

PARA LOS NIÑOS

GRATT'S PRIMARY CENTER FUND

**FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
and
ADDITIONAL INFORMATION**

JUNE 30, 2020

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
OF
PARA LOS NIÑOS
GRATTS PRIMARY CENTER FUND
JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Para Los Niños

Report on the Financial Statements

We have audited the accompanying financial statements of Para Los Niños Gratts Primary Center Fund, which comprise the Statement of Financial Position as of June 30, 2020, and the related Statements of Activities and Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Para Los Niños Gratts Primary Center Fund as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT

continued

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Information presented on pages 7-10 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and in conformity with the “2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting” 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Harrington Group

Pasadena, California

March 15, 2021

PARA LOS NIÑOS

GRATTS PRIMARY CENTER FUND
STATEMENT OF FINANCIAL POSITION
June 30, 2020

ASSETS	
Cash	\$ 166,181
Accounts receivable	506,268
Property and equipment	<u>4,270</u>
TOTAL ASSETS	<u><u>\$ 676,719</u></u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 5,898
Accrued liabilities	314,207
Due to operations	<u>216,893</u>
TOTAL LIABILITIES	<u>536,998</u>
NET ASSETS	
Without donor restrictions	114,303
With donor restrictions (Note 4)	<u>25,418</u>
TOTAL NET ASSETS	<u>139,721</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 676,719</u></u>

The accompanying notes are an integral part of these financial statements.

PARA LOS NIÑOS

GRATT'S PRIMARY CENTER FUND
STATEMENT OF ACTIVITIES
For the year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
State apportionments (Note 3)	\$ 2,342,675	\$ -	\$ 2,342,675
Other local funding	1,244,508		1,244,508
Federal funding	250,137		250,137
National school lunch program	396,523	23,418	419,941
Other funding	184,825	2,000	186,825
Net assets released from restrictions	8,622	(8,622)	-
TOTAL REVENUE	4,427,290	16,796	4,444,086
EXPENSES			
Certificated salaries	1,281,546		1,281,546
Services and other operating expenses	1,224,977		1,224,977
Classified salaries	836,117		836,117
Employee benefits	552,908		552,908
Books and supplies	548,537		548,537
TOTAL EXPENSES	4,444,085	-	4,444,085
CHANGE IN NET ASSETS	(16,795)	16,796	1
NET ASSETS, BEGINNING OF YEAR	131,098	8,622	139,720
NET ASSETS, END OF YEAR	\$ 114,303	\$ 25,418	\$ 139,721

The accompanying notes are an integral part of these financial statements.

PARA LOS NIÑOS

GRATTS PRIMARY CENTER FUND
STATEMENT OF CASH FLOWS
For the year ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$	1
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense		1,424
(Increase) decrease in operating assets:		
Accounts receivable		(123,487)
Other assets		-
Due from operations		-
Increase (decrease) in operating liabilities:		
Accounts payable		(137,856)
Accrued liabilities		160,964
Due to operations		145,453

NET CASH PROVIDED BY OPERATING ACTIVITIES 46,499

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	<u>-</u>
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NET CASH PROVIDED BY INVESTING ACTIVITIES -

INCREASE IN CASH 46,499

CASH, BEGINNING OF YEAR 119,682

CASH, END OF YEAR \$ 166,181

The accompanying notes are an integral part of these financial statements.

PARA LOS NIÑOS
GRATTS PRIMARY CENTER FUND

NOTES TO FINANCIAL STATEMENTS

1. General Information

These financial statements present only the Para Los Niños Gratts Primary Center Fund (“Para Los Niños”). For additional information regarding Para Los Niños, please refer to the audited financial statements of the agency. The Gratts Primary Center Fund receives private, federal, state, and local funding. Para Los Niños operates Gratts Primary Center pursuant to Education Code Section 47605.

2. Summary of Significant Accounting Policies

Basis of Accounting

Para Los Niños maintains its records on the accrual basis of accounting.

Income Taxes

Para Los Niños is exempt from income taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

3. State Apportionments

State apportionments for the year ended June 30, 2020 consist of the following:

Local control funding formula	\$1,969,651
Education protection account	210,559
Special education	157,895
Mandate block grant	<u>4,570</u>
	<u>\$2,342,675</u>

4. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2020 consist of the following:

Purpose Restrictions:

Nutrition program	\$23,418
Census program	<u>2,000</u>
	<u>\$25,418</u>

PARA LOS NIÑOS
GRATTS PRIMARY CENTER FUND

ORGANIZATION INFORMATION

Agency Name: Para Los Niños

Charter Number: 1215

Charter Authority: Los Angeles Unified School District (“LAUSD”)

Charter Granted: April 20, 2010

Type of Agency: A Not-for-Profit Corporation

Agency Address: 5000 Hollywood Blvd.
Los Angeles, CA 90027

Agency Telephone Number: (213) 250-4800

Charter School Address: Lorena Rodriguez, Principal
474 Hartford Avenue
Los Angeles, CA 90017

Charter School Telephone Number: (213) 481-3200

Officer: Drew Furedi, President and CEO

Governing Board Members:

<u>Agency Board:</u>	<u>Name</u>	<u>Term</u>
	Marjorie E. Lewis, Chair	7/13 – 6/22
	Cathy Hession, Vice Chair	7/12 – 6/21
	Pedro Marti	7/10 – 6/22
	Andrei Muresianu	7/13 – 6/22
	Mark Pan	7/07 – 6/22
	Walter Parkes	7/14 – 6/23
	Ronnie Roy	7/14 – 6/23
	Cindy Winebaum	7/15 – 6/21
	John Wasley	7/17 – 6/23
	Jim Gilio	7/17 – 6/23
	Benjiman Kramer	7/17 – 6/23
	Susan Edelman	7/17 – 6/23
	Murray McQueen	7/17 – 6/23
	Gabriel Robles	7/18 – 6/21
	Sandra Aispuro	7/19 – 6/22
	Andrew Herreria	7/20 – 6/23
	Joshua Ludmir	7/20 – 6/23
	Malin Wong	7/20 – 6/23
	Lorraine Prieto-Berchtold	7/20 – 6/23
	Jose Tejada	7/20 – 6/23

Operating Period: July 1, 2019 through June 30, 2020

Operating Time: Monday through Friday, except holidays
8:00 am – 3:00 pm

PARA LOS NIÑOS

GRATTS PRIMARY CENTER FUND
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the year ended June 30, 2020

	Second Period Report	Annual Report
	<hr/>	<hr/>
Elementary:		
Grades K - 3	256	256
	<hr/>	<hr/>
Elementary totals	256	256
	<hr/>	<hr/>
Average daily attendance totals	256	256
	<hr/> <hr/>	<hr/> <hr/>

The second period and annual amounts above reflect total average daily attendance and the average daily attendance generated through classroom based instruction, since nonclassroom-based instruction was not utilized.

Average daily attendance is a measurement of the number of pupils attending classes at Para Los Niños. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

See independent auditors' report.

PARA LOS NIÑOS

GRATTS PRIMARY CENTER FUND
SCHEDULE OF INSTRUCTIONAL TIME
For the year ended June 30, 2020

Grade Level	Minutes Requirements	2019-2020 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	61,920	180	N/A	Complied *
Grades 1 - 3	50,400	54,720	180	N/A	Complied *

This schedule presents information on the amount of instruction time offered by Para Los Niños and whether Para Los Niños complied with the provisions of Education Code Sections 46200 through 46208.

* Para Los Niños Gratts Primary Center Fund did not meet the instructional time requirement. The school closed in March 2020 due to COVID-19, and the distance learning offered, subsequently, did not meet the instructional time requirement. For purposes of attendance accounting and instructional time, days school is closed are considered non-instructional days even with offering students distance learning on those days. The closure days due to COVID-19 were included in the COVID-19 School Closure Certification. For the 2019-20 fiscal year, charter schools that certified that they closed due to COVID-19 will not receive instructional day and minute penalties for COVID-19 school closures.

See independent auditors' report.

PARA LOS NIÑOS

GRATTS PRIMARY CENTER FUND
SCHEDULE TO RECONCILE THE UNAUDITED ACTUAL REPORT
WITH THE AUDITED FINANCIAL STATEMENTS

For the year ended June 30, 2020

June 30, 2020 Unaudited Actual Report Fund Balance	\$ 139,722
Adjustments:	
Increasing (decreasing) the fund balance:	
Petty cash	-
Accounts receivable	-
Pledges receivable	-
Other assets	-
Due from operations	-
Accounts payable	(1)
Accrued liabilities	-
Due to operations	-
Net adjustments	<u>(1)</u>
June 30, 2020 Audited Financial Statement Fund Balance	\$ 139,721

See independent auditors' report.

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Para Los Niños
5000 Hollywood Blvd.
Los Angeles, California 90027

Ladies and gentleman:

We have audited Para Los Niños Gratts Primary Center Fund's compliance with the requirements identified in the "2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting" applicable to Para Los Niños' government programs as noted below for the year ended June 30, 2020.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Para Los Niños Gratts Primary Center Fund's management.

Auditors' Responsibility

Our responsibility is to express an opinion on Para Los Niños Gratts Primary Center Fund's compliance based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the "2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting" require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Para Los Niños Gratts Primary Center Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of Para Los Niños Gratts Primary Center Fund's compliance with those requirements.

Opinion

In our opinion, Para Los Niños Gratts Primary Center Fund complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2020.

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

continued

Procedures Performed

In connection with the audit referred to above, we selected and tested transactions and records to determine the Para Los Niños Gratts Primary Center Fund's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures In Audit Guide</u>	<u>Procedures Performed</u>
California Clean Energy Jobs Act	T	Not applicable
After School Education and Safety Program:		
General requirements	U	Yes
After school	U	Yes
Before school	U	Not applicable
Proper Expenditure of Education Protection Account Funds	V	Yes
Unduplicated Local Control Funding Formula Pupil Counts	W	Yes
Local Control and Accountability Plan	X	Yes
Independent Study-Course Based	Y	Yes
Attendance	AA	Yes
Mode of Instruction	BB	Yes
Nonclassroom-Based Instruction/Independent Study for Charter Schools	CC	Not applicable
Determination of Funding for Nonclassroom-based Instruction	DD	Not applicable
Annual Instruction Minutes – Classroom Based *	EE	Yes

* Para Los Niños Gratts Primary Center Fund did not meet the instructional time requirement. The school closed in March 2020 due to COVID-19, and the distance learning offered, subsequently, did not meet the instructional time requirement. For purposes of attendance accounting and instructional time, days school is closed are considered non-instructional days even with offering students distance learning on those days. The closure days due to COVID-19 were included in the COVID-19 School Closure Certification. For the 2019-20 fiscal year, charter schools that certified that they closed due to COVID-19 will not receive instructional day and minute penalties for COVID-19 school closures.

Harrington Group

Pasadena, California
March 15, 2021