

**NEW HORIZONS COMMUNITY CHARTER SCHOOL  
AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS  
FINANCIAL COMPLIANCE AND PERFORMANCE  
FOR THE YEAR ENDED JUNE 30, 2024**

**XI. AUDITORS MANAGEMENT REPORT ON ADMINISTRATION FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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**REPORT OF INDEPENDENT AUDITORS**

The Honorable Chairman and  
Members of the Board of Trustees  
New Horizons Community Charter School  
County of Essex  
Newark, New Jersey

I have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Trustees of the New Horizons Community Charter School, in the County of Essex, for the year ended June 30, 2024 and have issued my report thereon dated December 26, 2024.

As part of my audit, I performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is issued in conjunction with the Annual Comprehensive Financial Report of the Board of Trustees of the New Horizons Community Charter School, for the fiscal year ended June 30, 2024, and is intended for the information of the Charter School's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Licensed Public School Accountant No. 20CS00206400



Gerald D. Longo  
Certified Public Accountant

December 26, 2024

## **ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

### **Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the Treasurer of School Monies, the activities of the Board of Trustees, and the records of the various funds under the auspices of the Board of Trustees.

### **ADMINISTRATIVE PRACTICES AND PROCEDURES**

#### **Insurance**

Various fire and liability insurance coverage was carried in the amounts as detailed in the Insurance Schedule contained in the Charter School's Annual Comprehensive Financial Report (ACFR). See Exhibit J-20.

#### **Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)**

<b><u>Position</u></b>	<b><u>Amount</u></b>
Board Secretary/School Business Administrator, Treasurer	\$250,000

#### **P.L.2020,c.44**

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by charter school.

The charter school data certification was completed by the school business administrator. The charter school project Chapter 44 data was submitted timely.

### **FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

#### **Examination of Claims**

An examination of claims paid during the period under review did not indicate any reportable noncompliance with respect to signatures, certification or supporting documentation.

#### **Payroll Accounts**

The net salaries of all employees of the Charter School were deposited in the Payroll Account. Employees payroll deductions and employees share of fringe benefits were deposited in the Payroll Agency Account.

Sampled payrolls were approved by the President of the Board and the Board Secretary/Business Administrator.

Sampled Salary withholdings were promptly remitted to the proper agencies, including health benefit withholding due to the general fund.

Sampled Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

#### Encumbrances and Accounts Payable

A sample of outstanding issued purchase orders was made as of June 30, 2024 for proper classification of orders as encumbrances and accounts payable. My sample did not indicate any reportable noncompliance with respect to classification of orders.

#### Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with the *N.J.A.C. 6A:23A-16.2(f)* as part of my test of transactions of randomly sampled expenditure transactions. I also tested the coding of all expenditures included in my compliance and single audit sampling procedures, if applicable. In addition to randomly selecting a test sample, my sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. My samples did not indicate any reportable noncompliance with respect to classification of expenditures.

#### Board Secretary's Records

My audit of the financial statements and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

#### Treasurer's Records

My audit of the financial statements and accounting records maintained by the Treasurer indicated that they were in satisfactory condition.

#### Elementary and Secondary Education Act (E.S.E.A.) as amended by Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under the various applicable programs of the Elementary and Secondary Education Act as amended and reauthorized.

A collaborative monitoring audit was performed by NJ DOE and an audit report was issued in April 2024. The grants and programs reviewed included Title I Part A, Title I SIA, Title II and Title IV beginning July 1, 2023. The fiscal review of the expenses charged to the grants yielded no fiscal findings.

My audit of compliance for E.S.E.A. did not indicate any reportable noncompliance.

#### Other Special Federal and/or State Projects

The charter school's other Special Projects were approved as listed on Schedule A (K-3) and Schedule B (K-4) located in the ACFR.

My audit of the Federal and State funds on a sample basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

In the 2024 school year, NHCCS went through a Collaborative Federal Desktop Monitoring audit program which included IDEA Basic and IDEA Preschool beginning July 1, 2023 and several grants including the Federal American Rescue Plan (ARP) beginning March 13, 2020. The Audit found some areas of non-compliance. The charter school worked collaboratively and instituted the policies and procedures to address the areas of non-compliance.

The school issued a corrective action plan to address the areas of non-compliance as noted in the Federal Desktop Monitoring report. The NJDOE accepted the corrective action plan prior to the issuance of the ACFR and AMR.

#### T.P.A.F. Reimbursement

My audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for the New Horizons Community Charter School employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

#### T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report for all federal awards for the charter school to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the charter school for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed. No exceptions were noted.

### **SCHOOL PURCHASING PROGRAMS**

#### Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and the school contracts in general, are available on the following website:  
[https://nj.gov/dca/dlgs/programs/NJ\\_LAPL.shtml](https://nj.gov/dca/dlgs/programs/NJ_LAPL.shtml)

Current statute is posted on the New Jersey Legislature website at: <http://www.njleg.state.nj.us/>

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent) and \$32,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$22,400 for 2023-24.

The Charter School's Members of the Board of Trustees has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of my audit, I did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

### **SCHOOL FOOD SERVICE**

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts and meal count records were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. No exceptions were noted.

The SFA did not operate a program under the SSO or SFSP programs. The recording and maintaining of separate supporting documentation for additional costs (food, supplies, transportation, etc.) is not applicable.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food service employees authorized by the Board of Trustees. No exceptions were noted.

The number of meals claimed as served was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheets were completed. Reimbursement claims were submitted in a timely manner. Minor exceptions were noted.

The charter school participates in the Community Eligibility Program (CEP). State of New Jersey Household Information Surveys were reviewed for completeness and accuracy. The number of free meals claimed as served was compared to average daily attendance, times the number of operating days. Minor exceptions were noted.

### **STUDENT BODY ACTIVITIES**

The Charter School does not have any student activity funds.

## **ENROLLMENT COUNTS AND SUBMISSIONS TO THE DEPARTMENT**

My audit procedures included a sample of enrollment information on October 15, 2023, and the last day of school for on roll, special education, bilingual and low-income. The results of our procedures are presented in the Schedule of Audited Enrollments.

The charter school maintained written procedures that appear to be adequate for the recording of student enrollment data.

## **FACILITIES AND CAPITAL ASSETS**

My audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

## **MISCELLANEOUS**

### **Testing for Lead of All Drinking Water in Educational Facilities**

The Charter School adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The Charter School submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g)

### **Follow-up on Prior Year Findings**

In accordance with *Government Auditing Standards*, my procedures included a review of all prior year audit recommendations including findings. Corrective action has been taken on all prior year findings.

### **Office of Fiscal Accountability and Compliance (OFAC) Findings**

A collaborative monitoring audit was performed by NJ DOE and an audit report was issued in April 2024 covering various federal programs.

In the 2024 school year, NHCCS went through a Collaborative Federal Desktop Monitoring audit program which included IDEA Basic and IDEA Preschool beginning July 1, 2023 and several grants including the Federal American Rescue Plan (ARP) beginning March 13, 2020. The Audit found some areas of non-compliance. The charter school worked collaboratively and instituted the policies and procedures to address the areas of non-compliance.

The school issued a corrective action plan to address the areas of non-compliance as noted in the Federal Desktop Monitoring report. The NJDOE accepted the corrective action plan prior to the issuance of the CAFR and AMR.



### **ACKNOWLEDGEMENT**

I received the complete cooperation of all the officials of the school and I greatly appreciate the courtesies extended to me.

Respectfully submitted,

A handwritten signature in black ink, reading "Gerald D. Longo". The signature is written in a cursive style with a large initial "G" and a stylized "L".

Gerald D. Longo  
Certified Public Accountant  
Licensed Public School Accountant No. 20CS00206400

NEW HORIZON COMMUNITY CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF OCTOBER 15, 2023

<u>1</u>		<u>2</u>		<u>2a</u>		<u>2b</u>		<u>2c</u>		<u>3</u>	<u>3a</u>		<u>3b</u>		<u>4</u>	<u>4a</u>	
Grades	Submission to DOE reported On Roll	Reported on workpapers		50% Verification required 10/15/23	Verified signed registration forms	Errors	Verified # days enrolled	Errors	to DOE Reported Special Ed/ Bilingual	Verified documentation	Errors	Verified # days Service Provided	Errors	Low Income	Verified documentation	Errors	
			Errors														
Pre Kindergarten																	
Kindergarten	33	17	0	17	17	0	17	0	2	2	0	2	0	16	16	0	
One	30	15	0	15	15	0	15	0	0	0	0	0	0	15	15	0	
Two	39	20	0	20	20	0	20	0	2	2	0	2	0	19	19	0	
Three	20	10	0	10	10	0	10	0	0	0	0	0	0	9	9	0	
Four	31	16	0	16	16	0	16	0	3	3	0	3	0	15	15	0	
Five	46	23	0	23	23	0	23	0	1	1	0	1	0	22	22	0	
Six	37	19	0	19	19	0	19	0	1	1	0	1	0	18	18	0	
Seven	57	29	0	29	29	0	29	0	1	1	0	1	0	27	27	0	
Eight	47	24	0	24	24	0	24	0	4	4	0	4	0	20	20	0	
Nine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ten	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Eleven	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Twelve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	340	173	0	173	173	0	173	0	14	14	0	14	0	161	161	0	
Percentage			0.0%			0%		0%			0%		0%			0%	

NEW HORIZON COMMUNITY CHARTER SCHOOL  
APPLICATION FOR CHARTER SCHOOL AID  
ENROLLMENT COUNT AS OF THE LAST DAY OF SCHOOL

<u>1</u>		<u>2</u>		<u>2a</u>	<u>2b</u>	<u>2c</u>			<u>3</u>	<u>3a</u>	<u>3b</u>			<u>4</u>	<u>4a</u>		
Grades	Submission to DOE reported On Roll	Reported on workpapers	Errors	50% Verification required 6/30/24	Verified signed registration forms	Errors	Verified # days enrolled	Errors	Submission to DOE Reported Special Ed/ Bilingual	Verified documentation	Errors	Verified # days Service Provided	Errors	Low Income	Verified documentation	Errors	
Pre Kindergarten																	
Kindergarten	33	16	0	16	16	0	16	0	1	1	0	1	0	15	15	0	
One	30	15	0	15	15	0	15	0	0	0	0	0	0	14	14	0	
Two	39	19	0	19	19	0	19	0	1	1	0	1	0	18	18	0	
Three	20	10	0	10	10	0	10	0	0	0	0	0	0	9	9	0	
Four	31	15	0	15	15	0	15	0	2	2	0	2	0	15	15	0	
Five	46	23	0	23	23	0	23	0	0	0	0	0	0	22	22	0	
Six	37	18	0	18	18	0	18	0	1	1	0	1	0	18	18	0	
Seven	57	28	0	28	28	0	28	0	1	1	0	1	0	26	26	0	
Eight	47	23	0	23	23	0	23	0	3	3	0	3	0	20	20	0	
Nine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ten	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Eleven	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Twelve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	340	167	0	167	167	0	167	0	9	9	0	9	0	157	157	0	
Percentage		0.0%		0%			0%			0%			0%				

**NEW HORIZONS COMMUNITY CHARTER SCHOOL**  
**Net Cash Resource Schedule**

Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
For the Fiscal Year Ending June 30, 2024

		<b>Food Service Fund</b>	
<u><b>Net Cash Resources:</b></u>			
<u><b>ACFR Schedule</b></u>	<b>Current Assets: *</b>		
B-4	Cash & Cash Equivalents	\$ (111,669)	
B-4	Accounts Receivable	113,358	
B-4	Due from Other Funds		
	<b>Current Liabilities:</b>		
B-4	Less: Accounts Payable	(1,071)	
B-4	Less: Due to Other Funds		
	<b>Net Cash Resources</b>	<b><u>\$ 618</u></b>	<b>(A)</b>

<u><b>Net Adjusted Total Operating Expenses:</b></u>			
B-5	Total Operating Expenses	\$ 445,743	
B-5	Less: Depreciation		
	<b>Net Adjusted Total Operating Expenses</b>	<b><u>\$ 445,743</u></b>	<b>(B)</b>

<u><b>Average Monthly Operating Expense:</b></u>			
	(B) / 10	<b><u>\$ 44,574</u></b>	<b>(C)</b>

<u><b>Three Months of Average Monthly Operating Expenses:</b></u>			
	(C) X 3	<b><u>\$ 133,723</u></b>	<b>(D)</b>

Net Cash Resource	\$ 618	<b>(A)</b>
Three Months of Average Monthly Operating Expense	133,723	<b>(D)</b>
Excess Cash Resource	<b><u>\$ (133,105)</u></b>	
From above:		
<b>A is greater than D, cash exceeds 3 months average monthly operating expenses.</b>		
<b>D is greater than A, cash does not exceed 3 months average monthly operating expenses.</b>		

\* Inventories are not to be included in total current assets.

**Net cash resources did not exceed three months of expenditures**

NEW HORIZONS COMMUNITY CHARTER SCHOOL  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
NATIONAL SCHOOL LUNCH (HIGH RATE)	FREE	53,438	53,369	53,369	69	4.27	295
	REDUCED	-	-	-	-	3.87	0
	PAID	8,056	8,044	8,044	12	0.42	5
TOTAL		61,494	61,413	61,413			300
NATIONAL SCHOOL LUNCH	HHFKA - PB LUNCH ONLY	61,494	61,413	61,413	81	0.08	6
SCHOOL BREAKFAST (HIGH RATE)	FREE	37,439	37,439	37,439	-	2.73	-
	REDUCED	-	-	-	-	2.43	-
	PAID	5,643	5,643	5,643	-	0.38	-
TOTAL		43,082	43,082	43,082			-
AFTER SCHOOL SNACKS	FREE (AREA ELIGIBLE)	15,845	15,845	15,845	-	1.17	-
	REDUCED	-	-	-	-	0.58	-
	PAID	-	-	-	-	0.10	-
TOTAL		15,845	15,845	15,845			-
TOTAL NET OVERCLAIM							\$ 306

NEW HORIZONS COMMUNITY CHARTER SCHOOL  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER) UNDER CLAIM
STATE REIMBURSEMENT	FREE	53,438	53,369	53,369	69	0.07	5
NATIONAL SCHOOL LUNCH	REDUCED	-	-	-	-	0.47	-
(HIGH RATE)	PAID	8,056	8,044	8,044	12	0.06	1
TOTAL		<u>61,494</u>	<u>61,413</u>	<u>61,413</u>			<u>6</u>
STATE REIMBURSEMENT	AFTER THE BELL	43,082	43,082	43,082	-	0.10	-
NATIONAL SCHOOL BREAKFAST							-
STATE REIMBURSEMENT	REDUCED	-	-	-	-	0.30	-
NATIONAL SCHOOL BREAKFAST							-
TOTAL NET OVERCLAIM							<u>\$ 6</u>

**NEW HORIZONS COMMUNITY CHARTER SCHOOL  
AUDIT SYNOPSIS RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

In the 2024 school year, NHCCS went through a Collaborative Federal Desktop Monitoring audit program which included IDEA Basic and IDEA Preschool beginning July 1, 2023 and several grants including the Federal American Rescue Plan (ARP) beginning March 13, 2020. The Audit found some areas of non-compliance. The charter school worked collaboratively and instituted the policies and procedures to address the areas of non-compliance.

The school issued a corrective action plan to address the areas of non-compliance as noted in the Federal Desktop Monitoring report. The NJDOE accepted the corrective action plan prior to the issuance of the CAFR and AMR.

3. School Purchasing Program

None

4. School Food Service

5. None

6. Student Body Activities

None

7. Application for State School Aid

N/A to charter schools.

8. Charter School Enrollment system (CHE)

None

9. Pupil Transportation

N/A to charter schools.

10. Facilities and Capital Assets

None

**NEW HORIZONS COMMUNITY CHARTER SCHOOL  
AUDIT SYNOPSIS RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

11. Miscellaneous

None

12. Status of Prior Year's Findings/Recommendations

Corrective action has been taken on all prior year findings.