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

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PUENTE Charter School
Statement of Activities
July 1 throug December 31, 2022
with Comparative YTD Budget

ADA	291 Actual 12/31/2022		291 YTD Budget 12/31/2022	Variance	291 Annual Budget 6/30/2023
Operating revenue					
LCFF - State Aid	$ 1,136,232	41.57%	$ 1,088,012	$ 48,220	$ 2,176,024
Prop 30 - Education Protection Account	306,725	11.22%	316,594	(9,869)	633,190
Other Fed Income	238,604	8.73%	346,028	(107,424)	692,056
Special Ed Current Yr	144,265	5.28%	119,121	25,144	238,239
State Lottery - Charter Prop 20	15,684	0.57%	6,536	9,148	13,076
Non-Prop Lottery Education Appointment	26,544	0.97%	23,526	3,018	47,055
Other State Revenue	400,052	14.64%	195,786	204,266	391,572
District pymt in lieu of Prop Tax	465,132	17.02%	426,762	38,370	853,529
Total operating revenue	**$ 2,733,238**		**$ 2,522,365**	**$ 210,873**	$ **5,044,741**
Operating expenses and losses					
Salaries	1,282,894		1,323,771	(40,877)	2,589,137
Employee benefits	103,120		153,065	(49,945)	306,619
Taxes	93,766		106,632	(12,866)	207,677
Workers Compensation	20,081		30,703	(10,622)	61,410
Total personnel cost	**$ 1,499,862**	58.7%	**$ 1,614,171**	**$ (114,310)**	**$ 3,164,843**
Building Lease	150,498	5.89%	150,502	(4)	301,000
Professional Services	224,494	8.79%	213,030	11,464	365,182
Special Ed Contract	135,774	5.31%	72,200	63,574	165,000
Special Ed Fair Share	105,975	4.15%	82,776	23,199	182,108
Food Service Contract	81,333	3.18%	52,349	28,984	135,000
Utilities	40,360	1.58%	33,368	6,992	67,203
Insurance	34,875	1.36%	34,302	573	61,917
Dues & Subscriptions	28,534	1.12%	20,768	7,766	27,171
Accounting	17,188	0.67%	23,665	(6,477)	42,865
Security	38,734	1.52%	36,636	2,098	72,871
Depreciation	24,914	0.97%	7,500	17,414	15,000
Equipment/Bldg & Repairs	12,497	0.49%	15,671	(3,174)	21,184
Supplies	21,110	0.83%	18,497	2,613	36,634
Students Activities	12,270	0.48%	3,400	8,870	6,900
Texbooks	37,632	1.47%	18,725	18,907	18,725
Maintenance supplies	8,238	0.32%	28,227	(19,989)	48,533
Telephone	8,575	0.34%	5,552	3,023	10,531
Staff Development	17,081	0.67%	2,941	14,140	7,028
Advertising & Publicity	19,511	0.76%	6,256	13,255	12,735
Education supplies	12,591	0.49%	9,802	2,789	18,166
Payroll Fees	4,670	0.18%	4,554	116	9,265
Printing and Reproduction	2,863	0.11%	6,772	(3,909)	13,246
Gifts	2,456	0.10%	-	2,456	1,250
Postage & delivery	1,635	0.06%	1,086	549	2,160
LACOE - Administravie Fees	1,250	0.05%	1,500	(250)	1,500
Meals & Entertainment	756	0.03%	-	756	-
Furniture & Fixtures	4,026	0.16%	45,750	(41,724)	45,750
Computer supplies	714	0.03%	-	714	-
Furniture & equipment	2,278	0.09%	-	2,278	-
Equipment lease	-	0.00%	1,113	(1,113)	2,227
Meetings & Workshops	-	0.00%	2,148	(2,148)	4,920
Property Tax	56	0.00%	1,269	(1,213)	2,537
Travel	2,584	0.10%	75	2,509	650
Total Operating Expenses	**$ 1,055,470**		**$ 900,434**	**$ 155,036**	$ **1,699,258**
Total Expenses	**$ 2,555,331**		**$ 2,514,605**	**$ 40,726**	**$ 4,864,101**
Operating revenue in excess of operating expenses	**$ 177,907**		**$ 7,760**	**$ 170,147**	**$ 180,640**
(Other items considered to be nonoperating)					
Interest income	-		-	-	-
Change in net assets	**$ 177,907**		**$ 7,760**	**$ 170,147**	**$ 180,640**
Non-cash items - Depreciation	24,914		7,500	17,414	15,000
	$ 202,821		**$ 15,260**	**$ 187,561**	**$ 195,640**
Cost per Student	**$ 8,781**		**$ 8,641**		**$ 16,715**

PUENTE Charter School
Statement of Financial Position
As of December 31, 2022

ASSETS	Actual 12/31/2022	Actual 6/30/2022	Change $
Current assets			
Cash (Charter School Savings)	$ 981,757	$ 834,440	$ 147,317
Cash (Capital Campaign)	5,795	5,794	1
Cash and cash equivalent	**987,552**	**840,234**	**147,319**
Accounts receivable, net	569,160	377,922	191,238
Contributions receivable, net	473,695	471,859	1,836
Receivables (net)	1,042,855	849,781	193,074
Total Current Assets	**2,030,407**	**1,690,015**	**340,392**
Land, building and equipment			
Furniture, Fixtures & Equipment	385,508	294,886	90,622
Work in Process	310,807	310,807	-
Less: Depreciation	(115,291)	(90,806)	(24,485)
	581,024	**514,887**	**66,137**
TOTAL ASSETS	$ **2,611,431**	$ **2,204,902**	$ **406,528**
LIABILITIES AND NET ASSETS			
Current liabilities			
Deferred revenue	608,389	248,485	359,904
Due to other programs to the Center	86,932	218,214	(131,284)
Total Current Liabilities	**695,321**	**466,699**	**228,620**
Net assets			
Change in Net Assets	$ 177,907	$ -	$ 177,907
With donor restriction	500,136	500,136	-
Without donor restriction	1,238,067	1,238,067	-
Total net assets	**1,916,110**	**1,738,203**	**177,907**
Total liabilities and net assets	$ **2,611,431**	$ **2,204,902**	$ **406,529**

Matrix Analysis:

Working Capital	**$ 1,335,086**
Cash Ratio:	**1.42**
Quick Ratio:	**2.92**
Burn Rate	**$ 425,889**
Months of Cash on Hand	**2.3**
Debt-to-equity ratio	**0.363**

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

	Actual 12/31/2022	Audited 6/30/2022
Cash flows from operating activities:		
Change in total net assets	$ 177,907	$ 32,021
Adjustments to reconcile in net assets to net cash (used in) provided by operating activities:		
Depreciation	24,485	36,734
Changes in operating assets and liabilities:		
Accounts receivable	(191,238)	266,275
Contributions receivable	(1,836)	12,292
Deferred revenue	359,904	248,485
Due to other programs to the Center	(131,284)	(52,584)
Net cash provided by operating activities	**237,938**	**543,223**
Cash flows from investing activities:		
Purchase of property and equipment	(90,622)	(54,332)
Net cash used in investing activities	**(90,622)**	**(54,332)**
NET INCREASED IN CASH	147,316	488,891
CASH - BEGINNING	**840,236**	**351,345**
CASH - ENDING	**$ 987,552**	**$ 840,236**

PUENTE Charter School
Capital Expenditures
Work in Progress & Completion Percentage

Vendor	FY 2018-19	FY 2019-20	FY 2020-21	Total	% of Completion
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%
Grand Total	**182,089**	**128,718**	**-**	**310,807**	

MEMORANDUM

To: Finance Committee Members
From: Angelica Castro
Vice President of Finance, PUENTE Charter School
Date: February 16, 2023
Re: Summary of Financial Results as of December 31, 2022

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

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

1. Statement of Activities Analysis:

As of December 31, 2022, the Charter School reported total revenue of $2,733,238 and expenses of $2,555,331 for a net surplus of $177,907. Total actual expenses are $40,726 in excess of the YTD total budget.

Line items to highlight are as follow:

- *Personnel cost*: Personnel cost was $1,499,862 or approximately 58.7% of expense allocation. Budgeted amount exceeded total actuals by $114,310.
- *Professional Services*: Professional services was $224,494 or approximately 8.79% of expense allocation. It exceeded YTD budgeted amount by approximately $11,464. This is mainly due to the hiring of substitute teachers, after school program and custodial contractor.
- *Special Ed Contract:* Special Ed Contract was $135,774 or 5.31% of expense allocation and exceeded budgeted amount by approximately $63,574. 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 $105,975 or 4.15% expense allocation and exceeded YTD budgeted amount by approximately $23,199.
- *Food Service Contract:* Food Service Contract was $81,333 or 3.18% expense allocation and exceeded YTD budgeted amount by approximately $28,984. This was mainly due to the afterschool program.
- *Textbooks:* Textbook expenses were $37,632 or approximately 1.47% of expense allocation. It exceeded YTD budgeted amount by approximately $18,907. This was mainly due to the unexpected increase of textbook costs and the addition of Reading Wonders books for all students Grades 1 – 5.
- *Staff Development:* Staff Development expenses were $17,081 or approximately 0.67% of expense allocation and exceeded YTD budgeted amount by approximately $14,140. This was mainly due to the cost associated with the Community Training Workshop.
- *Advertising & Publicity:* Advertising & Publicity was $19,511 or approximately 0.76% of expense allocation and exceeded YTD budgeted amount by approximately $13,255. This was mainly due to expenses related to the recruitment of new teachers and staff.

- *Student Activities:* Student activities was $12,270 or 0.48% of expense allocation and exceeded budgeted amount by approximately $8,870. This is mainly due to unbudgeted expenses associated with summer school extended learning activities required by stimulus funding.

2. Statement of Financial Position

- *Cash & cash equivalent:* Cash balance was $987,552. An increase of $147,319 from June 30, 2022. This was mainly due to the following:
  - Increase of receivables' collection of $193,085.
  - *Deferred revenue:* Deferred revenue was $608,389. An increase of $359,904 in advance payments.
  - *Furniture & Fixtures:* Furniture & Fixtures balance of $385,508 is an increase of $90,622. This is mainly due to the purchase of classroom furniture, computer equipment & leasehold improvements.

Financial Key Indicators

Working Capital

- *The Working Capital*: PUENTE has $1,335,086 available for current and future use.

Asset performance.

- *Cash Ratio is $1.42:* This is another indicator of future cash flow. This means that for every $1 of liability, the Charter School has $1.42 of liquid cash.
- *Quick Ratio $2.92:* 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 $2.92 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 Charter School has 2.3 months of cash on hand.

Capitalization structure assess long-term solvency and stability:

- *Debt-to-equity Ratio:* Debt-to-equity Ratio of $0.363. 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 $0.363 of debt financing for every $1 of equity financing.

3. Statement of Cash Flow

The Charter School's cash increased by $147,317. 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 $24,485 is added to the net surplus to reconcile the cash from operations.
b. Accounts receivable increased by $191,238. Increasing receivables means less inflow of cash through decrease in collections. Therefore, the $191,238 is subtracted from the net surplus.
c. Contribution receivables increased by $1,836. Increasing receivables means less cash through the decrease in collections. Therefore, the $1,836 is subtracted from the net surplus.

d. Deferred revenue increased by $359,904. Increasing deferred revenue means that we received and advance payment for future programs. The increase results in an inflow of cash. The $359,904 is added to the net surplus.
e. Due to Other Programs to the Center decreased by $131,284. Decreasing liabilities means that obligations are paid sooner than later. As such, the Charter School has less cash on hand, as the $131,284 is subtracted from the net surplus.
f. Property & Equipment increased by $90,622. This was mainly due to the payments related to the purchase of laptops and desktop computers for our students and staff. 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 $147,317 is added to the beginning cash of $840,234 resulting in ending cash balance of $987,553.