



**PUENTE Charter School**  
**Unaudited Financial Statements**  
***As of and for the period Ended March 31, 2022***  
***with comparative financial information for June 30, 2021***



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**PUENTE Charter School**  
**Statement of Activities**  
**July 1 through March 31, 2022**  
**with Comparative YTD Budget**

	ADA	225		225		225
	Actual 3/31/2022		YTD Budget 3/31/2022	Variance	Annual Budget 6/30/2022	
<b>Operating revenue</b>						
LCFF - State Aid	\$ 1,193,542	44.08%	\$ 1,168,370	\$ 25,173	\$ 1,557,826	
LCFF - State Aid - Prior Yr	8,062	0.30%	-	8,062		
Prop 30 - Education Protection Account	302,400	11.17%	325,397	(22,997)	433,863	
Other Fed Income	309,422	11.43%	65,210	244,212	86,947	
Special Ed Current Yr	180,660	6.67%	106,539	74,121	142,052	
State Lottery - Charter Prop 20	4,043	0.15%	8,280	(4,237)	11,040	
Non-Prop Lottery Education Appointment	24,096	0.89%	25,346	(1,250)	33,795	
Block Grant K-12	3,189	0.12%	-	3,189	-	
Other State Revenue	156,790	5.79%	171,832	(15,041)	229,109	
District pymt in lieu of Prop Tax	525,656	19.41%	480,824	44,833	641,098	
<b>Total operating revenue</b>	<b>\$ 2,707,867</b>		<b>\$ 2,351,798</b>	<b>\$ 356,069</b>	<b>\$ 3,135,730</b>	
<b>Operating expenses and losses</b>						
Salaries	1,356,719		1,302,285	54,434	1,723,173	
Employee benefits	168,542		156,055	12,487	208,154	
Taxes	99,378		104,050	(4,672)	137,641	
Workers Compensation	18,963		28,306	(9,343)	37,741	
<b>Total personnel cost</b>	<b>\$ 1,643,602</b>	60.9%	<b>\$ 1,590,696</b>	<b>\$ 52,906</b>	<b>\$ 2,106,709</b>	
Building Lease	168,750	6.25%	168,750	-	225,000	
Professional Services	130,783	4.85%	56,103	74,680	79,877	
Special Ed Contract	161,930	6.00%	69,100	92,830	109,100	
Special Ed Fair Share	125,973	4.67%	102,539	23,434	140,993	
Food Service Contract	95,934	3.56%	56,835	39,099	84,600	
Utilities	55,264	2.05%	40,900	14,364	54,453	
Insurance	59,391	2.20%	36,065	23,326	43,821	
Accounting	25,986	0.96%	34,186	(8,200)	34,186	
Textbooks	17,624	0.65%	18,725	(1,101)	18,725	
Dues & Subscriptions	27,271	1.01%	19,453	7,818	15,975	
Depreciation	20,052	0.74%	6,367	13,685	8,491	
Supplies	22,591	0.84%	10,683	11,908	14,088	
Equipment/Bldg & Repairs	19,473	0.72%	10,457	9,016	10,457	
Security	41,806	1.55%	25,874	15,932	35,650	
Education supplies	9,584	0.36%	6,119	3,465	9,623	
Maintenance supplies	11,935	0.44%	21,634	(9,699)	25,500	
Telephone	8,875	0.33%	8,044	831	10,531	
Printing and Reproduction	6,318	0.23%	7,159	(841)	9,766	
Staff Development	9,969	0.37%	5,323	4,646	7,028	
Students Activities	11,971	0.44%	750	11,221	1,000	
Advertising & Publicity	5,377	0.20%	2,905	2,472	4,319	
Payroll Fees	5,978	0.22%	6,499	(521)	8,686	
Gifts	771	0.03%	-	771	750	
License & permits	2,265	0.08%	-	2,265	-	
Postage & delivery	1,713	0.06%	1,700	13	2,160	
Furniture & Fixtures	1,521	0.06%	-	1,521	45,750	
Computer supplies	1,050	0.04%	-	1,050	-	
Furniture & equipment	970	0.04%	-	970	-	
LACOE - Administrative Fees	1,800	0.07%	500	1,300	500	
Equipment lease	360	0.01%	1,669	(1,309)	2,227	
Meals & Entertainment	752	0.03%	-	752	-	
Miscellaneous Expenses	277	0.01%	-	277	-	
Furniture & equipment rental	186	0.01%	45,750	(45,564)	-	
Meetings & Workshops	114	0.00%	4,248	(4,134)	4,920	
Property Tax	77	0.00%	1,946	(1,869)	2,416	
Bank Fees	63	0.00%	-	63	-	
Travel	46	0.00%	650	(604)	650	
<b>Total Operating Expenses</b>	<b>\$ 1,054,801</b>		<b>\$ 770,933</b>	<b>\$ 283,868</b>	<b>\$ 1,011,242</b>	
<b>Total Expenses</b>	<b>\$ 2,698,403</b>		<b>\$ 2,361,629</b>	<b>\$ 336,774</b>	<b>\$ 3,117,951</b>	
<b>Operating revenue in excess of operating expenses</b>	<b>\$ 9,463</b>		<b>\$ (9,832)</b>	<b>\$ 19,295</b>	<b>\$ 17,779</b>	
<b>(Other items considered to be nonoperating)</b>						
Interest income	-		-	-	-	
<b>Change in net assets</b>	<b>\$ 9,463</b>		<b>\$ (9,832)</b>	<b>\$ 19,295</b>	<b>\$ 17,779</b>	
Non-cash items - Depreciation	20,052		6,367	13,685	8,491	
	<b>\$ 29,516</b>		<b>\$ (3,465)</b>	<b>\$ 32,980</b>	<b>\$ 26,270</b>	
<b>Cost per Student</b>	<b>\$ 11,993</b>		<b>\$ 10,496</b>		<b>\$ 13,858</b>	

**PUENTE Charter School**  
**Statement of Financial Position**  
**As of March 31, 2022**

<b>ASSETS</b>	<b>Actual 3/31/2021</b>	<b>Audited 6/30/2021</b>	<b>Change \$</b>
<b>Current assets</b>			
Cash (Charter School Savings)	\$ 728,289	\$ 345,545	\$ 382,744
Cash (Capital Campaign)	5,793	5,800	(6)
<b>Cash and cash equivalent</b>	<b>734,083</b>	<b>351,345</b>	<b>382,739</b>
Accounts receivable, net	289,772	644,197	(354,425)
Contributions receivable, net	485,674	484,151	1,523
<b>Receivables (net)</b>	<b>775,446</b>	<b>1,128,348</b>	<b>(352,902)</b>
<b>Total Current Assets</b>	<b>1,509,529</b>	<b>1,479,693</b>	<b>29,837</b>
Land, building and equipment			
Furniture, Fixtures & Equipment	292,171	240,554	51,616
Work in Process	310,807	310,807	-
Less: Depreciation	(76,122)	(54,071)	(22,050)
	<b>526,855</b>	<b>497,289</b>	<b>29,566</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,036,384</b>	<b>\$ 1,976,982</b>	<b>\$ 59,403</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Deferred revenue	157,171	-	157,171
Due to other programs to the Center	163,568	270,800	(107,234)
<b>Total Current Liabilities</b>	<b>320,739</b>	<b>270,800</b>	<b>49,937</b>
<b>Net assets</b>			
Net Surplus/Deficit	\$ 9,463	\$ 105,631	\$ (96,168)
With donor restriction	500,136	500,136	-
Without donor restriction	1,206,046	1,100,415	105,631
<b>Total net assets</b>	<b>1,715,645</b>	<b>1,706,182</b>	<b>9,463</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,036,384</b>	<b>\$ 1,976,982</b>	<b>\$ 59,402</b>
<b>Matrix Analysis:</b>	<b>0</b>		
Working Capital	<b>\$ 1,188,790</b>		
Cash Ratio:	<b>2.29</b>		
Quick Ratio:	<b>4.71</b>		
Burn Rate	<b>\$ 299,823</b>		
Months of Cash on Hand	<b>2.4</b>		
Debt-to-equity ratio	<b>0.187</b>		

**PUENTE Charter School**  
**Statement of Cash Flow**  
For the Month Ended March 31, 2022

	<b>Month Ended 3/31/2022</b>	<b>Audited 6/30/2021</b>
<b>Cash flows from operating activities:</b>		
Change in total net assets	\$ 9,463	\$ 102,172
Adjustments to reconcile in net assets to net cash (used in) provided by operating activities:		
Depreciation	22,050	18,538
Changes in operating assets and liabilities:		
Accounts receivable	354,425	(421,348)
Contributions receivable	(1,523)	23,311
Deferred revenue	157,171	-
Due to other programs to the Center	(107,234)	47,657
<b>Net cash (used in) provided by operating activities</b>	<b>434,353</b>	<b>(229,670)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(51,616)	(160,757)
<b>Net cash used in investing activities</b>	<b>(51,617)</b>	<b>(160,757)</b>
<b>NET (INCREASED) IN CASH</b>	<b>382,736</b>	<b>(390,427)</b>
<b>CASH - BEGINNING</b>	<b>351,347</b>	<b>741,774</b>
<b>CASH - ENDING</b>	<b>\$ 734,083</b>	<b>\$ 351,347</b>

**PUENTE Charter School**  
**Capital Expenditures**  
**Work in Progress & Completion Percentage**

<b>Vendor</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>Total</b>	<b>% of Completion</b>
Berliner Architects	109,403	27,002	-	136,406	98%
Brandow & Johnston	5,310	-	-	5,310	100%
BTC	756	-	-	756	100%
City of Los Angeles	25,437	34,530	-	59,967	100%
Craig Lawson & Co, LLC	32,508	33,842	-	66,350	100%
Department of Transportation	1,175	7,480	-	8,655	100%
GeoSystems Inc.	3,500	3,225	-	6,725	100%
Gibson Transportation	4,000	12,639	-	16,639	100%
Ter Molen Watkins	-	10,000	-	10,000	100%
<b>Grand Total</b>	<b>182,089</b>	<b>128,718</b>	<b>-</b>	<b>310,807</b>	

## MEMORANDUM

**To:** Finance Committee Members  
**From:** Angelica Castro  
Vice President of Finance, PUENTE Charter School  
**Date:** June 9, 2022  
**Re:** Summary of Financial Results as of March 31, 2022

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The purpose of this memo is to summarize the financial results of PUENTE Charter School Unaudited Financial Statements as of March 31, 2022. Please find a copy of the following reports in this Committee Packet:

1. Statement of Activities for period ended March 31, 2022 with comparative YTD Budget.
2. Statement of Financial Position as of March 31, 2022.
3. Statement of Cash Flow as of March 31, 2022.

### 1. Statement of Activities Analysis:

As of March 31, 2022, the Charter School reported total revenue \$2,707,867 and expenses of \$2,698,403 with a net surplus of \$9,463. Total operating revenue exceeded YTD budgeted revenue by approximately \$356,069. This was mainly due to unbudgeted Federal Income ESSERS funding provided by the State of California. The awarded funds are earmarked for health and safety of the students as well as COVID compliance reporting.

Line items to highlight are as follow:

- Personnel cost: Personnel cost was \$1,643,602 or approximately 60.9% expenses allocation and exceeded YTD budgeted amount by approximately \$52,906. This was mainly due to the shift in labor allocation from PLC to Charter School to meet the health and safety needs of the students as well as more rigorous compliance reporting.
- Professional Services: Professional services was \$130,783 or approximately 4.85% expense allocation and exceeded YTD budgeted amount by approximately \$74,680. The overage is mainly associated with Strategic Planning unbudgeted expense, additional costs incurred for COVID 19 screening, reporting compliance, temporary staff for accounting department, as well as a new custodial contractor.
- Special Ed Contract: Special Ed. Contract was \$161,930 or approximately 6% expense allocation. This was mainly due to the expanded health and wellness component requirements from the CDE for ESSERS funding.
- Special Ed Fair Share: 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 was \$125,973 or 4.67% expense allocation and exceeded YTD budgeted amount by approximately \$23,434.
- Food Service Contract: Food Service Contract was \$95,934 or approximately 3.56% expense allocation and exceeded YTD budgeted amount by approximately \$39,099. This was mainly due to additional expense associated with a more rigorous COVID-19 compliance component.
- Utilities: Utilities was \$55,264 or approximately 2.05% expense allocation and exceeded YTD budgeted amount by approximately \$14,364. This was mainly due to an adjustment to expense allocation to reflect the increase usage.
- Insurance: Insurance was \$59,391 or approximately 2.2% expense allocation and exceeded YTD budgeted amount by approximately \$23,326. This was



mainly due to an increase in our insurance premium due to COVID-19 increase exposure.

- Dues and Subscriptions: Dues and Subscriptions were \$27,271 or approximately 1.01% expense allocation and exceeded YTD budgeted amount by approximately \$7,818. This was mainly due to additional expenses associated with subscriptions for DocuSign and Parent Locker.
- Supplies: Supplies were \$22,591 or approximately .84% expense allocation and exceeded YTD budgeted amount by approximately \$11,908. This was mainly due to the purchase of PPE supplies.
- Equipment & Building Repair: Equipment & Building Repair was \$19,473 or approximately .72% expense allocation and exceeded YTD budgeted amount by approximately \$9,016. This was mainly due to expenses associated with addressing hazards associated with COVID.
- Security: Security was \$41,806 or approximately 1.55% expense allocation and exceeded YTD budgeted amount by approximately \$15,932. This was mainly due to the addition of a second security officer. This was done in an attempt to reinforce our security and increase safety.

## **2. Statement of Financial Position**

Cash & cash equivalent: The change in cash from prior year was \$382,739.

- Cash & cash equivalent: Cash balance was \$734,083. An increase of \$382,739 from June 30, 2021. This was mainly due to the collection of all deferred payments.
- Deferred revenue: Deferred revenue was \$157,171. This represents a prepayment from the CDE earmarked for Expanded Learning Opportunity (ELO) funding. This will gradually be recorded on the Statement of Activities during FY 2022-23 as the obligations are performed.

Financial Key Indicators

Working Capital

- The Working Capital: PUENTE has \$1,188,790 available for current and future use.

Asset performance.

- Cash Ratio is \$2.29: This is another indicator of future cash flow. This means that for every \$1 of liability, the Charter School has \$2.29 of liquid cash.
- Quick Ratio \$4.71: Measures the ability to pay PUENTE's short-term liabilities by having assets that are readily convertible into cash. 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 \$4.71 of quick assets to pay for it.
- Months of Cash on Hand: Represents the number of months of operating expenses that Charter can pay with its current cash available. According to our Statement of Activities, total operating expenses were \$2,698,403. As such, the average monthly expense or burn rate is \$299,823. Our total cash and cash equivalent of \$734,083 when divided by the burn rate of \$299,823 we get 2.4 months of cash on hand.

Capitalization structure assess long-term solvency and stability:

- Debt-to-equity Ratio: Calculated by dividing current liabilities of \$320,739 by total equity \$1,715,645 for a total of \$0.187, 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 Charter uses \$0.18 of debt financing for every \$1 of equity financing.

### **3. Statement of Cash Flow**

The Charter School's cash increased by \$382,736. This increase was mainly due to the following:

- a. As the Statement of Activities reports equity earnings, the Statement of Cash Flow reports how much cash is coming from the equity earnings reported on the Statement of Activities. As such, on this statement we eliminate noncash items such as depreciation expense. (A non-cash item). As a non-cash item, change in depreciation of \$22,050 is added to the net surplus to reconcile the cash from operations.
- b. Accounts receivable decreased by \$354,425. Decreasing receivables means more inflow of cash through increase in collections. Therefore, the \$354,425 is added to the net surplus.
- c. Contribution receivables increased by \$1,523. Increasing receivables means less cash through the decrease in collections. Therefore, the \$1,523 is subtracted from the net surplus.
- d. Deferred revenue: In order to keep track of the cash received against the unearned revenue, it is recorded (added) in the cash flow statement when the cash is received.
- e. Due to Other Programs to the Center increased by \$107,234. Increasing liabilities means that obligations are paid at a later date. As such, the Charter School has more cash on hand, as the \$107,234 is subtracted from the net surplus.
- f. Property & Equipment increased by \$51,617. 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.
- g. The total increase in cash of \$382,736 is added to the beginning cash of \$351,347 resulting in ending cash balance of \$734,083