

**CHARTER SCHOOL  
2022-23 BUDGET ADOPTION FINANCIAL REPORT - ALTERNATIVE FORM**

Reporting Period: Budget Adoption

Charter School Name:	Literacy First
(continued) Charter Schools	
CDS #:	37-10371-6119119
Charter Approving Entity:	SDCOE
County:	San Diego
Charter #:	405
Fiscal Year:	2022-23

**CERTIFICATION OF FINANCIAL CONDITION**

**POSITIVE CERTIFICATION**

As the Charter School Official, I certify that based upon current projections this charter will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

**QUALIFIED CERTIFICATION**

As the Charter School Official, I certify that based upon current projections this charter may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

**NEGATIVE CERTIFICATION**

As the Charter School Official, I certify that based upon current projections this charter will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.

To the entity that approved the charter school:

2022-23 CHARTER SCHOOL 2022-23 BUDGET ADOPTION FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 47604.33.

Signed:

[Redacted Signature]

Date:

[Redacted Date]

Charter School Official  
(Original signature required)

Print

Name:

Steve Robinson

Title:

CBO

To the County Superintendent of Schools:

2022-23 CHARTER SCHOOL 2022-23 BUDGET ADOPTION FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 47604.33.

Signed:

[Redacted Signature]

Date:

[Redacted Date]

Authorized Representative of  
Charter Approving Entity  
(Original signature required)

Print

Name:

[Redacted Name]

Title:

[Redacted Title]

For additional information on the 2022-23 Budget Adoption Report, please contact:

For Approving Entity:

Kirstin Armatis

Name

Sr. Director Charter School Services

Title

858.295.6665

Phone

[kristin.armatis@sdcoc.net](mailto:kristin.armatis@sdcoc.net)

E-mail

For Charter School:

Steve Robinson

Name

CBO

Title

619.316.5839

Phone

[steve.robinson@lfcinc.org](mailto:steve.robinson@lfcinc.org)

E-mail

This report has been verified for mathematical accuracy by the County Superintendent of Schools, pursuant to *Education Code* Section 47604.33.

[Redacted Signature]

[Redacted Signature]

Date



**CHARTER SCHOOL**  
**2022-23 BUDGET ADOPTION FINANCIAL REPORT - ALTERNATIVE FORM**  
 Reporting Period: 2022-23 Budget Adoption

Charter School Name:	Literacy First
(continued) Charter Schools	
CDS #:	37-10371-6119119
Charter Approving Entity:	SDCOE
County:	San Diego
Charter #:	405
Fiscal Year:	2022-23

This charter school uses the following basis of accounting:

- Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
- Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	Adopted Budget - July 1			Actuals thru 10/31			First Interim - Oct 31		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>A. REVENUES</b>										
1. LCFF Sources										
State Aid - Current Year	8011	11,599,797.00		11,599,797.00						
Education Protection Account State Aid - Current Year	8012		5,272,950.00	5,272,950.00						
State Aid - Prior Years	8019									
Transfers to Charter Schools in Lieu of Property Taxes	8096	4,264,913.00		4,264,913.00						
Other LCFF Transfers	8091, 8097									
Total, LCFF Sources		15,864,710.00	5,272,950.00	21,137,660.00						
2. Federal Revenues										
Every Student Succeeds Act (Title I - V)	8290		339,166.00	339,166.00						
Special Education - Federal	8181, 8182		235,098.00	235,098.00						
Child Nutrition - Federal	8220									
Donated Food Commodities	8221									
Other Federal Revenues	8110, 8200-8299		1,836,977.00	1,836,977.00						
Total, Federal Revenues			2,411,241.00	2,411,241.00						
3. Other State Revenues										
Special Education - State	StateRevSE									
All Other State Revenues	StateRevAO	325,511.00	1,506,287.00	1,831,798.00						
Total, Other State Revenues		325,511.00	1,506,287.00	1,831,798.00						
4. Other Local Revenues										
All Other Local Revenues	LocalRevAO	498,699.00	1,580,226.00	2,078,925.00						
Total, Local Revenues		498,699.00	1,580,226.00	2,078,925.00						
5. TOTAL REVENUES										
		16,688,920.00	10,770,704.00	27,459,624.00						
<b>B. EXPENDITURES</b>										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	2,477,725.00	5,782,888.00	8,260,613.00						
Certificated Pupil Support Salaries	1200	123,604.00	396,628.00	520,232.00						
Certificated Supervisors' and Administrators' Salaries	1300	1,338,915.00	186,042.00	1,524,957.00						
Other Certificated Salaries	1900	66,360.00	40,563.00	106,923.00						
Total, Certificated Salaries		4,006,604.00	6,406,121.00	10,412,725.00						
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	195,031.00	484,288.00	679,319.00						
Non-certificated Support Salaries	2200	734,274.00	45,000.00	779,274.00						
Non-certificated Supervisors' and Administrators' Sal.	2300									
Clerical and Office Salaries	2400	1,039,553.00	53,029.00	1,092,582.00						
Other Non-certificated Salaries	2900	277,024.00	15,000.00	292,024.00						
Total, Non-certificated Salaries		2,245,882.00	597,317.00	2,843,199.00						
3. Employee Benefits										
STRS	3101-3102	740,623.00	1,076,318.00	1,816,941.00						
PERS	3201-3202	517,029.00	221,680.00	738,709.00						
OASDI / Medicare / Alternative	3301-3302	217,961.00	161,410.00	379,371.00						
Health and Welfare Benefits	3401-3402	520,239.00	734,523.00	1,254,762.00						
Unemployment Insurance	3501-3502	33,669.00	32,211.00	65,880.00						
Workers' Compensation Insurance	3601-3602	110,456.00	125,092.00	235,548.00						
OPEB, Allocated	3701-3702									
OPEB, Active Employees	3751-3752									
Other Employee Benefits	3901-3902	46,682.00	50,011.00	96,693.00						
Total, Employee Benefits		2,186,659.00	2,401,245.00	4,587,904.00						
4. Books and Supplies										
Approved Textbooks and Core Curricula Materials	4100		157,699.00	157,699.00						
Books and Other Reference Materials	4200	6,383.00	58,026.00	64,409.00						
Materials and Supplies	4300	980,917.00	142,326.00	1,123,243.00						
Noncapitalized Equipment	4400	123,180.00	30,854.00	154,034.00						
Food	4700									
Total, Books and Supplies		1,110,480.00	388,905.00	1,499,385.00						
5. Services and Other Operating Expenditures										
Subagreements for Services	5100									
Travel and Conferences	5200	73,191.00	470,492.00	543,683.00						
Dues and Memberships	5300	17,905.00	653.00	18,558.00						
Insurance	5400	199,433.00		199,433.00						
Operations and Housekeeping Services	5500	298,871.00		298,871.00						
Rentals, Leases, Repairs, and Noncap. Improvements	5600	1,989,430.00	940,889.00	2,930,319.00						
Transfers of Direct Costs	5700-5799									
Professional/Consulting Services and Operating Expend.	5800	1,144,362.00	675,859.00	1,820,221.00						
Communications	5900	140,265.00		140,265.00						
Total, Services and Other Operating Expenditures		3,863,457.00	2,087,893.00	5,951,350.00						
6. Capital Outlay (Objects 6100-6170, 6200-6500 for modified accrual basis only)										
Land and Land Improvements	6100-6170									
Buildings and Improvements of Buildings	6200									
Books and Media for New School Libraries or Major Expansion of School Libraries	6300									



**CHARTER SCHOOL**  
**2022-23 BUDGET ADOPTION FINANCIAL REPORT - ALTERNATIVE FORM**  
Reporting Period: 2022-23 Budget Adoption

Charter School Name: Literacy First  
(continued) Charter Schools  
CDS #: 37-10371-6119119  
Charter Approving Entity: SDCOE  
County: San Diego  
Charter #: 405  
Fiscal Year: 2022-23

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Budget Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
<b>A. REVENUES</b>						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	11,599,797.00	-	-	(11,599,797.00)	(100%)
Education Protection Account State Aid - Current Year	8012	5,272,950.00	-	-	(5,272,950.00)	(100%)
State Aid - Prior Years	8019	-	-	-	-	
Transfers to Charter Schools Funding in Lieu of Property Taxes	8096	4,264,913.00	-	-	(4,264,913.00)	(100%)
Other LCFF Transfers	8091, 8097	-	-	-	-	
Total, LCFF Sources		21,137,660.00	-	-	(21,137,660.00)	0.00%
2. Federal Revenues						
Every Student Succeeds Act (Title I-V)	8290	339,166.00	-	-	(339,166.00)	(100%)
Special Education - Federal	8181, 8182	235,098.00	-	-	(235,098.00)	(100%)
Child Nutrition - Federal	8220	-	-	-	-	
Donated Food Commodities	8221	-	-	-	-	
Other Federal Revenues	8110, 8260-8299	1,836,977.00	-	-	(1,836,977.00)	(100%)
Total, Federal Revenues		2,411,241.00	-	-	(2,411,241.00)	(100%)
3. Other State Revenues						
Special Education - State	StateRevSE	-	-	-	-	
All Other State Revenues	StateRevAO	1,831,798.00	-	-	(1,831,798.00)	(100%)
Total, Other State Revenues		1,831,798.00	-	-	(1,831,798.00)	(100%)
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	2,078,925.00	-	-	(2,078,925.00)	(100%)
Total, Local Revenues		2,078,925.00	-	-	(2,078,925.00)	(100%)
5. TOTAL REVENUES		27,459,624.00	-	-	(27,459,624.00)	(100%)
<b>B. EXPENDITURES</b>						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	8,260,613.00	-	-	(8,260,613.00)	(100%)
Certificated Pupil Support Salaries	1200	520,232.00	-	-	(520,232.00)	(100%)
Certificated Supervisors' and Administrators' Salaries	1300	1,524,957.00	-	-	(1,524,957.00)	(100%)
Other Certificated Salaries	1900	106,923.00	-	-	(106,923.00)	(100%)
Total, Certificated Salaries		10,412,725.00	-	-	(10,412,725.00)	(100%)
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	679,319.00	-	-	(679,319.00)	(100%)
Non-certificated Support Salaries	2200	779,274.00	-	-	(779,274.00)	(100%)
Non-certificated Supervisors' and Administrators' Sal.	2300	-	-	-	-	
Clerical and Office Salaries	2400	1,092,582.00	-	-	(1,092,582.00)	(100%)
Other Non-certificated Salaries	2900	292,024.00	-	-	(292,024.00)	(100%)
Total, Non-certificated Salaries		2,843,199.00	-	-	(2,843,199.00)	(100%)
3. Employee Benefits						
STRS	3101-3102	1,816,941.00	-	-	(1,816,941.00)	(100%)
PERS	3201-3202	738,709.00	-	-	(738,709.00)	(100%)
OASDI / Medicare / Alternative	3301-3302	379,371.00	-	-	(379,371.00)	(100%)
Health and Welfare Benefits	3401-3402	1,254,762.00	-	-	(1,254,762.00)	(100%)
Unemployment Insurance	3501-3502	65,880.00	-	-	(65,880.00)	(100%)
Workers' Compensation Insurance	3601-3602	235,548.00	-	-	(235,548.00)	(100%)
OPEB, Allocated	3701-3702	-	-	-	-	
OPEB, Active Employees	3751-3752	-	-	-	-	
Other Employee Benefits	3901-3902	96,693.00	-	-	(96,693.00)	(100%)
Total, Employee Benefits		4,587,904.00	-	-	(4,587,904.00)	(100%)
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	157,699.00	-	-	(157,699.00)	(100%)
Books and Other Reference Materials	4200	64,409.00	-	-	(64,409.00)	(100%)
Materials and Supplies	4300	1,123,243.00	-	-	(1,123,243.00)	(100%)
Noncapitalized Equipment	4400	154,034.00	-	-	(154,034.00)	(100%)



**CHARTER SCHOOL  
MULTI-YEAR PROJECTION - ALTERNATIVE FORM  
2022-23 Budget Adoption Report - MYP**

Charter School Name: Literacy First  
 (continued) Charter Schools  
 CDS #: 37-10371-6119119  
 Charter Approving Entity: SDCOE  
 County: San Diego  
 Charter #: 405  
 Fiscal Year: 2022-23

This charter school uses the following basis of accounting:

- Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)  
 **Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	FY 2022-23			Totals for 2023-24	Totals for 2024-25
		Unrestricted	Restricted	Total		
<b>A. REVENUES</b>						
<b>1. LCFF Sources</b>						
State Aid - Current Year	8011	11,599,797.00	0.00	11,599,797.00	12,258,763.00	12,808,044.00
Education Protection Account State Aid - Current Year	8012	0.00	5,272,950.00	5,272,950.00	5,272,950.00	5,272,950.00
State Aid - Prior Years	8019	0.00	0.00	0.00		
Transfers of Charter Schools in Lieu of Property Taxes	8096	4,264,913.00	0.00	4,264,913.00	4,264,913.00	4,264,913.00
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00		
Total, LCFF Sources		15,864,710.00	5,272,950.00	21,137,660.00	21,796,626.00	22,345,907.00
<b>2. Federal Revenues</b>						
Every Student Succeeds Act (Title I - V)	8290	0.00	339,166.00	339,166.00	339,166.00	339,166.00
Special Education - Federal	8181, 8182	0.00	235,098.00	235,098.00	253,747.00	253,747.00
Child Nutrition - Federal	8220	0.00	0.00	0.00		
Donated Food Commodities	8221	0.00	0.00	0.00		
Other Federal Revenues	8110, 8260-8299	0.00	1,836,977.00	1,836,977.00	1,190,416.00	3,063.00
Total, Federal Revenues		0.00	2,411,241.00	2,411,241.00	1,783,329.00	595,976.00
<b>3. Other State Revenues</b>						
Special Education - State	StateRevSE	0.00	0.00	0.00		
All Other State Revenues	StateRevAO	325,511.00	1,506,287.00	1,831,798.00	1,465,229.00	1,406,473.00
Total, Other State Revenues		325,511.00	1,506,287.00	1,831,798.00	1,465,229.00	1,406,473.00
<b>4. Other Local Revenues</b>						
All Other Local Revenues	LocalRevAO	498,699.00	1,580,226.00	2,078,925.00	2,139,148.00	2,208,782.00
Total, Local Revenues		498,699.00	1,580,226.00	2,078,925.00	2,139,148.00	2,208,782.00
<b>5. TOTAL REVENUES</b>						
		16,688,920.00	10,770,704.00	27,459,624.00	27,184,332.00	26,557,138.00
<b>B. EXPENDITURES</b>						
<b>1. Certificated Salaries</b>						
Certificated Teachers' Salaries	1100	2,477,725.00	5,782,888.00	8,260,613.00	8,591,037.52	8,577,685.00
Certificated Pupil Support Salaries	1200	123,604.00	396,628.00	520,232.00	541,041.28	540,199.00
Certificated Supervisors' and Administrators' Salaries	1300	1,338,915.00	186,042.00	1,524,957.00	1,585,955.28	1,583,490.00
Other Certificated Salaries	1900	66,360.00	40,563.00	106,923.00	111,199.92	111,026.00
Total, Certificated Salaries		4,006,604.00	6,406,121.00	10,412,725.00	10,829,234.00	10,812,400.00
<b>2. Non-certificated Salaries</b>						
Non-certificated Instructional Aides' Salaries	2100	195,031.00	484,288.00	679,319.00	692,905.38	684,782.00
Non-certificated Support Salaries	2200	734,274.00	45,000.00	779,274.00	794,859.48	785,541.00
Non-certificated Supervisors' and Administrators' Sal.	2300	0.00	0.00	0.00	0.00	0.00
Clerical and Office Salaries	2400	1,039,553.00	53,029.00	1,092,582.00	1,114,433.64	1,101,368.00
Other Non-certificated Salaries	2900	277,024.00	15,000.00	292,024.00	297,864.48	294,373.00
Total, Non-certificated Salaries		2,245,882.00	597,317.00	2,843,199.00	2,900,062.98	2,866,064.00









August 1, 2022

Literacy First Charter School  
Debbie Beyer, Executive Director  
799 East Washington Avenue  
El Cajon, CA 92020

Dear Ms. Beyer:

Re: 2022-23 Budget Adoption Report

Our office has completed its review of Literacy First Charter School's Budget Adoption Report in compliance with the provisions of Education Code Section 47604.33 et seq. The charter school's Budget Adoption Report has been analyzed in the context of the 2022-23 Governor's May Revision and 2022-23 State Budget Act.

In accordance with the provisions of Education Code Section 47604.33, as the chartering authority of the charter school, the San Diego County Superintendent of Schools has assessed the fiscal condition of the charter school and believes Literacy First Charter School will meet all its financial obligations for the current and two subsequent fiscal years based on the financial reports at this time.

### **Local Control Accountability Plan (LCAP)**

Our office has received a copy of the charter school's Local Control Accountability Plan (LCAP), LCAP Supplement to the Annual Update and Budget Overview for Parents. Additionally, a copy of the LCAP, LCAP Supplement to the Annual Update and Budget Overview for Parents is posted on the charter school's website.

### **Financial Status in 2022-23**

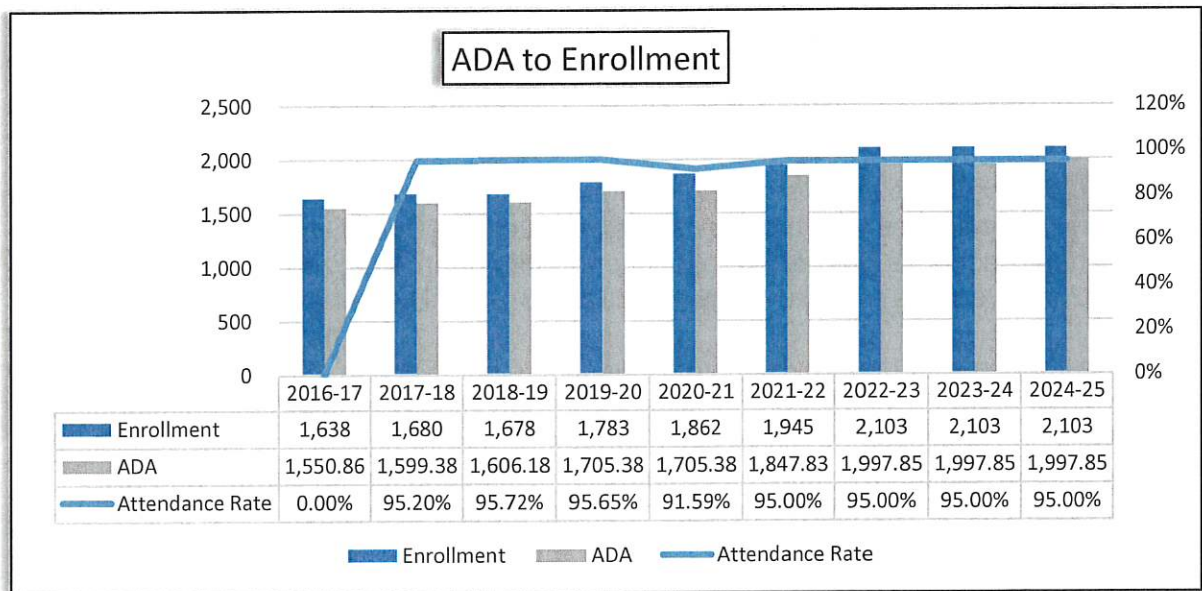
#### **Attendance and Enrollment**

Literacy First Charter School is projecting an increase in enrollment from 2021-22 to 2022-23 of 7.51% to 2,103 students. The charter school's average daily attendance (ADA) is projected to be 1997.85 in 2022-23 with an enrollment to ADA ratio of 95.0%. The two subsequent years project flat enrollment with no increase in ADA or change to the enrollment to ADA ratio.

The memorandum of understanding (MOU) between Literacy First Charter School and the San Diego County Office of Education (SDCOE) states that a material revision is required if the charter school has a 25% increase or decrease of the enrollment projected in the charter petition. Based on the charter school's projections, a material revision will not be needed.

Historical enrollment and attendance figures, as well as the assumptions included in the district's multiyear projection, are presented in the chart below.

*Note: The graph reflects the hold harmless prior year ADA in 2020-21.*



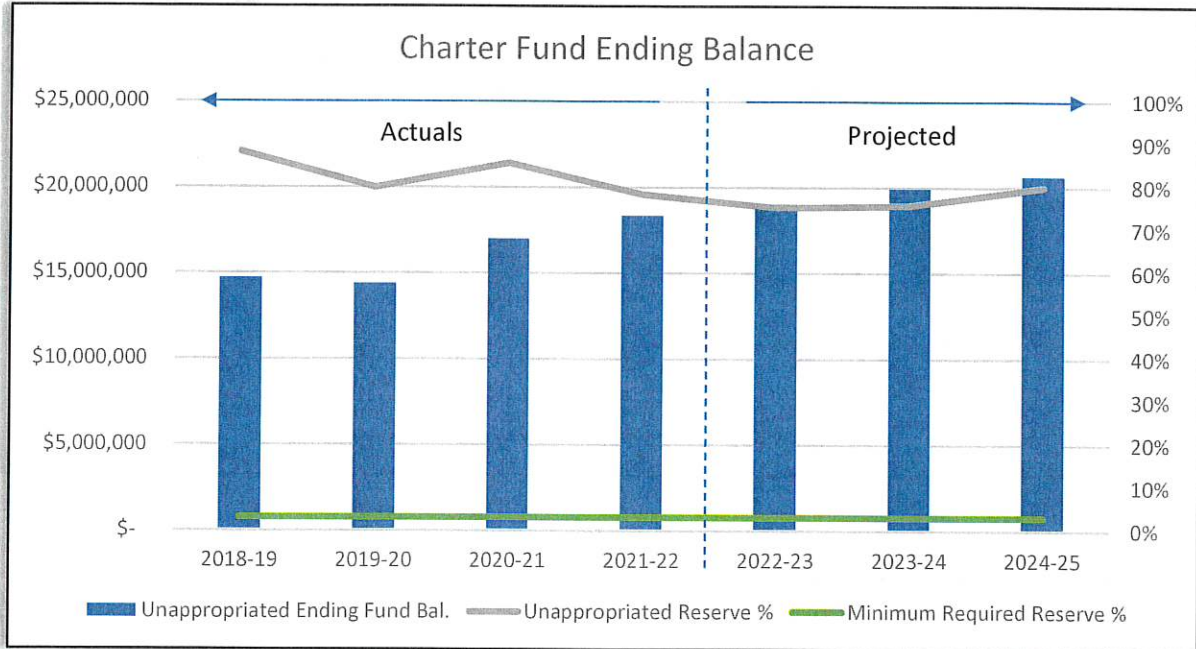
**Deficit Spending / Ending Fund Balance / Reserve for Economic Uncertainties**

The 2022-23 Adopted Budget projects the following impacts to the unrestricted general fund:

Fiscal Year	Surplus/(Deficit)	Ending Fund Balance	Reserve for Economic Uncertainties (Ending Fund Balance/Total Expenditures)
2022-23	\$2.17 million	\$19.05 million	75.31%
2023-24	\$882,717	\$19.93 million	75.79%
2024-25	\$716,747	\$20.65 million	79.91%

The San Diego County Office of Education requires the charter school to maintain a Reserve for Economic Uncertainties (REU) equal to 3% of expenditures. The charter school projects that it will meet this requirement in 2022-23 and beyond.

The following chart displays the district's ending fund balance and REU from fiscal year 2018-19 through the projection period.



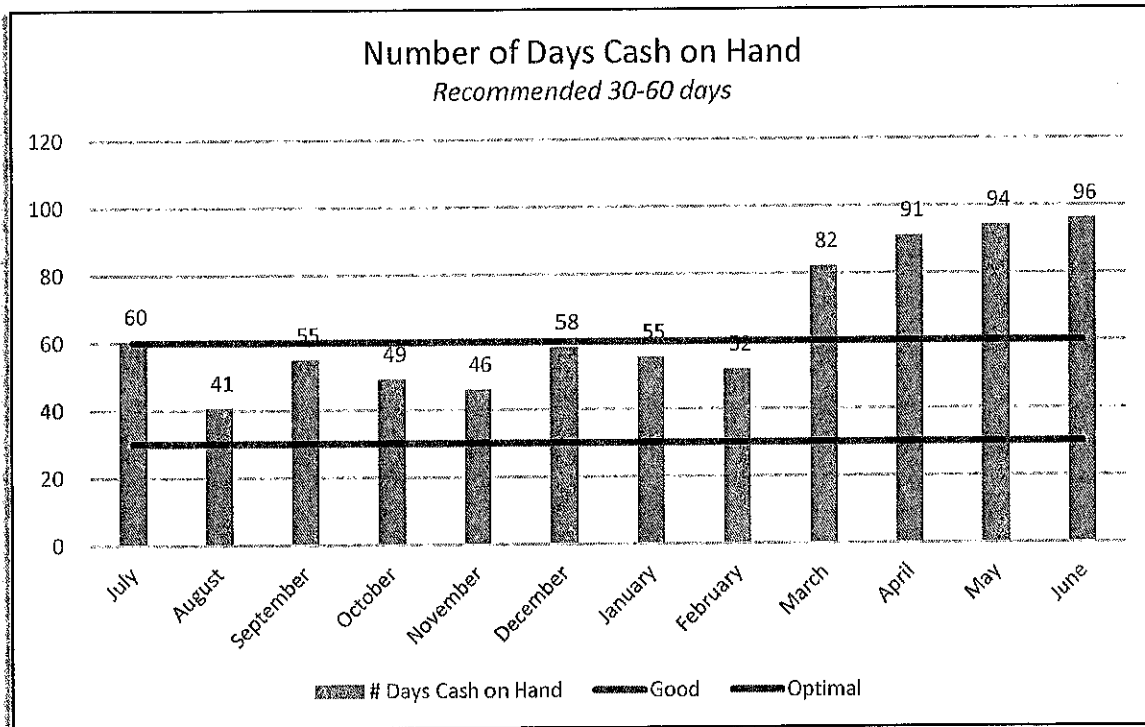
**Multi-Year Projection**

We have reviewed the charter school's assumptions for the multi-year projection, and they appear to be reasonable. Based upon these assumptions, the charter school will meet the required reserve percentage in 2022-23 and beyond.

**Cash Flow**

The cash flow submitted with the 2022-23 Adopted Budget Report projects a positive cash balance in all months.

The charter school industry recommends that charter schools maintain a cash balance between 30- and 60-days cash on hand. Cash on hand for Literacy First Charter School is projected to range from 41 to 96 days.



### Long-Term Debt and Liabilities

Literacy First Charter School entered into a lease agreement with Literacy First Charter School Issuer (LLC) on November 1, 2019, for use of the facilities located at Main Street and Bradley Street. The minimum lease amount due in 2023 is \$723,090.

### Conclusion

Literacy First Charter School projects a 7.51% increase in enrollment from the previous fiscal year of 2021-22 by 158 students. The projected average daily attendance (ADA) is 1,997.85 in the 2022-23 fiscal year with an ADA to enrollment ratio of 95.0%. The subsequent two years project flat enrollment and ADA.

The charter school is projecting a surplus in the multi-year projection and will be able to meet the 3% reserve requirement over the projection period.

We appreciate the charter school's efforts to ensure fiscal solvency. Should any adverse circumstances arise, which would negatively impact the financial condition of the charter school, please notify this office as soon as possible.

Aug. 1, 2022  
Literacy First Charter School  
Page 5 of 5

If you have any questions concerning this review, please feel free to contact Anna Buxbaum at [abuxbaum@sdcoe.net](mailto:abuxbaum@sdcoe.net), or at 858-290-5899.

Sincerely,



Michael Simonson  
Deputy Superintendent, Chief Business Officer

cc: Mrs. Priscilla Schreiber, Board President, Literacy First Charter School  
Mr. Steve Robinson, Chief Financial Official, Literacy First Charter School

