
	Nonclassroom-Based	
Grade Span		
Regular		
Kindergarten* through third	1.62	1.37
Fourth through sixth	0.51	0.41
Seventh through eighth	0.64	0.53
Total Average Daily Attendance - Nonclassroom-Based	2.77	2.31
Total Average Daily Attendance	373.19	373.26

*Includes Transitional Kindergarten (TK)

NEW HEIGHTS CHARTER SCHOOL
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2024

This schedule presents information on the amount of instructional time offered per grade level by the New Heights Charter School and whether the Charter complied with the provisions of *Education Code Section* 47612.5.

Grade Level	Minutes Requirement	2023-24 Instructional Minutes	2023-24 Number of Days	Status
Kindergarten*	36,000	57,885	179	Complied
Grade 1	50,400	57,885	179	Complied
Grade 2	50,400	57,885	179	Complied
Grade 3	50,400	61,965	179	Complied
Grade 4	54,000	61,965	179	Complied
Grade 5	54,000	61,965	179	Complied
Grade 6	54,000	61,965	179	Complied
Grade 7	54,000	61,965	179	Complied
Grade 8	54,000	61,965	179	Complied

*Includes Transitional Kindergarten (TK)

NEW HEIGHTS CHARTER SCHOOL
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (UNAUDITED ACTUALS) WITH AUDITED FINANCIAL STATEMENTS
JUNE 30, 2024

This schedule provides the information necessary to reconcile fund balance reported on the Financial Report – Alternative Form (Charter School Unaudited Actuals) to net assets on the audited financial statements.

June 30, 2024, fund balance/net position on the Financial Report - Alternative Form (Charter School Unaudited Actuals)	$ 5,126,254
Adjustments:	
Increase (decrease) in total net assets:	
Client Adjustments	(13,471)
Recognize teacher residency grant revenue	800
Net adjustments	(12,671)
June 30, 2024, net assets per audited financial statements	$ 5,113,583

OTHER INFORMATION

NEW HEIGHTS CHARTER SCHOOL
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2024

New Heights Charter School, located in Los Angeles, California, was formed as a nonprofit public benefit corporation on December 1, 2005 and numbered by the State Board of Education in March 2006. The Charter was authorized to operate as a charter school through Los Angeles Unified School District. Classes began in September 2006 for New Heights Charter School, charter number 0761. During 2023-24, the Charter served approximately 406 students in grades TK to 8.

BOARD OF DIRECTORS

Name	Office	Term Expiration
Michelle Robson	President	June 30, 2027
Erin Keller	Chief Financial Officer	June 30, 2025
Tee Hubbard	Member	June 30, 2027
Robert Madok	Member	June 30, 2027
Robert Tagorda	Member	June 30, 2027

ADMINISTRATION

Amy Berfield
Executive Director

OTHER INDEPENDENT AUDITORS' REPORTS

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

To the Board of Directors of
New Heights Charter School
Los Angeles, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of New Heights Charter School (the "Charter") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter's financial statements and have issued our report thereon dated December 9. 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter'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 Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter'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. 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 Charter'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.

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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 Charter'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 Charter's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
December 9. 2024

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditors' Report

To the Board of Directors of
New Heights Charter School
Los Angeles, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Heights Charter School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of New Heights Charter School's major federal programs for the year ended June 30, 2024. New Heights Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, New Heights Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of New Heights Charter 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 on compliance for each major federal program. Our audit does not provide a legal determination of New Heights Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to New Heights Charter School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on New Heights Charter School's compliance based on our audit. 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, *Government Auditing Standards,* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about New Heights Charter School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 New Heights Charter School's compliance with the compliance requirements referred to above and performing such procedures as we consider necessary in the circumstances.
- Obtain an understanding of New Heights Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of New Heights Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

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 over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Internal Control Over Compliance (continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
December 9. 2024

REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Independent Auditors' Report

To the Board of Directors of
New Heights Charter School
Los Angeles, California

Report on State Compliance

Opinion on State Compliance

We have audited New Heights Charter School's compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to New Heights Charter School's state program requirements for the fiscal year ended June 30, 2024.

In our opinion, New Heights Charter School complied, in all material respects, with the laws and regulations of the applicable state programs for the year ended June 30, 2024, as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of New Heights Charter School and to meet certain 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 opinion on state compliance. Our audit does not provide a legal determination of New Heights Charter School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to New Heights Charter School's state programs.

Auditor's Responsibilities for the Audit for State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on New Heights Charter School's compliance based on our audit.

Auditor's Responsibilities for the Audit for State Compliance (continued)

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, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about New Heights Charter School's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* and the K-12 Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 New Heights Charter School's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of New Heights Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of New Heights Charter School's internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine New Heights Charter School's compliance with the state laws and regulations to the following items:

Description	Procedures Performed
School Districts, County Offices of Education and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	No*
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

We did not perform testing of Nonclassroom-Based Instruction/Independent Study because ADA was not material.

"Not applicable" is used in the table above to indicate that the Charter either did not receive program funding or did not otherwise operate the program during the fiscal year.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies or material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of State Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
December 9. 2024

FINDINGS AND QUESTIONED COSTS SECTION

NEW HEIGHTS CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

PART I – SUMMARY OF AUDITORS' RESULTS

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	No
Identification of major programs:	

AL Number(s)	Name of Federal Program or Cluster
84.425, 84.425U	Education Stabilization Fund Discretionary Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes
State Awards	
Internal control over state programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None Reported
Any audit findings disclosed that are required to be reported in accordance with *2023-24 Guide for Annual Audits of California K-12 Local Education Agencies* ?	No
Type of auditors' report issued on compliance for state programs:	Unmodified

Audit year findings, if any, are assigned an appropriate finding code as follows:

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

PART II – FINANCIAL STATEMENT FINDINGS

There were no audit findings related to the financial statements for the year ended June 30, 2024.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings and questioned costs related to federal awards for the year ended June 30, 2024.

PART IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings and questioned costs related to state awards for the year ended June 30, 2024.

PART V – SUMMARY OF PRIOR AUDIT FINDINGS

This section presents the status of actions taken by the Charter on each of the findings and recommendations reported in the prior year audit; however, there were no audit findings reported in the year ended June 30, 2023.