

# **NOTICE OF PUBLIC MEETING**

## **PUENTE Charter School**

The Board of Directors of PUENTE Learning Center will be conducting a public meeting on:

**Wednesday, March 3, 2021  
8:30 a.m.**

Join Zoom Meeting  
Meeting ID: 720 6268 4613

Any person who wishes to address the Board of Directors is welcomed to attend. No prior notification of your attendance is necessary.

If you require accommodations in order to attend this meeting can call Jerome Greening at 323.780.0076 or email at [jerome@puente.org](mailto:jerome@puente.org). for assistance

It is hereby noted that the agenda for this meeting of the PUENTE Governing Board has been posted at the following location(s):

- [www.puente.org](http://www.puente.org)



# PUENTE Learning Center

## PUENTE Charter School Board of Directors Meeting Agenda

Wednesday, March 3, 2021

8:30 am

501 S. Boyle Avenue, Los Angeles, CA 90033

Join Zoom Meeting

<https://us04web.zoom.us/j/72062684613?pwd=Z1ZXK3dGeitmNm0wTjl4bEo4ZzhvZz09>

Meeting ID: 720 6268 4613

Passcode: 1yjLLV

### Teleconference locations:

-

Notice is hereby given that the PUENTE Learning Center Board of Directors of PUENTE Charter School will hold a public meeting at the above-referenced time and locations. The purpose of the meeting is to discuss and take action on the following agenda. The agenda shall provide an opportunity for members of the public to address the board directly at each location. (GOV CODE: 54954.3).

If you require special accommodations in order to attend this meeting, please call Jerome Greening at (323) 780 – 0076 or e-mail at [jerome@puente.org](mailto:jerome@puente.org).

Agendas for all regular board meetings are posted at least 72 hours prior to the meeting, and agendas for all special board meetings are posted at least 24 hours prior to the meeting at the entrances of the PUENTE facility and on the Parent Board at PUENTE Charter School, teleconference locations, and on [www.puente.org](http://www.puente.org). (GOV CODE: 54954.2, 54956)

Agenda Item	Proposed Action	Attachments	Who	
1. Call to Order and Roll Call to Establish Quorum	Roll Call	Board Roster	Board Chair, Chun Wong	1 min.
2. Minutes – December 2, 2020 – December 11, 2020	Approval	Minutes		2 min.
<b>3. Public Comment</b>  Members of the public are welcome to address the PUENTE Charter School Board directly at a regular meeting to address any item of interest, or on the agenda and at a special meeting to address any item on the agenda, before or during the consideration of the item. Comments will be limited to three minutes. (GOV CODE: 54954.3) No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of GOV CODE Section 54954.2.				
<b>4. Operations &amp; Programs</b>  <b>i. Return to School Planning</b> Return to school planning progress for hybrid instruction  <b>ii. LAUSD Oversight Visit Preparation</b> LAUSD Charter Schools Division will conduct a virtual compliance oversight visit on Monday, March 8 & Tuesday, March 9. The four operational areas of the Charter will be reviewed and discussed with the LAUSD team. Scores from the visit will be forwarded five weeks after the visit.	Informational  Informational	PowerPoint  PowerPoint	Interim Principal Brenda Meza Charter School Advisory Committee Member, Oscar Cabrales CEO, Jerome Greening	30 min.

<b>iii. Data Dashboard</b> A review of the mid-year data results from the student assessment testing	Informational	PowerPoint		
<b>iv. Charter School Capacity-Building for 21-22</b> Planning for academic year 2021-2022	Informational	PowerPoint		
<b>v. Suicide Prevention Policy for PUENTE Charter School</b> (new compliance component for K-6 school) In compliance with AB1767, the Suicide Prevention Policy is to be sensitive to the needs of student in grades K-6	Approval	Policy		
<b>vi. Update on Form 700 Reporting</b> Electronic submission of the Statement of Economic Interest for public school officials	Informational			
<b>5. Finance Report</b>				
<b>i. Charter Financials as of December 31, 2020</b>	Informational	Financial Report	Finance Committee Chair, Chun Wong Finance Committee Member, Jocelyn Rosenwald VP of Finance & Administration, Angelica Castro CEO, Jerome Greening	15 min.
<b>ii. Approval of FY21 Audit Engagement Letter</b> Approval for audit firm Maginnis, Knechtel & McIntyre to conduct the FY21 audit	Approval	FY21 Audit Engagement Letter	Albert Reyes, Audit Committee Member	
<b>6. Adjournment</b>			Board Chair, Chun Wong	
<b>Certification of Posting</b> I, Jerome Greening, hereby certify that this agenda was posted on 2/28/20 at 8 am at: -- PUENTE Learning Center website <a href="http://www.puente.org">www.puente.org</a> -- PUENTE Learning Center, 501 S. Boyle Avenue, Los Angeles, CA 90033, <i>north side and south side entrance, and parent board</i>				



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

**BOARD MEETING MINUTES**

**December 2, 2020**

**8:30 am**

**Join Zoom Meeting**

**<https://us04web.zoom.us/j/79661381746?pwd=TVRPbllYbIFKeWJzNURJbHpWTGxYdz09>**

**Meeting ID: 796 6138 1746 Passcode: 6J3cvu**

The PUENTE Charter School board meeting was conducted via Zoom due to COVID-19 on Wednesday, December 2, 2020 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, Jocelyn Rosenwald, Oscar Cabrales, Greg Gonzalez, Albert Reyes, Lara Lightbody

Board Members not in Attendance: Daniel Arguello

**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 8:33 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, Jocelyn Rosenwald and Albert Reyes, Lara Lightbody. Chun welcomed Lara Lightbody to the board.

**Approval of Board Meeting Minutes from September 16, 2020**

Motion: A motion was duly made by Albert Reyes and seconded by Tyler Sutherland to approve the June 24, 2020 minutes. Board moved to accept the minutes as written. *Wong, "yes"; Sutherland, "yes"; "; Rosenwald, "yes"; Cabrales, "yes"; Gonzalez, "yes"; Reyes, "yes"; Lightbody, "abstain"*

**Public Comment**

Chun invited anyone present who wished to make public comments to do so. There were none.



### **Year-to Date COVID-19 Operations Update**

Interim Principal Brenda Meza provided the updates on the Synchronous & Asynchronous Distance Learning Instruction; the Targeted Instruction for English-learners, Special Education and Gifted Students; the Assessment Calendar for ELPAC and NWEA Map; and the continuing Stakeholder Engagement meetings, including the ELAC meetings; the Coffee with the Principal & Deans meetings; the Advisory meetings; and the School-Wide Recognition Events.

Brenda also presented the Return to School Planning update. She reported that PUENTE is preparing for the hybrid instruction model when school can re-open and the individual student designated support (assessments and instruction) that will be conducted on-site in January.

### **Small Group Instruction Waiver**

In support of having small co-hort groups of students return to school, PUENTE is submitting the Waiver for TK-2 grade site-based instruction to the LA County Department of Public Health.

### **Approval of TK-2 Grade Small Group Instruction Waiver**

**Motion:** A motion was duly made by Greg Gonzalez and seconded by Oscar Cabrales to approve the PUENTE Learning Continuity & Attendance Plan

*Wong, "yes"; Sutherland, "yes"; Rosenwald, "yes" Cabrales, "yes"; Gonzalez, "yes"; Reyes, "yes." Lighbody, "yes"* The Board unanimously approved.

### **Learning Loss Mitigation Funding**

Brenda reported that PUENTE received approximately \$160,000 in Learning Loss Mitigation Funding, specifically to address the needs during distance learning, including instructional and safety. PUENTE has ensured a laptop for every family and wifi access to facilitate remaining connected to the school resources. Our instruction schedule during distance learning is robust and has maintained all partnerships, including after-school services, arts programming and fitness programming. PUENTE is focusing on student well-being and using Calm Classroom and Restorative Circles to address the students' unique needs at this time of non site-based service.

### **Data Dashboard**

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. The need to have students test onsite will enable us to gather more valid data for progress monitoring.



## **Financial Report:**

### **Charter Financials as of September 30, 2020**

As of September 30, 2020, the Charter School YTD revenue was \$724,113 and incurred expenses of \$543,629. Resulting in a change in net assets or surplus of \$180,484. As of September 30, 2020, total operating revenue exceeded YTD budgeted amount by \$158,821 or 28%. 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 \$380,855 or approximately 70% 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 Statement of Financial Position* helps us determine to assess the Charter School financial stability and potential risk. To assess we calculate the Cash and the Quick Ratio. These ratios measure the liquidity and Charter's ability to pay off short term liabilities.

Cash Ratio: Compares the amount of cash and cash equivalent (in our case) \$647,654 against current liabilities of \$641,272 resulting in 1.01. Please note that the liability are payments due to PUENTE Learning Center and not outside vendors. This means that for every \$1.01 of liability, the Charter School has \$1.01 of liquid cash.

Quick Ratio: Compares the amount of cash and cash equivalent of \$647,654 and accounts receivable of \$876,870 totaling \$1,524,524 against current liabilities of \$641,272 resulting in 2.38. 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 \$2.38 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 \$543,629. As such, the average monthly expense or burn rate is \$181,210. Our total cash and cash equivalent is \$647,654 when divided by the burn rate of \$181,210 we get 3.6 months of cash on hand.

The Charter School's cash decreased by \$94,121. The decrease was mainly due to the following:



- a. As a non-cash item, change in depreciation of \$788 is subtracted to the net surplus to reconcile the cash from operations.
- b. Accounts receivable increased by \$170,895. Increasing receivables means less inflow of cash through decrease in collections. Therefore, the \$170,895 is subtracted from the net surplus.
- c. Due to Learning Center accrual increased by \$115,261. Increasing liabilities means that obligations are paid at a later day. As such, the Charter School has more cash on hand as the \$115,261 is added to the net surplus.
- d. Land Building & Equipment increased by \$218,183. This was mainly due to the payments related to work in progress; as well as, the purchase of laptops and hotspots for our students without reliable internet access and/or technology to participate in digital learning. The increase results in a decrease in cash. As such, the change is subtracted from the total change in net assets.
- e. The total decrease in cash of \$94,121 is subtracted from the beginning cash of \$741,774 resulting in ending cash balance of \$647,654.00

#### **FY20 Audit Report Review**

Angelica Castro, Chun Wong and Jocelyn Rosenwald presented the FY20 Audit Report for review. The report and management letter communicates a clean audit and the auditors from Magninnis, Knechtel and McIntyre will be available to the board at the special meeting on Friday, December 11 for the Audit Report approval.

#### **Adjournment of Meeting**

Chun Wong thanked everyone for their participation and adjourned the meeting at 9:17 am.

Submitted Respectfully,  
Alicia Granados



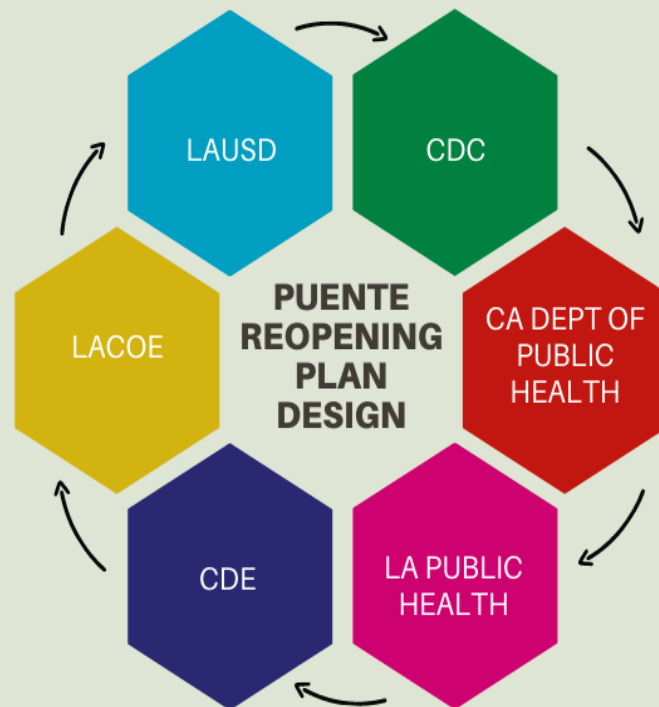
# RE-ENTRY PLAN 2021

2021-2022





# REGULATORY ENTITIES





## PROJECTED RETURN- HYBRID OR SMALL GROUPS (TBD)

April 5 - Staff Only (Preparations)

April 12 - Students and Staff (Instruction)



# SMALL GROUP INSTRUCTION

- ⌘ English Language Learners or Students with an IEP
- ⌘ Students and families will be given the option to choose the learning schedule (Distance Learning or In-Person) that is best for the needs of their family.
- ⌘ Students will be scheduled into learning pods. This means that students are with the SAME group of students.
  - ✧ 8-12:45 pm and 1-2:30 small group
- ⌘ The virtual learning schedule will remain the same.



## HYBRID MODEL

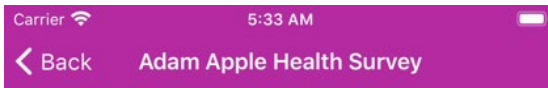
- ⌘ ALL students and families will be given the option to choose the learning schedule that is best for the needs of their family.
- ⌘ Students need to be scheduled into learning pods. This means that students are with the SAME group of students in the virtual and hybrid classroom.
- ⌘ The virtual learning schedule and the hybrid learning schedule will change minimally (when necessary).
- ⌘ Students who elect into the hybrid model will come to campus on alternate days.

# PHYSICAL DISTANCING IN THE CLASSROOM

All classrooms have been reconfigured to maximize space between students. Based upon the recommendation of the CDC and DPH guidance, student workstations are spaced 6 feet apart. Classroom area rugs/carpets, fabric-covered items, and extra furniture have been removed. Plastic barriers have been placed on every desk.



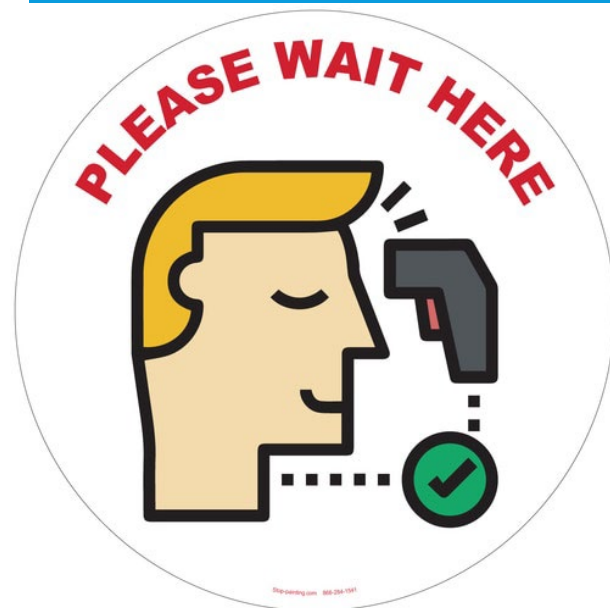
# PRE-SCREENING (AT HOME)



Thank you

Adam Apple has passed this health screening, and  
may attend school today.

Go back





# SCREENING UPON ARRIVAL

- ⌘ Temperature Check at the vehicle
- ⌘ Students to sanitize hands at school entry
- ⌘ 3 Health Check Points available

# ARRIVAL

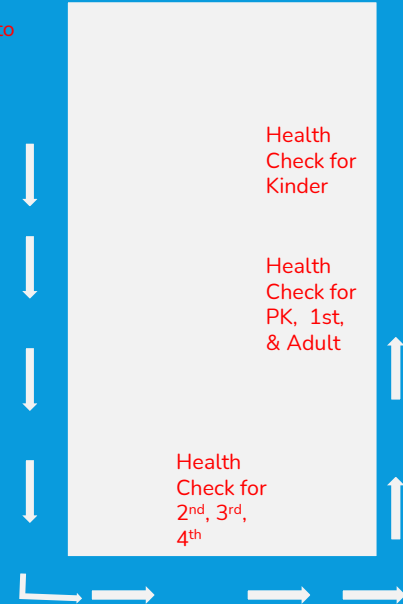
Boyle Ave.

## & Schedule

- ✧ 7:30-7:45 am (1st & 3rd)
- ✧ 7:45-8:00 am ( K & 2nd)
- ✧ 7:30-7:45 am (PK - AM)
- ✧ 8- 8:15 am ( 4<sup>th</sup> )
- ✧ 8-8:15 am (Adult Students)
- ✧ 10:15- 10:30 (Adult Students)
- ✧ 12:45-1 pm (PK – PM)
- ✧ 1-1:15 pm (Adult Students)
- ✧ 5:45-6 pm (Adult Students)

- & Cars to enter through north side and follow the carline
- & Pedestrians to enter south gate (small entrance)

Campus Aide to  
direct cars



Half of  
the  
Parking  
Lot for  
Charter



# PPE & SANITATION

- ✧ Masks required at all times
- ✧ Disinfecting will occur at least 2 times a day
- ✧ Portable sanitizing stations available throughout the campus
- ✧ Water fountains will remain off. Students are to bring their own water bottle
- ✧ No sharing of supplies
- ✧ Upgrade on ventilation system



# MEALS

## Breakfast

- ☞ Meals will be delivered to Charter classes by 7:30 am.
  - ☞ Campus Aide A: Children's Wing
  - ☞ Campus Aide B: 2nd Floor
- ☞ Trash to be left outside the door by 8:30

## Snack

- ☞ Charter: Staggered play time/snack outdoors. Campus Aides to supervise. Classrooms to be disinfected during break.
- ☞ Adults to eat snack in their class/office or outdoors

## Lunch

- ☞ 30 minute lunch in the classroom. Lunches will be delivered
- ☞ Supervision by paraprofessional

# STRUCTURED PLAY TIME



# MODIFIED INSTRUCTIONAL PLAN

- & Mondays, Tuesday (Group A)
- & Wednesday, Thursdays (Group B)
- & Fridays (Distance Learning)





# ISOLATION AND QUARANTINE AREA

- & Outdoors
- & Tents
- & Support staff to supervise



# DISMISSAL

## Schedule

- ✧ 2:15-2:30 pm (1st & 3rd)
- ✧ 2:30-2:45 pm ( K & 2nd)

**\*Same door as arrival**

## Youth Suicide Prevention



PUENTE Charter School recognizes that youth suicide is a serious problem across the state of California. These policies and procedures outline PUENTE Charter School's approach to youth suicide prevention and intervention. This policy shall be available to all staff and reviewed and updated each school year.

### PUENTE Charter School Mental Health Team:

Comprehensive Therapy Associates:	Daniela Garcia	818.631.1342
Interim Principal:	Brenda Meza	323.351.0355
Dean of Engagement:	Diana Juarez	323.246.8861

### List of Resources:

- Los Angeles Unified School District Mental Health Department  
(213) 241-3841
- National Suicide Prevention Hotline  
1-800-273-TALK
- Child & Youth Your Life Your Choice Helpline [www.yourlifeyourvoice.org](http://www.yourlifeyourvoice.org)  
1-800-448-3000 / Textline Text VOICE to 20121
- Suicide Prevention 101 for Parents  
[Suicide Prevention 101 for Parents in English](#)(PDF)  
[Prevención del Suicidio para Padres](#)(PDF)
- [www.suicidology.org](http://www.suicidology.org)  
(American Association of Suicidality)
- Toolkit for Mental Health Promotion and Suicide Prevention K-12  
<https://www.sccgov.org/sites/bhd/Services/SP/Documents/2017/heard-toolkit-07-01-17.pdf>

## **Prevention**

Suicide prevention is most effective when staff, students, parents, and community members have adequate information about prevention. The following resources will be available to our learning community:

### **STAFF Resources**

- Review of policies and procedures during a professional development session to include training about the scope of youth suicide.
- Living Works Online Youth Summit Training
- Information about the signs of stress and depression and where to send students for support.
- Information on risk factors for suicide
- Information about signs of suicidal thinking
- Information about how to intervene when a student presents signs of suicidal thoughts
- Resources Included in Parent Handbook

### **Student Resources**

- Mental Health classes that teach children coping skills and mindfulness practices will be taught by LAPD Hollenbeck PALS
- Calm Classroom Mindfulness practices practiced daily
- “Family Circles” practiced to encourage students to discuss problems or feelings in a safe environment
- Behavior Flip App behavior management system used to track student behaviors.

### **Parent Resources**

- Comp Therapy, an annual workshop including the Information about the signs of stress and depression and a parent’s role in helping, risk factors for suicide, Information about signs of suicidal thinking.
- Resources for families about communication strategies and mental health
- Resources available for our school community via PUENTE Learning Center



## **Protective Factors**

Protective factors are the positive conditions, personal and social resources that promote resiliency and reduce the probability for youth suicide as well as other high-risk behaviors.

These include:

- Presence of social support
- Family support system
- Problem solving skills and history of coping skills
- Good impulse control
- Having a safe place to discuss feelings
- Coping skills
- Presence of hopefulness
- Pets
- Being involved in activities

## **Warning Signs & Risk Factors**

Warning signs should be taken seriously. If a staff member notices warning signs, he/she should alert a member of the mental health team as soon as possible. These include:

- References to suicide
- Giving away meaningful possessions
- Withdrawal from friends
- Not wanting to participate or attend class
- Declining academic performances/failure to complete work
- Frequent talk about death or frequently sad or feeling hopeless
- Mood swings
- Impulsive or aggressive mood
- Victim of abuse
- Dramatic changes in personality/appearance
- Bullying or being bullied

Family Risk Factors:

- Child sexual abuse
- Use of extreme physical punishment
- Lower family socioeconomic status
- Changes of parents/family (e.g., divorce, remarriage, recent death of loved one)
- Poor parent-child attachment
- Parent alcohol problems/drug use
- Low parental monitoring
- Family history of suicide or suicide attempt

## **Intervention**

The following procedures will be observed when it comes to a staff member's attention that a student is experiencing a crisis and may include suicidal thinking or behavior:

- Staff members must take threat of self-harm behavior seriously. The staff member will then share this information verbally with a member of the mental health team immediately.
- If the information comes from another person such as a peer or a parent, the staff member will refer the situation to a mental health team member immediately, who will schedule a meeting with the student. If a mental health team member is not available, a member of student support staff trained in risk assessment will meet with the student immediately.
- The student support/mental health team member will further discuss the situation with the student to obtain information about the crisis and assess their needs. If additional support is needed, the mental health/student support team should reach out to the Los Angeles Unified School District Mental Health Department for consult (213) 241-3841 for support.
- The parent or guardian must be notified of the risk assessment and informed of the severity. An appointment with a mental health professional will be made ASAP.
- Share concerns and provide recommendations for safety with the parent or guardian
- Provide Mental Health Resource List and information about outside referrals.

## **Postvention**

Procedures for Assisting the Suicidal Student:

- Keep the student safe and under close supervision. Never leave the student alone. Designate one or more staff members to stay with and support the individual in crisis while help is being sought. Call 911 if student needs emergency medical help.
- Notify the school administrator or designee who will immediately communicate with the designated crisis intervention team members and/or law enforcement.
- Notify the guardians what has occurred and arrange to meet them wherever appropriate (as student might need emergency transportation to hospital).
- Consult with Department of Mental Health (800-854-7771) as necessary to assess the student's mental state and to obtain a recommendation for needed treatment.
- In the event that the situation requires transportation to a hospital emergency department for medical treatment, contact administrator to assess the situation, call 911, and expedite the transition to the hospital.
- Explain that a designated school professional will follow-up with parents and student regarding arrangements for medical and/or mental health services.

- Make arrangements, as necessary, for class work assignments to be completed at home if the student is unable to attend school.
- Hold a mandatory debriefing for staff, administrators, and crisis response team members who directly dealt with the student in crisis.
- Document actions taken as outlined in school incident reporting protocol.  
(Dissemination of information about at-risk students is governed by provisions of the United States Family Education Rights and Privacy Act of 1974, Public Law 93-380, as amended by Public Law 93-586, the Education for All Handicapped Children Act, Public law 94-142, and 20 A MRSA. §§ 6001 — 6001-B).
- Upon re-entry, it must begin with a re-entry meeting. Confidentiality is extremely important in protecting the student and enabling school personnel to render assistance. The re-entry meeting will be attended by the student's guardian(s), appropriate support team members, the building administrator, and the student, if developmentally appropriate.



**PUENTE Charter School**  
**Unaudited Financial Statements**  
***As of and for the period Ended December 31, 2020 with***  
***comparative financial information for June 30, 2020***

	<b><u>PAGE</u></b>
<b>BASIC FINANCIAL STATEMENTS (Charter School)</b>	
Statements of Activities (Charter School)	1
Statements of Financial Position (Charter School)	2
Statements of Cash Flows (Charter School)	3
Capital Expenditures – Work in Process	4
Memorandum to Financial Statements (Charter School)	5-6

**PUENTE Charter School**  
**Statement of Activities**  
July 1 through December 31, 2020  
*with Comparative YTD Budget*

	ADA	193		193		
		Actual 12/31/2020		YTD Budget 12/31/2020	Budget Variance	FY 2020-21 Annual Budget
<b>Operating revenue</b>						
LCFF - State Aid	\$	576,797	45.7%	\$ 617,000	\$ (40,203)	\$ 1,253,907
Prop 30 - Education Protection Account		134,468	10.7%	133,512	956	267,027
Other Fed Income		211,334	16.8%	45,309	166,025	111,404
Special Ed Current Yr		81,936	6.5%	61,044	20,892	122,090
State Lottery - Charter Prop 20		2,625	0.2%	2,634	(9)	5,262
Non-Prop Lottery Education Appointment		13,758	1.1%	13,746	12	27,495
Block Grant K-3		2,468	0.2%	-	2,468	-
Other State Revenue		15,777	1.3%	75,960	(60,183)	151,964
District pymt in lieu of Prop Tax		222,096	17.6%	222,096	-	444,190
Foundations		32	0.0%	-	32	-
<b>Total operating revenue</b>	<b>\$</b>	<b>1,261,292</b>		<b>\$ 1,171,301</b>	<b>\$ 89,991</b>	<b>\$ 2,383,339</b>
<b>Operating expenses and losses</b>						
Salaries		677,036		657,724	19,312	1,285,278
Employee benefits		86,964		78,212	8,752	156,428
Taxes		48,253		53,229	(4,976)	103,666
Workers Compensation		4,984		6,864	(1,880)	13,726
<b>Total personnel cost</b>	<b>\$</b>	<b>817,236</b>	70.1%	<b>\$ 796,029</b>	<b>\$ 21,207</b>	<b>\$ 1,559,098</b>
Building Lease		106,344	9.1%	106,344	-	212,684
Special Ed Fair Share		51,611	4.4%	48,358	3,253	108,056
Special Ed Contract		36,132	3.1%	11,915	24,217	45,256
Food service contract		20,528	1.8%	57,117	(36,589)	147,295
Professional services		26,744	2.3%	13,418	13,326	26,836
Utilities		18,732	1.6%	24,400	(5,668)	46,530
Textbooks		7,748	0.7%	18,725	(10,977)	18,725
Insurance		26,036	2.2%	28,136	(2,100)	41,554
Security		1,531	0.1%	14,269	(12,738)	31,814
Accounting		9,301	0.8%	12,409	(3,108)	19,309
Depreciation		8,588	0.7%	40,750	(32,162)	8,491
Education supplies		445	0.0%	3,020	(2,575)	6,668
Telephone		6,758	0.6%	4,802	1,956	9,088
Maintenance supplies		2,185	0.2%	4,578	(2,393)	9,346
Dues & Subscriptions		8,166	0.7%	6,671	1,495	9,115
Advertising		-	0.0%	2,026	(2,026)	3,749
Printing & reproduction		3,359	0.3%	3,279	80	6,429
Office supplies		3,675	0.3%	5,068	(1,393)	9,925
Furniture & equipment		817	0.1%	4,248	(3,431)	40,750
Payroll Fees		2,783	0.2%	2,767	16	5,561
Bank Fees		-	0.0%	635	(635)	1,005
Equipment/Bldg & Repairs		1,369	0.1%	2,131	(762)	2,384
Property Taxes		90	0.0%	566	(476)	1,853
Postage & delivery		1,038	0.1%	733	305	1,350
Furniture & equipment rental		928	0.1%	-	928	-
Staff Development		1,110	0.1%	942	168	3,028
License & permits		445	0.0%	-	445	-
Travel		-	0.0%	75	(75)	650
Equipment lease		-	0.0%	1,116	(1,116)	2,227
Computer supplies		590	0.1%	-	590	-
Meetings & Workshops		325	0.0%	497	(172)	1,426
Gifts		182	0.0%	-	182	750
LACOE - Administrative Fees		-	0.0%	500	(500)	500
Students Activities		385	0.0%	500	(115)	1,000
<b>Total Operating Expenses</b>	<b>\$</b>	<b>347,943</b>		<b>\$ 419,995</b>	<b>\$ (72,052)</b>	<b>\$ 823,354</b>
<b>Total Expenses</b>	<b>\$</b>	<b>1,165,180</b>		<b>\$ 1,216,024</b>	<b>\$ (50,845)</b>	<b>\$ 2,382,452</b>
<b>Operating revenues and gains in excess of operating expenses</b>	<b>\$</b>	<b>96,112</b>		<b>\$ (44,723)</b>	<b>\$ 140,835</b>	<b>\$ 887</b>
<b>(Other items considered to be nonoperating)</b>						
Interest income		-		-	-	-
<b>Change in net assets</b>	<b>\$</b>	<b>96,112</b>		<b>\$ (44,723)</b>	<b>\$ 140,835</b>	<b>\$ 887</b>
Non-cash items - Depreciation		8,588		40,750	(32,162)	8,491
	<b>\$</b>	<b>104,701</b>		<b>\$ (3,973)</b>	<b>\$ 108,674</b>	<b>\$ 9,378</b>
<b>Cost per Student</b>	<b>\$</b>	<b>6,037</b>		<b>\$ 6,301</b>		<b>\$ 11,081</b>

**PUENTE Charter School**  
**Statement of Financial Position**  
**As of December 31, 2020**

<b>ASSETS</b>	<b>Actual 12/31/2020</b>	<b>Unaudited 6/30/2020</b>	<b>Change \$</b>
<b>Current assets</b>			
Cash (Charter School Savings)	\$ 400,586	\$ 712,061	\$ (311,474)
Cash (Capital Campaign)	29,721	29,714	7
<b>Cash and cash equivalent</b>	<b>430,307</b>	<b>741,774</b>	<b>(311,466)</b>
Accounts receivable, net	434,248	222,849	211,399
Contributions receivable, net	477,200	491,740	(14,540)
<b>Receivables (net)</b>	<b>911,448</b>	<b>714,589</b>	<b>196,859</b>
<b>Total Current Assets</b>	<b>1,341,756</b>	<b>1,456,363</b>	<b>(114,607)</b>
Land, building and equipment			
Furniture, Fixtures & Equipment	162,804	79,797	83,007
Work in Process	310,807	310,807	-
Less: Depreciation	(40,660)	(35,534)	(5,126)
	<b>432,951</b>	<b>355,070</b>	<b>77,881</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,774,707</b>	<b>\$ 1,811,433</b>	<b>\$ (36,726)</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Due to other programs to the Center	78,090	210,928	(132,840)
<b>Total Current Liabilities</b>	<b>78,090</b>	<b>210,928</b>	<b>(132,840)</b>
<b>Net assets</b>			
Net Surplus/Deficit	\$ 96,112	\$ -	\$ 96,112
With donor restriction	500,090	500,090	-
Without donor restriction	1,100,415	1,100,415	-
<b>Total net assets</b>	<b>1,696,617</b>	<b>1,600,505</b>	<b>96,112</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,774,707</b>	<b>\$ 1,811,433</b>	<b>\$ (36,726)</b>
<b>Matrix Analysis:</b>			
Cash Ratio:	<b>5.51</b>		
Quick Ratio:	<b>17.18</b>		
Burn Rate	<b>\$ 194,197</b>		
Months of Cash on Hand	<b>2.2</b>		

**PUENTE Charter School**  
**Statement of Cash Flow**  
**For the Month Ended December 31, 2020**

	<b>Month Ended 12/31/2020</b>	<b>Audited 6/30/2020</b>
<b>Cash flows from operating activities:</b>		
Change in total net assets	\$ 96,112	\$ 14,439
Adjustments to reconcile in net assets to net cash (used in) provided by operating activities:		
Depreciation	5,126	6,536
Changes in operating assets and liabilities:		
Accounts receivable	(211,399)	(108,699)
Contributions receivable	14,540	(2,247)
Due to other programs to the Center	(132,840)	83,431
<b>Net cash (used in) provided by operating activities</b>	<b>(228,461)</b>	<b>(6,540)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(83,007)	(148,698)
<b>Net cash used in investing activities</b>	<b>(83,007)</b>	<b>(148,698)</b>
<b>NET (DECREASE) IN CASH</b>	<b>(311,468)</b>	<b>(155,238)</b>
<b>CASH - BEGINNING</b>	<b>741,774</b>	<b>897,012</b>
<b>CASH - ENDING</b>	<b>\$ 430,307</b>	<b>\$ 741,774</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 17, 2020

**Re:** Summary of Financial Results as of December 31, 2020

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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, 2020. Please find a copy of the following reports in this Committee Packet:

1. Statement of Activities for period ended December 31, 2020 with comparative YTD Budget.
2. Statement of Financial Position as of December 31, 2020.
3. Statement of Cash Flow as of December 31, 2020.

## 1. Statement of Activities Analysis:

As of December 31, 2020, the Charter School YTD revenue was \$1,261,292 and incurred expenses of \$1,165,180. Resulting in a change in net assets or surplus of \$96,112. As of December 31, 2020, total operating revenue exceeded YTD budgeted amount by \$89,991. 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 \$817,236 or approximately 70% 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 were \$51,611 or 4.4% and \$36,132 or 3% of total expenses.
- 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:
    - Contracts
    - Food Service Contract
    - 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 determine to assess the Charter School financial stability and potential risk. To assess we calculate the Cash and the Quick Ratio. These ratios measure the liquidity and Charter's ability to pay off short term liabilities.

- Cash Ratio: Compares the amount of cash and cash equivalent of \$430,307 against current liabilities of \$78,090 resulting in 5.51. 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 \$5.51 of liquid cash.
- Quick Ratio: Compares the amount of cash and cash equivalent of \$430,307 and accounts receivable of \$434,248 totaling \$864,555 against current liabilities of \$78,090 resulting in 17.18. 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 \$17.18 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 \$1,165,180. As such, the average monthly expense or burn rate is \$194,197. Our total cash and cash equivalent is \$430,307 when divided by the burn rate of \$194,197 we get 2.2 months of cash on hand.

## 3. Statement of Cash Flow

The Charter School's cash decreased by \$311,468. The decrease was mainly due to the following:

- a. As a non-cash item, change in depreciation of \$5,126 is subtracted to the net surplus to reconcile the cash from operations.
- b. Accounts receivable increased by \$211,399. Increasing receivables means less inflow of cash through decrease in collections. Therefore, the \$211,399 is subtracted from the net surplus.
- c. 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.
- d. Due to Learning Center accrual decreased by \$132,840. Decreasing liabilities means that obligations are paid sooner rather than later. As such, the Charter School has less cash on hand as the \$132,840 is subtracted from the net surplus.
- e. Land Building & Equipment increased by \$83,007. 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 \$311,468 is subtracted from the beginning cash of \$741,774 resulting in ending cash balance of \$430,307



February 16, 2021

Jerome Greening  
CEO  
PUENTE Learning Center  
501 South Boyle Avenue  
Los Angeles, CA 90033

Dear Jerome:

We are pleased to confirm our understanding of the services we are to provide for Puente Learning Center for the year ended June 30, 2021.

We will audit the financial statements of Puente Learning Center, which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, functional expenses, and cash flows for the year ended June 30, 2021, and the related notes to the financial statements. Also, the following supplementary information, required by the *2020-2021 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* issued by the Education Audit Appeals Panel and the *CDE Audit Guide* issued by the California Department of Education, accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

Supplemental Information – Charter School Programs

1. Statement of Financial Position – Charter School Programs
2. Statement of Activities – Charter School Programs
3. Statement of Cash Flows – Charter School Programs
4. Charter School Organization Structure
5. Schedule of Average Daily Attendance – Classroom Based
6. Schedule of Instructional Time
7. Reconciliation of Annual Financial Report with Audited Financial Statements – Charter School Programs

Supplemental Information – California Child Development Programs

- Schedule of Expenditures of Federal and State Awards
- Combining Statement of Activities
- Schedule of Expenditures by State Categories
- Schedule of Claimed Administrative Costs
- Audited Attendance and Fiscal Reports
  - ✓ CSPP 9703 – California State Preschool Program

## **Audit Objectives**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Directors of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Organization is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

### **Audit Procedures – General, continued**

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures – Internal Control**

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

## **Other Services**

We will prepare the Organization's federal and state information returns for the year ended June 30, 2021, based on information provided by you. We will also assist in preparing the financial statements and related notes of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters. Also see separate tax engagement letter.

## **Management Responsibilities**

Management is responsible for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; and (3) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### **Management Responsibilities, continued**

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Organization is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the tax services, financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.



### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Maginnis Knechtel & McIntyre LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of California or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Maginnis Knechtel & McIntyre LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State of California. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Yu Chen Vong is the engagement partner and is responsible for supervising the engagement and signing the reports.

By your signature below, you also consent to the electronic transmission of information over the internet. This includes transmissions by encrypted email, secure file sharing services and secure website. The use of electronic mail systems or other communication services that use the Internet involve the transmission of information through computer systems that are not controlled or maintained by us. While the prevention of compromise is our highest priority, the privacy, confidentiality, timeliness and integrity of information transmitted over the internet cannot be assured.

We estimate our fee for the June 30, 2021 audit and other services will be \$48,000, plus out-of-pocket costs such as travel, confirmations, report production, word processing, postage, etc. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. These fees represent a significant markdown of our regular hourly rates. The fee estimate is based on anticipated cooperation from management and the assumption that unexpected circumstances will not be encountered during the work performed. Significant issues and additional hours required to complete the audit will be discussed and agreed with management prior to billing.

**Engagement Administration, Fees, and Other, continued**

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties. Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our peer review accompanies this letter.

We appreciate the opportunity to be of service to Puente Learning Center and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A handwritten signature in blue ink that reads "Maginnis Knechtel & McIntyre, LLP". The signature is written in a cursive, flowing style.

RESPONSE:

This letter correctly sets forth the understanding of Puente Learning Center.

Officer signature: \_\_\_\_\_

Title: \_\_\_\_\_

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

February 11, 2020

Maginnis Knechtel & McIntyre LLP  
Certified Public Accountants  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Maginnis Knechtel & McIntyre LLP (the firm) in effect for the year ended September 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards* and audits of employee benefit plans. As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Maginnis Knechtel & McIntyre LLP in effect for the year ended September 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiencies*, or *fail*. Maginnis Knechtel & McIntyre LLP has received a peer review rating of *pass*.

