



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



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**PUENTE Charter School**  
**Statement of Activities**  
**July 1 through June 30, 2022**  
**with Comparative YTD Budget**

	ADA	225 Actual 6/30/2022		225 YTD Budget 6/30/2022	Variance
<b>Operating revenue</b>					
LCFF - State Aid	\$	1,360,857	35.49%	\$ 1,557,826	\$ (196,969)
LCFF - State Aid - Prior Yr		15,198	0.40%	-	15,198
Prop 30 - Education Protection Account		615,678	16.05%	433,863	181,815
Other Fed Income		401,990	10.48%	86,947	315,043
Special Ed Current Yr		257,070	6.70%	142,052	115,018
State Lottery - Charter Prop 20		21,161	0.55%	11,040	10,121
Non-Prop Lottery Education Appointment		39,129	1.02%	33,795	5,334
Block Grant K-12		3,189	0.08%	-	3,189
Other State Revenue		413,273	10.78%	229,109	184,164
District pymt in lieu of Prop Tax		707,381	18.45%	641,098	66,283
<b>Total operating revenue</b>	<b>\$</b>	<b>3,834,925</b>		<b>\$ 3,135,730</b>	<b>\$ 699,195</b>
<b>Operating expenses and losses</b>					
Salaries		1,848,869		1,723,173	125,696
Employee benefits		262,647		208,154	54,493
Taxes		135,828		137,641	(1,813)
Workers Compensation		27,920		37,741	(9,821)
<b>Total personnel cost</b>	<b>\$</b>	<b>2,275,265</b>	59.8%	<b>\$ 2,106,709</b>	<b>\$ 168,556</b>
Building Lease		225,000	5.92%	225,000	-
Professional Services		189,618	4.99%	79,877	109,741
Special Ed Contract		241,508	6.35%	109,100	132,408
Special Ed Fair Share		190,987	5.02%	140,993	49,994
Food Service Contract		153,785	4.04%	84,600	69,185
Utilities		82,547	2.17%	54,453	28,094
Insurance		80,061	2.11%	43,821	36,240
Dues & Subscriptions		39,150	1.03%	15,975	23,175
Accounting		31,305	0.82%	34,186	(2,881)
Security		63,994	1.68%	35,650	28,344
Depreciation		34,318	0.90%	8,491	25,827
Equipment/Bldg & Repairs		26,619	0.70%	10,457	16,162
Supplies		24,426	0.64%	14,088	10,338
Students Activities		21,444	0.56%	1,000	20,444
Textbooks		17,694	0.47%	18,725	(1,031)
Maintenance supplies		16,453	0.43%	25,500	(9,047)
Telephone		12,963	0.34%	10,531	2,432
Doubtful Accounts		11,979	0.31%	-	11,979
Staff Development		11,616	0.31%	7,028	4,588
Advertising & Publicity		11,093	0.29%	4,319	6,774
Education supplies		10,207	0.27%	9,623	584
Payroll Fees		8,102	0.21%	8,686	(584)
Printing and Reproduction		7,974	0.21%	9,766	(1,792)
Gifts		1,567	0.04%	750	817
License & permits		2,265	0.06%	-	2,265
Postage & delivery		2,226	0.06%	2,160	66
LACOE - Administrative Fees		1,800	0.05%	500	1,300
Meals & Entertainment		1,743	0.05%	-	1,743
Furniture & Fixtures		1,521	0.04%	45,750	(44,229)
Computer supplies		1,580	0.04%	-	1,580
Furniture & equipment		970	0.03%	-	970
Equipment lease		360	0.01%	2,227	(1,867)
Miscellaneous Expenses		277	0.01%	-	277
Furniture & equipment rental		186	0.00%	-	186
Meetings & Workshops		114	0.00%	4,920	(4,806)
Property Tax		77	0.00%	2,416	(2,339)
Bank Fees		63	0.00%	-	63
Travel		46	0.00%	650	(604)
<b>Total Operating Expenses</b>	<b>\$</b>	<b>1,527,639</b>		<b>\$ 1,011,242</b>	<b>\$ 516,397</b>
<b>Total Expenses</b>	<b>\$</b>	<b>3,802,904</b>		<b>\$ 3,117,951</b>	<b>\$ 684,953</b>
<b>Operating revenue in excess of operating expenses</b>	<b>\$</b>	<b>32,021</b>		<b>\$ 17,779</b>	<b>\$ 14,242</b>
<b>(Other items considered to be nonoperating)</b>					
Interest income		-		-	-
<b>Change in net assets</b>	<b>\$</b>	<b>32,021</b>		<b>\$ 17,779</b>	<b>\$ 14,242</b>
Non-cash items - Depreciation		34,318		8,491	25,827
	<b>\$</b>	<b>66,340</b>		<b>\$ 26,270</b>	<b>\$ 40,070</b>
<b>Cost per Student</b>	<b>\$</b>	<b>16,902</b>		<b>\$ 13,858</b>	

**PUENTE Charter School**  
**Statement of Financial Position**  
**As of June 30, 2022**

<b>ASSETS</b>	<b>Actual 6/30/2022</b>	<b>Audited 6/30/2021</b>	<b>Change \$</b>
<b>Current assets</b>			
Cash (Charter School Savings)	\$ 834,440	\$ 345,545	\$ 488,894
Cash (Capital Campaign)	5,794	5,800	(6)
<b>Cash and cash equivalent</b>	<b>840,234</b>	<b>351,345</b>	<b>488,889</b>
Accounts receivable, net	376,086	644,197	(268,111)
Contributions receivable, net	473,695	484,151	(10,456)
<b>Receivables (net)</b>	<b>849,781</b>	<b>1,128,348</b>	<b>(278,567)</b>
<b>Total Current Assets</b>	<b>1,690,015</b>	<b>1,479,693</b>	<b>210,321</b>
Land, building and equipment			
Furniture, Fixtures & Equipment	294,886	240,554	54,332
Work in Process	310,807	310,807	-
Less: Depreciation	(90,806)	(54,071)	(36,734)
	<b>514,887</b>	<b>497,289</b>	<b>17,598</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,204,902</b>	<b>\$ 1,976,982</b>	<b>\$ 227,918</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Deferred revenue	248,485	-	248,485
Due to other programs to the Center	218,214	270,800	(52,588)
<b>Total Current Liabilities</b>	<b>466,699</b>	<b>270,800</b>	<b>195,897</b>
<b>Net assets</b>			
Net Surplus/Deficit	\$ 32,021	\$ 105,631	\$ (73,610)
With donor restriction	500,136	500,136	-
Without donor restriction	1,206,046	1,100,415	105,631
<b>Total net assets</b>	<b>1,738,203</b>	<b>1,706,182</b>	<b>32,021</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,204,902</b>	<b>\$ 1,976,982</b>	<b>\$ 227,920</b>
<b>Matrix Analysis:</b>	(0)		
Working Capital	\$ 1,223,316		
Cash Ratio:	1.80		
Quick Ratio:	3.62		
Burn Rate	\$ 422,545		
Months of Cash on Hand	2.0		
Debt-to-equity ratio	0.268		

**PUENTE Charter School**  
**Statement of Cash Flow**  
For the Month Ended June 30, 2022

	<b>Month Ended 6/30/2022</b>	<b>Audited 6/30/2021</b>
<b>Cash flows from operating activities:</b>		
Change in total net assets	\$ 32,021	\$ 102,172
Adjustments to reconcile in net assets to net cash (used in) provided by operating activities:		
Depreciation	36,734	18,538
Changes in operating assets and liabilities:		
Accounts receivable	268,111	(421,348)
Contributions receivable	10,456	23,311
Deferred revenue	248,485	-
Due to other programs to the Center	(52,588)	47,657
<b>Net cash (used in) provided by operating activities</b>	<b>543,220</b>	<b>(229,670)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(54,332)	(160,757)
<b>Net cash used in investing activities</b>	<b>(54,333)</b>	<b>(160,757)</b>
<b>NET (INCREASED) IN CASH</b>	<b>488,887</b>	<b>(390,427)</b>
<b>CASH - BEGINNING</b>	<b>351,347</b>	<b>741,774</b>
<b>CASH - ENDING</b>	<b>\$ 840,234</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:** September 14, 2022  
**Re:** Summary of Financial Results as of June 30, 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 June 30, 2022. Please find a copy of the following reports in this Committee Packet:

1. Statement of Activities for period ended June 30, 2022 with comparative YTD Budget.
2. Statement of Financial Position as of June 30, 2022.
3. Statement of Cash Flow as of June 30, 2022.

### 1. Statement of Activities Analysis:

As of June 30, 2022, the Charter School reported total revenue \$3,834,925, expenses of \$3,802,904, and a net surplus of \$32,021. Total operating revenue exceeded YTD budgeted revenue by approximately \$699,195. 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 \$2,275,265 or approximately 59.8% of expenses allocation. It exceeded YTD budgeted amount by approximately \$168,558. 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 \$189,618 or approximately 4.99% expense allocation. It exceeded YTD budgeted amount by approximately \$109,741. 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 \$241,508 or approximately 6.35% 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 \$190,987 or 5.02% expense allocation and exceeded YTD budgeted amount by approximately \$49,994.
- Food Service Contract: Food Service Contract was \$153,785 or approximately 4.04% expense allocation and exceeded YTD budgeted amount by approximately \$69,185. This was mainly due to additional expense associated with a more rigorous COVID-19 compliance component.
- Utilities: Utilities was \$82,547 or approximately 2.17% expense allocation and exceeded YTD budgeted amount by approximately \$28,094. This was mainly due to an adjustment to expense allocation to reflect the increase usage.
- Insurance: Insurance was \$80,061 or approximately 2.11% expense allocation and exceeded YTD budgeted amount by approximately \$36,240.



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

- Dues and Subscriptions: Dues and Subscriptions were \$39,150 or approximately 1.03% expense allocation and exceeded YTD budgeted amount by approximately \$23,175. This was mainly due to additional expenses associated with subscriptions for DocuSign and Parent Locker.
- Supplies: Supplies were \$24,426 or approximately .64% expense allocation and exceeded YTD budgeted amount by approximately \$10,338. This was mainly due to the purchase of PPE supplies.
- Equipment & Building Repair: Equipment & Building Repair was \$26,619 or approximately .70% expense allocation and exceeded YTD budgeted amount by approximately \$16,162. This was mainly due to expenses associated with addressing hazards associated with COVID.
- Security: Security was \$31,305 or approximately .82% expense allocation and exceeded YTD budgeted amount by approximately \$23,175. 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.
- Student Activities: Student activities was \$21,444 or .56 expense allocation and exceeded budgeted amount by approximately \$20,444. This is mainly due to unbudgeted expenses associated with extended learning activities required by stimulus funding.

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

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

- Cash & cash equivalent: Cash balance was \$840,234. An increase of \$488,889 from June 30, 2021. This was mainly due to the collection of all deferred payments.
- Deferred revenue: Deferred revenue was \$248,485. 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 \$1,223,316 available for current and future use.

Asset performance.

- Cash Ratio is \$1.80: This is another indicator of future cash flow. This means that for every \$1 of liability, the Charter School has \$1.80 of liquid cash.
- Quick Ratio \$3.62: 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 \$3.62 of quick assets to pay for it.
- Months of Cash on Hand: Represents the number of months of operating expenses that the Center can pay with its current cash available. The Learning Center has 2.7 months of cash on hand.

Capitalization structure assess long-term solvency and stability:

- Debt-to-equity Ratio: Debt-to-equity Ratio of \$0.268, 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 \$0.268 of debt financing for every \$1 of equity financing.

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

The Charter School's cash increased by \$488,887. 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 \$36,734 is added to the net surplus to reconcile the cash from operations.
- b. Accounts receivable decreased by \$268,111. Decreasing receivables means more inflow of cash through increase in collections. Therefore, the \$268,111 is added to the net surplus.
- c. Contribution receivables increased by \$10,456. Increasing receivables means less cash through the decrease in collections. Therefore, the \$10,456 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 \$52,588. Increasing liabilities means that obligations are paid at a later date. As such, the Charter School has more cash on hand, as the \$52,588 is subtracted from the net surplus.
- f. Property & Equipment increased by \$54,332. 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 \$488,887 is added to the beginning cash of \$351,347 resulting in ending cash balance of \$840,234