



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

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**PUENTE Charter School**  
**Statement of Activities**  
**July 1 through December 31, 2021**  
**with Comparative YTD Budget**

	ADA	225		225		225
		Actual		YTD Budget		Annual Budget
		12/31/2021		12/31/2021	Variance	6/30/2022
<b>Operating revenue</b>						
LCFF - State Aid	\$	823,318	43.07%	\$ 778,913	\$ 44,405	\$ 1,557,826
LCFF - State Aid - Prior Yr		8,062	0.42%	-	8,062	
Prop 30 - Education Protection Account		201,600	10.55%	216,932	(15,332)	433,863
Other Fed Income		292,278	15.29%	43,474	248,805	86,947
Special Ed Current Yr		109,155	5.71%	71,026	38,129	142,052
State Lottery - Charter Prop 20		2,760	0.14%	5,520	(2,760)	11,040
Non-Prop Lottery Education Appointment		24,096	1.26%	16,898	7,199	33,795
Block Grant K-12		3,189	0.17%	-	3,189	-
Other State Revenue		84,203	4.40%	114,555	(30,351)	229,109
District pymt in lieu of Prop Tax		363,009	18.99%	320,549	42,460	641,098
<b>Total operating revenue</b>	<b>\$</b>	<b>1,911,670</b>		<b>\$ 1,567,865</b>	<b>\$ 343,805</b>	<b>\$ 3,135,730</b>
<b>Operating expenses and losses</b>						
Salaries		906,414		861,587	44,828	1,723,173
Employee benefits		113,259		104,077	9,182	208,154
Taxes		65,896		68,821	(2,924)	137,641
Workers Compensation		15,206		18,871	(3,664)	37,741
<b>Total personnel cost</b>	<b>\$</b>	<b>1,100,776</b>	61.2%	<b>\$ 1,053,355</b>	<b>\$ 47,421</b>	<b>\$ 2,106,709</b>
Building Lease		112,500	6.25%	112,500	-	225,000
Professional Services		101,660	5.65%	39,939	61,722	79,877
Special Ed Contract		100,651	5.59%	54,550	46,101	109,100
Special Ed Fair Share		74,958	4.16%	70,497	4,462	140,993
Food Service Contract		72,322	4.02%	42,300	30,022	84,600
Utilities		37,610	2.09%	27,227	10,384	54,453
Insurance		31,875	1.77%	21,911	9,965	43,821
Accounting		25,986	1.44%	17,093	8,893	34,186
Textbooks		17,154	0.95%	18,725	(1,571)	18,725
Dues & Subscriptions		16,679	0.93%	7,988	8,691	15,975
Depreciation		13,368	0.74%	4,246	9,123	8,491
Supplies		14,056	0.78%	7,044	7,012	14,088
Equipment/Bldg & Repairs		11,817	0.66%	5,229	6,589	10,457
Security		16,370	0.91%	17,825	(1,455)	35,650
Education supplies		9,549	0.53%	4,812	4,737	9,623
Maintenance supplies		8,950	0.50%	12,750	(3,800)	25,500
Telephone		5,642	0.31%	5,266	377	10,531
Printing and Reproduction		5,488	0.30%	4,884	604	9,766
Staff Development		4,399	0.24%	3,514	885	7,028
Students Activities		3,037	0.17%	500	2,537	1,000
Advertising & Publicity		3,255	0.18%	2,160	1,096	4,319
Payroll Fees		3,590	0.20%	4,343	(753)	8,686
Gifts		653	0.04%	375	278	750
License & permits		2,265	0.13%	-	2,265	-
Postage & delivery		1,343	0.07%	1,080	263	2,160
Furniture & Fixtures		739	0.04%	45,750	(45,011)	45,750
Computer supplies		680	0.04%	-	680	-
Furniture & equipment		583	0.03%	-	583	-
LACOE - Administrative Fees		500	0.03%	250	250	500
Equipment lease		360	0.02%	1,114	(753)	2,227
Meals & Entertainment		285	0.02%	-	285	-
Miscellaneous Expenses		277	0.02%	-	277	-
Furniture & equipment rental		186	0.01%	-	186	-
Meetings & Workshops		114	0.01%	2,460	(2,346)	4,920
Property Tax		77	0.00%	1,208	(1,131)	2,416
Bank Fees		58	0.00%	-	58	-
Travel		46	0.00%	325	(279)	650
<b>Total Operating Expenses</b>	<b>\$</b>	<b>699,084</b>		<b>\$ 537,859</b>	<b>\$ 161,225</b>	<b>\$ 1,011,242</b>
<b>Total Expenses</b>	<b>\$</b>	<b>1,799,859</b>		<b>\$ 1,591,214</b>	<b>\$ 208,646</b>	<b>\$ 3,117,951</b>
<b>Operating revenue in excess of operating expenses</b>	<b>\$</b>	<b>111,811</b>		<b>\$ (23,349)</b>	<b>\$ 135,159</b>	<b>\$ 17,779</b>
<b>(Other items considered to be nonoperating)</b>						
Interest income		-		-	-	-
<b>Change in net assets</b>	<b>\$</b>	<b>111,811</b>		<b>\$ (23,349)</b>	<b>\$ 135,159</b>	<b>\$ 17,779</b>
Non-cash items - Depreciation		13,368		4,246	9,123	8,491
	<b>\$</b>	<b>125,179</b>		<b>\$ (19,103)</b>	<b>\$ 144,282</b>	<b>\$ 26,270</b>

**PUENTE Charter School**  
**Statement of Financial Position**  
**As of December 31, 2021**

<b>ASSETS</b>	<b>Actual 12/3/2021</b>	<b>Audited 6/30/2021</b>	<b>Change \$</b>
<b>Current assets</b>			
Cash (Charter School Savings)	\$ 824,633	\$ 345,545	\$ 479,088
Cash (Capital Campaign)	5,792	5,800	(7)
<b>Cash and cash equivalent</b>	<b>830,425</b>	<b>351,345</b>	<b>479,082</b>
Accounts receivable, net	437,832	644,197	(206,365)
Contributions receivable, net	485,674	484,151	1,523
<b>Receivables (net)</b>	<b>923,506</b>	<b>1,128,348</b>	<b>(204,842)</b>
<b>Total Current Assets</b>	<b>1,753,931</b>	<b>1,479,693</b>	<b>274,239</b>
Land, building and equipment			
Furniture, Fixtures & Equipment	264,737	240,554	24,183
Work in Process	310,807	310,807	-
Less: Depreciation	(68,772)	(54,071)	(14,700)
	<b>506,772</b>	<b>497,289</b>	<b>9,483</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,260,703</b>	<b>\$ 1,976,982</b>	<b>\$ 283,721</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Deferred revenue	103,513	-	103,513
Due to other programs to the Center	339,197	270,800	68,395
<b>Total Current Liabilities</b>	<b>442,710</b>	<b>270,800</b>	<b>171,908</b>
<b>Net assets</b>			
Net Surplus/Deficit	\$ 111,811	\$ 105,631	\$ 6,180
With donor restriction	500,136	500,136	-
Without donor restriction	1,206,046	1,100,415	105,631
<b>Total net assets</b>	<b>1,817,993</b>	<b>1,706,182</b>	<b>111,811</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,260,703</b>	<b>\$ 1,976,982</b>	<b>\$ 283,721</b>
<b>Matrix Analysis:</b>			
Working Capital	<b>\$ 1,311,221</b>		
Cash Ratio:	<b>2.45</b>		
Quick Ratio:	<b>3.96</b>		
Burn Rate	<b>\$ 299,977</b>		
Months of Cash on Hand	<b>2.8</b>		
Debt-to-equity ratio	<b>0.244</b>		

**PUENTE Charter School**  
**Statement of Cash Flow**  
For the Month Ended December 31, 2021

	<b>12/31/2021</b>	<b>Audited 6/30/2021</b>
<b>Cash flows from operating activities:</b>		
Change in total net assets	\$ 111,811	\$ 102,172
Adjustments to reconcile in net assets to net cash (used in) provided by operating activities:		
Depreciation	14,700	18,538
Changes in operating assets and liabilities:		
Accounts receivable	206,365	(421,348)
Contributions receivable	(1,523)	23,311
Deferred revenue	103,513	
Due to other programs to the Center	68,395	47,657
<b>Net cash (used in) provided by operating activities</b>	<b>503,261</b>	<b>(229,670)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(24,183)	(160,757)
<b>Net cash used in investing activities</b>	<b>(24,183)</b>	<b>(160,757)</b>
<b>NET (INCREASED) IN CASH</b>	<b>479,078</b>	<b>(390,427)</b>
<b>CASH - BEGINNING</b>	<b>351,347</b>	<b>741,774</b>
<b>CASH - ENDING</b>	<b>\$ 830,425</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  
**From:** Angelica Castro  
Vice President of Finance, PUENTE Charter School  
**Date:** February 9, 2022  
**Re:** Summary of Financial Results as of December 31, 2021

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The purpose of this memo is to summarize the financial results of PUENTE Charter School Unaudited Financial Statements as of December 31, 2021. Please find a copy of the following reports in this Committee Packet:

1. Statement of Activities for period ended December 31, 2021 with comparative YTD Budget.
2. Statement of Financial Position as of December 31, 2021.
3. Statement of Cash Flow as of December 31, 2021.

### 1. Statement of Activities Analysis:

As of December 31, 2021, the Charter School reported total revenue \$1,911,670 and expenses of \$1,799,859 for a net surplus of \$111,811. As of December 31, 2021, total operating revenue exceeded YTD budgeted revenue by \$343,805. 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 \$1,100,776 or approximately 61.2% expenses allocation. This expense was \$47,421 over budgeted amount. This was mainly due to the shift in labor allocation to the Charter School to meet the health and safety needs of the students as well as more rigorous compliance reporting.
- Professional Services: Professional services was \$101,660 or approximately 5.65% expense allocation. This expense was \$61,722 over budgeted amount. The overage was due to expenses associated with Strategic Planning, 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 \$100,651 or approximately 5.59% expense allocation. This expense was \$46,101 over budgeted amount. 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 74,958 or 4.16% expense allocation. This expense was \$4,462 over budgeted amount.
- Food Service Contract: Food Service Contract was \$72,322 or approximately 4.02% expense allocation. This expense was \$30,022 over budgeted amount. This was mainly due to additional expense associated with a more rigorous COVID-19 compliance component.
- Utilities: Utilities was \$37,610 or approximately 2.09% expense allocation. This expense was \$10,384 over budgeted amount. This was mainly due to and adjustment to expense allocation to reflect the increased usage.

- Insurance: Insurance was \$31,875 or approximately 1.77% expense allocation. This expense was \$9,965 over budgeted amount. This was mainly due to an increase in our insurance premium due to COVID-19 increase exposure.
- Accounting: Accounting was \$25,986 or approximately 1.44% expense allocation. This expense was \$8,893 over budgeted amount. This was mainly due to additional audit expense associated with ESSERS funding compliance.
- Dues and Subscriptions: Dues and Subscriptions were \$16,679 or approximately .93% expense allocation. This expense was \$8,691 over budget amount. This was mainly due to additional expenses associated with subscriptions for DocuSign and Parent Locker.
- Supplies: Supplies were \$14,056 or approximately .78% expense allocation. This expense was \$7,012 over budgeted amount. This was mainly due to the purchase of PPE supplies.
- Equipment & Building Repair: Equipment & Building Repair was \$11,817 or approximately .66% expense allocation. This expense was \$6,589 over budgeted amount. This was mainly due to expenses associated with addressing hazards associated with COVID.

## 2. Statement of Financial Position

For our Statement of Financial Position, I will be covering the following items with large or unusual fluctuations from the prior period:

Cash & cash equivalent: The change in cash from prior year was \$479,082.

- Cash & cash equivalent: Cash balance was \$824,633. An increase of \$479,088 from June 30, 2021. This was mainly due to the collection of all deferred payments.
- Deferred revenue: Deferred revenue represents a prepayment from the CDE earmarked for Expanded Learning Opportunity (ELO) funding. This will gradually be recorded on the Statement of Activities when the obligations are performed.

Financial Key Indicators

Working Capital

- The Working Capital: PUENTE has \$1,311,221 available for current and future use.

Asset performance.

- Cash Ratio is \$2.45: This is another indicator of future cash flow. This means that for every \$1 of liability, the Charter School has \$2.45 of liquid cash.
- Quick Ratio \$3.96: 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 \$3.96 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 \$1,799,859. As such, the average monthly expense or burn rate is \$299,977. Our total cash and cash equivalent of \$830,425 when divided by the burn rate of \$299,977 we get 2.8 months of cash on hand.

Capitalization structure assess long-term solvency and stability:

- Debt-to-equity Ratio: Calculated by dividing current liabilities of \$442,710 by total equity \$1,817,993 for a total of \$0.244, 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 \$0.244 of debt financing for every \$1 of equity financing.

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

The Charter School's cash increased by \$479,078. This increase was mainly due to the following:

- a. As the Statement of Activities reports equity earnings, the Statement of Cash Flows, however, report how much cash coming from the equity earnings reported on the Statement of Activities. For that reason, on this statement we eliminate noncash items such a depreciation expense. (A non-cash item). As a non-cash item, change in depreciation of \$14,700 is added to the net surplus to reconcile the cash from operations.
- b. Accounts receivable decreased by \$206,365. Decreasing receivables means more inflow of cash through increase in collections. Therefore, the \$260,365 is added to the net surplus.
- c. Contributions receivable 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 in the cash flow statement when the cash is received.
- e. Due to Other Programs to the Center increased by \$68,395. Increasing liabilities means that obligations are paid at a later date. As such, the Charter School has more cash on hand, as the \$68,393 is subtracted from the net surplus.
- f. Property & Equipment increased by \$24,183. 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.

The total increase in cash of \$479,078 is added to the beginning cash of \$351,347 resulting in ending cash balance of \$830,425