

# **NOTICE OF PUBLIC MEETING**

## **PUENTE Charter School**

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

**Wednesday, December 2, 2020  
8:30 a.m.**

Join Zoom Meeting  
puente-org.zoom.us  
Meeting ID: 796 6138 1746

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 Charter School, 501 S. Boyle Ave., Los Angeles, CA 90033 main doors and parent board



# PUENTE Learning Center

## PUENTE Charter School Board of Directors Meeting Agenda

Wednesday, December 2, 2020

8:30 am

501 S. Boyle Avenue, Los Angeles, CA 90033

Join Zoom Meeting

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

Meeting ID: 796 6138 1746

Passcode: 6J3cvu

### 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 & Welcome Lara Lightbody	Roll Call	Board Roster	Board Chair, Chun Wong	1 min.
2. Minutes – September 16, 2020	Approval	Minutes		2 min.
3. Public Comment				
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.				
4. Operations & Programs i. Year-to-Date COVID Operations Update  ii. Waiver for Small Group Instruction	Informational  Informational	PowerPoint  Waiver Information	CEO, Jerome Greening & Interim Principal Brenda Meza Charter School Advisory Committee Member, Oscar Cabrales	5 min.
5. Finance Report i. Charter Financials as of September 30, 2020  ii. Approval of FY20 Audit Financial Report	Informational  Approval	Financial Report  Audit Report	Finance Committee Chair, Chun Wong Finance Committee Member, Jocelyn Rosenwald VP of Finance & Administration, Angelica Castro CEO, Jerome Greening Gina Sanchez; McGinnis, Knechtel & McIntyre	15 min.

6. Adjournment	Board Chair, Chun Wong
<b>Certification of Posting</b> I, Jerome Greening, hereby certify that this agenda was posted on 11/30/20 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**  
**September 16, 2020**

The PUENTE Charter School board meeting was conducted via Zoom due to COVID-19 on Wednesday, September 16, 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

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 8:36 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.

**Approval of Board Meeting Minutes from June 24, 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"; Cabrales, "yes"; Gonzalez, "yes"; Rosenwald, "yes" Reyes, "yes."*

**Public Comment**

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

**PUENTE Charter Overview**

PUENTE CEO, Jerome Grenning, introduced Brenmda Meza, Interim Charter School Principal Brenda reiterated the 2019-2020 LAUSD Oversight Report findings to the board as a benchmark to meet for the current year. For 19-20 the Charter School received the highest overall scores; Governance: 4 (Accomplished), Programs, Operations & Management: 4 (Accomplished), Fiscal: 4 (Accomplished). Brenda communicated that LAUSD will inform PUENTE of the date for the current year Oversight visit.

### **Brown Act – Open Meeting Laws**

Brenda Meza presented the Brown Act Compliance training that will be scheduled in early 2021 via Zoom required for all board members and executive staff. The training will be facilitated by Greta Proctor from the law firm Procopio. Topic covered will include general overview of responsibilities, record keeping, duty of financial oversight, conflict of interest and best practices.

### **Charter School Dashboard & LCFF State Priorities**

Brenda Meza presented that Data Dashboard highlighting the achievements of the Charter School students. Brenda shared a snapshot of the current demographics of the school. Brenda presented the continuin charter school capacity building efforts and the alignment to the LCFF eight state priorities for public school operations. (EC Section 42238.02(d)) Including:

- Progress Monitoring of Each Student for High-Achieving School-Wide Data Outcomes
- Preparing for Reclassification of our EL Students
- Supporting Instructional Team with On-going Coaching
- Promoting a School Culture of Supportive Client Services (for students and families)
- Upholding Our Legal & Ethical Due Diligence with Local & State Reporting
- Preparing for Compliance Oversight Visit from our LAUSD Colleagues (spring 2021)
- Aligning and Maintaining Operations within the Budget

### **Learning Continuity & Attendance Plan**

Brenda presented the PUENTE Charter School Learning Continuity and Attendance Plan. The Learning Continuity Plan template memorializes the planning process already underway for the 2020–21 school year and includes descriptions of the following for PUENTE Charter School: addressing gaps in learning; conducting meaningful stakeholder engagement; maintaining transparency; addressing the needs of unduplicated pupils, students with unique needs, and students experiencing homelessness; providing access to necessary devices and connectivity for distance learning; providing resources and supports to address student and staff mental health and social emotional well-being; and continuing to provide school meals for students.

### **Approval of Learning Continuity & Attendance Plan**

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

### **Data Based Decision Making Practice**

Brenda made note of the PUENTE Charter School data-based decision making practices for instruction, including the use of formative and summative data for student achievement.

**Approval of Compliance Monitoring Form 2020-2021**

Jerome presented the Compliance Monitoring document checklist for Charter School operations. This beginning of year certification informs the governing board and supports the school in ensuring the critical organizational and management systems are in place. The Advisory Committee thoroughly reviewed the Form at its September meeting and recommended approval by the board.

**Motion:** A Motion was duly made by Greg Gonzalez and seconded by Oscar Cabrales to approve the Compliance Monitoring Form. *Wong, "yes"; Sutherland, "yes"; Cabrales, "yes"; Gonzalez, "yes"; Rosenwald, "yes" Reyes, "yes."* The Board unanimously approved.

**Approval of Uniform Compliance Procedure (UCP) 2020-2021**

Jerome presented the Uniform Complaint procedure, the school process for resolving complaints. The PUENTE UCP ensures compliance with applicable state and federal laws and regulations and shall investigate complaints alleging failure to comply with those laws and regulations, including but not limited to, allegations of unlawful discrimination, harassment, intimidation, or bullying against any protected group or noncompliance with laws relating to all programs and activities that are subject to the Uniform Complaint Procedures (UCP). The Advisory Committee thoroughly reviewed the UCP at its September meeting and recommended approval by the board

**Motion:** a motion was duly made by Tyler Sutherland and seconded by Jocelyn Rosenwald to approval the UCP. *Wong, "yes"; Sutherland, "yes"; Cabrales, "yes"; Gonzalez, "yes"; Rosenwald, "yes" Reyes, "yes."* The Board unanimously approved.

**Financial Report:****Charter Financials as of June 30, 2020**

Angelica Castro, VP of Finance and Administration reported that the Finance Committee met on June 10, 2020 to review the financials for the Charter School. Angelica presented the statement of Activities as of June 30, 2020 the Charter School recognized revenue of \$1,954,506 and incurred expenses of \$1,950,959. Resulting in a change in net assets or surplus of \$3,547. At year end, the Charter School met its year-end objective. Overall, total expense exceeded the budgeted amount by \$29,512; however, total operating revenue exceeded the projected revenue by \$35,497. This resulted in a positive variance of \$5,985. Angelica Castro presented the completion rate of the work-in-progress.

**Adjournment of Meeting**

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

Submitted Respectfully,  
Alicia Granados

# PUENTE Charter School Board Meeting

Wednesday, December 2, 2020



# PUENTE Charter School

## LCAP Priorities

### Informational



## Local Control Funding Formula (LCFF)

### 8 State Priorities for School Operations

- # 1 = Teacher Qualifications (Fully Credentialed in Subject Area)
- #2 = Access to Common Core State Standards-Aligned Instruction & EL Development
- #3 = Promotion of Parent Involvement
- #4 = Pupil Achievement (English Learner Reclassification Rate; Assessment Scores)
- #5 = Student Attendance Rate; Absenteeism
- #6 = Suspension/Expulsion Rates; School Culture of “Connectedness”
- #7 = An All-Subjects Academic Program Plan
- #8 = Pupil Outcomes in All Subject Areas



# PUENTE Charter School

## Year-To-Date Instructional Progress

### Informational



## Academic Year 2020-21 Distance Learning Status



***Synchronous & Asynchronous  
Distance Learning Instruction***

***Targeted Instruction - English-  
learners; special education; gifted***

***Assessment Calendar – ELPAC;  
NWEA MAP; Formative  
Assessments; SBAC; Parent  
Conference***

***Parent & School-Wide  
Engagement***

***Planning for the Return-to-  
School***

***Capacity-building for cohort  
instruction, when possible***

# PUENTE Charter School

## Year-To-Date Revenue

### Informational



July 1 through September 30, 2020  
with Comparative YTD Budget

ADA	215		215		215
	Actual		FY 2020-21	Budget	FY 2020-221
	9/30/2020		YTD Budget	1st Qtr Variance	Annual Budget
Operating revenue					
LCFF - State Aid	\$ 308,167	42.6%	\$ 298,547	\$ 9,620	\$ 1,253,907
Prop 30 - Education Protection Account	66,756	9.2%	66,756	-	267,027
Other Fed Income	200,305	27.7%	12,249	188,056	111,404
Special Ed Current Yr	30,522	4.2%	30,522	-	122,090
State Lottery - Charter Prop 20	1,320	0.2%	1,317	3	5,262
Non-Prop Lottery Education Appointment	6,873	0.9%	6,873	-	27,495
Other State Revenue	(878)	-0.1%	37,980	(38,858)	151,964
District pymt in lieu of Prop Tax	111,048	15.3%	111,048	-	444,190
Total operating revenue	\$ 724,113		\$ 565,292	\$ 158,821	\$ 2,383,339

***“Learning Loss Mitigation Funds” of approximately \$170,000 for COVID needs has been received.***

***These were unexpected funds and are designated for distance learning needs and addressing health and safety needs.***

# PUENTE Charter School

## Return-to-School Planning Informational



**PUENTE Charter School**  
Advisory Committee

November 17, 2020

To Whom it May Concern:

This letter is being submitted on behalf of the PUENTE Charter School Advisory Committee to the Los Angeles County Department of Public Health. The PUENTE Advisory Committee is comprised of parents and administrative staff members. This letter is submitted in support of PUENTE Charter School's effort to apply for the County of Los Angeles School Waiver and permit the school to re-open for in-person small group teaching for students in grades TK through 2nd grade.

PUENTE Charter School has kept the parent community informed of the plans for our educational program both remotely and in the case of a return for limited student populations on campus through posting on the school website, direct email communication, weekly video messages from the Principal and monthly newsletters. The school has been diligent about communicating the health and safety measures related to Covid-19, including the need to refrain from gatherings, staying socially distanced, wearing masks and using PPE and cleaning and sanitizing protocols. Finally, the school has communicated about planned physical changes to campus and other safety measures to make it possible to resume in-person operations when it is safe to do so.

A survey has been sent out to families regarding their comfort level on a possible return to site based instruction. The results have guided the work that PUENTE Charter School has set as a priority during this time period of COVID-19.

Respectfully,

Brenda Meza  
Interim Principal

***The small cohort instruction is being explored for January, 2021.***

***The LA County Department of Public Health is offering waivers for Tk-2 grade students to return for designated support (special education, assessments).***

# PUENTE Charter School

## Data Dashboard Informational



*Progress Monitoring of Each Student  
Continues During Distance Learning,  
Utilizing Common Core-Aligned  
Assessment Resources*

- ✓ *ELPAC for English Learners*
- ✓ *NWEA Map for Grade Level Mastery*
- ✓ *Instructor Formative Assessments (including Running Records)*
- ✓ *SBAC (for Third Grade)*
- ✓ *Book Club (Gifted Extension)*

*Intentional Effort to Prevent Learning Loss*



# PUENTE Charter School

Data Dashboard  
Informational



***Presentation of PUENTE Charter School Data  
Snapshot – Please Refer to School-Wide and  
Subgroup Data Sheets***

# PUENTE Charter School

## Wellness Policy 20-21

### Informational & Discussion



## **Update to the PUENTE Wellness Policy 2020-2021 during Distance Learning**

- ✓ Nutrition Standards with Meal Program for Families Receiving School Meals (*as per compliance guidelines*)
- ✓ Nutrition Promotion and Education (*embedded in our instructional plans*)
- ✓ Physical Activity (*promote physical education every day; Theatre of Hearts; LA Clippers sports instruction; Think Together After School*)
- ✓ Physical Fitness (*lesson plans on the human body; nutrition; good habits*)
- ✓ Mindfulness for Wellbeing/Calm Classroom (*circle time for discussion; dedicated quiet time for reflection*)
- ✓ Restorative Justice/Behavior Flip (*to best support/monitor student engagement*)



# PUENTE Charter School





**PUENTE Charter School**  
Advisory Committee

November 17, 2020

**DRAFT**

To Whom it May Concern:

This letter is being submitted on behalf of the PUENTE Charter School Advisory Committee to the Los Angeles County Department of Public Health. The PUENTE Advisory Committee is comprised of parents and administrative staff members. This letter is submitted in support of PUENTE Charter School's effort to apply for the County of Los Angeles School Waiver and permit the school to re-open for in-person small group teaching for students in grades TK through 2nd grade.

PUENTE Charter School has kept the parent community informed of the plans for our educational program both remotely and in the case of a return for limited student populations on campus through posting on the school website, direct email communication, weekly video messages from the Principal and monthly newsletters. The school has been diligent about communicating the health and safety measures related to Covid-19, including the need to refrain from gatherings, staying socially distanced, wearing masks and using PPE and cleaning and sanitizing protocols. Finally, the school has communicated about planned physical changes to campus and other safety measures to make it possible to resume in-person operations when it is safe to do so.

A survey has been sent out to families regarding their comfort level on a possible return to site based instruction. The results have guided the work that PUENTE Charter School has set as a priority during this time period of COVID-19.

Respectfully,

Oscar Cabrales  
Charter School Advisory Committee Member



**PUEENTE Charter School**  
**Unaudited Financial Statements**  
***As of and for the period Ended September 30, 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 September 30, 2020  
with Comparative YTD Budget

	ADA	215		215		215
		Actual 9/30/2020		FY 2020-21 YTD Budget		Budget FY 2020-221 Annual Budget
						1st Qtr Variance
<b>Operating revenue</b>						
LCFF - State Aid	\$	308,167	42.6%	\$ 298,547	\$	9,620
Prop 30 - Education Protection Account		66,756	9.2%	66,756		-
Other Fed Income		200,305	27.7%	12,249		188,056
Special Ed Current Yr		30,522	4.2%	30,522		-
State Lottery - Charter Prop 20		1,320	0.2%	1,317		3
Non-Prop Lottery Education Appointment		6,873	0.9%	6,873		-
Other State Revenue		(878)	-0.1%	37,980		(38,858)
District pymt in lieu of Prop Tax		111,048	15.3%	111,048		-
<b>Total operating revenue</b>	<b>\$</b>	<b>724,113</b>		<b>\$ 565,292</b>	<b>\$</b>	<b>158,821</b>
<b>Operating expenses and losses</b>						
Salaries		318,804		296,034		22,770
Employee benefits		40,960		39,106		1,854
Taxes		23,178		23,809		(631)
Workers Compensation		2,215		3,432		(1,217)
<b>Total personnel cost</b>	<b>\$</b>	<b>385,156</b>	70.8%	<b>\$ 362,381</b>	<b>\$</b>	<b>22,775</b>
Building Lease		53,172	9.8%	53,172		-
Special Ed Fair Share		26,358	4.8%	18,761		7,597
Special Ed Contract		13,956	2.6%	5,028		8,928
Food service contract		9,688	1.8%	10,192		(504)
Professional services		6,307	1.2%	6,709		(402)
Utilities		8,689	1.6%	10,736		(2,047)
Textbooks		6,271	1.2%	18,725		(12,454)
Insurance		13,160	2.4%	21,428		(8,268)
Security		1,337	0.2%	6,180		(4,843)
Accounting		-		3,209		(3,209)
Depreciation		2,337	0.4%	2,124		213
Education supplies		151	0.0%	1,241		(1,090)
Telephone		3,733	0.7%	2,676		1,057
Maintenance supplies		1,366	0.3%	2,759		(1,393)
Dues & Subscriptions		3,430	0.6%	5,462		(2,032)
Advertising		-		1,258		(1,258)
Printing & reproduction		1,896	0.3%	1,479		417
Office supplies		2,983	0.5%	2,329		654
Furniture & equipment		-		40,750		(40,750)
Payroll Fees		1,137	0.2%	1,127		10
Bank Fees		-		207		(207)
Equipment/Bldg & Repairs		1,163	0.2%	1,717		(554)
Property Taxes		-		-		-
Postage & delivery		387	0.1%	322		65
Furniture & equipment rental		371	0.1%	-		371
Staff Development		170	0.0%	482		(312)
License & permits		232	0.0%	-		232
Travel		-		-		-
Equipment lease		-		558		(558)
Computer supplies		67	0.0%	-		67
Meetings & Workshops		110	0.0%	-		110
Gifts		-		-		-
LACOE - Administrative Fees		-		500		(500)
Students Activities		-		250		(250)
<b>Total Operating Expenses</b>	<b>\$</b>	<b>158,473</b>		<b>\$ 219,381</b>	<b>\$</b>	<b>(60,658)</b>
<b>Total Expenses</b>	<b>\$</b>	<b>543,629</b>		<b>\$ 581,762</b>	<b>\$</b>	<b>(37,883)</b>
<b>Operating revenues and gains in excess of operating expenses</b>	<b>\$</b>	<b>180,484</b>		<b>\$ (16,470)</b>	<b>\$</b>	<b>196,704</b>
<b>(Other items considered to be nonoperating)</b>						
Interest income		-		-		-
<b>Change in net assets</b>	<b>\$</b>	<b>180,484</b>		<b>\$ (16,470)</b>	<b>\$</b>	<b>196,704</b>
Non-cash items - Depreciation		2,337		2,124		213
	<b>\$</b>	<b>182,822</b>		<b>\$ (14,346)</b>	<b>\$</b>	<b>196,918</b>
<b>Cost per Student</b>	<b>\$</b>	<b>2,529</b>		<b>\$ 2,706</b>		<b>\$ 11,081</b>

**PUENTE Charter School**  
**Statement of Financial Position**  
**As of September 30, 2020**

<b>ASSETS</b>	<b>Actual 9/30/2020</b>	<b>Unaudited 6/30/2020</b>	<b>Change \$</b>
<b>Current assets</b>			
Cash (Charter School Savings)	\$ 617,936	\$ 712,061	\$ (94,124)
Cash (Capital Campaign)	29,717	29,714	3
<b>Cash and cash equivalent</b>	<b>647,654</b>	<b>741,774</b>	<b>(94,120)</b>
Accounts receivable, net	876,870	705,975	170,895
<b>Total Current Assets</b>	<b>1,524,524</b>	<b>1,447,749</b>	<b>76,775</b>
Land, building and equipment			
Furniture, Fixtures & Equipment	163,338	46,271	117,067
Work in Process	776,347	675,233	101,114
Less: Depreciation	(34,744)	(35,534)	788
	<b>904,941</b>	<b>685,970</b>	<b>218,969</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,429,465</b>	<b>\$ 2,133,720</b>	<b>\$ 295,744</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Due to Learning Center	641,272	526,011	115,261
<b>Total Current Liabilities</b>	<b>641,272</b>	<b>526,011</b>	<b>115,261</b>
<b>Net assets</b>			
Net Surplus/Deficit	\$ 180,484	\$ 21,645	\$ 158,839
Without donor restriction	1,607,710	1,586,065	21,645
<b>Total net assets</b>	<b>1,788,194</b>	<b>1,607,710</b>	<b>180,484</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,429,465</b>	<b>\$ 2,133,720</b>	<b>\$ 295,744</b>
<b>Matrix Analysis:</b>		-	
Cash Ratio:	1.01		
Quick Ratio:	2.38		
Burn Rate	\$ 181,210		
Months of Cash on Hand	3.6		

**PUENTE Charter School**  
**Statement of Cash Flow**  
**For the Month Ended September 30, 2020**

	<b>Month Ended 9/30/2020</b>	<b>Audited 6/30/2020</b>
<b>Cash flows from operating activities:</b>		
Change in total net assets	\$ 180,484	\$ 21,645
Adjustments to reconcile in net assets to net cash (used in) provided by operating activities:		
Depreciation	(788)	7,232
Changes in operating assets and liabilities:		
Accounts receivable	(170,895)	(102,334)
Due to Learning Center	115,261	432,040
<b>Net cash (used in) provided by operating activities</b>	<b>124,062</b>	<b>358,583</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(218,183)	(513,821)
<b>Net cash used in investing activities</b>	<b>(218,183)</b>	<b>(513,821)</b>
<b>NET (DECREASE) IN CASH</b>	<b>(94,121)</b>	<b>(155,238)</b>
<b>CASH - BEGINNING</b>	<b>741,774</b>	<b>897,012</b>
<b>CASH - ENDING</b>	<b>\$ 647,654</b>	<b>\$ 741,774</b>

**PUENTE Learning Center**  
**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	342,932	585	452,920	88%
Brandow & Johnston	5,310	-		5,310	100%
BTC	756	-		756	100%
City of Los Angeles Building & Safety	-	15,666		15,666	90%
City of Los Angeles	25,437	22,474		47,911	100%
Craig Lawson & Co, LLC	32,508	55,627		88,135	100%
Department of Transportation	1,175	7,480		8,655	100%
GeoSystems Inc.	3,500	3,225		6,725	100%
Gibson Transportation	4,000	15,625		19,625	100%
Mata Construction	-	-	99,200	99,200	61%
Sarkis S. Simitian	-	-	1,331	1,331	100%
Ter Molen Watkins	-	30,114		30,114	100%
<b>Grand Total</b>	<b>182,089</b>	<b>493,143</b>	<b>101,115</b>	<b>776,347</b>	

## MEMORANDUM

**To:** Finance Committee

**From:** Angelica Castro  
Vice President of Finance, PUENTE Charter School

**Date:** November 18, 2020

**Re:** Summary of Financial Results as of September 30, 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 September 30, 2020. Please find a copy of the following reports in this Committee Packet:

1. Statement of Activities for period ended September 30, 2020 with comparative YTD Budget.
2. Statement of Financial Position as of September 30, 2020.
3. Statement of Cash Flow as of September 30, 2020.

### **1. Statement of Activities Analysis:**

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 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 \$ 26,358 or 5% and \$ 13,956 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
    - 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 (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.

## 3. Statement of Cash Flow

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



**PUENTE Learning Center**  
**Audited Financial Statements**  
***As of and for the Years Ended June 30, 2020 and 2019***  
***with Report of Independent Auditors***

**PUENTE Learning Center**  
**Audited Financial Statements**  
***As of and for the Years Ended June 30, 2020 and 2019***  
***with Report of Independent Auditors***

	<b><u>PAGE</u></b>
<b>REPORT OF INDEPENDENT AUDITORS</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7
<b>SUPPLEMENTARY INFORMATION</b>	
Statement of Financial Position – Charter School Programs	18
Statement of Activities – Charter School Programs	19
Statement of Cash Flows – Charter School Programs	20
Charter School Organization Structure	21
Schedule of Average Daily Attendance – Classroom Based	22
Schedule of Instructional Time	23
Reconciliation of Annual Financial Report with Audited Financial Statements	24
<b>REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	<b>25</b>
<b>REPORT OF INDEPENDENT AUDITORS ON STATE COMPLIANCE</b>	<b>27</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>29</b>

**PUENTE Learning Center**  
**Statements of Financial Position**  
**June 30, 2020**  
(With Comparative Totals for 2019)

**PUENTE Learning Center**  
**Statement of Financial Position**  
**As of June 30, 2020**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,207,415	\$ 1,121,703
Short-term investments	14,913,120	17,369,659
Accounts receivable, net	830,090	601,985
Contributions receivable	29,717	25,635
Prepaid expenses and other assets	57,641	36,485
<b>Total Current Assets</b>	<b>17,037,983</b>	<b>19,155,467</b>
Land, building and equipment, net	6,913,398	6,986,407
Cash surrender value of life insurance	27,087	25,967
<b>TOTAL ASSETS</b>	<b>\$ 23,978,468</b>	<b>\$ 26,167,841</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 266,948	\$ 165,999
Short-term debt	187,645	-
Long-term debt	229,145	-
Deferred revenue	-	8,834
<b>Total Current Liabilities</b>	<b>683,738</b>	<b>174,833</b>
<b>Net assets</b>		
Net assets without donor restrictions		
Board designated (capital expansion)	2,909,831	2,909,831
Undesignated	9,303,956	10,592,826
<b>Total net assets without donor restrictions</b>	<b>12,213,787</b>	<b>13,502,657</b>
Without donor restriction		
Purpose restriction	4,319,411	5,728,819
Perpetual in nature	6,761,532	6,761,532
<b>Total net assets with donor restrictions</b>	<b>11,080,943</b>	<b>12,490,351</b>
<b>Total net assets</b>	<b>23,294,730</b>	<b>25,993,008</b>
<b>Total liabilities and net assets</b>	<b>\$ 23,978,468</b>	<b>\$ 26,167,841</b>

*See notes to financial statements.*

**Puente Learning Center**  
**Statement of Activities**  
**Year ended June 30, 2020**  
**(With Comparative Totals for 2019)**

**PUEENTE Learning Center**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	<b>2020</b>			<b>2019</b>
	<b>Without donor Restrictions</b>	<b>With donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>Operating revenue</b>				
Contributions	\$ 255,910	\$ 578,450	\$ 834,360	\$ 716,259
Grants	-	258,942	258,942	-
Fees	4,489	-	4,489	30,185
Special events (net of direct donor benefits)	34,205	-	34,205	104,050
Charter school	1,971,442	21,610	1,993,052	2,224,465
Other revenues	437,037	-	437,037	71,250
<b>Net assets release from restrictions</b>				
Satisfaction of program restrictions	1,562,517	(1,562,517)	-	-
<b>Total operating revenue</b>	<b>\$ 4,265,600</b>	<b>\$ (703,515)</b>	<b>\$ 3,562,085</b>	<b>\$ 3,146,209</b>
<b>Operating expenses and losses</b>				
Programs and educational	4,166,961	-	4,166,961	3,677,015
Management and general	483,301	-	483,301	640,442
Fundraising	226,655	-	226,655	338,552
<b>Total Operating Expenses</b>	<b>\$ 4,876,917</b>	<b>\$ -</b>	<b>\$ 4,876,917</b>	<b>\$ 4,656,009</b>
<b>Operating revenues and gains in excess of operating expenses</b>	<b>\$ (611,317)</b>	<b>\$ (703,515)</b>	<b>\$ (1,314,832)</b>	<b>\$ (1,509,800)</b>
<b>(Other items considered to be nonoperating)</b>				
Investment returns, net	\$ (680,646)	\$ (705,893)	\$ (1,386,539)	\$ 1,759,468
Interest expenses	3,091	-	3,091	5,008
<b>Change in net assets</b>	<b>\$ (1,288,871)</b>	<b>\$ (1,409,408)</b>	<b>\$ (2,698,279)</b>	<b>\$ 254,677</b>
Net assets at the beginning of year	13,502,657	12,490,351	25,993,008	25,738,331
<b>Net assets at end of year</b>	<b>\$ 12,213,787</b>	<b>\$ 11,080,943</b>	<b>\$ 23,294,729</b>	<b>\$ 25,993,008</b>

See notes to financial statements.

**PUENTE Learning Center**  
**Statements of Functional Expenses**  
**Year ended June 30, 2020**  
**(With Comparative Totals for 2019)**

**PUENTE LEARNING CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**June 30, 2020**

	2020							2019 Total
	Program	Charter School	Total Program Expenses	Management and General	Fundraisin	Total Supporting Services	Total Expenses	
Salaries	\$ 1,006,334	\$ 1,010,296	\$ 2,016,629	\$ 179,853	\$ 102,213	\$ 282,066	2,298,695	\$ 1,970,169
Payroll taxes	65,630	78,072	143,702	12,442	6,606	19,048	162,750	141,512
Employee benefits	98,500	133,633	232,133	24,893	13,237	38,130	270,263	233,720
<b>Total personnel costs</b>	<b>1,170,464</b>	<b>1,222,001</b>	<b>2,392,465</b>	<b>217,189</b>	<b>122,056</b>	<b>339,244</b>	<b>2,731,709</b>	<b>2,345,401</b>
Depreciation	420,242	6,536	426,778	127,650	46,345	173,995	600,773	628,136
Professional services	222,723	370,724	593,446	33,745	24,169	57,914	651,361	750,585
Donated materials and services	384,848	-	384,848	-	11,220	11,220	396,068	396,015
Insurance	57,045	26,314	83,358	12,429	6,400	18,828	102,187	173,272
Utilities	42,448	40,337	82,786	8,106	4,213	12,319	95,104	116,537
Building lease	(173,904)	173,904	-	5,162	-	5,162	5,162	269
Other	-	126	126	361	-	361	487	969
Equipment rental and maintenance	2,557	10,516	13,072	31,707	1,234	32,941	46,013	89,291
Office supplies and expense	16,703	26,218	42,921	10,229	1,486	11,715	54,636	50,517
Textbooks	64	26,477	26,541	-	-	-	26,541	14,253
Telephone	8,219	8,639	16,857	1,506	976	2,481	19,338	20,446
Dues and subscriptions	31,626	40,256	71,882	16,388	6,780	23,169	95,051	13,208
Travel	2,256	1,187	3,444	3,652	37	3,688	7,132	8,032
Training and workshops	10,264	1,870	12,134	6,693	1,740	8,433	20,567	29,824
Doubtful accounts expense	-	14,438	14,438	6,296	-	6,296	20,734	15,298
Property taxes	-	1,866	1,866	2,191	-	2,191	4,057	3,956
<b>Total functional expenses</b>	<b>\$ 2,195,555</b>	<b>\$ 1,971,407</b>	<b>\$ 4,166,962</b>	<b>\$ 483,301</b>	<b>\$ 226,655</b>	<b>\$ 709,956</b>	<b>\$ 4,876,917</b>	<b>\$ 4,656,009</b>
<b>Percentage to total expenses</b>	<b>45%</b>	<b>40%</b>	<b>85%</b>	<b>10%</b>	<b>5%</b>	<b>15%</b>	<b>100%</b>	

*See notes to financial statements.*

**PUENTE Learning Center**  
**Statement of Cash Flows**

	<b>Years ended June 30,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Change in total net assets	\$ (2,698,279)	\$ 254,677
Adjustments to reconcile in net assets to net cash (used in) provided by operating activities:		
Depreciation	597,427	628,135
Net realized loss on investments	1,520,074	(1,574,819)
Changes in operating assets and liabilities:		
Contributions receivable	(4,082)	(334,348)
Accounts receivable	(228,104)	(36,628)
Prepaid and other assets	(21,156)	1,672
Deferred revenue	(8,834)	8,834
Cash surrender value of life insurance	(1,120)	
Accrued and other liabilities	100,949	(37,824)
<b>Net cash (used in) provided by operating activities</b>	<b>(743,125)</b>	<b>(1,090,300)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(524,418)	(222,334)
Proceeds from sale of investments	1,070,000	1,500,000
Reinvested interest and dividends	(133,536)	(184,649)
<b>Net cash used in investing activities</b>	<b>412,046</b>	<b>1,093,017</b>
<b>Cash flows from financing activities:</b>		
Proceeds from financing	416,790	-
<b>Net cash used in investing activities</b>	<b>416,790</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>85,711</b>	<b>2,717</b>
<b>CASH - BEGINNING</b>	<b>1,121,703</b>	<b>1,118,986</b>
<b>CASH - ENDING</b>	<b>\$ 1,207,415</b>	<b>\$ 1,121,703</b>

*See notes to financial statements.*

**(1) ORGANIZATION**

PUENTE Learning Center (the Center) is a not-for-profit, tax-exempt, community-based organization founded in 1985 and incorporated in 1989. The Center's mission is stated within its name: People United to Enrich the Neighborhood Through Education. "Puente" is also the Spanish word for "bridge." The Center offers a bridge to opportunity by addressing barriers that prevent individuals from building strong educational foundations and achieving self-sufficiency for themselves, their families, and their communities. Celebrating its 30th anniversary in 2015, the Center has provided a respectful, safe learning environment that welcomes all members of the community, regardless of age, educational background, or economic circumstances.

The campus, located in Boyle Heights, offers tuition-free classes. In its over 30 years in service to the community, approximately 100,000 students have benefited from PUENTE's programs, which include:

- Preschool Readiness
- Charter Kindergarten
- Summer Intensive Reading
- After School Enrichment
- College Access
- English as a Second Language
- Adult High School Diploma
- High School Intensive Reading
- High School Credit Recovery
- Computer Applications
- Computer Repair/A+ Certification Preparation
- Veterans Job Training

Limited educational opportunities and widespread poverty profoundly affect the vitality of the neighborhoods the Center serves. These communities have a particularly urgent need for English-language instruction and supplementary educational activities, combined with job training programs that focus on specific workforce needs. Offering a blend of traditional classroom instruction and current computer technology, the Center is a vibrant resource for neighborhood empowerment and opportunity.

(Continued)

**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Presentation**

The financial statements of the School have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

The Center recognizes contributions as revenue in the period received. Contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. For the year ended June 30, 2020, certain of the Center's net assets are classified as restricted. These amounts represent contributions that are limited in use in accordance with donor-imposed stipulations.

**b) Cash and Cash Equivalents**

Cash and cash equivalents are short-term, highly liquid investments with original maturities of three months or less at the time of purchase. The carrying values of cash and cash equivalents at June 30, 2020 approximate their fair values.

The Center maintains its cash and cash equivalents in bank accounts and other investment accounts, which, at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**c) Investments**

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Securities are generally held in custodial investment accounts administered by financial institutions.

Investment purchases and sales are accounted for on a trade-date basis. Interest and dividend income is recorded when earned. Gains or losses (including investments bought, sold, and held during the year), and interest and dividend income are reflected in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily restricted by donor stipulations or by law.

Investments are made according to the investment policies, guidelines, and objectives adopted by the Center's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities with performance measured against appropriate indices. The investments are generally managed by outside investment managers contracted by the Center. Market values of such investments and credit ratings of bond issuers are routinely reviewed by the Board of Directors.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(Continued)

**d) Property and Equipment**

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Buildings	30 Years
Furniture and Equipment	3 – 8 Years
Software	5 Years

Expenditures for repairs and maintenance are charged to operations when incurred, while major renewals and betterments are capitalized. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is greater than one year.

**e) Long-Lived Assets**

The Center reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the years ended June 30, 2020.

**f) Accounts Receivable**

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents their estimated net realizable value. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written off when internal collection efforts have been unsuccessful in collecting the amount due.

**g) Contributions and Pledges Receivable**

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Center uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

(Continued)

**h) Cash Restricted to Purchase Property and Equipment**

Cash restricted to purchase property and equipment has been restricted by donors and is not available for operating purposes.

**i) Contributed Goods and Services**

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. The Los Angeles Unified School District provides teachers and administrative support to the Center at no cost.

Contributed goods and services received by the Center during the years ended June 30, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Teachers and administrative support	\$ 384,848	\$ 378,369
Direct donor benefit expense	11,220	17,646
	<u>\$ 396,068</u>	<u>\$ 396,015</u>

**j) Cost Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expense require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated among the programs and services benefited by a method that best measures the relative degree of benefits. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as indirect cost, which are allocated on a square footage basis.

**k) Tax-Exempt Status**

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and the corresponding California provisions.

**l) Use of Estimates**

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates,

**PUENTE Learning Center**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2020 and 2019**

**m) Recent Accounting Pronouncements**

In August 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which revises the not-for-profit financial reporting model. ASU 2016-14 provides for additional disclosure requirements and modifies net asset and expense reporting. The Center adopted the new guidance effective June 30, 2018 and applied the changes prospectively. Implementation of this guidance resulted in a change in presentation of net assets, expenses, and additional disclosures surrounding the Center's liquidity and availability of financial assets.

In June 2018, the FASB issued ASU No. 2018-18, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which amends the accounting guidance related to (1) evaluating whether transactions should be accounted for as contributions or exchange transactions, and (2) determining whether a contribution is conditional. For resource providers, the ASU is effective for annual periods beginning after December 15, 2019, with early adoption permissible. The Center is currently evaluating the impact of the new standard on the financial statements.

**(3) LIQUIDITY**

The Center's financial assets available to meet cash needs for general expenditures within one year of the dates of the statements of financial position include:

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,207,415	\$ 1,121,703
Other financial assets, net	<u>14,913,120</u>	<u>17,369,659</u>
Available financial assets	<u>\$ 16,120,535</u>	<u>\$ 18,491,362</u>

The Center's structures its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations come due. Although the Center does not intend to liquidate assets other than for amounts needed for general expenditures budgeted during the year, these amounts could be made available if necessary. The Center's available financial assets exclude certain assets that the Center would not be able to liquidate within one year of the dates of the statements of financial positions.

(Continued)

**PUENTE Learning Center**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2020 and 2019**

**(4) INVESTMENTS**

The Center has implemented the fair value measurement accounting standard, which defines fair value for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs utilize unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The following table presents information about the Center's assets that are measured at fair value on a recurring basis at June 30, 2020 and 2019 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

		FY 2019-20		
		Fair Value Measurements Using		
	Year ended June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stock	\$ 9,355,479	\$ 9,355,479	\$ -	\$ -
Bonds funds	\$ 3,768,071	3,768,071	-	-
Equity mutual funds	\$ 1,789,570	1,789,570	-	-
	<u>\$ 14,913,120</u>	<u>\$ 14,913,120</u>	<u>\$ -</u>	<u>\$ -</u>
		FY 2018-19		
		Fair Value Measurements Using		
	Year ended June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common Stock	\$ 11,142,229	\$ 11,142,229	\$ -	\$ -
Bonds funds	\$ 4,437,859	4,437,859	-	-
Equity mutual funds	\$ 1,789,570	1,789,570	-	-
	<u>\$ 17,369,659</u>	<u>\$ 17,369,659</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**PUENTE Learning Center**  
**Notes to Financial Statements**  
**As of and for the year ended June 30, 2020 and 2019**

The fair values of the marketable securities within Level 1 were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

Investment income for the years ended June 30, 2020 and 2019 consist of the following:

	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Interest and dividends	\$ 133,536	\$ 185,333
Unrealized gain /(Loss)	(1,520,074)	1,574,819
	<b>\$ (1,386,538)</b>	<b>\$ 1,760,152</b>

The Center recognizes transfers at the beginning of each reporting period. Transfers between level 1 and 2 generally relate to whether a market becomes active or inactive. Transfers between level 2 and 3 investments relate to whether significant relevant observable inputs are available for the fair value measurement in their entirety and when redemption rules become more or less restrictive. There were no transfers between levels during the years ended June 30, 2020.

**(5) PROPERTY PLANT & EQUIPMENT**

Property and equipment at June 30, 2020 and 2019 consist of the following:

	<b>2020</b>	<b>2019</b>
Land	\$ 2,403,954	\$ 2,403,954
Building	10,327,911	10,313,306
Software	857,584	877,260
Furniture and equipment	752,823	716,477
Asset work in progress	675,233	182,089
	15,017,504	14,493,086
Less: Accumulated depreciation	(8,104,106)	(7,506,679)
	<b>\$ 6,913,398</b>	<b>\$ 6,986,407</b>

Depreciation expense for the years ended June 30, 2020 and 2019 amounted to \$619,256 and \$628,135, respectively.

**(6) ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses at June 30, 2020 and 2019 consist of the following:

	<b>2020</b>	<b>2019</b>
Accrued vacation	\$ 97,474	\$ 45,308
Accrued payroll	115,025	70,753
Accrued other	76,809	49,938
	<b>\$ 289,308</b>	<b>\$ 165,999</b>

**(7) CHARTER SCHOOL REVENUES**

Charter School revenues for the years ended June 30, 2020 and 2019 consist of the following:

	<b>2020</b>	<b>2019</b>
Prop 30 - Education Protection Act	\$ 120,307	\$ 164,501
CS-GP Ent-State Aid	1,114,427	728,476
CS-GP State Aid Prior Yr	-	(1,073)
Other Fed Income	73,185	44,854
Special Ed Current Year	132,173	87,813
State Lottery - Charter	24,252	9,260
Non Prop 20 Lottery Education Apportionment K-12	-	16,363
Block Grant K-3	1,777	1,063
Other State Revenue	74,915	78,159
CS Facilities Grant	-	825,000
Other Local Funding	24,171	900
District pymt in lieu of Prop Tax	427,845	269,149
	<b>\$ 1,993,052</b>	<b>\$ 2,224,465</b>

**(8) GRANTS AND CONTRACTS**

The Center's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, the Center has no provision for the possible disallowance of program costs in its financial statements.

**(9) ENDOWMENTS**

The Center's endowments consist of funds established for a variety of purposes. Endowment funds are established by donor-restricted gifts to either provide a permanent endowment, which is to provide a permanent source of income to the Center, or a term endowment, which is to provide income for a specified period to the Center.

The Center's management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on permanently restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

The primary long-term financial objective for the Center's endowments is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation and costs of portfolio management. Performance of the overall endowment against this objective is measured over an investment horizon of five to seven years. The endowments are also managed to optimize the long run total rate of return on invested assets, assuming a prudent level of risk. The goal for this rate of return is one that funds the Center's existing spending policy and allows sufficient reinvestment to grow the endowment principal at a rate that exceeds inflation (as measured by the Consumer Price Index). Over the short term,

the return for each element of the endowment portfolio should match or exceed each of the returns for the broader capital markets in which assets are invested. The Center has adopted a flexible spending policy for its endowment and elected to spend 5% of the last three years average of the fair value of these investments in the current year.

The goal of the spending policy is to better identify potential income generated from endowment and long-term investment, and to minimize the probability of eroding the principal over the long term.

**(10) INCOME TAXES**

Generally accepted accounting principles requires the Center to recognize and record the financial impact of uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. It also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods and requires additional disclosures. At June 30, 2020 and 2019, the Center did not recognize any uncertain tax position.

The Center's federal and state income tax returns for 2014 and subsequent years are subject to examination by the regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively.

**(11) COMMITMENTS AND CONTINGENCIES**

**Regulatory and Compliance Reviews**

As a tax exempt organization, the Center is subject to regulatory and compliance reviews by granting agencies and regulatory bodies at the local, state and federal level. Management believes that there are no matters as of the date of this report that would result in a material impact to the financial statements or jeopardize the tax-exempt status of the Center.

**(12) SUBSEQUENT EVENTS**

The Center has evaluated events or transactions that occurred subsequent to June 30, 2020 the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined no subsequent matters require disclosure or adjustment to the accompanying financial statements.

## **SUPPLEMENTARY INFORMATION**

**PUENTE Learning Center**  
**Statement of Financial Position**  
**Charter School Programs**  
**Year ended June 30, 2020**

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<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 741,774	\$ 897,012
Accounts receivable, net	222,849	103,643
Contributions receivable	483,127	500,000
<b>Total Current Assets</b>	<b>1,447,750</b>	<b>1,500,655</b>
Land, building and equipment, net	685,970	212,908
<b>TOTAL ASSETS</b>	<b>\$ 2,133,721</b>	<b>\$ 1,713,563</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Due to other programs to the center	\$ 526,011	\$ 127,497
<b>Total Current Liabilities</b>	<b>526,011</b>	<b>127,497</b>
<b>Net assets</b>		
Unrestricted - Undesignated	1,607,710	1,586,066
<b>Total net assets</b>	<b>1,607,710</b>	<b>1,586,066</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,133,721</b>	<b>\$ 1,713,563</b>

*See report of independent auditors and notes to supplementary information.*

**PUENTE Learning Center  
Statement of Activities  
Charter School Program  
Year ended June 30, 2020**

	<u>2020</u>	<u>2019</u>
<b>Revenue</b>		
Prop 30 - education protection	\$ 120,307	\$ 164,501
LCFF - state aid	1,114,427	728,476
LCFF - state aid - prior year	-	(1,073)
Other federal income	73,185	44,854
Special ed: IDEA basic local assistance - current year	132,173	87,813
State lottery - proposition 20	24,252	9,260
Non prop 20 lottery education apportionment K-12	-	16,363
Block grant K-3	1,777	1,063
Other state revenue	74,915	78,159
Other local funding	-	900
District pymt in lieu of property tax	24,171	269,149
CS facility grant	427,845	825,000
<b>Total revenue</b>	<b>\$ 1,993,052</b>	<b>\$ 2,224,465</b>
<b>Expenses</b>		
Program expenses:		
Personnel costs:		
Salaries	1,010,296	771,625
Payroll taxes	78,072	55,877
Employee benefits	133,633	68,316
<b>Total personnel costs</b>	<b>\$ 1,222,001</b>	<b>\$ 895,817</b>
Building lease	173,904	117,769
Depreciation	6,536	-
Doubtful accounts expene	14,438	11,490
Dues and subscriptions	40,256	1,377
Equipment rental and maintenance	10,516	17,699
Insurance	26,314	35,877
Office supplies and expenses	26,218	15,601
Other	126	-
Professional services	370,724	246,642
Preprty taxes	1,866	-
Telephone	8,639	2,633
Textbooks	26,477	11,846
Training and workshops	1,870	7,339
Travel	1,187	-
Utilities	40,337	15,093
<b>Operating revenues and gains in excess of</b>	<b>\$ 749,407</b>	<b>\$ 483,366</b>
<b>Change in net assets</b>	<b>\$ 21,645</b>	<b>\$ 845,282</b>
Net assets at the beginning of year	1,586,066	740,784
<b>Net assets at end of year</b>	<b>\$ 1,607,710</b>	<b>\$ 1,586,066</b>

*See report of independent auditors and notes to supplementary information.*

**PUENTE Learning Center  
Statement of Activities  
Charter School Program  
Year ended June 30, 2020**

	Year ended June 30, 2020	Year ended June 30, 2019
<b>Cash flows from operating activities:</b>		
Change in total net assets	<b>\$ 21,645</b>	<b>\$ 845,282</b>
Adjustments to reconcile in net assets to net cash (used in) provided by operating activities:		
Depreciation	7,232	6,250
Changes in operating assets and liabilities:		
Pledges receivable	16,873	(26,121)
Accounts receivable	(119,206)	(500,000)
Accrued and other liabilities	432,040	25,413
<b>Net cash (used in) provided by operating activities</b>	<b>358,584</b>	<b>350,824</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(513,821)	(202,658)
<b>Net cash used in investing activities</b>	<b>(513,821)</b>	<b>(202,658)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(155,237)</b>	<b>148,166</b>
<b>CASH - BEGINNING</b>	<b>897,012</b>	<b>748,846</b>
<b>CASH - ENDING</b>	<b>\$ 741,774</b>	<b>\$ 897,012</b>

*See report of independent auditors and notes to supplementary information.*

**PUENTE Learning Center**  
**Schedule of Average Daily Attendance – Classroom Based**  
**Year ended June 30, 2020**

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a) Date and Granting Authority of Charter School: August 2002 (Initial)  
March 2017 (Renewal)  
April 2018 (Revision)  
Los Angeles Unified School District

b) Members of the Governing Board:

<u>Name</u>	<u>Title</u>	<u>Board Term</u>	<u>Term Expiration</u>
Albert Reyes	Chairman	3 Years	06/2020
Dr. Fernando Guerra	Vice Chairman	3 Years	06/2019
Richelle Rae Huizar	Secretary	3 Years	12/2020
Alfredo Izmajtovich	Treasurer	3 Years	06/2020
Raul Amezcua	Member	3 Years	12/2018
Greg Gonzalez	Member	3 Years	06/2020
Oscar Cabrales	Member	3 Years	06/2021
H. Cody Press III	Member	3 Years	12/2018
Yolanda Chavez	Member	3 Years	06/2021
Daniel Arguello	Member	3 Years	06/2021
Chun Wong	Member	3 Years	06/2021

c) Administrator: Jerome Greening

d) Charter School Name: PUENTE Charter School  
Charter School Number: 473

**PUENTE Learning Center**  
**Schedule of Average Daily Attendance – Classroom Based**  
**Year ended June 30, 2020**

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<u>Grade</u>	<u>Second Period Report</u>	<u>Annual Report</u>
Kindergarten – 2 <sup>nd</sup> grade	146.38	146.38

*See report of independent auditors and notes to supplementary information.*

**PUENTE Learning Center**  
**Schedule of Instructional Time**  
**Year ended June 30, 2020**

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<b>Grade</b>	<b>Provided</b>	<b>Required</b>	<b>Instructional Days</b>	<b>Status</b>
Kindergarten	54,675	36,000	180	In Compliance
1st Grade	54,675	50,400	180	In Compliance
2nd Grade	54,675	50,400	180	In Compliance

*See report of independent auditors and notes to supplementary information.*

**PUENTE Learning Center**  
**Reconciliation of Annual Financial Report with Audited Financial Statements**  
**Year ended June 30, 2020**

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June 30, 2019 Annual Financial Report	
Fund balances (net assets)	\$ 2,133,721
Adjustments and Reclassification:	
Increasing (decreasing) the fund balance (net assets)	
Cash	<hr/>
June 30, 2019 Annual Financial Statement	
Fund balances (net assets)	\$ 2,133,721

*See report of independent auditors and notes to supplementary information.*

