

PARA LOS NIÑOS

CHARTER MIDDLE SCHOOL FUND

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

JUNE 30, 2021

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
OF
PARA LOS NIÑOS
CHARTER MIDDLE SCHOOL FUND
JUNE 30, 2021

CONTENTS

Audited Financial Statements

Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6

Supplementary Information

Organization Information	7
Schedule of Average Daily Attendance	8
Schedule of Instructional Time	9
Schedule to Reconcile the Unaudited Actual Report with the Audited Financial Statements	10

Additional Information

Independent Auditors' Report on State Compliance	11-13
--	-------

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 Charter Middle School Fund, which comprise the Statement of Financial Position as of June 30, 2021, 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 Charter Middle School Fund as of June 30, 2021, 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 “2020-2021 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

January 31, 2022

PARA LOS NIÑOS

CHARTER MIDDLE SCHOOL FUND STATEMENT OF FINANCIAL POSITION

June 30, 2021

ASSETS

Cash	\$	79,026
Accounts receivable		1,027,600
Property and equipment		2,858
Due from operations		102,526

TOTAL ASSETS \$ 1,212,010

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$	209,232
Accrued liabilities		56,486
Deferred revenue		233,763

TOTAL LIABILITIES 499,481

NET ASSETS

Without donor restrictions		709,684
With donor restrictions		2,845

TOTAL NET ASSETS 712,529

TOTAL LIABILITIES AND NET ASSETS \$ 1,212,010

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

PARA LOS NIÑOS

CHARTER MIDDLE SCHOOL FUND
STATEMENT OF ACTIVITIES
For the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
State apportionments (Note 3)	\$ 2,370,236	\$ -	\$ 2,370,236
Other local funding	1,141,928		1,141,928
Federal funding	982,415		982,415
Other funding	193,224	13,457	206,681
National school lunch program	22,681		22,681
Net assets released from restrictions	10,612	(10,612)	-
TOTAL REVENUE	4,721,096	2,845	4,723,941
EXPENSES			
Services and other operating expenses	1,246,081		1,246,081
Certificated salaries	1,400,974		1,400,974
Classified salaries	839,033		839,033
Employee benefits	590,095		590,095
Books and supplies	255,091		255,091
TOTAL EXPENSES	4,331,274	-	4,331,274
CHANGE IN NET ASSETS	389,822	2,845	392,667
NET ASSETS, BEGINNING OF YEAR	319,862	-	319,862
NET ASSETS, END OF YEAR	\$ 709,684	\$ 2,845	\$ 712,529

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

PARA LOS NIÑOS

CHARTER MIDDLE SCHOOL FUND
STATEMENT OF CASH FLOWS
For the year ended June 30, 2021

CASH FLOWS TO OPERATING ACTIVITIES:

Change in net assets	\$	392,667
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense		1,429
(Increase) decrease in operating assets:		
Accounts receivable		(592,645)
Due from operations		(102,358)
Increase (decrease) in operating liabilities:		
Accounts payable		202,520
Accrued liabilities		(13,819)
Deferred revenue		191,232
		<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES		79,026
		<hr/>
INCREASE IN CASH		79,026
CASH, BEGINNING OF YEAR		-
		<hr/>
CASH, END OF YEAR	\$	79,026
		<hr/> <hr/>

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

PARA LOS NIÑOS
CHARTER MIDDLE SCHOOL FUND

NOTES TO FINANCIAL STATEMENTS

1. General Information

These financial statements present only the Para Los Niños Charter Middle School Fund (“Para Los Niños”). For additional information regarding Para Los Niños, please refer to the audited financial statements of the agency. The Charter Middle School Fund receives private, federal, state, and local funding. Para Los Niños operates the Charter Middle School Fund 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, 2021 consist of the following:

Local control funding formula	\$1,544,858
Education protection account	641,226
Special education	179,353
Mandate block grant	<u>4,799</u>
	<u>\$2,370,236</u>

PARA LOS NIÑOS
CHARTER MIDDLE SCHOOL FUND

ORGANIZATION INFORMATION

Agency Name: Para Los Niños

Charter Number: 1007

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

Charter Granted: May 13, 2008

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: Hassan Dornayi, Principal
835 Stanford Avenue
Los Angeles, California 90021

Charter School Telephone Number: (213) 896-2640

Officers: 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
	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
	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
	Cindy Winebaum	7/15 – 6/21
	Gabriel Robles	7/18 – 6/21

Operating Period: July 1, 2020 through June 30, 2021

Operating Time: Monday through Friday, except holidays:
8:00 am – 3:30 pm

PARA LOS NIÑOS

CHARTER MIDDLE SCHOOL FUND
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the year ended June 30, 2021

**Annual
Report**

Middle:

Grades 4 - 6

Grades 7 - 8

Per the California Department of Education's *2020-21 Funding and Instructional Time Frequently Asked Questions*, Local Education Agencies will not have to collect or report Average Daily Attendance for the purpose of apportionment in FY 2020–21.

See independent auditors' report.

PARA LOS NIÑOS

CHARTER MIDDLE SCHOOL FUND
SCHEDULE OF INSTRUCTIONAL TIME
For the year ended June 30, 2021

<u>Grade Level</u>	<u>Minutes Requirements</u>	<u>2020-2021 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Number of Days Multitrack Calendar</u>	<u>Status</u>
Grade 4 - 6					
Grade 7 - 8					

Per the California Department of Education's ("CDE") *2020-21 Funding and Instructional Time Frequently Asked Questions*, question #19, Charter schools are not required to receive approval from CDE for their attendance accounting forms and procedures.

See independent auditors' report.

PARA LOS NIÑOS

CHARTER MIDDLE SCHOOL FUND
SCHEDULE TO RECONCILE THE UNAUDITED ACTUAL REPORT
WITH THE AUDITED FINANCIAL STATEMENTS

For the year ended June 30, 2021

June 30, 2021 Unaudited Actual Report Fund Balance	\$ 712,529
Adjustments:	
Increasing (decreasing) the fund balance:	-
Petty cash	-
Accounts receivable	-
Pledges receivable	-
Other assets	-
Accounts payable	
Accrued liabilities	-
Due to operations	-
Net adjustments	-
June 30, 2021 Audited Financial Statement Fund Balance	\$ 712,529

See independent auditors' report.

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

To the Board of Directors
Para Los Niños
5000 Hollywood Blvd.
Los Angeles, CA 90027

Ladies and gentlemen:

We have audited Para Los Niños Charter Middle School Fund's compliance with the requirements identified in the "2020-2021 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, 2021.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Para Los Niños Charter Middle School Fund's management.

Auditors' Responsibility

Our responsibility is to express an opinion on Para Los Niños Charter Middle School 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 "2020-2021 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 Charter Middle School 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 Charter Middle School Fund's compliance with those requirements.

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

continued

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the Para Los Niños Charter Middle School 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>
Attendance and Distance Learning	A	Yes
Teacher Certification and Misassignments	B	Yes
Kindergarten Continuance	C	Yes
Instructional Time	F	Yes
Instructional Materials	G	Not applicable
Ratio of Administrative Employees to Teachers	H	Not applicable
Classroom Teacher Salaries	I	Not applicable
Early Retirement Incentive	J	Not applicable
Gann Limit Calculation	K	Not applicable
School Accountability Report Card	L	Yes
K-3 Grade Span Adjustment	O	Not applicable
Apprenticeship: Related and Supplemental Instruction	Q	Not applicable
Comprehensive School Safety Plan	R	Yes
District of Choice	S	Not applicable
California Clean Energy Jobs Act	T	Not applicable
Proper Expenditure of Education Protection Account Funds	V	Yes
Unduplicated Local Control Funding Formula Pupil Counts	W	Yes
Independent Study-Course Based	Y	Not applicable
Attendance	AA	Yes
Mode of Instruction	BB	Not applicable
Nonclassroom-Based Instruction/Independent Study for Charter Schools	CC	Not applicable
Determination of Funding for Nonclassroom-based Instruction	DD	Not applicable
Charter School Facility Grant Program	FF	Yes

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

continued

Opinion on State Compliance

In our opinion, Para Los Niños Charter Middle School Fund complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2021.

Harrington Group

Pasadena, California
January 31, 2022