

PUENTE Charter School
501 S. Boyle Avenue, Los Angeles, CA 90033

BOARD MEETING MINUTES

June 16, 2021 8:30 am

Join Zoom Meeting

<https://us04web.zoom.us/j/79661381746?pwd=TVRPblybFKeWJzNURJbHpWTGxYdz09>

Meeting ID: 796 6138 1746 Passcode: 6J3cvu

The PUENTE Charter School board meeting was conducted via Zoom due to COVID-19 on Wednesday, June 16, 2021 at 8:30 am. Board members and staff attended the meetings from their place of residence or workplace.

Board Members in Attendance: Chun Wong, Tyler M.P. Sutherland, Oscar Cabrales, Greg Gonzalez, Lara Lightbody, Albert Reyes

Board Members not in Attendance: Daniel Arguello, Jocelyn Rosenwald

PUENTE Staff in Attendance: Jerome Greening, Brenda Meza, Angelica Castro, Matt Wells, Michele Wolfe, Anton Qataifi, Alicia Granados

Call to Order

Chun Wong called the meeting to order at 8:35 am. A quorum was established.

Roll Call

Board Chair Chun Wong conducted a roll call for Board Members. Present were: Chair, Chun Wong; Tyler M.P. Sutherland, Oscar Cabrales, Greg Gonzalez, Lara Lightbody, Albert Reyes

Approval of Board Meeting Minutes from March 3, 2021

Motion: A motion was duly made by Chun Wong and seconded by Tyler Sutherland to approve the March 3, 2021 minutes. Board moved to accept the minutes as written. *Wong, "yes"; Sutherland, "yes"; Cabrales, "yes"; Lightbody, "yes"; Gonzalez, "yes"; Reyes, "yes"*

Staff Report:

LAUSD Charter Schools Division Oversight Report for 2020-2021

Interim Principal Brenda Meza provided the information from the LAUSD Oversight Visit that occurred on for March 9th, 2021 reflecting the designation of "4s" in the evaluation areas of Governance, Fiscal and Programs, Management & Operations. Brenda spoke about the continued capacity-building in the operations to meet the needs of the growing school. Brenda also underscored the collaboration with LAUSD Charter Schools Division in support of compliant and high-achieving operations.

Data Dashboard

Interim Principal Brenda Meza presented the assessments being utilized to ensure student progress monitoring including the ELPAC; NWEA Map; Running Records; Benchmark Assessments; Book Club (the extension for gifted students) and the upcoming SBAC for our third grade students.

Consent Calendar Items for Approval

Motion: A motion was duly made by Chun Wong and seconded by Oscar Cabrales to approve the following consent calendar agenda items. *Wong, "yes"; Sutherland, "yes"; Cabrales, "yes"; Gonzalez, "yes"; Lightbody"; yes." Reyes, "yes."* The Board unanimously approved.

Approval of the Academic Year Instructional Calendar for 2021-2022

Brenda Meza presented the 2021-2022 Instructional Calendar reflecting the 180 days of instruction for the academic year.

Approval of the Common Core Aligned Textbooks and Digital Resources for Academic Year 2021-21

Brenda Meza presented the Common Core Aligned Textbooks and Digital Resources for student academic and developmental support and mastery for Academic Year 2021-22.

Approval of the Special Education Service Provider, Comprehensive Therapy Associates, for 2021-2022

Brenda Meza noted the diligence in our service to students in need of special education support services. This academic year we had 8% of our student population qualify for the important resources to improve achievement. As the school grows, our special education population will increase and we will continue building capacity to meet the students' needs. We contract with Comprehensive Therapy Associates (CTA) to provide the quality support and to ensure adherence to the compliance requirements. CTA continues to be a quality partner in our instructional program.

Approval of the School Meal Service Contract Extension with School Nutrition Plus for 2021-2022

Brenda Meza noted the overall student and family satisfaction with the products and service from meal vendor, School Nutrition Plus.

Approval of the Education Protection Account (EPA Funding) for 2021-2022

Brenda Meza presented the spending plan for PUENTE Charter School as per the requirements from the California Department of Education. EPA funds are estimated to be 17% of a school's total Local Control Funding Formula (LCFF) base rate. For PUENTE Charter School, this equates to \$433,000 The spending plan for PUENTE Charter School allocates these funds to support teacher salaries and benefits.

Financial Report: Charter Financials as of March 31, 2021

1. Statement of Activities Analysis:

As of March 31, 2021, the Charter School earned \$1,943,034 in revenue and incurred expenses of \$1,831,654. Resulting in a change in net assets or surplus of \$111,380. As of March 31, 2021, total operating revenue exceeded YTD budgeted amount by \$165,724. This is mainly due to unbudgeted Other Federal Income funds received from the State of California for COVID-19 Loss Mitigation Learning Funds. Following is a list of Charter School revenue allocation:

- Personnel cost: With a total of \$1,235,417 or approximately 67% of total expenses, personnel cost reflect our growing school status. According to Charity Navigator, in order for schools to effectively serve students, the benchmark percentage for personnel cost (mainly instructional) should not be less than 55%. As such, our allocation is above the suggested percentage benchmark.
- The Charter School is fiscally responsible for a partial payment of expense associated with Special Education Programs that the School District is responsible for and pays for out of its General Fund. Special Ed Fair Share and Special Ed Contract total costs were \$83,179 or 4.5% and \$69,430 or 3.8%, respectively.
- When examining our expenditures, we found that PUENTE, at best, will have some small savings on our total operating budget relative to planned expenditures on certain areas of services.
 - Possible areas of savings:
 - Food Service Contract
 - Utilities
 - Textbooks
 - Furniture & Equipment
 - Security

At the same time, costs in the areas of technology and virtual learning are expected to increase.

2. Statement of Financial Position

The Statement of Financial Position helps us evaluate the strength of PUENTE. This is done through three broad categories of investment-quality measurement: Working Capital, or short-term liquidity, asset performance, and capitalization structure.

Working Capital

- The Working Capital: Working capital is calculated as current assets minus current liabilities and represents the amount of cash PUENTE can safely spend. Current assets of \$1,486,607 minus current liabilities \$236,634 equals \$1,249,973.

Asset performance.

- Cash Ratio: Compares the amount of cash and cash equivalent of \$431,646 against current liabilities of \$236,634 resulting in 1.82. Please note that the liability are payments due to PUENTE Learning Center and not outside vendors. This means that for every \$1 of liability, the Charter School has \$1.82 of liquid cash.
- Quick Ratio: Measures the ability to pay PUENTE's short-term liabilities by having assets that are readily convertible into cash. Cash of \$431,646, accounts receivable of \$577,761 and contributions receivable of \$477,200 totaling \$1,486,607 divided by current liabilities of \$236,634 resulting in 6.28. This means that the Charter School has capacity to pay off its current liabilities with the current assets and can easily fund its day-to-day operations. Here for every \$1 of current liability, the Charter School has \$6.28 of quick assets to pay for it.
- Months of Cash on Hand: Represents the number of months of operating expenses that the Charter can pay with its current cash available. According to our Statement of Activities total operating expenses were \$1,831,654. As such, the average monthly expense or burn rate is \$227,067. Our total cash and cash equivalent is \$431,646 when divided by the burn rate of \$227,067 we get 2.1 months of cash on hand.

Capitalization structure assess long-term solvency and stability:

- Debt-to-equity Ratio: Calculated by dividing current liabilities of \$236,634 by total equity \$1,711,885 for a total of .138, this ratio indicates that most of PUENTE's assets and resources are provided by funding from the school district and not creditors or vendors. PUENTE uses 13.8 cents of debt financing for every \$1 of equity financing.

3. Statement of Cash Flow

The Charter School's cash decreased by \$310,129. The decrease was mainly due to the following:

- As a non-cash item, change in depreciation of \$11,318 is subtracted to the net surplus to reconcile the cash from operations.
- Accounts receivable increased by \$354,912. Increasing receivables means less inflow of cash through decrease in collections. Therefore, the \$354,912 is subtracted from the net surplus.
- Contributions receivable decreased by \$14,540. Decreasing receivables means more cash through the increase in collections. Therefore, the \$14,540 is added to the net surplus.
- Due to Other Programs to the Center Increased by \$25,704. Increasing liabilities means that obligations are paid at a later time. As such, the Charter School has more cash on hand as the \$25,704 is added to the net surplus.
- Property & Equipment increased by \$118,160. This was mainly due to the payments related to the purchase of laptops and hotspots for our students without reliable internet access and/or technology to participate in digital learning. The increase resulted in a decrease in cash. As such, the change is subtracted from the total change in net assets.

- f. The total decrease in cash of \$310,129 is subtracted from the beginning cash of \$741,774 resulting in ending cash balance of \$431,646

Approval of Proposed Budget for FY22

Angelica Castro presented the PUENTE Charter School Proposed Budget for FY22 of \$3 117,951. The detail line items of the balanced budget for revenue and expenses were discussed.

Motion: A motion was duly made by Chun Wong and seconded by Albert Reyes to approve the Interim Financials and the Proposed Charter School Budget for 2021-2022. *Wong, "yes"; Sutherland, "yes"; Cabrales, "yes"; Gonzalez, "yes"; Lightbody"; yes." Reyes, "yes."* The Board unanimously approved.

Local Control Accountability Plan 2021-2022 & LCAP Annual Updates and the Budget Overview for Parents

Jerome Greening; Angelica Castro and Brenda Meza presented the the PUENTE Charter School Local Control Accountability Plan for 2021-2022; the LCAP Annual Update and the Budget Overview for Parents for FY22, resulting from the stakeholder engagement that occurred during the 2020-21 academic year.

Motion: A motion was duly made by Tyler Sutherland and seconded by Oscar Cabrales to approve the PUENTE LCAP 21-22; the Annual Update and the Budget Overview for Parents for 2021-2022. *Wong, "yes"; Sutherland, "yes"; Cabrales, "yes"; Gonzalez, "yes"; Lightbody"; yes." Reyes, "yes."* The Board unanimously approved.

Chun Wong thanked everyone for their participation and adjourned the meeting at 9:10 am.

Submitted Respectfully,
Alicia Granados

