

PARA LOS NIÑOS

FINANCIAL REPORTS

YEAR ENDED JUNE 30, 2024

PARA LOS NIÑOS

FINANCIAL REPORTS

YEAR ENDED JUNE 30, 2024

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SECTION A

Financial Statements

PARA LOS NIÑOS

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

PARA LOS NIÑOS
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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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

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, 2024, 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, 2024, 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

Report on Summarized Comparative Information

We have previously audited Para Los Niños' June 30, 2023, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent in all material respects, with the audited financial statements from which it has been derived.

To the Board of Directors
Para Los Niños

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 average daily attendance, instruction time, reconciliation of annual financial and budget report with audited financial statements, combining schedule of financial position, schedule of activities and statement of cash flows are presented for purposes of additional analysis and are not a required part of the financial statements. 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. 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 and Government Auditing Standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the charter school organization structures but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024, 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 13, 2024
Los Angeles, California

PARA LOS NIÑOS

STATEMENT OF FINANCIAL POSITION

June 30, 2024

With Summarized Totals at June 30, 2023

	2024 Total	2023 Total
ASSETS		
Cash and Cash Equivalents	\$ 7,208,435	\$ 6,553,932
Investments	2,427,079	1,853,674
Grants and Contracts Receivable	9,861,868	11,951,791
Pledges Receivable	162,261	148,600
Prepaid Expenses and Other Assets	355,985	579,803
Beneficial Interest in Perpetual Trust	284,144	277,960
Right-of-Use-Assets - Operating Leases	8,619,265	4,080,193
Property and Equipment (Net)	9,888,910	9,920,087
TOTAL ASSETS	<u>\$ 38,807,947</u>	<u>\$ 35,366,040</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable	\$ 1,912,669	\$ 2,316,416
Accrued Liabilities	3,118,334	2,947,176
Contract Advances	5,703,013	7,178,061
Lease Liability - Operating Leases	8,760,704	4,113,112
Note Payable	2,780,266	2,855,401
TOTAL LIABILITIES	<u>22,274,986</u>	<u>19,410,166</u>
NET ASSETS:		
Without Donor Restrictions	12,722,853	13,804,410
With Donor Restrictions	3,810,108	2,151,464
TOTAL NET ASSETS	<u>16,532,961</u>	<u>15,955,874</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 38,807,947</u>	<u>\$ 35,366,040</u>

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

With Summarized Totals for the Year Ended June 30, 2023

	2024			2023 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT:				
Government Grants and Contracts	\$ 48,716,077	\$ -	\$ 48,716,077	\$ 46,283,995
Contributions	4,818,876	2,324,715	7,143,591	5,676,373
Other Income	678,828	-	678,828	216,771
Change in Value of Beneficial Interest in Perpetual Trust	-	6,184	6,184	34,362
Net Assets Release from Donor Restrictions	672,255	(672,255)	-	-
TOTAL REVENUE AND SUPPORT	54,886,036	1,658,644	56,544,680	52,211,501
EXPENSES				
Program Services	47,091,992	-	47,091,992	44,479,826
General and Administrative	7,303,584	-	7,303,584	5,637,750
Fundraising	1,572,017	-	1,572,017	1,284,610
TOTAL EXPENSES	55,967,593	-	55,967,593	51,402,186
CHANGE IN NET ASSETS	(1,081,557)	1,658,644	577,087	809,315
Net Assets - Beginning of Year	13,804,410	2,151,464	15,955,874	15,146,559
NET ASSETS - END OF YEAR	\$ 12,722,853	\$ 3,810,108	\$ 16,532,961	\$ 15,955,874

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024
With Summarized Totals for the Year Ended June 30, 2023

	Program Services							Support Services			2024 Total	2023 Total
	Charter Schools	Early Education	Clinical Services	Best Start	Family Services	Youth Workforce	Total	General and Administrative	Fundraising	Total		
Salaries	\$ 10,287,767	\$ 6,588,018	\$ 4,648,061	\$ 1,163,776	\$ 1,768,565	\$ 1,501,599	\$ 25,957,786	\$ 3,978,147	\$ 892,433	\$ 4,870,580	\$ 30,828,366	\$ 27,225,680
Payroll Taxes and Employee Benefits	2,714,805	1,661,295	973,575	255,046	402,612	310,638	6,317,971	701,097	137,505	838,602	7,156,573	6,057,647
TOTAL PERSONNEL COST	13,002,572	8,249,313	5,621,636	1,418,822	2,171,177	1,812,237	32,275,757	4,679,244	1,029,938	5,709,182	37,984,939	33,283,327
Occupancy	2,022,670	1,422,366	245,322	160,218	236,518	151,299	4,238,393	499,115	36,702	535,817	4,774,210	4,269,845
Professional Services	1,364,513	173,627	231,142	607,028	16,040	97,495	2,489,845	1,224,646	123,060	1,347,706	3,837,551	3,883,393
Participant Wages	-	-	-	-	-	1,656,747	1,656,747	-	-	-	1,656,747	1,403,539
Food and Kitchen Supplies	784,952	516,855	6,722	34,495	4,472	7,155	1,354,651	40,259	6,928	47,187	1,401,838	1,178,540
Subcontractors and Temporary Labor	26,685	-	53,997	525,655	427,662	82,176	1,116,175	92,000	-	92,000	1,208,175	1,102,903
Program Supplies	674,851	387,336	18,284	15,405	5,800	209	1,101,885	4,112	9,076	13,188	1,115,073	1,241,043
Professional Development	247,446	160,630	87,411	83,983	11,636	5,743	596,849	212,969	56,726	269,695	866,544	690,261
Information Technology	255,498	85,241	58,524	183,285	67,913	46,521	696,982	233,767	47,261	281,028	978,010	1,196,479
Family Support Funds	3,169	155	103,276	12,922	247,518	176,955	543,995	-	874	874	544,869	1,807,582
Miscellaneous	36,490	38,037	23,660	1,000	-	1,341	100,528	151,827	233,400	385,227	485,755	179,964
Office Supplies	151,351	55,102	6,430	9,058	6,501	49,322	277,764	90,030	7,286	97,316	375,080	291,773
Depreciation	91,004	39,892	71,845	-	11,757	12,738	227,236	16,412	2,230	18,642	245,878	279,543
Insurance	119,169	46,219	36,791	1,061	19,480	19,749	242,469	-	51	51	242,520	195,274
Advertising and Promotion	46,046	4,687	500	1,485	-	3,557	56,275	51,805	18,228	70,033	126,308	102,165
Interest	115,913	180	52	36	-	260	116,441	7,360	257	7,617	124,058	123,898
LAUSD Oversight/Fair Share	-	-	-	-	-	-	-	38	-	38	38	172,657
TOTAL 2024 FUNCTIONAL EXPENSES	<u>\$ 18,942,329</u>	<u>\$ 11,179,640</u>	<u>\$ 6,565,592</u>	<u>\$ 3,054,453</u>	<u>\$ 3,226,474</u>	<u>\$ 4,123,504</u>	<u>\$ 47,091,992</u>	<u>\$ 7,303,584</u>	<u>\$ 1,572,017</u>	<u>\$ 8,875,601</u>	<u>\$ 55,967,593</u>	
							84%	13%	3%		100%	
TOTAL 2023 FUNCTIONAL EXPENSES	<u>\$ 17,999,673</u>	<u>\$ 9,934,087</u>	<u>\$ 5,897,203</u>	<u>\$ 3,580,359</u>	<u>\$ 3,642,359</u>	<u>\$ 3,426,145</u>	<u>\$ 44,479,826</u>	<u>\$ 5,637,750</u>	<u>\$ 1,284,610</u>	<u>\$ 6,922,360</u>		<u>\$ 51,402,186</u>
							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, 2024

With Summarized Totals for the Year Ended June 30, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 577,087	809,315
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	245,878	279,543
Realized and Unrealized Gain on Investments	(308,470)	(121,883)
Change in Value of Beneficial Interest in Perpetual Trust	(6,184)	(34,362)
(Increase) Decrease in:		
Grants and Contracts Receivable	2,089,923	(644,160)
Pledges Receivable	(13,661)	183,490
Prepaid Expenses and Other Assets	120,165	(292,494)
Right-of-Use-Assets - Operating Leases	1,469,681	1,423,624
Increase (Decrease) in:		
Accounts Payable	(403,747)	305,940
Accrued Liabilities	171,158	-
Lease Liability - Operating Leases	(1,361,161)	(1,390,705)
Contract Advances	(1,475,048)	3,554,685
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,105,621	4,072,993
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Investments	-	93,099
Purchase of Investments	(264,935)	(1,824,890)
Purchase of Property and Equipment	(214,701)	-
NET CASH USED IN INVESTING ACTIVITIES	(479,636)	(1,731,791)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Principal Payments on Note Payable	(75,135)	(74,713)
NET INCREASE IN CASH AND CASH EQUIVALENTS	550,850	2,266,489
Cash and Cash Equivalents - Beginning of Year	6,657,585	4,287,443
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,208,435	\$ 6,553,932
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest Paid	\$ 38	\$ 123,898
SUPPLEMENTAL DISCLOSURE OF NON- CASH FLOW INFORMATION:		
Non-Cash Impact of Modification of Operating Leases under Accounting Standard Update No. 2016-02, <i>Leases</i> (Topic 842)		
Increase in Right-of-Use Assets - Operating Leases	\$ 6,008,753	\$ 5,503,817
Increase in Lease Liability - Operating Leases	6,008,753	5,503,817

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

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. Gratts Primary Center closed effectively as of June 30, 2024;
- 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 30) 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, 2024

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 (or certain grantor) 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 (or certain grantor) 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 (or certain grantor) 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 short-term, liquid investments with original maturities of three months or less at the time of purchase. Para Los Niños does not recognize a reserve for expected credit losses related to its money market funds as management has concluded there is no risk of non-payment.

(d) INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value. Investment purchases and sales are accounted for on a trade-date basis. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned. Gains or losses (including investments bought, sold, and held during the year), and interest and dividend income are reflected in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulations or by law.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) INVESTMENTS (continued)

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

(e) 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.

(f) 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 with a value that can be estimated is 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, 2024. Pledges receivable at June 30, 2024 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, 2024.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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 returns 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 the value of the beneficial interest in perpetual trust. Para Los Niños' beneficial interest in the perpetual trust is \$284,144 at June 30, 2024.

(h) 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, 2024 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.

(i) 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 \$10,000 and the useful life is greater than one year.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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, 2024.

(k) LEASES

Para Los Niños recognizes and measures its leases in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*. Para Los Niños is a lessee in certain operating leases for facilities. Para Los Niños determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. Para Los Niños recognizes a lease liability and a right-of-use (ROU) lease asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise Para Los Niños uses the risk-free rate. The implicit rates of Para Los Niños' leases are not readily determinable and accordingly, Para Los Niños used the risk-free rate based on the information available at the commencement date for all leases.

The ROU asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

Para Los Niños has elected, for all underlying classes of assets, to not recognize ROU lease assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that Para Los Niños is reasonably certain to exercise. Para Los Niños recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

PARA LOS NIÑOS
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) 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, 2024, 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.

(m) 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.

(n) 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.

(o) RECLASSIFICATIONS

For comparability, certain June 30, 2023 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used at June 30, 2024.

(p) COMPARATIVE TOTALS

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Para Los Niños' financial statements for the year ended June 30, 2023, from which the summarized information was derived.

PARA LOS NIÑOS
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss impairment methodology previously used for certain financial instruments with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates in their measurement. The guidance has subsequently been amended through a series of targeted ASUs. Para Los Niños has implemented this ASU during the year ended June 30, 2024, however it had no material impact on the financial statements.

(r) SUBSEQUENT EVENTS

Para Los Niños has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2024 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 13, 2024, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

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

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 3 - FAIR VALUE MEASUREMENTS (continued)

The following table presents information about Para Los Niños' assets that are measured at fair value on a recurring basis at June 30, 2024 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 3,529	\$ 3,529	\$ -	\$ -
Equities	1,153,262	1,153,262	-	-
Fixed Income	1,270,288	1,270,288	-	-
TOTAL INVESTMENTS	2,427,079	2,427,079	-	-
Beneficial Interest in: Perpetual Trust	284,144	-	-	284,144
TOTAL	<u>\$ 2,711,223</u>	<u>\$ 2,427,079</u>	<u>\$ -</u>	<u>\$ 284,144</u>

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

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, 2024:

Beginning Balance at July 1, 2023	\$ 277,960
Change in Value of Beneficial Interest	<u>6,184</u>
ENDING BALANCE AT JUNE 30, 2024	<u>\$ 284,144</u>

PARA LOS NIÑOS
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 consist of the following:

Land and Land Improvements	\$ 3,250,694
Buildings and Improvements	11,663,566
Computer and Office Equipment	1,673,231
Leasehold Improvements	574,632
Furniture	<u>436,505</u>
TOTAL	17,598,628
Less: Accumulated Depreciation	<u>(7,709,718)</u>
PROPERTY AND EQUIPMENT (NET)	<u>\$ 9,888,910</u>

Depreciation expense for the year ended June 30, 2024 was \$245,878.

NOTE 5 - NOTE PAYABLE

The note payable at June 30, 2024 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 installments of principal and interest totaling \$16,204, with a final payment of \$2,174,422 due May 2032. The balance at June 30, 2024 was \$2,780,266.

The future maturities of the note payable are as follows:

Year Ending June 30

2025	\$	78,693
2026		82,077
2027		85,607
2028		88,999
2029		93,115
Thereafter		<u>2,351,775</u>
TOTAL	\$	<u>2,780,266</u>

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, 2024.

PARA LOS NIÑOS
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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, 2024:

Undesignated	\$ 10,920,238
Board Designated Operating Reserve	<u>1,802,614</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 12,722,852</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2024:

Subject to Passage of Time:	
Grants Restricted for Spending over a Specific Period of Time	\$ 100,000
Subject to Expenditure for Specified Purpose:	
Child Care	2,733,539
Charter Schools	369,004
Family Services	272,361
Best Start	<u>51,060</u>
TOTAL SUBJECT TO EXPENDITURE FOR SPECIFIED PURPOSE	3,525,964
Not Subject to Appropriation or Spending Policy:	
Beneficial Interest in Perpetual Trust	<u>284,144</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 3,810,108</u>

Net Assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2024:

Expiration of Specified Time Period:	
Grants Restricted for Spending over a Specific Period of Time	\$ 200,000
Subject to Expenditure for Specified Purpose:	
Charter Schools	69,081
Family Services	159,904
Best Start	200,000
Other	<u>43,270</u>
TOTAL NET ASSETS RELEASED FROM WITH DONOR RESTRICTIONS	<u>\$ 672,255</u>

PARA LOS NIÑOS
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 - LEASES

Para Los Niños leases various facilities from third parties which are accounted for as operating leases. The leases expire at various dates through August 31, 2033. Some of these leases have renewal options of up to five years. The exercise of lease renewal options is at Para Los Niños discretion. Para Los Niños has chosen to include the renewal term in the calculation of the ROU assets and related lease liabilities when such renewals are reasonably certain of being exercised. Leases with an initial term of 12 months or less, which are not expected to be renewed beyond one year, are not recorded on the statement of financial position and are recognized as lease expense on a straight-line basis over the lease term. As of June 30, 2024, Para Los Niños recognized \$8,619,265 of ROU lease assets and \$8,760,704 of related lease liabilities for contracts that are classified as operating leases. Operating lease cost was \$1,720,352 for the year ended June 30, 2024.

As of June 30, 2024, the weighted average remaining lease terms of operating leases are approximately 7.84 years. The weighted average discount rates used to determine the ROU liabilities as of June 30, 2024 for the operating leases were approximately 3.07%.

Maturities of lease liabilities in future years are as follows:

Years Ending June 30	<u>Operating Leases</u>
2025	\$ 1,626,084
2026	1,444,567
2027	1,385,317
2028	1,391,589
2029	569,332
Thereafter	<u>3,447,526</u>
TOTAL LEASE PAYMENTS	9,864,415
Less: Imputed Interest	<u>(1,103,711)</u>
TOTAL LEASE LIABILITIES	<u>\$ 8,760,704</u>

Para Los Niños has a facility use agreements with Los Angeles Unified School District ("LAUSD") for Para Los Niños Charter Middle School. The agreement carries a term that coincides with the school's charter agreement. The agreement does not require Para Los Niños to pay a lease amount for the use of the site, but instead Para Los Niños pays a Pro Rata Share charge for the maintenance of the facilities and other services. This Pro Rata Share charge is negotiated annually for each site and, therefore, cannot be estimated for future years. The Pro Rata Share charges paid to LAUSD for the year ended June 30, 2024 were \$373,000.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS June 30, 2024

NOTE 10 - COMMITMENTS AND CONTINGENCIES

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 11 - 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, 2024, 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, 2024, Para Los Niños contributed \$1,142,729 to STRS.

PARA LOS NIÑOS

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by Para Los Niños at June 30, 2024, 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, 2024:	
Cash and Cash Equivalents	\$ 7,208,435
Investments	2,427,079
Grants and Contracts Receivable	9,903,411
Pledges Receivable	162,261
Beneficial Interest in Perpetual Trust	<u>284,144</u>
TOTAL FINANCIAL ASSETS AT JUNE 30, 2024	19,985,330
Less Amounts Not Available to Be Used within One Year, Due to:	
Donor-Imposed Restrictions:	
Beneficial Interest in Perpetual Trust	(284,144)
Funds Held with Purpose or Time Restrictions	(3,810,108)
Board Designations:	
Board Designated Operating Reserve	<u>(1,802,614)</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 14,088,464</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, 2024. In addition, Para Los Niños has Board designated reserve funds of \$1,802,614 at June 30, 2024 that could be drawn upon for liquidity needs.

PARA LOS NIÑOS

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

PARA LOS NIÑOS

SCHEDULE OF AVERAGE DAILY ATTENDANCE
Year Ended June 30, 2024

	<u>Second Period Report</u>	<u>Annual Report</u>
Gratts Primary Center		
Grades TK - 3	<u>138.98</u>	<u>139.65</u>
TOTAL	<u>138.98</u>	<u>139.65</u>
Charter Elementary School		
Grades TK - 3	138.06	139.69
Grades 4 - 6	<u>80.59</u>	<u>80.72</u>
TOTAL	<u>218.65</u>	<u>220.41</u>
Charter Middle School		
Grades 4 - 6	91.99	92.50
Grades 7 - 8	<u>193.66</u>	<u>194.66</u>
TOTAL	<u>285.65</u>	<u>287.16</u>

See Independent Auditor's Report

PARA LOS NIÑOS

SCHEDULE OF INSTRUCTIONAL TIME
Year Ended June 30, 2024

	Instructional Minutes		Traditional Calendar Days	Status
	Requirements	Actual		
Gratts Primary Center				
Grade TK - K	36,000	58,505	179	In Compliance
Grades 1 - 3	50,400	58,505	179	In Compliance
Charter Elementary School				
Grade TK - K	36,000	49,555	179	In Compliance
Grades 1 - 3	50,400	59,400	179	In Compliance
Grades 4 - 5	54,000	59,400	179	In Compliance
Charter Middle School				
Grades 4 - 6	54,000	63,504	179	In Compliance
Grades 7 - 8	54,000	63,504	179	In Compliance

See Independent Auditor's Report

PARA LOS NIÑOS

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
WITH THE AUDITED FINANCIAL STATEMENTS
Year Ended June 30, 2024**

	Gratts Primary Center	Charter Elementary School	Charter Middle School	Total
June 30, 2024 Annual Financial and Budget Report Fund Balances (Net Assets)	\$ 181,169	\$ 730,569	\$ 773,369	\$ 1,685,107
Adjustments and Reclassifications:				
Increasing (Decreasing) the Fund Balances (Net Assets)				
Accounts Receivable	-	(566,542)	-	(566,542)
Property and Equipment	-	134,891	-	134,891
Due from Operations	-	586,141	-	586,141
Accounts Payable	650,438	457,760	431,987	1,540,185
Accrued Liabilities	(201,428)	(477,359)	(307,054)	(985,841)
Due to Operations	(453,009)	-	(124,933)	(577,942)
Net Adjustments and Reclassifications	(3,999)	134,891	-	130,892
June 30, 2024 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 177,170</u>	<u>\$ 865,460</u>	<u>\$ 773,369</u>	<u>\$ 1,815,999</u>

See Independent Auditor's Report

PARA LOS NIÑOS

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2024

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 - Head Start Basic	C-21543	93.600	07/01/23 - 06/29/25	\$ 3,632,388	\$ 3,632,388	\$ -	\$ 3,632,388	\$ -
Head Start - Training and Technical Assistance	C-21543	93.600	07/01/23 - 06/29/25	30,450	25,871	-	25,871	-
Head Start - Early Head Start Basic	C-21543	93.600	07/01/23 - 06/29/25	3,531,682	2,871,365	-	2,871,365	-
Head Start - State Preschool CCTR	C-21543	93.600	07/01/23 - 06/30/24	1,460,932	-	844,033	844,033	-
Head Start - CCTR Mini Grant	C-21543	93.600	07/01/23 - 06/30/24	240,975	-	31,750	31,750	-
Head Start - Child Care Partnership (CCP) Low-Cost Extension	C-21543	93.600	07/01/22 - 06/30/24	2,022,665	-	-	-	-
Head Start - Inclusive Early Education Expansion Program (IEEEP)	C-21543	93.600	07/01/21 - 06/30/24	65,738	-	16,352	16,352	-
Head Start - HS CARES2	C-21512	93.600	07/01/21 - 06/30/24	72,862	-	-	-	-
Head Start - ARPA Retention Stipends	C-22525	93.600	07/01/21 - 06/30/24	845,505	281,325	-	281,325	-
Total Head Start Cluster (a)				11,903,197	6,810,949	892,135	7,703,084	-
Passed through the County of Los Angeles Department of Children and Family Services								
MaryLee Allen Promoting Safe and Stable Families Program	17-9-19	93.556	07/01/23 - 06/30/24	549,158	41,233	333,616	374,849	-
MaryLee Allen Promoting Safe and Stable Families Program	17-9-51	93.556	07/01/23 - 06/30/24	534,265	55,270	447,181	502,451	-
MaryLee Allen Promoting Safe and Stable Families Program	21-04-02	93.556	07/01/23 - 06/30/24	1,370,172	85,757	669,143	754,900	-
MaryLee Allen Promoting Safe and Stable Families Program	21-03-06	93.556	07/01/23 - 06/30/24	138,000	105,630	-	105,630	-
Total 93.556				2,591,595	287,890	1,449,940	1,737,830	-
Passed through the City of Los Angeles								
Temporary Assistance for Needy Families	C-144412	93.558	07/01/23 - 06/30/24	124,688	113,741	-	113,741	-
Temporary Assistance for Needy Families	C-144376	93.558	07/01/23 - 06/30/24	124,688	114,609	-	114,609	-
Passed through the County of Los Angeles Department of Public Social Services								
Temporary Assistance for Needy Families	PH-004258-5	93.558	07/01/23 - 06/30/24	539,720	394,768	-	394,768	-
Total 93.558				789,096	623,118	-	623,118	-
Passed through the State of California Department of Social Services								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	CCTR-3135	93.596, 93.575	07/01/23 - 06/30/24	3,710,195	901,239	799,273	1,700,512	-
Total 93.596, Child Care and Development Fund Cluster				3,710,195	901,239	799,273	1,700,512	-
Family Violence Prevention and Services/ Culturally Specific Domestic Violence and Sexual Violence Services								
	90EV058001	93.496	09/30/23 - 09/29/24	214,285	67,836	-	67,836	-
Congressional Directives								
	1H79FG000874-01	93.493	09/30/22 - 09/29/23	350,000	127,000	-	127,000	-
Total U.S Department of Health and Human Services				19,558,368	8,818,032	3,141,348	11,959,380	-
U.S. Department of Education:								
School-Based Mental Health Services Grant Program								
	S184H230201	81.184H	01/01/23 - 12/31/27	4,515,162	743,801	-	743,801	-
Passed through State of California, Department of Education ("CDE"):								
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III)								
	S425U210016	84.425	07/01/23 - 06/30/24	2,097,790	2,097,790	-	2,097,790	-
COVID-19 - Elementary and Secondary School Emergency Relief III (ESSER III)								
Total 84.425				2,662,556	2,662,556	-	2,662,556	-
Title I, Part A - Basic Grants Low-Income and Neglected								
	S010A21005	84.010	07/01/23 - 06/30/24	416,348	416,348	-	416,348	-
Twenty-First Century Community Learning Centers								
	N/A	84.287C	07/01/23 - 06/30/24	352,758	352,758	-	352,758	-
Special Education Grants to States								
	N/A	84.027	07/01/23 - 06/30/24	164,347	164,347	-	164,347	-
Title III, Part A, English Language Acquisition State Grants								
	S365A210005	84.365A	07/01/23 - 06/30/24	42,122	42,122	-	42,122	-
Title II - Supporting Effective Instruction Local Grants								
	S367A220005	84.367	07/01/23 - 06/30/24	30,847	30,847	-	30,847	-
Total U.S. Department of Education				8,184,140	4,412,779	-	4,412,779	-

PARA LOS NIÑOS

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2024

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	10/01/23 - 09/30/24	\$ 796,300	\$ 347,990	\$ -	\$ 347,990	\$ -
National School Lunch Program, Child Nutrition Cluster	N/A	10.555	07/1/23 - 06/30/24	649,092	649,092	-	649,092	-
National School Lunch Program, Child Nutrition Cluster	N/A	10.555	07/1/23 - 06/30/24	55,377	55,377	-	55,377	-
Total 10.555				<u>704,469</u>	<u>704,469</u>	<u>-</u>	<u>704,469</u>	<u>-</u>
Total U.S Department of Agriculture				1,500,769	1,052,459	-	1,052,459	-
U.S. Department of Justice:								
Passed through the California Governor's Office of Emergency Services								
Crime Victim Assistance	AT22 03 1408	16.575	01/01/22 - 12/31/23	160,938	120,847	-	120,847	-
Crime Victim Assistance	AT23 04 1408	16.575	01/01/24 - 12/31/24	160,938	139,207	-	139,207	-
Total 16.575				<u>321,876</u>	<u>260,054</u>	<u>-</u>	<u>260,054</u>	<u>-</u>
STOP School Violence	15PBJA-21-GG-04633-STOP	16.839	10/01/21 - 09/30/24	978,021	324,470	-	324,470	-
Total U.S Department of Justice				1,299,897	584,524	-	584,524	-
U.S. Department of Labor:								
Community Project Funding/Congressionally Directed Spending	CP-398376-2360-A-6	17.289	12/01/22 - 06/30/24	350,000	147,154	-	147,154	-
Passed through the City of Los Angeles Community Development Department								
WIOA Youth Activities	C-143731	17.259	07/01/23 - 06/30/24	790,000	662,162	-	662,162	-
WIOA Youth Activities	C-143729	17.259	07/01/23 - 06/30/24	790,000	718,933	-	718,933	-
Total 17.259, WIOA Cluster				<u>1,580,000</u>	<u>1,381,095</u>	<u>-</u>	<u>1,381,095</u>	<u>-</u>
Total U.S Department of Labor				1,930,000	1,528,249	-	1,528,249	-
U.S. Department of Treasury:								
Passed through the City of Los Angeles								
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	C-144711	21.027	09/01/23 - 09/30/24	966,094	152,018	-	152,018	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	C-141460	21.027	07/01/22 - 08/31/23	1,007,500	23,991	-	23,991	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	C-141886	21.027	07/01/22 - 09/30/23	367,500	94,752	-	94,752	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	C-144733	21.027	09/01/23 - 09/30/24	288,750	210,877	-	210,877	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	C-141887	21.027	07/01/22 - 09/30/23	259,750	23,486	-	23,486	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	C-144732	21.027	09/01/23 - 09/30/24	115,500	65,488	-	65,488	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	C-141462	21.027	07/01/22 - 09/30/24	273,023	77,589	-	77,589	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	C-142593	21.027	07/01/22 - 09/30/24	155,300	45,206	-	45,206	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	C-141679	21.027	07/01/22 - 09/30/24	1,117,297	439,109	-	439,109	-
Passed through the County of Los Angeles Department of Public Social Services								
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	PH - 004955	21.027	07/01/23 - 06/30/24	180,000	64,206	-	64,206	-
Total U.S Department of Treasury (a)				4,730,714	1,196,722	-	1,196,722	-
U.S Department of Homeland Security								
Passed through United Way								
Emergency Food and Shelter National Board Program Phase 35	N/A	97.024	11/01/21 - 12/31/23	47,916	47,916	-	47,916	-
Total U.S Department of Homeland Security				47,916	47,916	-	47,916	-

PARA LOS NIÑOS

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2024

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		
Non-Federal Grantor/Program Title								
State of California Department of Education								
California Prekindergarten and Family Literacy Support	CPKS - 4036	N/A	07/01/23 - 06/30/24	\$ 2,500	\$ -	\$ 2,500	\$ 2,500	\$ -
Child Development Programs - California State Preschool Program	CSPP - 3243	N/A	07/01/23 - 06/30/24	3,491,776	-	2,393,283	2,393,283	-
California Community Schools Partnership Program (CCSPP) Implementation Grant -	25568	N/A	06/01/22 - 06/30/24	200,000	-	186,836	186,836	-
After School Educational and Safety	ASES	N/A	07/01/23 - 06/30/24	561,051	-	561,051	561,051	-
Various Funders								
Charter School State Aid	N/A	N/A	07/01/23 - 06/30/24	-	-	13,308,376	13,308,376	-
QSL Child360 Stipend	N/A	N/A	07/01/23 - 09/30/24	-	-	14,667	14,667	-
County of Los Angeles								
Medical Assistance Program	MH2500002	N/A	07/01/23 - 01/31/24	2,855,000	-	856,237	856,237	-
Medical Assistance Program	MH620009	N/A	02/01/24 - 06/30/24	952,349	-	203,110	203,110	-
Medical Assistance Program	MH620010	N/A	02/01/24 - 06/30/24	952,349	-	198,560	198,560	-
Medical Assistance Program	MH122224	N/A	07/01/23 - 06/30/24	5,430,735	-	5,086,900	5,086,900	-
County of Los Angeles Department of Child and Family Services								
Partnership for Families	2017-01-03	N/A	01/01/24 - 12/31/24	638,686	-	308,358	308,358	-
Partnership for Families	2017-01-03	N/A	01/01/23 - 12/31/23	638,686	-	337,788	337,788	-
Children and Families First Proposition 10 Commission								
Best Start LA	10064	N/A	07/01/23 - 06/30/24	3,451,500	-	3,112,832	3,112,832	-
County of Los Angeles Department of Economic Opportunity:								
Pass through, City of Los Angeles								
County Youth - Foster Youth - Central	C-144412	N/A	07/01/23 - 06/30/24	22,062	-	10,881	10,881	-
County Youth - OUY - Central	C-144412	N/A	07/01/23 - 06/30/24	201,635	-	176,817	176,817	-
County Youth - SIY - Central	C-144412	N/A	07/01/23 - 06/30/24	106,313	-	98,003	98,003	-
County Youth - JJCPA - Central	C-144412	N/A	07/01/23 - 06/30/24	22,066	-	14,549	14,549	-
County Youth - Foster Youth - East LA	C-144376	N/A	07/01/23 - 06/30/24	44,125	-	41,629	41,629	-
County Youth - OUY - East LA	C-144376	N/A	07/01/23 - 06/30/24	245,628	-	206,129	206,129	-
County Youth - SIY - East LA	C-144376	N/A	07/01/23 - 06/30/24	106,313	-	73,690	73,690	-
City of Los Angeles:								
SYEP - Hire LA - East LA	C-144155	N/A	07/01/23 - 06/30/24	111,048	-	105,374	105,374	-
SYEP - Hire LA - East LA Youth Council	C-144155	N/A	07/01/23 - 09/30/24	10,000	-	5,844	5,844	-
SYEP - Hire LA - East Peer to Peer	C-144155	N/A	07/01/23 - 12/30/24	37,500	-	5,585	5,585	-
SYEP - Hire LA - Central	C-144218	N/A	07/01/23 - 06/30/24	111,048	-	78,202	78,202	-
SYEP - Hire LA - Central Youth Council	C-144218	N/A	07/01/23 - 09/30/24	10,000	-	5,156	5,156	-
SYEP - Hire LA - Central Peer to Peer	C-144218	N/A	07/01/23 - 12/30/24	37,500	-	9,297	9,297	-
LA Community College City Pathways - GF	C-144898	N/A	07/01/23 - 06/30/24	80,000	-	78,940	78,940	-
KYCC - FamilySource Center	23FSC001	N/A	02/01/24 - 06/30/24	50,000	-	17,525	17,525	-
LA:RISE Youth Academy	C-143925	N/A	07/01/23 - 09/30/24	203,000	-	166,993	166,993	-
Peace and Healing Center (PHC)	21-1187	N/A	02/01/23 - 02/01/25	94,337	-	94,337	94,337	-
California Governor's Office of Business and Economic Development	CalCRG-2022-2077	N/A	06/01/22 - 05/31/25	450,000	-	49,665	49,665	-
				\$ 58,369,011	\$ 17,640,681	\$ 30,950,462	\$ 48,591,143	\$ -

(a) Audited as a Major Program

PARA LOS NIÑOS

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
Year Ended June 30, 2024

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		

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2024

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, 2024. 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, changes in net assets, or cash flows of Para Los Niños.

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 not elected to use the 10% de minimis cost rate.

4. Local Share Contributions (Non-Federal Share)

The non-cash assistance related to the Head Start contract C-23441 was as follows:

Head Start Basic	\$ 908,097
Head Start - T&TA	6,468
Early Head Start Basic	<u>622,841</u>
Total Non-Federal Share Match	<u>\$ 1,537,406</u>

Note- these amounts were not audited.

PARA LOS NIÑOS

COMBINING SCHEDULE OF FINANCIAL POSITION
June 30, 2024

	Gratts Primary Center	Charter Elementary School	Charter Middle School	Total Charter Schools	Non Charter	Eliminations	Total
ASSETS							
Cash and Cash Equivalents	\$ 228,601	\$ 486,711	\$ 136,515	\$ 851,827	\$ 6,356,608	\$ -	\$ 7,208,435
Investments	-	-	-	-	2,427,079	-	2,427,079
Accounts Receivable	971,968	1,205,987	1,787,304	3,965,259	5,896,609	-	9,861,868
Pledges Receivable	-	-	-	-	162,261	-	162,261
Prepaid Expenses and Other Assets	-	-	-	-	355,985	-	355,985
Beneficial Interest in Perpetual Trust	-	-	-	-	284,144	-	284,144
Right-of-Use-Assets - Operating Leases	-	-	-	-	8,619,265	-	8,619,265
Property and Equipment	-	138,875	-	138,875	9,750,035	-	9,888,910
Due from Operations	-	586,141	-	586,141	-	(586,141)	-
TOTAL ASSETS	\$ 1,200,569	\$ 2,417,714	\$ 1,923,819	\$ 5,542,102	\$ 33,851,986	\$ (586,141)	\$ 38,807,947
LIABILITIES AND NET ASSETS							
LIABILITIES:							
Accounts Payable	\$ 3,397	\$ 6,112	\$ 7,021	\$ 16,530	\$ 1,896,139	\$ -	\$ 1,912,669
Accrued Liabilities	201,428	477,359	307,054	985,841	2,132,493	-	3,118,334
Due to Operations	453,009	-	124,933	577,942	8,199	(586,141)	-
Deferred Revenue	365,565	1,068,783	711,442	2,145,790	3,557,223	-	5,703,013
Lease Liability - Operating Leases	-	-	-	-	8,760,704	-	8,760,704
Note Payable	-	-	-	-	2,780,266	-	2,780,266
TOTAL LIABILITIES	1,023,399	1,552,254	1,150,450	3,726,103	19,135,024	(586,141)	22,274,986
NET ASSETS							
Without Donor Restrictions	75,814	780,101	591,079	1,446,994	11,275,859	-	12,722,853
With Donor Restrictions	101,356	85,359	182,290	369,005	3,441,103	-	3,810,108
TOTAL NET ASSETS	177,170	865,460	773,369	1,815,999	14,716,962	-	16,532,961
TOTAL LIABILITIES AND NET ASSETS	\$ 1,200,569	\$ 2,417,714	\$ 1,923,819	\$ 5,542,102	\$ 33,851,986	\$ (586,141)	\$ 38,807,947

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

COMBINING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2024

	Gratts Primary Center	Charter Elementary School	Charter Middle School	Total Charter Schools	Non Charter	Eliminations	Total
REVENUE WITHOUT DONOR RESTRICTION:							
State Funding	\$ 3,776,978	\$ 6,035,096	\$ 5,343,735	\$ 15,155,809	\$ 13,146,652	\$ -	\$ 28,302,461
Federal Funding	940,884	893,862	1,833,682	3,668,428	13,972,253	-	17,640,681
Other Funding	121,172	1,923,323	139,693	2,184,188	-	-	2,184,188
National School Lunch Program	152,292	249,863	186,592	588,747	-	-	588,747
Contributions	-	-	-	-	4,818,876	-	4,818,876
Other Income	-	-	-	-	678,828	-	678,828
Net Assets Released from Donor Restrictions	-	69,081	-	69,081	603,174	-	672,255
TOTAL REVENUE	4,991,326	9,171,225	7,503,702	21,666,253	33,219,783	-	54,886,036
EXPENSES:							
Certificated Salaries	1,418,532	1,950,461	1,762,448	5,131,441	4,474,645	-	9,606,086
Classified Salaries	1,063,110	2,377,802	1,647,412	5,088,324	16,133,955	-	21,222,279
Employee Benefits	664,526	1,140,757	935,964	2,741,247	4,415,327	-	7,156,574
Books and Supplies	286,312	517,842	624,289	1,428,443	3,255,683	-	4,684,126
Services and Other Operating Expenses	1,778,654	3,035,262	2,533,610	7,347,526	5,355,607	-	12,703,133
Other Outflows	-	506	-	506	594,889	-	595,395
TOTAL EXPENSES	5,211,134	9,022,630	7,503,723	21,737,487	34,230,106	-	55,967,593
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(219,808)	148,595	(21)	(71,234)	(1,010,323)	-	(1,081,557)
NET ASSETS WITH DONOR RESTRICTION							
Contributions	15,630	55,377	45,395	116,402	2,208,313	-	2,324,715
Change in Value of Beneficial Interest in Perpetual Trust	-	-	-	-	6,184	-	6,184
Net Assets Released from Restriction	-	(69,081)	-	(69,081)	(603,174)	-	(672,255)
CHANGE IN TOTAL NET ASSETS	(204,178)	134,891	45,374	(23,913)	601,000	-	577,087
Net Assets - Beginning of Year	381,348	730,569	727,995	1,839,912	14,115,962	-	15,955,874
NET ASSETS - END OF YEAR	\$ 177,170	\$ 865,460	\$ 773,369	\$ 1,815,999	\$ 14,716,962	\$ -	\$ 16,532,961

The Accompanying Notes are an Integral Part of These Financial Statements

PARA LOS NIÑOS

OTHER INFORMATION

YEAR ENDED JUNE 30, 2024

PARA LOS NIÑOS
CHARTER SCHOOL
ORGANIZATION STRUCTURE
June 30, 2024

Para Los Niños operates three charter schools approved by the Los Angeles Unified School District ("LAUSD") as follows:

Charter Name:	Gratts Primary Center*	Charter Elementary School	Charter Middle School
Charter Number:	1215	475	1007
Charter Granted:	April 20, 2010	June 27, 2002	May 13, 2008
Charter School Address:	474 Hartford Avenue Los Angeles, CA 90017	1617 East 7 th Street Los Angeles, CA 90021	835 Stanford Avenue Los Angeles, CA 90021
Principal:	Cecy Carol	Norma Silva	Chris Coyle

Administration:

Charter School Telephone Number: (213) 289-2640
 Chief Business Official: Yug Fon Chiquito, Chief Financial Officer
 Superintendent: Sarah Figueroa-Freeman, Vice President and Chief Operating Officer
 Deputy Superintendent: Katherine Nelson, Vice President of Student Success

*Gratts Primary Center closed effectively as of June 30, 2024.

PARA LOS NIÑOS
CHARTER SCHOOL
ORGANIZATION STRUCTURE
June 30, 2024

Governing Board Members:

Name	Term (3 years)
Marjorie E. Lewis, Chair	June 2025
Cathy Hession, Vice Chair	June 2027
Andrei Muresianu	June 2025
Mark Pan	June 2025
Walter Parkes	June 2026
Ronnie Roy, Secretary	June 2026
John Wasley	June 2026
Susan Edelman	June 2026
Murray McQueen	June 2026
Sandra Aispuro	June 2025
Andrew Herreria	June 2026
Joshua Ludmir	February 2026
Malin Wong	June 2026
Lorraine Prieto-Berchtold	February 2026
Jose Tejada	September 2026
Cindy Winebaum	June 2027
Gabriel Robles	June 2027
Bill Burton	February 2027
Ernesto Arias	September 2026
Parker Morse	June 2025
Camilo Becdach	June 2025
Dan Estes	June 2027
Tracey Arceci	June 2027

SECTION B

Independent Auditor's Report on State Compliance



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

**AUDIT
AND
ASSURANCE**

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Directors
Para Los Niños

Report on Compliance

Opinion

We have audited Para Los Niños Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle School Fund's compliance, respectively, with the types of compliance requirements described in *the 2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the respective Fund's state program requirements identified below for the year ended June 30, 2024.

In our opinion, Para Los Niños Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle School Fund complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards 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 Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle 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 Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle School Fund's compliance, respectively, 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 the Para Los Niños Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle School Fund's state programs.

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 the Para Los Niños Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle 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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, will always detect a material misstatement when it exists. The risk of not detecting a 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 the Para Los Niños Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle School Fund's compliance, respectively, with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle School Fund's compliance, respectively, with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Para Los Niños Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle School Fund'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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Para Los Niños Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle School Fund's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Para Los Niños Gratt's Primary Center Fund, Para Los Niños Charter Elementary Fund, and Para Los Niños Middle School Fund's compliance, respectively, with the state laws and regulations applicable to the items below.

2023-24 K12 Audit Guide Procedures	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
T. Proposition 28 Arts and Music in Schools	Yes
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study-Course Based	Not Applicable*
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant	Not Applicable*
CZ. Career Technical Education Incentive Grant	Not Applicable*
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	Yes
BB. Mode of Instruction	Yes
CC. Nonclassroom-Based Instruction/Independent Study	Not Applicable*
DD. Determination of Funding for Nonclassroom-Based Instruction	Not Applicable*
EE. Annual Instructional Minutes - Classroom Based	Yes
FF. Charter School Facility Grant Program	Yes

*"Not Applicable" is used in the table above to indicate that the Schools either did not receive program funding or did not otherwise operate the program during the fiscal year.

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 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

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.

To the Board of Directors
Para Los Niños
Page 4

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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Green Hasson & Janks LLP

December 13, 2024
Los Angeles, California

PARA LOS NIÑOS

**SCHEDULES OF FINDING AND QUESTIONED COSTS
June 30, 2024**

SECTION I - SCHEDULE OF AUDITOR'S FINDINGS

There are no current audit findings.

SECTION II - SCHEDULE OF PRIOR AUDIT FINDINGS

There were no prior 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, 2024

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, 2024

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WE ARE AN INDEPENDENT MEMBER OF
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AUDIT
AND
ASSURANCE

**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, 2024, 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 13, 2024.

Report on 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) as a basis for designing 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.

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 Para Los Niños' 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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 its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

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 the 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Green Hasson & Janks LLP

December 13, 2024
Los Angeles, California



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

AUDIT
AND
ASSURANCE

**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, 2024. 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, 2024.

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 13, 2024
Los Angeles, California

PARA LOS NIÑOS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2023

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 x No
- Significant deficiencies identified? _____ Yes x None reported
- Noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? _____ Yes x No
- Significant deficiencies identified? _____ Yes x 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 x No

Identification of major federal programs:

<u>ALN Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	U.S. Department of Health and Human Services, Passed through the Los Angeles County Office of Education: Head Start Cluster
21.027	U.S. Department of Treasury, Passed through the County and City of Los Angeles: Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as a low-risk auditee? x Yes _____ No

PARA LOS NIÑOS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENTS FINDINGS

There were no current year audit findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current year audit findings.

SECTION IV - SUMMARY OF PRIOR YEAR AUDIT FINDINGS

- **Finding 2023-001: 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: There were numerous revisions made to the SEFA, principally related to reclassifications between federal and non-federal columns, and reclassification of contracts and grants between government and non-government funding, as a result of our testing procedures and inquiries.

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 due to these classification issues, which could have resulted in an incorrect major program determination under the Uniform Guidance.

Current Status: This finding did not recur during the audit for the year ended June 30, 2024.