

**PARA LOS NIÑOS**

**GRATT'S PRIMARY CENTER FUND**

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

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**JUNE 30, 2019**

AUDITED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION  
OF  
PARA LOS NIÑOS  
GRATTS PRIMARY CENTER FUND  
JUNE 30, 2019

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors  
Para Los Niños

### Report on the Financial Statements

We have audited the accompanying financial statements of Para Los Niños Gratts Primary Center Fund, which comprise the Statement of Financial Position as of June 30, 2019, and the related Statements of Activities and Cash Flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Para Los Niños Gratts Primary Center Fund as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITORS' REPORT

continued

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### Other Matter

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Information presented on pages 7-10 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and in conformity with the “2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting” and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Harrington Group*

Pasadena, California

December 13, 2019

# PARA LOS NIÑOS

## GRATTS PRIMARY CENTER FUND STATEMENT OF FINANCIAL POSITION

June 30, 2019

### ASSETS

Cash	\$	119,682
Accounts receivable		382,781
Property and equipment		<u>5,694</u>

<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>508,157</u></u></b>
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### LIABILITIES AND NET ASSETS

#### LIABILITIES

Accounts payable	\$	143,754
Accrued liabilities		153,243
Due to operations		<u>71,440</u>

<b>TOTAL LIABILITIES</b>		<b><u>368,437</u></b>
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#### NET ASSETS

Without donor restrictions		131,098
With donor restrictions		<u>8,622</u>

<b>TOTAL NET ASSETS</b>		<b><u>139,720</u></b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u><u>508,157</u></u></b>
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The accompanying notes are an integral part of these financial statements.

## PARA LOS NIÑOS

GRATT'S PRIMARY CENTER FUND  
STATEMENT OF ACTIVITIES  
For the year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE</b>			
State apportionments (Note 3)	\$ 2,565,058	\$ -	\$ 2,565,058
Other local funding	1,161,642		1,161,642
Federal funding	275,198		275,198
National school lunch program	210,452		210,452
Other funding	388,575	1,955	390,530
Net assets released from restrictions	-		-
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	<u>4,600,925</u>	<u>1,955</u>	<u>4,602,880</u>
<b>EXPENSES</b>			
Certificated salaries	1,418,480		1,418,480
Services and other operating expenses	1,450,168		1,450,168
Classified salaries	776,954		776,954
Books and supplies	616,730		616,730
Employee benefits	340,548		340,548
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<u>4,602,880</u>	<u>-</u>	<u>4,602,880</u>
<b>CHANGE IN NET ASSETS</b>	<u>(1,955)</u>	<u>1,955</u>	<u>-</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>133,053</u>	<u>6,667</u>	<u>139,720</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 131,098</u>	<u>\$ 8,622</u>	<u>\$ 139,720</u>

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

# PARA LOS NIÑOS

## GRATTS PRIMARY CENTER FUND

### STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

#### **CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ -
(Increase) decrease in operating assets:	
Accounts receivable	(181,966)
Other assets	1,204
Due from operations	64,832
Increase (decrease) in operating liabilities:	
Accounts payable	(32,734)
Accrued liabilities	118,386
Due to operations	71,440
	<hr/>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>41,162</b>
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of property and equipment	1,423
	<hr/>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>1,423</b>
	<hr/>
<b>INCREASE IN CASH</b>	<b>42,585</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>77,097</b>
	<hr/>
<b>CASH, END OF YEAR</b>	<b>\$ 119,682</b>
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The accompanying notes are an integral part of these financial statements.



**PARA LOS NIÑOS**  
GRATTS PRIMARY CENTER FUND

NOTES TO FINANCIAL STATEMENTS

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**1. General Information**

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

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Income Taxes**

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

**3. State Apportionments**

State apportionments for the year ended June 30, 2019 consist of the following:

Local control funding formula	\$1,892,303
Education protection account	422,500
Special education	169,909
Mandate block grant	59,528
State aid – prior years	<u>20,818</u>
	<u>\$2,565,058</u>

**PARA LOS NIÑOS**  
GRATTS PRIMARY CENTER FUND

ORGANIZATION INFORMATION

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Agency Name: Para Los Niños

Charter Number: 1215

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

Charter Granted: April 20, 2010

Type of Agency: A Not-for-Profit Corporation

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

Agency Telephone Number: (213) 250-4800

Charter School Address: Juan Carlos Ramirez, Principal  
474 Hartford Avenue  
Los Angeles, CA 90017

Charter School Telephone Number: (213) 481-3200

Officer: Drew Furedi – President and CEO

Governing Board Members:

<u>Agency Board:</u>	<u>Name</u>	<u>Term</u>
	Marjorie E. Lewis, Chair	7/13 – 6/19
	Cathy Hession, Vice Chair	7/12 – 6/21
	Pedro Marti	7/10 – 6/19
	Thomas J. Masenga	7/13 – 6/19
	Andrei Muresianu	7/13 – 6/19
	Mark Pan	7/07 – 6/19
	Walter Parkes	7/14 – 6/20
	Ronnie Roy	7/14 – 6/20
	Cindy Winebaum	7/15 – 6/21
	John Wasley	7/17 – 6/20
	Jim Gilio	7/17 – 6/20
	Benjiman Kramer	7/17 – 6/20
	Susan Edelman	7/17 – 6/20
	Murray McQueen	7/17 – 6/20
	Gabriel Robles	7/18 – 6/21
	Sandra Aispuro	7/19 – 6/22

Operating Period: July 1, 2018 through June 30, 2019

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

**PARA LOS NIÑOS**

GRATTS PRIMARY CENTER FUND  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
For the year ended June 30, 2019

	<b>Second Period Report</b>	<b>Annual Report</b>
	<hr/>	<hr/>
<b>Elementary:</b>		
Grades K - 3	270	270
	<hr/>	<hr/>
<b>Elementary totals</b>	270	270
	<hr/>	<hr/>
<b>Average daily attendance totals</b>	270	270
	<hr/> <hr/>	<hr/> <hr/>

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

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

See independent auditors' report.

**PARA LOS NIÑOS**

**GRATTS PRIMARY CENTER FUND  
SCHEDULE OF INSTRUCTIONAL TIME**

For the year ended June 30, 2019

<u>Grade Level</u>	<u>Minutes Requirements</u>	<u>2018-2019 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Number of Days Multitrack Calendar</u>	<u>Status</u>
Kindergarten	36,000	63,630	180	N/A	Complied
Grades 1 - 3	50,400	60,030	180	N/A	Complied

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

See independent auditors' report.

**PARA LOS NIÑOS**

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

For the year ended June 30, 2019

<b>June 30, 2019 Unaudited Actual Report Fund Balance</b>	<b>\$ 139,722</b>
Adjustments:	
Increasing (decreasing) the fund balance:	
Petty cash	\$ -
Accounts receivable	-
Pledges receivable	-
Other assets	(2)
Due from operations	-
Accounts payable	-
Accrued liabilities	-
Due to operations	-
Net adjustments	(2)
<b>June 30, 2019 Audited Financial Statement Fund Balance</b>	<b>\$ 139,720</b>

See independent auditors' report.

## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

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

Ladies and gentleman:

We have audited the Para Los Niños Gratts Primary Center Fund's compliance with the requirements identified in the "2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting" applicable to Para Los Niños' government programs as noted below for the year ended June 30, 2019.

### **Management's Responsibility**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on Para Los Niños Gratts Primary Center Fund's compliance based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the "2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting" require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Para Los Niños Gratts Primary Center Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion**

In our opinion, Para Los Niños Gratts Primary Center Fund complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2019.

# INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

continued

## Procedures Performed

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

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

*Harrington Group*

Pasadena, California  
December 13, 2019