

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

FINANCIAL REPORTS

YEAR ENDED JUNE 30, 2022

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

FINANCIAL REPORTS

YEAR ENDED JUNE 30, 2022

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SECTION A

Financial Statements

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

PARA LOS NIÑOS
CHARTER ELEMENTARY SCHOOL FUND
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK

**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Para Los Niños

Opinion

We have audited the financial statements of the Para Los Niños Charter Elementary School Fund, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Para Los Niños Charter Elementary School Fund as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Para Los Niños Charter Elementary School Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Para Los Niños Charter Elementary School Fund's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
Para Los Niños

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Para Los Niños Charter Elementary School Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Para Los Niños Charter Elementary School Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of charter school organization structure, average daily attendance, instructional time and reconciliation of annual financial report with audited financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is 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 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 GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

To the Board of Directors
Para Los Niños

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the Para Los Niños Charter Elementary School Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Para Los Niños Charter Elementary School Fund's internal control over financial reporting and compliance.

Green Hasson & Janks LLP

December 20, 2022
Los Angeles, California

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

STATEMENT OF FINANCIAL POSITION

June 30, 2022

ASSETS	
Cash	\$ 70,566
Accounts Receivable	773,944
Property and Equipment	12,220
Due from Operations	<u>567,047</u>
TOTAL ASSETS	<u><u>\$ 1,423,777</u></u>
 LIABILITIES AND NET ASSETS	
LIABILITIES:	
Accounts Payable	\$ 131,221
Accrued Liabilities	153,752
Due to Operations	-
Deferred Revenue	<u>408,235</u>
TOTAL LIABILITIES	<u>693,208</u>
 NET ASSETS	
Without Donor Restrictions	698,764
With Donor Restrictions	<u>31,805</u>
TOTAL NET ASSETS	<u>730,569</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,423,777</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:			
State Funding	\$ 5,106,216	\$ -	\$ 5,106,216
Federal Funding	1,105,887	-	1,105,887
Other Funding	1,004,619	-	1,004,619
National School Lunch Program	272,692	31,805	304,497
TOTAL REVENUE	7,489,414	31,805	7,521,219
EXPENSES:			
Services and Other Operating Expenses	2,560,237	-	2,560,237
Certificated Salaries	1,700,913	-	1,700,913
Classified Salaries	1,788,968	-	1,788,968
Employee Benefits	856,505	-	856,505
Books and Supplies	614,596	-	614,596
TOTAL EXPENSES	7,521,219	-	7,521,219
CHANGE IN NET ASSETS	(31,805)	31,805	-
Net Assets - Beginning of Year	730,569	-	730,569
NET ASSETS - END OF YEAR	\$ 698,764	\$ 31,805	\$ 730,569

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

STATEMENT OF CASH FLOWS For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	-
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Depreciation Expense		8,237
(Increase) Decrease in Operating Assets:		
Accounts Receivable		362,280
Due from Operations		(567,047)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable		51,447
Accrued Liabilities		22,593
Due to Operations		(357,865)
Deferred Revenue		192,909
		<hr/>
NET CASH USED IN OPERATING ACTIVITIES		(287,446)
		<hr/>
DECREASE IN CASH		(287,446)
Cash - Beginning of Year		<hr/>
		358,012
		<hr/>
CASH - END OF YEAR	\$	70,566
		<hr/> <hr/>

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS
CHARTER ELEMENTARY SCHOOL FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - GENERAL INFORMATION

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

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

(b) 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.

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

SUPPLEMENTAY INFORMATION

JUNE 30, 2022

PARA LOS NIÑOS
CHARTER ELEMENTARY SCHOOL FUND
ORGANIZATION INFORMATION
June 30, 2022

Agency Name:	Para Los Niños
Charter Number:	475
Charter Authority:	Los Angeles Unified School District ("LAUSD")
Charter Granted:	June 27, 2002
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:	Norma Silva, Principal 1617 East 7 th Street Los Angeles, CA 90021
Charter School Telephone Number:	(213) 289-2640
Chief Business Official:	Camille Gonzalez, Chief Financial Officer
Superintendent:	Katherine Nelson, Vice President of Student Success
Deputy Superintendent:	Jonathan Lopez, Managing Director, Charter Schools

PARA LOS NIÑOS
CHARTER ELEMENTARY SCHOOL FUND
ORGANIZATION INFORMATION
June 30, 2022

Governing Board Members:

Agency Board:	Name	Term (3 years)
	Marjorie E. Lewis, Chair	June 2025
	Cathy Hession, Vice Chair	June 2024
	Andrei Muresianu	June 2025
	Mark Pan	June 2025
	Walter Parkes	June 2023
	Ronnie Roy, Secretary	June 2023
	John Wasley	June 2023
	Susan Edelman	June 2023
	Murray McQueen	June 2023
	Sandra Aispuro	June 2025
	Andrew Herreria	February 2023
	Joshua Ludmir	February 2023
	Malin Wong	February 2023
	Lorraine Prieto-Berchtold	February 2023
	Jose Tejada	September 2023
	Cindy Winebaum	June 2024
	Gabriel Robles	June 2024
	Rebecca Rich	November 2023
Operating Period:	July 1, 2021 through June 30, 2022	
Operating Time:	Monday through Friday, Except Holidays: 8:00 am - 3:30 pm	

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

SCHEDULE OF AVERAGE DAILY ATTENDANCE

For the Year Ended June 30, 2022

	<u>Second Period Report</u>	<u>Audit Adjustments</u>	<u>Second Period Report (Adjusted)</u>
Grades K - 3	155.94	7.11	163.05
Grades 4 - 6	<u>108.06</u>	<u>(0.07)</u>	<u>107.99</u>
Totals	<u><u>264.00</u></u>	<u><u>7.04</u></u>	<u><u>271.04</u></u>

	<u>Annual Report</u>	<u>Audit Adjustments</u>	<u>Annual Report (Adjusted)</u>
Grades K - 3	163.11	(0.11)	163.00
Grades 4 - 6	<u>107.56</u>	<u>(0.08)</u>	<u>107.48</u>
Totals	<u><u>270.67</u></u>	<u><u>(0.19)</u></u>	<u><u>270.48</u></u>

See Independent Auditor's Report

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2022

Grade Level	Instructional Minutes		Traditional Calendar Days	Status
	Requirements	Actual		
Grade K	36,000	53,280	180	In Compliance
Grades 1 - 3	50,400	60,240	180	In Compliance
Grades 4 - 5	54,000	60,240	180	In Compliance

See Independent Auditor's Report

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

SCHEDULE TO RECONCILE THE UNAUDITED ACTUAL REPORT
WITH THE AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

June 30, 2022 Unaudited Actual Report Fund Balance	\$	730,569
Adjustments:		
Increasing (Decreasing) the Fund Balance:		
Cash		(23,980)
Accounts Receivable		(543,067)
Due from Operations		567,047
Accounts Payable		(153,752)
Accrued Liabilities		153,752
Net Adjustments		<u>-</u>
<i>JUNE 30, 2022 AUDITED FINANCIAL STATEMENT FUND BALANCE</i>	\$	<u><u>730,569</u></u>

See Independent Auditor's Report

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Passed Through Grantor/Program Title	Contract Number	Federal Assistance Listing Number	Contract Term	Program Expenditures from Federal Revenues
U.S. Department of Education ("ED"):				
Pass-through, State of California Department of Education ("CDE"):				
Education Stabilization Fund - ESSER I	N/A	84.425D	07/1/21 - 06/30/22	\$ 136,958
Education Stabilization Fund - ESSER II	N/A	84.425D	07/1/21 - 06/30/22	344,572
Education Stabilization Fund - ELO-G	N/A	84.425D	07/1/21 - 06/30/22	38,289
Education Stabilization Fund - ELO-G	N/A	84.425C	07/1/21 - 06/30/23	8,788
Education Stabilization Fund - ELO-G	N/A	84.425U	07/1/21 - 06/30/24	67,987
Total 84.425				<u>596,594</u>
Twenty-First Century Community Learning Centers	N/A	84.287	07/1/21 - 06/30/22	46,831
State Charter School Facilities Incentive Grants Program	N/A	84.282D	07/1/21 - 06/30/22	195,636
Special Education Grants to States	N/A	84.027	07/1/21 - 06/30/22	79,188
English Language Acquisition Grants	N/A	84.365	07/1/21 - 06/30/22	20,892
Title I Grants to Local Educational Agencies	N/A	84.010	07/1/21 - 06/30/22	139,813
Supporting Effective Instruction State Grants	N/A	84.367	07/1/21 - 06/30/22	14,718
Student Support and Academic Enrichment Program	N/A	84.424A	07/1/21 - 06/30/22	11,601
Total U.S Department of Education				<u>1,105,273</u>
U.S. Department of Agriculture ("USDA"):				
Pass-through, State of California Department of Education ("CDE"):				
National School Lunch Program	N/A	10.555	07/1/21 - 06/30/22	304,497
Pandemic EBT Administrative Costs	N/A	10.649	07/1/21 - 06/30/22	614
Total U.S Department of Agriculture				<u>305,111</u>
TOTAL FEDERAL AWARDS				<u>\$ 1,410,384</u>

See Independent Auditor's Report

PARA LOS NIÑOS

CHARTER ELEMENTARY SCHOOL FUND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2022

Notes to the Schedule of Expenditures of Federal and Nonfederal Awards for the Year Ended June 30, 2022

1. Basis of Presentation - The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the School under programs of the Federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the School.
2. Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
3. The School has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
4. The School has not provided any federal awards to subrecipients from the federal expenditures presented in this Schedule.

See Independent Auditor's Report

SECTION B

Independent Auditor's Report on State Compliance



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**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Directors
Para Los Niños

Opinion

We have audited Para Los Niños Charter Elementary School Fund's compliance, with the types of compliance requirements described in *the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2022.

In our opinion, the Para Los Niños Charter Elementary School Fund complied, in all material respects, with the compliance requirements referred to below that are applicable to its Charter School for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Para Los Niños Charter Elementary School Fund and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Para Los Niños Charter Elementary School Fund's compliance with the compliance requirements referred to below.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to below and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's government programs.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to below occurred, whether due to fraud or error, and express an opinion on the Para Los Niños Charter Elementary School Fund's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, will always detect a material misstatement when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to below is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Para Los Niños Charter Elementary School Fund's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Para Los Niños Charter Elementary School Fund's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, but not for the purpose of expressing an opinion on the effectiveness of the Para Los Niños Charter Elementary School Fund's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Yes
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
In Person Instruction Grant	Not Applicable
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Yes
Charter School Facility Grant Program	Yes

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of that testing based on the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

Green Hasson & Janks LLP

December 20, 2022
Los Angeles, California

PARA LOS NIÑOS
CHARTER ELEMENTARY SCHOOL FUND
SCHEDULES OF FINDINGS AND QUESTIONED COSTS

SECTION I - SCHEDULE OF AUDITOR'S FINDINGS

State Award Findings

Current year audit findings identified below have been coded as follows:

<u>Five Digit Code</u>	<u>Finding Type</u>
10000	Attendance
30000	Internal Control
40000	State Compliance

- **2022 - 1: Accurate Reporting of Unduplicated Local Control Funding Formula (LCFF) Pupil Counts.**

Finding Code: 30000, 40000

Criteria: As part of the LCFF funding calculations, the School is required to report an accurate unduplicated pupil count by ensuring that all students classified as either "free" or "reduced" under the National School Lunch Program (NSLP) are eligible under the state of California income eligibility guidelines.

Condition: During the audit, we noted that there was one pupil in our sample that was incorrectly classified as an unduplicated eligible free/reduced meal (FRPM) count on the certified CALPADS 1.17 report. In addition, one pupil was not enrolled at the beginning of the School year and should not have been counted towards enrollment.

Effect: Due to the condition noted above, management performed an in-depth analysis of the FRPM eligibility calculation of all pupils within the School. Based on the results of management's analysis, the School determined that it had incorrectly classified a total of four pupils as unduplicated eligible FRPM and one additional pupil that should not have been counted towards both enrollment and unduplicated eligible pupil count.

GHJ further noted 9 pupils that were misclassified under FRMP, but all were English learners. These 9 pupils were misclassified but still counted towards the unduplicated pupil count as they were eligible.

Cause: In order to assess student eligibility for FRPM, the School inadvertently and incorrectly transposed eligibility determinations in a file which was directly input into the School's student information system (SIS), resulting in the aforementioned eligibility misclassifications.

PARA LOS NIÑOS
CHARTER ELEMENTARY SCHOOL FUND
SCHEDULES OF FINDINGS AND QUESTIONED COSTS

SECTION I - SCHEDULE OF AUDITOR'S FINDINGS (continued)

State Award Findings (continued)

- **2022 - 1: Accurate Reporting of Unduplicated Local Control Funding Formula (LCFF) Pupil Counts** (continued)

Finding Code: 30000, 40000 (continued)

Impact on ADA, LCFF and Funding: The overall impact of this misclassification was as follows:

	Original Certified Pupil Count	Decrease	Adjusted Pupil Count
Total Unduplicated Eligible			
FRPM/English Learner Count	277	(4)	273
Total Enrollment Count	296	(4)	292

To determine the dollar effect of the incorrect classification, management prepared revised calculations to identify the total impact of the finding which was determined to be a decrease of \$137 for the year ended June 30, 2022. There was no impact of this finding on the ADA or the amount of expenditures for a restricted program.

Recommendation: We recommend that management strengthen its controls to ensure that all inputs are reviewed by a secondary employee.

Management's Response/Corrective Action Plan: Management agrees with this finding. Obtaining family income data and entering this data into SIS is a manual process. The School incorrectly calculated the students' eligibility under the FRMP for certain students. The School also incorrectly included students disenrolled as they were not correctly filed within SIS at the time of reporting of such data. The School will assign a secondary employee to review FRMP determinations and will ensure a secondary review of the School's CALPADS information before certification to ensure that the pupil classification and information submitted to CALPADS is accurate.

PARA LOS NIÑOS
 CHARTER ELEMENTARY SCHOOL FUND
 SCHEDULES OF FINDINGS AND QUESTIONED COSTS

SECTION I - SCHEDULE OF AUDITOR'S FINDINGS (continued)

State Award Findings (continued)

- **2022 - 2: Accurate Reporting of Student Attendance Claimed Through Independent Study.**

Finding Code: 10000, 30000, 40000

Criteria: As part of the independent study instructions, the School is required to obtain a signed written agreement for independent study from the pupil, or the pupil's parent or legal guardian if the pupil is less than 18 years of age and a certificated employee.

Condition: During the audit, we noted all pupils in our sample had the requirement missing signatures.

Effect: Based on discussion with management none of the students had all the required signatures as noted above.

Cause: The School offered independent study only for COVID-19 reasons and they are not structured to offer independent study for the entire school year as they are an in person charter school.

Impact on ADA and Funding: As a result, the School overstated ADA as follows:

	Original P2 ADA	Decrease	Adjusted P2 ADA
Grades K-3	0.14	(0.14)	-
Grades 4-6	0.10	(0.10)	-

	Original Annual ADA	Decrease	Adjusted Annual ADA
Grades K-3	0.11	(0.11)	-
Grades 4-6	0.08	(0.08)	-

To determine the dollar effect of the overstatement and understatement of ADA, management prepared revised calculations to identify the total impact of the finding which was determined to be a decrease of \$2,871 for the year ended June 30, 2022. This finding did not impact the unduplicated LCFF pupil count or the amount of expenditures for a restricted program.

PARA LOS NIÑOS
CHARTER ELEMENTARY SCHOOL FUND
SCHEDULES OF FINDINGS AND QUESTIONED COSTS

SECTION I - SCHEDULE OF AUDITOR'S FINDINGS (continued)

State Award Findings (continued)

- **2022 - 2: Accurate Reporting of Student Attendance Claimed Through Independent Study.** (continued)

Finding Code: 10000, 30000, 40000 (continued)

Recommendation: We recommend that management strengthen its controls to ensure that all required signatures for independent study agreement are obtained before claiming attendance.

Management's Response/Corrective Action Plan: Management agrees with this finding and will assign a staff member to verify required signatures for independent study agreements are obtained before claiming attendance. The School will also perform an internal secondary review of the independent study agreements to ensure that meet the signature requirements.

SECTION II - SCHEDULE OF PRIOR AUDIT FINDINGS

There are no prior year audit findings.

SECTION C

REPORTS REQUIRED BY
TITLE 2 U.S. CODE OF FEDERAL REGULATIONS
(CFR) PART 200, UNIFORM ADMINISTRATIVE
REQUIREMENTS, COST PRINCIPLES, AND AUDIT
REQUIREMENTS FOR FEDERAL AWARDS
(UNIFORM GUIDANCE)

PARA LOS NIÑOS

REPORTS REQUIRED BY
TITLE 2 U.S. CODE OF FEDERAL REGULATIONS
(CFR) PART 200, UNIFORM ADMINISTRATIVE
REQUIREMENTS, COST PRINCIPLES, AND AUDIT
REQUIREMENTS FOR FEDERAL AWARDS
(UNIFORM GUIDANCE)

YEAR ENDED JUNE 30, 2022

PARA LOS NIÑOS

REPORTS REQUIRED BY TITLE 2 U.S. CODE OF FEDERAL REGULATIONS
(CFR) PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST
PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS
(UNIFORM GUIDANCE)

YEAR ENDED JUNE 30, 2022

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Para Los Niños

We have audited, 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, the financial statements of Para Los Niños, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Para Los Niños' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Para Los Niños' internal control. Accordingly, we do not express an opinion on the effectiveness of Para Los Niños' internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2022-001, 2022-002 and 2022-003 to be significant deficiencies.

To the Board of Trustees
Para Los Niños

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Para Los Niños' financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Para Los Niños' Response to Findings

Para Los Niños' response to the findings identified in our audit is described in the accompanying schedule of questioned costs. Para Los Niños' response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Para Los Niños' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Para Los Niños' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Green Hasson & Janks LLP

December 15, 2022
Los Angeles, California



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Para Los Niños

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Para Los Niños' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Para Los Niños' major federal programs for the year ended June 30, 2022. Para Los Niños' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Para Los Niños complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of their major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Para Los Niños and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Para Los Niños' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Para Los Niños' federal programs.

To the Board of Trustees
Para Los Niños

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Para Los Niños' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Para Los Niños' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Para Los Niños' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Para Los Niños' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Para Los Niños' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

To the Board of Trustees
Para Los Niños

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Green Hasson & Janks LLP

December 15, 2022
Los Angeles, California

PARA LOS NIÑOS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

<u>ALN Number</u>	<u>Name of Federal Program or Cluster</u>
17.259	U.S. Department of Labor: WIOA Cluster
10.555	U.S. Department of Agriculture: Child Nutrition Cluster
84.425D 84.425C 84.425U 84.425W	U.S. Department of Education: Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as a low-risk auditee? Yes No

PARA LOS NIÑOS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2022

SECTION II - FINANCIAL STATEMENTS FINDINGS

Finding 2022-001: Classification of Net Assets Balances

Criteria: Management is responsible for establishing appropriate controls to ensure net assets classifications are correctly tracked and reported.

Condition and Context: We noted that the beginning net assets balance with donor restrictions, as reported in the audited financial statements as of and for the year ended June 30, 2021, was overstated by approximately \$1,610,000.

Cause: The audited financial statements reflected board-designated net assets as net assets with donor restrictions, resulting in an overstatement of net assets with donor restrictions and a corresponding understatement of net assets without donor restrictions. In total the beginning net assets balance was correctly stated.

Effect or Potential Effect: A restatement of beginning net assets categories was required.

Recommendation: We recommend management ensure that the classification of net asset categories is correctly reflected in the financial statements.

Views of Responsible Officials and Planned Corrective Action: We agree with this finding and recommendation and have in place processes and controls to ensure net assets categories are accurately reconciled to the financial statements.

Finding 2022-002: Accuracy and Completeness of the Schedule of Expenditures of Federal and Non-Federal Awards

Criteria: Management is responsible for establishing controls and procedures to ensure the schedule of expenditures of federal and non-federal awards (SEFA) is correctly prepared.

Condition and Context: Several government grants were misclassified between the federal and non-federal columns on the SEFA, which resulted in numerous revisions to the SEFA throughout the course of the audit.

Cause: Para Los Niños does not have adequate controls over the review of government grants and contracts to determine whether the agreement includes federal funds, non-federal funds, or a combination of both.

Effect: Federal funding as initially presented was incorrect, which could have resulted in an incorrect major program determination under the Uniform Guidance.

Recommendation: We recommend that Para Los Niños strengthen its policies and procedures for the preparation and review of the SEFA to ensure proper classification, accuracy, and completeness.

Views of Responsible Officials and Planned Corrective Action: We agree with this finding and recommendation. We will strengthen our procedures and internal controls over review of the SEFA.

PARA LOS NIÑOS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2022

SECTION II - FINANCIAL STATEMENTS FINDINGS (continued)

Finding 2022-003: Recognition of In-Kind Contributions

Criteria: Management is responsible for ensuring that revenues are recognized in accordance with generally accepted accounting principles (GAAP) and in accordance with the terms of contracts.

Condition and Context: We noted that in-kind revenue and in-kind expense that did not meet the recognition requirements under GAAP were recorded.

Cause: Para Los Niños misunderstood the GAAP requirements for recognition of in-kind goods, services and use of facilities.

Effect: An entry in the amount of approximately \$1,390,000 was recorded to reverse the in-kind revenue and in-kind expense.

Recommendation: We recommend that Para Los Niños ensure that only in-kind goods, services and use of facilities that meet the GAAP recognition requirements are recorded.

Views of Responsible Officials and Planned Corrective Action: We agree with this finding and recommendation, and will ensure the proper GAAP recognition requirements for in-kind goods, services and use of facilities is followed.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current year audit findings.

APPENDIX

PARA LOS NIÑOS

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

PARA LOS NIÑOS
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Para Los Niños

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Para Los Niños, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Para Los Niños as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Para Los Niños and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Para Los Niños' ability to continue as a going concern for one year after the date that the financial statements are issued.

To the Board of Directors
Para Los Niños

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Para Los Niños' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Para Los Niños' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 12 to the financial statements, beginning net assets balances by net asset class have been restated to correct a misclassification error. Our opinion is not modified with respect to this matter.

To the Board of Directors
Para Los Niños

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and Non-Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. The accompanying Combining Schedule of Expenditures of Federal Awards - Charter Schools is presented for purposes of additional analysis and is 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 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of Para Los Niños' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Para Los Niños' internal control over financial reporting and compliance.

Green Hasson & Janks LLP

December 15, 2022
Los Angeles, California

PARA LOS NIÑOS

STATEMENT OF FINANCIAL POSITION
June 30, 2022

ASSETS

Cash and Cash Equivalents	\$ 4,287,443
Grants and Contracts Receivable	11,307,631
Pledges Receivable	332,090
Prepaid Expenses and Other Assets	287,309
Beneficial Interest in Perpetual Trust	243,598
Property and Equipment (Net)	<u>10,199,630</u>
TOTAL ASSETS	<u>\$ 26,657,701</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts Payable	\$ 2,043,708
Accrued Liabilities	2,913,944
Contract Advances	3,623,376
Note Payable	<u>2,930,114</u>
TOTAL LIABILITIES	<u>11,511,142</u>

NET ASSETS:

Without Donor Restrictions	13,852,479
With Donor Restrictions	<u>1,294,080</u>
TOTAL NET ASSETS	<u>15,146,559</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 26,657,701</u>

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

STATEMENT OF ACTIVITIES Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Government Grants and Contracts	\$ 44,106,359	\$ -	\$ 44,106,359
Contributions	3,724,932	877,108	4,602,040
Other Income	67,391	-	67,391
Change in Value of Beneficial Interest in Perpetual Trust	-	53,495	53,495
TOTAL REVENUE AND SUPPORT	47,898,682	930,603	48,829,285
EXPENSES			
Program Services	42,634,475	-	42,634,475
General and Administrative	4,419,067	-	4,419,067
Fundraising	1,193,560	-	1,193,560
TOTAL EXPENSES	48,247,102	-	48,247,102
CHANGE IN NET ASSETS	(348,420)	930,603	582,183
Net Assets - Beginning of Year - As Restated	14,200,899	363,477	14,564,376
NET ASSETS - END OF YEAR	\$ 13,852,479	\$ 1,294,080	\$ 15,146,559

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	Program Services							Support Services			Total Expenses
	Charter Schools	Early Education	Clinical Services	Best Start	Family Services	Youth Workforce	Total	General and Administrative	Fundraising	Total	
Salaries	\$ 8,574,987	\$ 5,459,507	\$ 3,117,484	\$ 835,058	\$ 1,780,366	\$ 1,147,096	\$ 20,914,498	\$ 2,774,153	\$ 615,574	\$ 3,389,727	\$ 24,304,225
Payroll Taxes and Employee Benefits	2,101,074	1,517,699	694,949	169,970	391,550	242,205	5,117,447	432,261	89,975	522,236	5,639,683
TOTAL PERSONNEL COST	10,676,061	6,977,206	3,812,433	1,005,028	2,171,916	1,389,301	26,031,945	3,206,414	705,549	3,911,963	29,943,908
Occupancy	1,939,002	1,204,945	236,916	158,851	194,637	125,271	3,859,622	311,410	31,499	342,909	4,202,531
Family Support Funds	714	-	387,898	1,533,990	151,447	1,101,543	3,175,592	-	22,500	22,500	3,198,092
Subcontractors and Temporary Labor	278,006	-	793,434	706,918	458,115	102,000	2,338,473	-	-	-	2,338,473
Professional Services	717,741	74,879	172,021	138,890	7,940	9,924	1,121,395	500,102	161,795	661,897	1,783,292
Participant Wages	-	-	-	-	-	1,411,138	1,411,138	-	-	-	1,411,138
Food and Kitchen Supplies	632,667	464,791	6,540	3,314	3,844	5,315	1,116,471	11,950	2,264	14,214	1,130,685
Information Technology	213,119	129,685	63,378	161,446	44,894	52,768	665,290	80,877	3,778	84,655	749,945
Miscellaneous	155,215	123,538	81,763	32,882	24,113	26,613	444,124	18,063	179,643	197,706	641,830
Program Supplies	449,945	151,185	8,712	2,875	949	-	613,666	2,308	-	2,308	615,974
Equipment	321,804	19,750	78,599	37,669	3,964	24,707	486,493	61,951	8,531	70,482	556,975
Professional Development	134,533	16,215	65,202	8,306	21,262	724	246,242	123,265	45,080	168,345	414,587
Depreciation	100,024	83,778	57,476	-	11,757	12,955	265,990	44,224	14,369	58,593	324,583
Office Supplies	134,655	27,462	4,609	5,796	7,026	26,893	206,441	26,999	3,929	30,928	237,369
Payroll Processing	76,971	48,871	24,961	5,696	13,269	32,750	202,518	14,761	3,010	17,771	220,289
Insurance	85,872	37,107	25,054	-	16,371	15,005	179,409	10,771	9,633	20,404	199,813
Interest	131,312	120	150	52	24	162	131,820	5,972	1,980	7,952	139,772
LAUSD Oversight/Fair Share	137,846	-	-	-	-	-	137,846	-	-	-	137,846
TOTAL FUNCTIONAL EXPENSES	\$ 16,185,487	\$ 9,359,532	\$ 5,819,146	\$ 3,801,713	\$ 3,131,528	\$ 4,337,069	\$ 42,634,475	\$ 4,419,067	\$ 1,193,560	\$ 5,612,627	\$ 48,247,102
							88%	9%	3%		100%

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

STATEMENT OF CASH FLOWS
Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 582,183
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Depreciation	324,583
Change in Value of Beneficial Interest in Perpetual Trust	(53,495)
Decrease in:	
Grants and Contracts Receivable	(2,236,986)
Pledges Receivable	(12,590)
Prepaid Expenses and Other Assets	(78,416)
Increase (Decrease) in:	
Accounts Payable	(5,207)
Accrued Liabilities	492,430
Contract Advances	<u>91,735</u>

NET CASH USED IN OPERATING ACTIVITIES (895,763)

CASH FLOWS USED IN FINANCING ACTIVITIES:

Principal Payments on Note Payable	<u>(124,080)</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS (1,019,843)

Cash and Cash Equivalents - Beginning of Year	<u>5,307,286</u>
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CASH AND CASH EQUIVALENTS - END OF YEAR \$ 4,287,443

**SUPPLEMENTAL DISCLOSURE OF
CASH FLOW INFORMATION:**

Interest Paid	<u>\$ 139,772</u>
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The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - ORGANIZATION

Para Los Niños' combined direct and indirect services annually benefit more than 10,000 children, youth, and their families in some of the most economically challenged neighborhoods in Los Angeles. Understanding that schools in their traditional forms simply do not address the multitude of needs faced by children who live in conditions of chronic poverty, our programs and services focus on all areas of a child's development. Para Los Niños tends to the "whole child" - the academic, psychological, cultural, and physical - by offering high-quality education combined with easy-to-access family supports, ranging from the provision of food, clothing, and shelter, to crisis level interventions, mental health services, and community engagement opportunities. Each of the following programs coordinates its work to ensure the overall well-being of the child. Services are offered at each of the locations, reducing referrals to other agencies, ensuring follow-up and ongoing care:

- Charter Schools - Para Los Niños operates the Gratts Primary Center (TK-2), Charter Elementary School (TK-5), and Charter Middle School (6-8), providing quality, project-based curriculum to over 700 students in Downtown Los Angeles. Para Los Niños offers after-school and summer programs, along with student and family support services at all its school sites, including designated School Social Workers;
- Early Education - Para Los Niños provides quality, research-based early childhood education that increases school readiness, preparing up to 450 low-income children (ages six weeks to five years old) for success in kindergarten and beyond at seven early education centers in Downtown LA, Westlake/Pico Union, Cypress Park, East Hollywood, and Burbank;
- Clinical Services, Best Start and Family Services include:
 - Student and Community Services - Para Los Niños is the only children's mental health provider on Skid Row, offering evidence-based mental health services to more than 400 children from low-income families each year. Para Los Niños also assists 1,000 families with in-home counseling, case management, crisis intervention, and basic needs;
 - Community Transformation - Each year, Para Los Niños assists nearly 4,000 families and community residents who are struggling with extreme poverty, homelessness, inadequate health care, substance abuse, and domestic violence. Para Los Niños' Best Start and Project Innovations LA programs aim to help communities heal from trauma by promoting emotional wellness, providing equitable access to resources, and creating capacity through neighborhood leadership groups;
- Youth Workforce Services (YWS) - Para Los Niños prepares over 2,000 youth (ages 14 to 24) annually for success in post-secondary education and the workforce, focusing on drop-out recovery and prevention, college access, and vocational training. Through YWS, youth receive real-world job training including job placement, paid internships, academic and career counseling, mentoring, intense case management, and access to mental health services.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.
- **Net Assets With Donor Restrictions.** Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Para Los Niños has elected to adopt a policy whereby donor-restricted contributions, whose restrictions are met in the same reporting period, are recognized as revenue without donor restrictions.

(c) CASH AND CASH EQUIVALENTS

Para Los Niños has defined cash and cash equivalents as cash in banks and certificates of deposit with an original maturity of three months or less at the time of purchase. The carrying value of cash and cash equivalents at June 30, 2022 approximates its fair value.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) GRANTS AND CONTRACTS RECEIVABLE AND RELATED REVENUE RECOGNITION

Para Los Niños recognizes revenues from government grants and contracts as either contribution or exchange transaction revenue, depending on whether the transaction is reciprocal or nonreciprocal. The majority of Para Los Niños' revenue is derived from cost reimbursement grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Such grants are generally considered nonreciprocal transactions restricted by the awarding agencies for certain purposes. Amounts received are recognized as revenue when Para Los Niños has satisfied the specific performance requirements or incurred expenditures in compliance with specific contract or grant provisions. Para Los Niños has elected to adopt a policy whereby donor-restricted grants and contracts, that were initially conditional and whose conditions and restrictions are met in the same reporting period, are recognized as revenue without donor restrictions. Amounts received prior to incurring qualifying expenditures or fulfilling the specific performance obligations are reported as contract advances in the statement of financial position.

(e) CONTRIBUTIONS AND PLEDGES RECEIVABLE

Para Los Niños recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest are received. Pledges receivable are discounted to their present value when payments are expected in future periods exceeding one year. These discounts are recorded as reductions to contribution revenue and pledges receivable, and are adjusted annually. Para Los Niños evaluated the collectability of pledges receivable and determined that no allowance for uncollectible pledges receivable was necessary at June 30, 2022. Pledges receivable at June 30, 2022 are expected to be collected in their entirety within one year.

Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Intentions to give are not included as support until payments are made or enforceable promises to give are executed. There were no significant conditional promises to give at June 30, 2022.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) BENEFICIAL INTEREST IN PERPETUAL TRUST

A donor has established and funded a charitable trust, which is administered by a third party. Under the terms of the trust, Para Los Niños has the irrevocable right to receive 12.5% of the income earned on the trust assets in perpetuity. Para Los Niños does not control the assets held by the outside trust. Annual distributions from the trust are reported as investment return and included in other income in the statement of activities. Adjustments to the beneficial interest to reflect changes in the fair value are reflected in the statement of activities as a change in value of beneficial interest in perpetual trust. Para Los Niños' beneficial interest in the perpetual trust is \$243,598 at June 30, 2022.

(g) CONCENTRATION OF CREDIT RISKS

Para Los Niños maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. Para Los Niños has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on these accounts.

The grants and contracts receivable balance outstanding at June 30, 2022 consists primarily of government contract receivables due from county, state, and federal granting agencies and, as a result, concentration of credit risks with respect to accounts receivable is limited.

Approximately 90% of Para Los Niños' total revenue is derived from governmental agencies. Para Los Niños anticipates that it will continue to run these programs although there can be no assurance that Para Los Niños will be able to obtain future grant agreements upon the expiration of the current term of the contracts.

(h) PROPERTY AND EQUIPMENT

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

Buildings and Improvements	10-50 Years
Computer and Office Equipment	3 - 8 Years
Leasehold Improvements	Lease Term
Furniture	5 - 10 Years

Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the useful life is greater than one year.

PARA LOS NIÑOS
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) LONG-LIVED ASSETS

Para Los Niños 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 year ended June 30, 2022.

(j) INCOME TAXES

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

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, Para Los Niños recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2022, Para Los Niños performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which might have an effect on its tax-exempt status.

(k) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing Para Los Niños' programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. Para Los Niños uses time activity reports, square footage and employee headcount to allocate indirect costs.

(l) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

PARA LOS NIÑOS
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which is intended to improve financial reporting about leasing transactions. The new standard will require organizations that lease assets with terms of more than 12 months to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by those leases. The ASU also will require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements and provide additional information about the amounts recorded in the financial statements. For Para Los Niños, the ASU will be effective for the year ending June 30, 2023.

(n) SUBSEQUENT EVENTS

Para Los Niños has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2022 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 15, 2022 the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

NOTE 3 - BENEFICIAL INTEREST IN PERPETUAL TRUST

The fair value of the beneficial interest in the perpetual trust is measured on a recurring basis using level 3 inputs. Fair values determined by level 3 inputs use unobservable data points for the asset and include situations where there is little, if any, market activity for the asset. The following table presents information about Para Los Niños' beneficial interest in perpetual trust at June 30, 2022:

Beginning Balance at July 1, 2021	\$ 190,103
Change in Value of Beneficial Interest	<u>53,495</u>
ENDING BALANCE AT JUNE 30, 2022	<u>\$ 243,598</u>

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS June 30, 2022

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 consist of the following:

Land and Land Improvements	\$ 3,250,694
Buildings and Improvements	11,663,566
Computer and Office Equipment	2,278,837
Leasehold Improvements	574,632
Furniture	221,805
	<hr/>
	17,989,534
Less: Accumulated Depreciation	<hr/>
	(7,789,904)
PROPERTY AND EQUIPMENT (NET)	<hr/>
	\$ 10,199,630

Depreciation expense for the year ended June 30, 2022 was \$324,583.

NOTE 5 - NOTE PAYABLE

The note payable at June 30, 2022 consists of a loan with a bank, secured by real property, in the original principal amount of \$3,000,000. The note payable has an annual interest rate of 4.16% and is repayable in monthly instalments of \$16,204, with a final payment of \$2,174,422 due May 2032. The balance at June 30, 2022 was \$2,930,114.

The future maturities of the note payable are as follows:

Year Ending June 30

2023	\$ 124,080
2024	124,080
2025	124,080
2026	124,080
2027	124,080
Thereafter	<hr/>
	2,309,714
TOTAL	<hr/>
	\$ 2,930,114

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 6 - LINE OF CREDIT

Para Los Niños has a revolving line of credit, secured by real property, in the amount of \$2,500,000, at a variable interest rate of no less than 4.00% per annum and due May 2027. There was no outstanding balance on the line of credit at June 30, 2022.

NOTE 7 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of undesignated and Board designated amounts for the following purposes at June 30, 2022:

Undesignated	\$ 12,363,032
Board Designated Operating Reserve	<u>1,489,447</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 13,852,479</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2022:

Subject to Passage of Time:	
Grants Restricted for Spending over a Specific Period of Time	\$ 500,000
Subject to Expenditure for Specified Purpose:	
Charter Schools	342,422
Family Services	76,616
Clinical Services	72,885
Other	<u>58,559</u>
TOTAL SUBJECT TO EXPENDITURE FOR SPECIFIED PURPOSE	550,482
Not Subject to Appropriation or Spending Policy:	
Beneficial Interest in Perpetual Trust	<u>243,598</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 1,294,080</u>

There were no releases from restrictions during the year ended June 30, 2022.

PARA LOS NIÑOS
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 - COMMITMENTS AND CONTINGENCIES

(a) OPERATING LEASES

Para Los Niños leases space and equipment under operating leases with various terms. Future minimum payments, by year and in the aggregate, under these leases with initial or remaining terms of one year or more, consist of the following:

Year Ending June 30

2023	\$ 1,296,000
2024	874,663
2025	463,405
2026	373,000
2027	373,000
Thereafter	<u>373,000</u>
TOTAL	<u><u>\$ 3,753,968</u></u>

Rent expense under these operating leases for the year ended June 30, 2022 was \$1,482,598.

(b) CONTRACTS

Para Los Niños' 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.

NOTE 10 - RETIREMENT PLAN

Para Los Niños has a participant contributory 401(k) retirement plan that is available to all eligible employees who have completed 90 days of employment. At its discretion, Para Los Niños can make employer matching contributions to the plan. For the year ended June 30, 2022, Para Los Niños made no matching contributions.

Additionally, Para Los Niños' charter school teachers participate in the California State Teachers' Retirement Systems (STRS). Under STRS, Para Los Niños is required to make contributions to STRS based on determined percentages of the teachers' salaries. For the year ended June 30, 2022, Para Los Niños contributed \$715,976 to STRS.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by Para Los Niños at June 30, 2022, and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at June 30, 2022:	
Cash and Cash Equivalents	\$ 4,287,443
Grants and Contracts Receivable	11,307,631
Pledges Receivable	332,090
Beneficial Interest in Perpetual Trust	<u>243,598</u>
TOTAL FINANCIAL ASSETS	
AT JUNE 30, 2022	16,170,762
Less Amounts Not Available to Be Used within One Year, Due to:	
Donor-Imposed Restrictions:	
Beneficial Interest in Perpetual Trust	(243,598)
Funds Held with Purpose or Time Restrictions	(825,482)
Pledges Receivable Restricted by Purpose or Time	(225,000)
Board Designations:	
Board Designated Operating Reserve	<u>(1,489,447)</u>
FINANCIAL ASSETS AVAILABLE TO	
MEET GENERAL EXPENDITURES	
WITHIN ONE YEAR	<u>\$ 13,387,235</u>

Para Los Niños regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Para Los Niños is substantially supported by government grants and contracts and unrestricted contributions. As a part of Para Los Niños' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Para Los Niños has various sources of liquidity at its disposal, including cash and cash equivalents and a \$2,500,000 line of credit with the entire balance available at June 30, 2022. In addition, Para Los Niños has Board designated reserve funds of \$1,489,447 at June 30, 2022 that could be drawn upon for liquidity needs.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS June 30, 2022

NOTE 12 - BEGINNING NET ASSETS RESTATEMENT

During the year ended June 30, 2022, management determined that certain net assets had been misclassified between the classes of net assets. The net effects of the resulting restatement on beginning net assets for the year ended June 30, 2022, are as follows:

	Without Donor Restrictions at June 30, 2021	With Donor Restrictions at June 30, 2021	Total Net Assets at June 30, 2021
Balance as Previously Reported	\$ 12,590,464	\$ 1,973,912	\$ 14,564,376
Net Assets Reclassification	1,610,435	(1,610,435)	-
<i>BALANCE AS RESTATED</i>	<i>\$ 14,200,899</i>	<i>\$ 363,477</i>	<i>\$ 14,564,376</i>

There was no impact on the net change in net assets for the year ended June 30, 2021, as a result of this restatement.

PARA LOS NIÑOS

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

PARA LOS NIÑOS

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Passed Through Grantor/Program or Cluster Title	Contract Number	Federal Assistance Listing Number	Contract Term	Program Award	Government Expenditures		Program Expenditures from Governmental Revenue	Government Funds Passed Through to Subrecipients
					Federal	Non-Federal		
U.S. Department of Health and Human Services:								
Passed through the Los Angeles County Office of Education								
Head Start	C-21543	93.600	07/1/21- 06/30/22	\$ 7,383,846	\$ 6,281,582	\$ -	\$ 6,281,582	\$ -
Head Start	C-21512	93.600	07/1/21- 06/30/24	164,813	6,218	-	6,218	-
COVID-19 - Head Start	C-21974	93.600	07/1/21- 06/30/23	372,100	351,798	-	351,798	-
Total Head Start Cluster				7,920,759	6,639,598	-	6,639,598	-
Passed through the County of Los Angeles Department of Children and Family Services								
Promoting Safe and Stable Families Program	17-9-19	93.556	07/1/21 - 06/30/22	420,666	41,899	339,004	380,903	-
Promoting Safe and Stable Families Program	17-9-51	93.556	07/1/21 - 06/30/22	460,757	49,394	399,637	449,031	-
Promoting Safe and Stable Families Program	21-04-02	93.556	01/1/22 - 06/30/22	927,861	115,237	562,626	677,863	242,499
Promoting Safe and Stable Families Program	21-03-06	93.556	07/1/21 - 06/30/22	149,999	68,157	-	68,157	-
Total 93.556				1,959,283	274,687	1,301,267	1,575,954	242,499
Passed through the City of Los Angeles								
Temporary Assistance for Needy Families	138830	93.558	07/01/21 - 06/30/22	425,909	325,785	-	325,785	-
Temporary Assistance for Needy Families	138854	93.558	07/01/21 - 06/30/22	544,811	419,324	-	419,324	-
Passed through the County of Los Angeles Department of Public Social Services								
Temporary Assistance for Needy Families	PH-004258	93.558	07/01/2021 - 06/30/2022	190,000	188,483	-	188,483	-
Temporary Assistance for Needy Families	PH-004258	93.558	07/01/2021 - 06/30/2022	299,000	241,188	-	241,188	-
Total 93.558				1,459,720	1,174,780	-	1,174,780	-
Passed through the State of California Department of Social Services								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	CCTR-1119	93.596	07/1/21 - 06/30/22	616,534	359,439	-	359,439	-
Child Care and Development Block Grant	CCTR-1119	93.575	07/1/21 - 06/30/22	590,964	319,869	-	319,869	-
Total Child Care and Development Fund Cluster				1,207,498	679,308	-	679,308	-
Total U.S Department of Health and Human Services				12,547,260	8,768,373	1,301,267	10,069,640	242,499
U.S. Department of Education:								
Passed through the State of California Department of Education								
COVID-19 - Education Stabilization Fund - ESSER I (a)	N/A	84.425D	07/1/21 - 06/30/22	444,687	444,687	-	444,687	-
COVID-19 - Education Stabilization Fund - ESSER II (a)	N/A	84.425D	07/1/21 - 06/30/22	858,739	858,739	-	858,739	-
COVID-19 - Education Stabilization Fund - ELO-G (a)	N/A	84.425D	07/1/21 - 06/30/22	68,757	68,757	-	68,757	-
COVID-19 - Education Stabilization Fund - ELO-G (a)	N/A	84.425C	07/1/21 - 06/30/23	15,781	15,781	-	15,781	-
COVID-19 - Education Stabilization Fund - ELO-G (a)	N/A	84.425U	07/1/21 - 06/30/24	122,087	122,087	-	122,087	-
COVID-19 - Education Stabilization Fund - ARP - HCY II (a)	N/A	84.425W	07/1/21 - 06/30/22	5,756	5,756	-	5,756	-
Total 84.425				1,515,807	1,515,807	-	1,515,807	-
Title I Grants to Local Educational Agencies	N/A	84.010A	07/1/21 - 06/30/22	246,241	246,241	-	246,241	-
Title I Grants to Local Educational Agencies	N/A	84.010	07/1/21 - 06/30/22	456,736	456,736	-	456,736	-
Total 84.010				702,977	702,977	-	702,977	-
Twenty-First Century Community Learning Centers	N/A	84.287C	07/1/21 - 06/30/22	305,942	305,942	-	305,942	-
State Charter Schools Facilities Incentive Grants Program	N/A	84.282D	07/1/21 - 06/30/22	419,880	419,880	-	419,880	-
Special Education Grants to States, Special Education Cluster (IDEA)	N/A	84.027	07/1/21 - 06/30/22	213,132	213,132	-	213,132	-
English Language Acquisition State Grants	N/A	84.365	07/1/21 - 06/30/22	61,550	61,550	-	61,550	-
Supporting Effective Instruction State Grants	N/A	84.367	07/1/21 - 06/30/22	44,989	44,989	-	44,989	-
Student Support and Academic Enrichment Program	N/A	84.424A	07/1/21 - 06/30/22	38,155	38,155	-	38,155	-
Total U.S. Department of Education				3,302,432	3,302,432	-	3,302,432	-

See Independent Auditor's Report

PARA LOS NIÑOS

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Passed Through Grantor/Program or Cluster Title	Contract Number	Federal Assistance Listing Number	Contract Term	Program Award	Government Expenditures		Program Expenditures from Governmental Revenue	Government Funds Passed Through to Subrecipients
					Federal	Non-Federal		
U.S. Department of Agriculture:								
Passed through the State of California Department of Education								
Child and Adult Care Food Program	N/A	10.558	09/01/21 - 08/31/22	\$ 750,000	\$ 327,362	\$ -	\$ 327,362	\$ -
National School Lunch Program, Child Nutrition Cluster (a)	N/A	10.555	07/1/21 - 06/30/22	840,676	777,207	63,468	840,675	-
Pandemic EBT Administrative Costs	N/A	10.649	07/1/21 - 06/30/22	1,842	1,842	-	1,842	-
Total U.S Department of Agriculture				1,592,518	1,106,411	63,468	1,169,879	-
U.S. Department of Justice:								
Passed through the California Governor's Office of Emergency Services								
Crime Victim Assistance	AT20 01 14085	16.575	1/01/21-12/31/21	128,750	91,006	-	91,006	-
Crime Victim Assistance	AT21 02 1408	16.575	1/01/22-12/31/22	128,750	83,152	45,598	128,750	-
Total U.S Department of Justice, 16.575				257,500	174,158	45,598	219,756	-
U.S. Department of Labor:								
Passed through the City of Los Angeles Community Development Department								
WIOA Youth Activities (a)	C-138577	17.259	07/1/21 - 06/30/22	656,430	594,782	-	594,782	-
WIOA Youth Activities (a)	C-138576	17.259	07/1/21 - 06/30/22	656,430	576,018	-	576,018	-
Total U.S Department of Labor, WIOA Cluster				1,312,860	1,170,800	-	1,170,800	-
Non-Federal Grantor/Program Title								
State of California Department of Education								
California Prekindergarten and Family Literacy Support	CPKS-1037	N/A	07/1/21 - 06/30/22	2,500	-	2,500	2,500	-
After School Educational and Safety	ASES	N/A	07/1/21 - 06/30/22	508,707	-	375,049	375,049	-
California State Preschool Program	CSPP-1241	N/A	07/1/21 - 06/30/22	2,269,578	-	1,957,961	1,957,961	-
State of California Department of Social Services								
General Child Care and Development Program	CCTR-1119	N/A	07/1/21 - 06/30/22	1,955,977	-	1,217,761	1,217,761	-
Los Angeles County Office of Education								
COVID testing	N/A	N/A	07/1/21 - 06/30/22	134,251	-	134,251	134,251	-
Various Funders								
Charter School State Aid	N/A	N/A	07/1/21 - 06/30/22	10,535,231	-	10,535,231	10,535,231	-
Early Education	N/A	N/A	07/1/21 - 06/30/22	399,876	-	399,876	399,876	-
County of Los Angeles								
Medical Assistance Program	MH2500002	N/A	07/01/20 - 06/30/22	3,241,650	-	2,824,868	2,824,868	-
Medical Assistance Program	MH122224	N/A	07/1/20 - 06/30/22	2,830,735	-	2,620,004	2,620,004	-
Medical Assistance Program	MH122224	N/A	07/1/20 - 06/30/21	43,909	-	43,909	43,909	-
California Department of Public Works								
Recreational and Cultural Facilities Division	C-120616	N/A	07/01/2020--06/30/2021	39,287	-	31,965	31,965	-
County of Los Angeles Department of Child and Family Services								
Partnership for Families	2017-01-03	N/A	01/1/2022 - 12/31/2022	818,247	-	766,693	766,693	-
Shields for Families, Inc.								
Housing Program	N/A	N/A	07/01/21 - 12/31/2021	281,875	-	138,667	138,667	-
Housing Program	N/A	N/A	01/01/2022 - 06/30/2022	281,875	-	149,638	149,638	-

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PARA LOS NIÑOS

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Passed Through Grantor/Program or Cluster Title	Contract Number	Federal Assistance Listing Number	Contract Term	Program Award	Government Expenditures		Program Expenditures from Governmental Revenue	Government Funds Passed Through to Subrecipients
					Federal	Non-Federal		
Children and Families First Proposition 10 Commission Best Start LA	10064	N/A	07/01/2021 - 06/30/2022	\$ 3,953,000	\$ -	\$ 3,838,701	\$ 3,838,701	\$ 999,725
City of Los Angeles								
Workforce Investment Act - Summer Youth Employment Program City	138788	N/A	07/01/2021 - 06/30/2022	397,000	-	398,637	398,637	-
Workforce Investment Act - Summer Youth Employment Program City	138796	N/A	07/01/2021 - 06/30/2022	252,000	-	335,439	335,439	-
LA College Promise	139252	N/A	07/01/2021 - 06/30/2022	90,000	-	64,117	64,117	-
Student to Student (S2S) - East	139013	N/A	07/01/2021 - 09/30/2022	118,000	-	112,315	112,315	-
Student to Student (S2S) - Central	139015	N/A	07/01/2021 - 09/30/2022	236,000	-	156,374	156,374	-
Angeleno Corps - Central	139120	N/A	07/01/2021 - 06/30/2022	1,310,000	-	784,204	784,204	-
Angeleno Corps - East	139131	N/A	07/01/2021 - 06/30/2022	352,000	-	267,918	267,918	-
				<u>\$ 49,064,268</u>	<u>\$ 14,522,174</u>	<u>\$ 28,566,411</u>	<u>\$ 43,088,585</u>	<u>\$ 1,242,224</u>

(a) Audited as a Major Program

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2022

1. Basis of Presentation

Basis of Presentation - The accompanying schedule of expenditures of federal and non-federal awards (Schedule) includes the federal award activity of Para Los Niños under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Para Los Niños, it is not intended to and does not present the financial position,

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Para Los Niños has elected to use the 10% de minimis cost rate unless a different indirect cost rate was negotiated with the pass-through entity funders.

4. Local Share Contributions (Non-Federal Share)

The non-cash assistance related to the Head Start contract C-21543 was as follows:

Head Start Basic	\$ 864,186
Head Start - T&TA	2,400
Head Start - Dosage	38,710
Head Start - Duration Expansion	12,720
Early Head Start Basic	155,075
Early Head Start Expansion - CCP	317,000
	<u>1,390,091</u>
Total Non-Federal Share Match	<u>\$ 1,390,091</u>

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PARA LOS NIÑOS

COMBINING SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CHARTER SCHOOLS
Year Ended June 30, 2022

Federal Grantors	Contract Number	Federal Assistance Listing Number	Contract Term	Program Expenditures from Federal Revenues			
				Charter Elementary School Fund	Charter Middle School Fund	Gratts Primary Center Fund	Total
U.S. Department of Education:							
Passed through the State of California Department of Education							
COVID-19 - Education Stabilization Fund - ESSER I	N/A	84.425D	07/1/21 - 06/30/22	\$ 136,958	\$ 204,107	\$ 103,622	\$ 444,687
COVID-19 - Education Stabilization Fund - ESSER II	N/A	84.425D	07/1/21 - 06/30/22	344,572	141,218	372,949	858,739
COVID-19 - Education Stabilization Fund - ELO-G	N/A	84.425D	07/1/21 - 06/30/22	38,289	-	30,468	68,757
COVID-19 - Education Stabilization Fund - ELO-G	N/A	84.425C	07/1/21 - 06/30/23	8,788	-	6,993	15,781
COVID-19 - Education Stabilization Fund - ELO-G	N/A	84.425U	07/1/21 - 06/30/24	67,987	-	54,100	122,087
COVID-19 - Education Stabilization Fund - ARP - HCY II	N/A	84.425W	07/1/21 - 06/30/22	-	5,756	-	5,756
Total 84.425				596,594	351,081	568,132	1,515,807
Twenty-First Century Community Learning Centers	N/A	84.287	07/1/21 - 06/30/22	46,831	202,906	56,205	305,942
Title I Grants to Local Educational Agencies	N/A	84.010A	07/1/21 - 06/30/22	-	246,241	-	246,241
State Charter School Facilities Incentive Grants Program	N/A	84.282D	07/1/21 - 06/30/22	195,636	224,244	-	419,880
Special Education Grants to States	N/A	84.027	07/1/21 - 06/30/22	79,188	80,027	53,917	213,132
English Language Acquisition State Grants	N/A	84.365	07/1/21 - 06/30/22	20,892	15,763	24,895	61,550
Title I Grants to Local Educational Agencies	N/A	84.010	07/1/21 - 06/30/22	139,813	199,501	117,422	456,736
Supporting Effective Instruction State Grants	N/A	84.367	07/1/21 - 06/30/22	14,718	15,525	14,746	44,989
Student Support and Academic Enrichment - Title IV	N/A	84.424A	07/1/21 - 06/30/22	11,601	16,554	10,000	38,155
Total U.S. Department of Education				1,105,273	1,351,842	845,317	3,302,432
U.S. Department of Agriculture:							
National School Lunch Program	N/A	10.555	07/1/21 - 06/30/22	304,497	212,006	260,704	777,207
Pandemic EBT Administrative Costs	N/A	10.649	07/1/21 - 06/30/22	614	614	614	1,842
Total U.S. Department of Agriculture				305,111	212,620	261,318	779,049
TOTAL FEDERAL AWARDS CHARTER SCHOOLS				\$ 1,410,384	\$ 1,564,462	\$ 1,106,635	\$ 4,081,481

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