

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM**

Reporting Period: Second Interim

Charter School Name: Literacy First Charter Schools
(continued)
CDS #: 37-10371-6119119
Charter Approving Entity: SDCOE
County: San Diego
Charter #: 405
Fiscal Year: 2021-22

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:
 2021-22 CHARTER SCHOOL SECOND INTERIM 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: _____ Date: 10-Mar-22
Charter School Official
(Original signature required)
Print Name: Steve Robinson Title: CBO

To the County Superintendent of Schools:
 2021-22 CHARTER SCHOOL SECOND INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 47604.33.

Signed: _____ Date: _____
Authorized Representative of
Charter Approving Entity
(Original signature required)
Print Name: _____ Title: _____

For additional information on the Second Interim Report, please contact:

For Approving Entity:
Name: Kristin Armatis
Title: SDCOE Sr. Director, Charter School Services
Phone: 858.295.6665
E-mail: kristin.armatis@sdcoe.net

For Charter School:
Name: Steve Robinson
Title: CBO
Phone: 619.316.5839
E-mail: steve.robinson@lcsinc.org

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

Date

CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Reporting Period: Second Interim Report

Charter School Name:	Literacy First Charter Schools
(continued)	
CDS #:	37-10371-619119
Charter Approving Entity:	SDCOE
County:	San Diego
Charter #:	405
Fiscal Year:	2021-22

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	First Interim Budget - October 31, 2021			Actuals - January 31, 2022			Second Interim Budget - January 31, 2022		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
A. REVENUES										
1. LCFF Sources										
State Aid - Current Year	8011	8,334,674.00		8,334,674.00	4,886,326.00		4,886,326.00	8,334,674.00		8,334,674.00
Education Protection Account State Aid - Current Year	8012		6,369,904.00	6,369,904.00		2,135,215.00	2,135,215.00		6,369,904.00	6,369,904.00
State Aid - Prior Years	8019	800,891.00		800,891.00	490,784.00		490,784.00		490,784.00	490,784.00
Transfers to Charter Schools in Lieu of Property Taxes	8096	3,480,781.00		3,480,781.00		1,740,390.00	1,740,390.00		3,480,781.00	3,480,781.00
Other LCFF Transfers	8091, 8097			-			-			-
Total, LCFF Sources		12,616,346.00	6,369,904.00	18,986,250.00	5,377,110.00	3,875,605.00	9,252,715.00	12,306,239.00	6,369,904.00	18,676,143.00
2. Federal Revenues										
Every Student Succeeds Act (Title I - V)	8290			-			-		171,864.00	171,864.00
Special Education - Federal	8181, 8182		233,497.00	233,497.00			-		233,497.00	233,497.00
Child Nutrition - Federal	8220			-			-			-
Donated Food Commodities	8221			-			-			-
Other Federal Revenues	8110, 8260-8299		1,368,003.00	1,368,003.00		712,658.00	712,658.00		1,150,441.00	1,150,441.00
Total, Federal Revenues		-	1,601,500.00	1,601,500.00	-	712,658.00	712,658.00	-	1,555,802.00	1,555,802.00
3. Other State Revenues										
Special Education - State	StateRevSE		1,285,431.00	1,285,431.00		546,217.00	546,217.00		1,285,431.00	1,285,431.00
All Other State Revenues	StateRevAO		2,486,776.00	2,486,776.00	39,244.00	1,160,352.00	1,199,596.00	42,148.00	2,995,473.00	2,737,621.00
Total, Other State Revenues		-	3,772,207.00	3,772,207.00	39,244.00	1,706,569.00	1,745,813.00	42,148.00	3,980,904.00	4,023,052.00
4. Other Local Revenues										
All Other Local Revenues	LocalRevAO	418,400.00	6,664.00	425,064.00	203,674.00		203,674.00		444,916.00	444,916.00
Total, Local Revenues		418,400.00	6,664.00	425,064.00	203,674.00	-	203,674.00	-	444,916.00	444,916.00
5. TOTAL REVENUES		13,034,746.00	11,750,275.00	24,785,021.00	5,620,028.00	6,294,832.00	11,914,860.00	12,348,387.00	12,351,526.00	24,699,913.00
B. EXPENDITURES										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	1,639,471.00	6,130,661.00	7,770,132.00	291,306.00	4,060,377.00	4,351,683.00	1,372,785.00	6,163,430.00	7,536,215.00
Certificated Pupil Support Salaries	1200	313,081.00	237,177.00	550,258.00	71,737.00	242,685.00	314,422.00	119,432.00	398,054.00	517,486.00
Certificated Supervisors' and Administrators' Salaries	1300	1,370,630.00	238,674.00	1,609,304.00	786,145.00	169,640.00	955,785.00	1,300,040.00	231,195.00	1,531,235.00
Other Certificated Salaries	1900	67,848.00	43,516.00	111,364.00	35,909.00	30,603.00	66,512.00	61,250.00	46,190.00	107,440.00
Total, Certificated Salaries		3,391,030.00	6,650,028.00	10,041,058.00	1,185,097.00	4,503,305.00	5,888,402.00	2,853,507.00	6,838,869.00	9,692,376.00
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	85,459.00	329,619.00	415,078.00	74,662.00	179,277.00	253,939.00	122,749.00	355,499.00	478,248.00
Non-certificated Support Salaries	2200	847,247.00	25,142.00	872,389.00	347,514.00	25,140.00	372,654.00	757,250.00	25,142.00	782,392.00
Non-certificated Supervisors' and Administrators' Sal.	2300			-			-			-
Clerical and Office Salaries	2400	848,935.00	48,495.00	897,430.00	550,669.00	48,494.00	599,163.00	886,503.00	48,495.00	934,998.00
Other Non-certificated Salaries	2900	242,937.00	10,773.00	253,710.00	129,842.00	10,773.00	140,615.00	209,141.00	10,773.00	219,914.00
Total, Non-certificated Salaries		2,024,578.00	414,029.00	2,438,607.00	1,102,687.00	263,684.00	1,366,371.00	1,975,643.00	439,909.00	2,415,552.00
3. Employee Benefits										
STRS	3101-3102	621,865.00	1,042,710.00	1,664,575.00	175,907.00	698,355.00	874,262.00	590,133.00	1,103,493.00	1,693,626.00
PERS	3201-3202	392,812.00	198,738.00	591,550.00	201,524.00	101,021.00	302,545.00	367,022.00	195,632.00	562,654.00
OASDI / Medicare / Alternative	3301-3302	210,761.00	148,870.00	359,631.00	102,518.00	101,197.00	203,715.00	209,408.00	163,886.00	373,294.00
Health and Welfare Benefits	3401-3402	678,101.00	840,188.00	1,518,289.00	237,369.00	491,091.00	728,460.00	578,650.00	872,013.00	1,450,663.00
Unemployment Insurance	3501-3502	89,524.00	50,242.00	139,766.00	11,592.00	24,088.00	35,680.00	50,505.00	46,248.00	96,753.00
Workers' Compensation Insurance	3601-3602	128,321.00	123,036.00	251,357.00	36,850.00	81,370.00	118,220.00	97,186.00	129,023.00	226,209.00
OPEB, Allocated	3701-3702			-			-			-
OPEB, Active Employees	3751-3752			-			-			-
Other Employee Benefits	3901-3902	66,086.00	33,889.00	99,975.00	12,852.00	36,900.00	49,752.00	51,783.00	53,952.00	105,735.00
Total, Employee Benefits		2,187,470.00	2,437,673.00	4,625,143.00	778,612.00	1,534,022.00	2,312,634.00	1,964,687.00	2,564,247.00	4,528,934.00
4. Books and Supplies										
Approved Textbooks and Core Curricula Materials	4100	4,917.00	156,669.00	161,586.00	8,702.00	45,592.00	54,294.00	8,917.00	157,698.00	166,615.00
Books and Other Reference Materials	4200	99,924.00	44,951.00	144,875.00	29,213.00	2,256.00	31,469.00	65,829.00	45,425.00	111,054.00
Materials and Supplies	4300	956,424.00	155,777.00	1,112,201.00	354,955.00	71,110.00	426,065.00	775,942.00	138,497.00	914,439.00
Noncapitalized Equipment	4400	88,403.00	80,194.00	168,597.00	23,130.00	60,467.00	83,597.00	60,938.00	63,081.00	124,019.00
Food	4700			-			-			-
Total, Books and Supplies		1,149,668.00	437,591.00	1,587,259.00	416,000.00	179,425.00	595,425.00	911,426.00	404,701.00	1,316,127.00
5. Services and Other Operating Expenditures										
Subagreements for Services	5100			-			-			-
Travel and Conferences	5200	108,114.00	18,279.00	126,393.00	17,946.00	7,276.00	25,222.00	73,407.00	319,551.00	392,958.00
Dues and Memberships	5300	37,788.00	282.00	38,050.00	10,697.00	220.00	10,917.00	37,397.00	653.00	38,050.00
Insurance	5400	193,499.00		193,499.00	193,292.00		193,292.00	193,499.00		193,499.00
Operations and Housekeeping Services	5500	290,210.00		290,210.00	146,896.00		146,896.00	290,210.00		290,210.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	557,614.00	1,614,472.00	2,172,086.00	325,139.00	1,266,033.00	1,591,172.00	994,794.00	1,515,954.00	2,510,748.00
Transfers of Direct Costs	5700-5799			-			-			-
Professional/Consulting Services and Operating Expend.	5800	1,169,384.00	731,999.00	1,901,383.00	723,560.00	142,025.00	865,585.00	1,172,302.00	719,144.00	1,891,446.00
Communications	5900	137,003.00		137,003.00	79,676.00		79,676.00	137,003.00		137,003.00
Total, Services and Other Operating Expenditures		2,493,592.00	2,365,032.00	4,858,624.00	1,497,206.00	1,415,554.00	2,912,760.00	2,898,612.00	2,555,302.00	5,453,914.00

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			-					-	
Equipment	6400			-					-	
Equipment Replacement	6500			-					-	
Depreciation Expense (for accrual basis only)	6900			-					-	
Total, Capital Outlay				-					-	
7. Other Outgo										
Tuition to Other Schools	7110-7143			-					-	
Transfers of Pass-through Revenues to Other LEAs	7211-7213			-					-	
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE			-					-	
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO			-					-	
All Other Transfers	7281-7299			-					-	
Transfers of Indirect Costs	7300-7399			-					-	
Debt Service:										
Interest	7438			-					-	
Principal (for modified accrual basis only)	7439			-					-	
Total, Other Outgo				-					-	
8. TOTAL EXPENDITURES										
		11,246,338.00	12,304,353.00	23,550,691.00	4,979,602.00	7,895,900.00	12,875,592.00	10,603,875.00	12,803,028.00	23,406,903.00
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)										
		1,788,408.00	(554,078.00)	1,234,330.00	640,426.00	(1,601,158.00)	(960,732.00)	1,744,512.00	(451,502.00)	1,293,010.00
D. OTHER FINANCING SOURCES / USES										
1. Other Sources										
	8930-8979			-						-
2. Less: Other Uses										
	7630-7699			-						-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)										
	8980-8999	(554,078.00)	554,078.00	-				(409,354.00)	409,354.00	-
4. TOTAL OTHER FINANCING SOURCES / USES										
		(554,078.00)	554,078.00	-				(409,354.00)	409,354.00	-
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)										
		1,234,330.00	-	1,234,330.00	640,426.00	(1,601,158.00)	(960,732.00)	1,335,158.00	(42,148.00)	1,293,010.00
F. FUND BALANCE, RESERVES										
1. Beginning Fund Balance										
a. As of July 1										
	9791	17,615,124.00	618,097.00	18,233,221.00				17,615,124.00	618,097.00	18,233,221.00
b. Adjustments to Beginning Balance										
	9793, 9795	(1,620,088.00)		(1,620,088.00)				(1,620,088.00)		(1,620,088.00)
c. Adjusted Beginning Balance										
		15,995,036.00	618,097.00	16,613,133.00				15,995,036.00	618,097.00	16,613,133.00
2. Ending Fund Balance, June 30 (E + F. 1.c.)										
		17,229,366.00	618,097.00	17,847,463.00	640,426.00	(1,601,158.00)	(960,732.00)	17,330,194.00	575,949.00	17,906,143.00
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)										
	9711			-						-
Stores (equals object 9320)										
	9712			-						-
Prepaid Expenditures (equals object 9330)										
	9713			-						-
All Others										
	9719			-						-
b. Restricted										
	9740			-						-
c. Committed										
Stabilization Arrangements										
	9750			-						-
Other Commitments										
	9760			-						-
d. Assigned										
Other Assignments										
	9780			-						-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties										
	9789			-						-
Unassigned/Unappropriated Amount										
	9790			-						-

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM**
Reporting Period: Second Interim Report

Charter School Name: Literacy First Charter Schools
(continued)
CDS #: 37-10371-619119
Charter Approving Entity: SDCOE
County: San Diego
Charter #: 405
Fiscal Year: 2021-22

Description	Object Code	1st Interim Budget (X)	Actuals thru 1/31/2022 (Y)	2nd Interim Budget (Z)	2nd Interim vs. 1st Interim Budget Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
A. REVENUES						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	8,334,674.00	4,886,326.00	8,334,674.00	-	0.00%
Education Protection Account State Aid - Current Year	8012	6,369,904.00	2,135,215.00	6,369,904.00	-	0.00%
State Aid - Prior Years	8019	800,891.00	490,784.00	490,784.00	(310,107.00)	-38.72%
Transfers to Charter Schools Funding in Lieu of Property Taxes	8096	3,480,781.00	1,740,390.00	3,480,781.00	-	0.00%
Other LCFF Transfers	8091, 8097	-	-	-	-	-
Total, LCFF Sources		18,986,250.00	9,252,715.00	18,676,143.00	(310,107.00)	-1.63%
2. Federal Revenues						
Every Student Succeeds Act (Title I-V)	8290	-	-	171,864.00	171,864.00	New
Special Education - Federal	8181, 8182	233,497.00	-	233,497.00	-	0.00%
Child Nutrition - Federal	8220	-	-	-	-	-
Donated Food Commodities	8221	-	-	-	-	-
Other Federal Revenues	8110, 8260-8299	1,368,003.00	712,658.00	1,150,441.00	(217,562.00)	-15.90%
Total, Federal Revenues		1,601,500.00	712,658.00	1,555,802.00	(45,698.00)	-2.85%
3. Other State Revenues						
Special Education - State	StateRevSE	1,285,431.00	546,217.00	1,285,431.00	-	0.00%
All Other State Revenues	StateRevAO	2,486,776.00	1,199,596.00	2,737,621.00	250,845.00	10.09%
Total, Other State Revenues		3,772,207.00	1,745,813.00	4,023,052.00	250,845.00	6.65%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	425,064.00	203,674.00	444,916.00	19,852.00	4.67%
Total, Local Revenues		425,064.00	203,674.00	444,916.00	19,852.00	4.67%
5. TOTAL REVENUES						
		24,785,021.00	11,914,860.00	24,699,913.00	(85,108.00)	-0.34%
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	7,770,132.00	4,351,683.00	7,536,215.00	(233,917.00)	-3.01%
Certificated Pupil Support Salaries	1200	550,258.00	314,422.00	517,486.00	(32,772.00)	-5.96%
Certificated Supervisors' and Administrators' Salaries	1300	1,609,304.00	955,785.00	1,531,235.00	(78,069.00)	-4.85%
Other Certificated Salaries	1900	111,364.00	66,512.00	107,440.00	(3,924.00)	-3.52%
Total, Certificated Salaries		10,041,058.00	5,688,402.00	9,692,376.00	(348,682.00)	-3.47%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	415,078.00	253,939.00	478,248.00	63,170.00	15.22%
Non-certificated Support Salaries	2200	872,389.00	372,654.00	782,392.00	(89,997.00)	-10.32%
Non-certificated Supervisors' and Administrators' Sal.	2300	-	-	-	-	-
Clerical and Office Salaries	2400	897,430.00	599,163.00	934,998.00	37,568.00	4.19%
Other Non-certificated Salaries	2900	253,710.00	140,615.00	219,914.00	(33,796.00)	-13.32%
Total, Non-certificated Salaries		2,438,607.00	1,366,371.00	2,415,552.00	(23,055.00)	-0.95%
3. Employee Benefits						
STRS	3101-3102	1,664,575.00	874,262.00	1,693,626.00	29,051.00	1.75%
PERS	3201-3202	591,550.00	302,545.00	582,654.00	(8,896.00)	-1.50%
OASDI / Medicare / Alternative	3301-3302	359,631.00	203,715.00	373,294.00	13,663.00	3.80%
Health and Welfare Benefits	3401-3402	1,518,289.00	728,460.00	1,450,663.00	(67,626.00)	-4.45%
Unemployment Insurance	3501-3502	139,766.00	35,680.00	96,753.00	(43,013.00)	-30.78%
Workers' Compensation Insurance	3601-3602	251,357.00	118,220.00	226,209.00	(25,148.00)	-10.00%
OPEB, Allocated	3701-3702	-	-	-	-	-
OPEB, Active Employees	3751-3752	-	-	-	-	-
Other Employee Benefits	3901-3902	99,975.00	49,752.00	105,735.00	5,760.00	5.76%
Total, Employee Benefits		4,625,143.00	2,312,634.00	4,528,934.00	(96,209.00)	-2.08%
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	161,586.00	54,294.00	166,615.00	5,029.00	3.11%
Books and Other Reference Materials	4200	144,875.00	31,469.00	111,054.00	(33,821.00)	-23.34%
Materials and Supplies	4300	1,112,201.00	426,065.00	914,439.00	(197,762.00)	-17.78%
Noncapitalized Equipment	4400	168,597.00	83,597.00	124,019.00	(44,578.00)	-26.44%

Food	4700	-	-	-	-	
Total, Books and Supplies		1,587,259.00	595,425.00	1,316,127.00	(271,132.00)	-17.08%
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	-	-	-	-	
Travel and Conferences	5200	126,393.00	25,222.00	392,958.00	266,565.00	210.90%
Dues and Memberships	5300	38,050.00	10,917.00	38,050.00	-	0.00%
Insurance	5400	193,499.00	193,292.00	193,499.00	-	0.00%
Operations and Housekeeping Services	5500	290,210.00	146,896.00	290,210.00	-	0.00%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	2,172,086.00	1,591,172.00	2,510,748.00	338,662.00	15.59%
Transfers of Direct Costs	5700-5799	-	-	-	-	
Professional/Consulting Services and Operating Expend.	5800	1,901,383.00	865,585.00	1,891,446.00	(9,937.00)	-0.52%
Communications	5900	137,003.00	79,676.00	137,003.00	-	0.00%
Total, Services and Other Operating Expenditures		4,858,624.00	2,912,760.00	5,453,914.00	595,290.00	12.25%
6. Capital Outlay (Objects 6100-6170, 6200-6500 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	-	-	-	-	
Equipment	6400	-	-	-	-	
Equipment Replacement	6500	-	-	-	-	
Depreciation Expense (for accrual basis only)	6900	-	-	-	-	
Total, Capital Outlay		-	-	-	-	
7. Other Outgo						
Tuition to Other Schools	7110-7143	-	-	-	-	
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	
All Other Transfers	7281-7299	-	-	-	-	
Transfers of Indirect Costs	7300-7399	-	-	-	-	
Debt Service:						
Interest	7438	-	-	-	-	
Principal (for modified accrual basis only)	7439	-	-	-	-	
Total, Other Outgo		-	-	-	-	
8. TOTAL EXPENDITURES		23,550,691.00	12,875,592.00	23,406,903.00	(143,788.00)	-0.61%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		1,234,330.00	(960,732.00)	1,293,010.00	58,680.00	4.75%
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	-	-	-	-	
2. Less: Other Uses	7630-7699	-	-	-	-	
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	-	-	-	-	
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		1,234,330.00	(960,732.00)	1,293,010.00	58,680.00	4.75%
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	18,233,221.00	-	18,233,221.00	-	0.00%
b. Adjustments/Restatements	9793, 9795	(1,620,088.00)	-	(1,620,088.00)	-	0.00%
c. Adjusted Beginning Fund Balance		16,613,133.00	-	16,613,133.00		
2. Ending Fund Balance, June 30 (E + F.1.c.)		17,847,463.00	(960,732.00)	17,906,143.00		
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted	9740	-	-	-	-	
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	-	-	-	-	
Unassigned/Unappropriated Amount	9790	-	-	-	-	

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
Second Interim Report - MYP**

Charter School Name: Literacy First Charter Schools
(continued) _____
CDS #: 37-10371-619119
Charter Approving Entity: SDCOE
County: San Diego
Charter #: 405
Fiscal Year: 2021-22

This charter school uses the following basis of accounting:

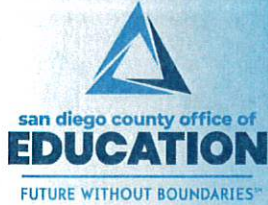
- Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
 Modified Accrual Basis (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	FY 2021-22			Totals for FY 2022-23	Totals for FY 2023-24
		Unrestricted	Restricted	Total		
A. REVENUES						
1. LCFF Sources						
State Aid - Current Year	8011	8,334,674.00	0.00	8,334,674.00	9,015,825.00	9,341,296.00
Education Protection Account State Aid - Current Year	8012	0.00	6,369,904.00	6,369,904.00	6,362,040.00	6,591,710.00
State Aid - Prior Years	8019	490,784.00	0.00	490,784.00		
Transfers of Charter Schools in Lieu of Property Taxes	8096	3,480,781.00	0.00	3,480,781.00	3,796,372.00	3,796,372.00
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00		
Total, LCFF Sources		12,306,239.00	6,369,904.00	18,676,143.00	19,174,237.00	19,729,378.00
2. Federal Revenues						
Every Student Succeeds Act (Title I - V)	8290	0.00	171,864.00	171,864.00	294,928.00	294,928.00
Special Education - Federal	8181, 8182	0.00	233,497.00	233,497.00	232,750.00	232,750.00
Child Nutrition - Federal	8220	0.00	0.00	0.00	0.00	0.00
Donated Food Commodities	8221	0.00	0.00	0.00	0.00	0.00
Other Federal Revenues	8110, 8260-8299	0.00	1,150,441.00	1,150,441.00	1,247,015.00	1,247,015.00
Total, Federal Revenues		0.00	1,555,802.00	1,555,802.00	1,774,693.00	1,774,693.00
3. Other State Revenues						
Special Education - State	StateRevSE	0.00	1,285,431.00	1,285,431.00	1,471,818.00	1,471,818.00
All Other State Revenues	StateRevAO	42,148.00	2,695,473.00	2,737,621.00	1,263,641.00	1,264,984.00
Total, Other State Revenues		42,148.00	3,980,904.00	4,023,052.00	2,735,459.00	2,736,802.00
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	0.00	444,916.00	444,916.00	445,441.00	445,441.00
Total, Local Revenues		0.00	444,916.00	444,916.00	445,441.00	445,441.00
5. TOTAL REVENUES						
		12,348,387.00	12,351,526.00	24,699,913.00	24,129,830.00	24,686,314.00
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	1,372,785.00	6,163,430.00	7,536,215.00	7,149,979.00	7,328,729.00
Certificated Pupil Support Salaries	1200	119,432.00	398,054.00	517,486.00	490,964.00	503,238.00
Certificated Supervisors' and Administrators' Salaries	1300	1,300,040.00	231,195.00	1,531,235.00	1,452,758.00	1,489,077.00
Other Certificated Salaries	1900	61,250.00	46,190.00	107,440.00	101,934.00	104,482.00
Total, Certificated Salaries		2,853,507.00	6,838,869.00	9,692,376.00	9,195,635.00	9,425,526.00
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	122,749.00	355,499.00	478,248.00	453,624.00	464,965.00
Non-certificated Support Salaries	2200	757,250.00	25,142.00	782,392.00	742,108.00	760,661.00
Non-certificated Supervisors' and Administrators' Sal.	2300	0.00	0.00	0.00	0.00	0.00
Clerical and Office Salaries	2400	886,503.00	48,495.00	934,998.00	886,856.00	909,027.00
Other Non-certificated Salaries	2900	209,141.00	10,773.00	219,914.00	208,590.00	213,805.00
Total, Non-certificated Salaries		1,975,643.00	439,909.00	2,415,552.00	2,291,178.00	2,348,458.00

Description	Object Code	FY 2021-22			Totals for FY 2022-23	Totals for FY 2023-24
		Unrestricted	Restricted	Total		
3. Employee Benefits						
STRS	3101-3102	590,133.00	1,103,493.00	1,693,626.00	1,761,371.00	1,814,212.00
PERS	3201-3202	387,022.00	195,632.00	582,654.00	605,960.00	624,139.00
OASDI / Medicare / Alternative	3301-3302	209,408.00	163,886.00	373,294.00	388,226.00	399,873.00
Health and Welfare Benefits	3401-3402	578,650.00	872,013.00	1,450,663.00	1,508,689.00	1,553,949.00
Unemployment Insurance	3501-3502	50,505.00	46,248.00	96,753.00	100,623.00	103,642.00
Workers' Compensation Insurance	3601-3602	97,186.00	129,023.00	226,209.00	235,258.00	242,316.00
OPEB, Allocated	3701-3702	0.00	0.00	0.00	0.00	0.00
OPEB, Active Employees	3751-3752	0.00	0.00	0.00	0.00	0.00
Other Employee Benefits	3901-3902	51,783.00	53,952.00	105,735.00	109,964.00	113,263.00
Total, Employee Benefits		1,964,687.00	2,564,247.00	4,528,934.00	4,710,091.00	4,851,394.00

Description	Object Code	FY 2021-22			Totals for FY 2022-23	Totals for FY 2023-24
		Unrestricted	Restricted	Total		
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	8,917.00	157,698.00	166,615.00	172,763.00	177,773.00
Books and Other Reference Materials	4200	65,629.00	45,425.00	111,054.00	115,152.00	118,491.00
Materials and Supplies	4300	775,942.00	138,497.00	914,439.00	948,182.00	975,679.00
Noncapitalized Equipment	4400	60,938.00	63,081.00	124,019.00	128,595.00	132,325.00
Food	4700	0.00	0.00	0.00	0.00	0.00
Total, Books and Supplies		911,426.00	404,701.00	1,316,127.00	1,364,692.00	1,404,268.00
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	0.00	0.00	0.00	0.00	0.00
Travel and Conferences	5200	73,407.00	319,551.00	392,958.00	407,458.00	419,274.00
Dues and Memberships	5300	37,397.00	653.00	38,050.00	39,454.00	40,598.00
Insurance	5400	193,499.00	0.00	193,499.00	200,639.00	206,458.00
Operations and Housekeeping Services	5500	290,210.00	0.00	290,210.00	300,919.00	309,645.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	994,794.00	1,515,954.00	2,510,748.00	2,603,394.00	2,678,893.00
Transfers of Direct Costs	5700-5799	0.00	0.00	0.00	0.00	0.00
Professional/Consulting Services and Operating Expend.	5800	1,172,302.00	719,144.00	1,891,446.00	1,961,241.00	2,018,117.00
Communications	5900	137,003.00	0.00	137,003.00	142,058.00	146,178.00
Total, Services and Other Operating Expenditures		2,898,612.00	2,555,302.00	5,453,914.00	5,655,163.00	5,819,163.00
6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis only)						
Land and Land Improvements	6100-6170	0.00	0.00	0.00		
Buildings and Improvements of Buildings	6200	0.00	0.00	0.00		
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0.00	0.00	0.00		
Equipment	6400	0.00	0.00	0.00		
Equipment Replacement	6500	0.00	0.00	0.00		
Depreciation Expense (for accrual basis only)	6900	0.00	0.00	0.00		
Total, Capital Outlay		0.00	0.00	0.00	0.00	0.00
7. Other Outgo						
Tuition to Other Schools	7110-7143	0.00	0.00	0.00		
Transfers of Pass-through Revenues to Other LEAs	7211-7213	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00	0.00		
All Other Transfers	7280-7299	0.00	0.00	0.00		
Transfers of Indirect Costs	7300-7399	0.00	0.00	0.00		
Debt Service:						
Interest	7438	0.00	0.00	0.00		
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00		
Total, Other Outgo		0.00	0.00	0.00	0.00	0.00
8. TOTAL EXPENDITURES		10,603,875.00	12,803,028.00	23,406,903.00	23,216,759.00	23,848,809.00
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		1,744,512.00	(451,502.00)	1,293,010.00	913,071.00	837,505.00

Description	Object Code	FY 2021-22			Totals for FY 2022-23	Totals for FY 2023-24
		Unrestricted	Restricted	Total		
Description	Object Code	Unrestricted	Restricted	Total	Totals for FY 2022-23	Totals for FY 2023-24
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	0.00	0.00	0.00		
2. Less: Other Uses	7630-7699	0.00	0.00	0.00		
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	(409,354.00)	409,354.00	0.00		
4. TOTAL OTHER FINANCING SOURCES / USES		(409,354.00)	409,354.00	0.00	0.00	0.00
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)						
		1,335,158.00	(42,148.00)	1,293,010.00	913,071.00	837,505.00
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	17,615,124.00	618,097.00	18,233,221.00	17,906,143.00	18,819,214.00
b. Adjustments/Restatements	9793, 9795	(1,620,088.00)	0.00	(1,620,088.00)		
c. Adjusted Beginning Balance		15,995,036.00	618,097.00	16,613,133.00	17,906,143.00	18,819,214.00
2. Ending Fund Balance, June 30 (E + F.1.c.)		17,330,194.00	575,949.00	17,906,143.00	18,819,214.00	19,656,719.00
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00		
Stores (equals object 9320)	9712	0.00	0.00	0.00		
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00		
All Others	9719	0.00	0.00	0.00		
b. Restricted						
	9740		0.00	0.00		
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00		
Other Commitments	9760	0.00	0.00	0.00		
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00		
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	0.00	0.00	0.00		
Unassigned/Unappropriated Amount	9790	0.00	0.00	0.00	18,819,214.00	19,656,719.00



June 1, 2022

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

Dear Ms. Beyer:

Re: 2021-22 Second Interim Report

Our office has completed its review of your Second Interim Report in compliance with the provisions of Education Code Section 47604.33 et seq. The charter school's Second Interim Report has been analyzed in the context of the 2021-22 State Budget Act. The data submitted by the charter school has been analyzed and appears to adequately reflect the financial status of your charter school as of January 31, 2022.

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

Financial Status in 2021-22

Attendance and Enrollment

The charter school's historical and projected enrollment and average daily attendance (ADA) figures are presented in the chart below. The charter experienced an increase in enrollment from 2020-21 to 2021-22 of 5.26%, representing 98 additional students, with ADA at 1,860. The charter is projecting flat enrollment and ADA in the subsequent projection years. The charter school's enrollment to ADA percentage is projected to be 94.90%.

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

San Diego County Superintendent of Schools **Dr. Paul Gothold**

San Diego County Board of Education

Paulette Donnellon

Guadalupe González

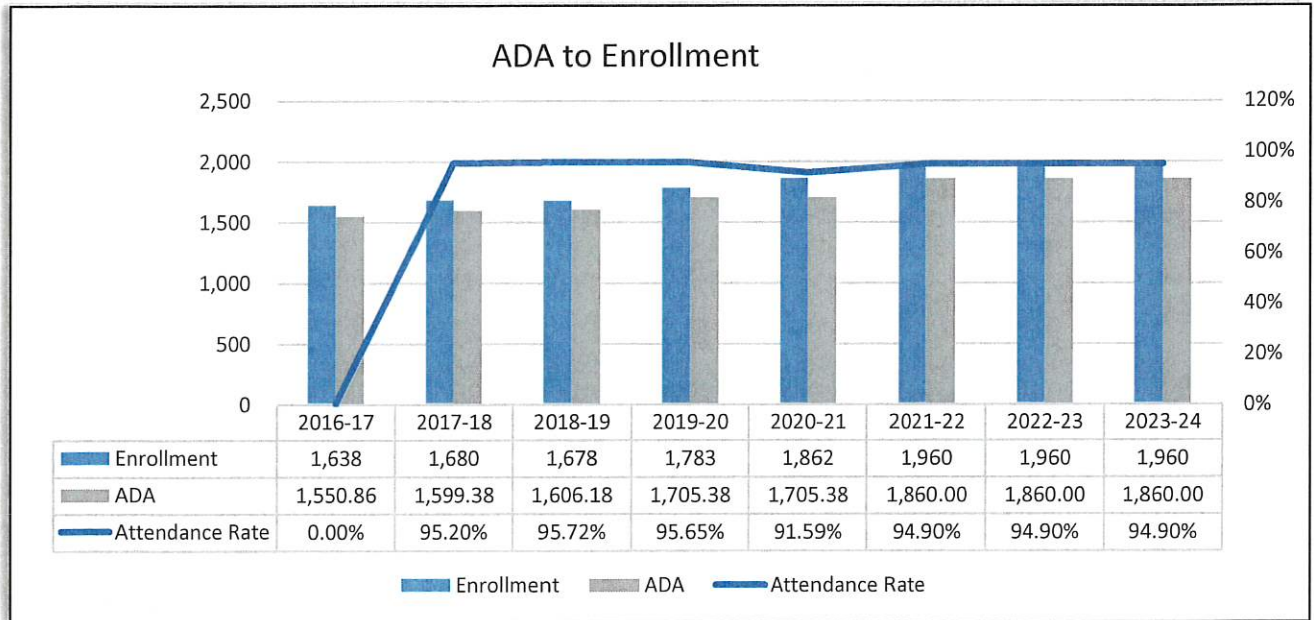
Alicia Muñoz

Gregg Robinson

Rick Shea

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.

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



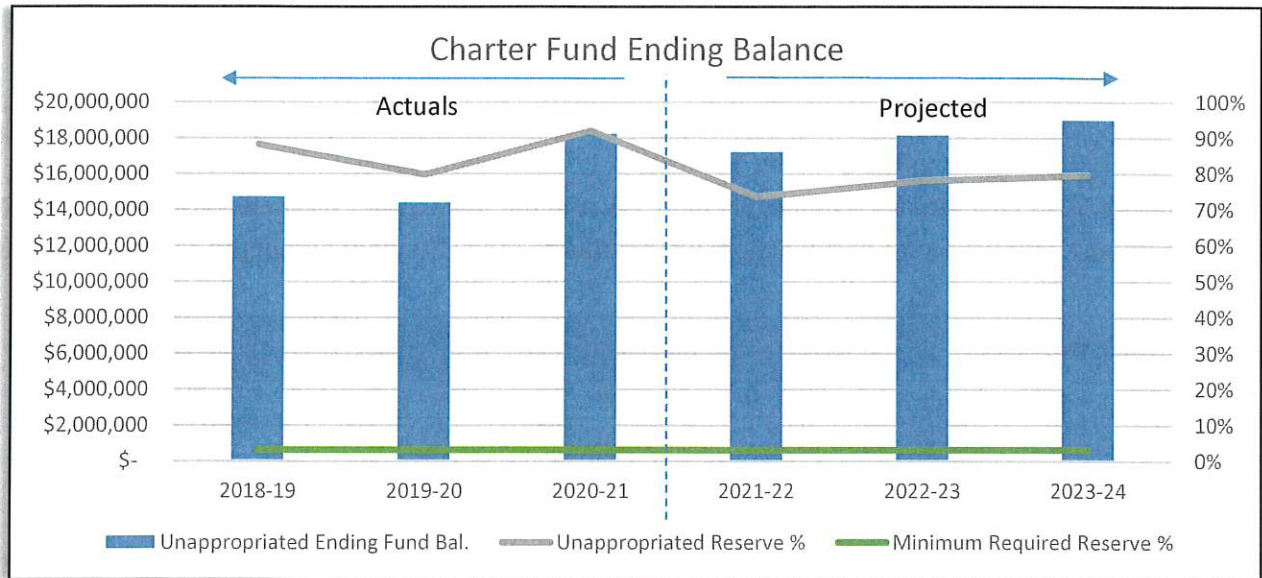
Deficit Spending / Ending Fund Balance / Reserve for Economic Uncertainties

The Second Interim Report projects the impacts to the unrestricted general fund as follows:

Fiscal Year	Surplus/(Deficit)	Ending Fund Balance	Reserve for Economic Uncertainties (Ending Fund Balance/Total Expenditures)
2021-22	\$1.29 million	\$17.22 million	73.57%
2022-23	\$913,071.00	\$18.13 million	78.11%
2023-24	\$837,505.00	\$18.97 million	79.55%

Literacy First Charter projects a surplus in all years of the projection period. SDCOE requires the charter school to maintain a Reserve for Economic Uncertainties equal to 3% of expenditures. The charter school projects that it will not meet this requirement in 2021-22 and beyond.

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

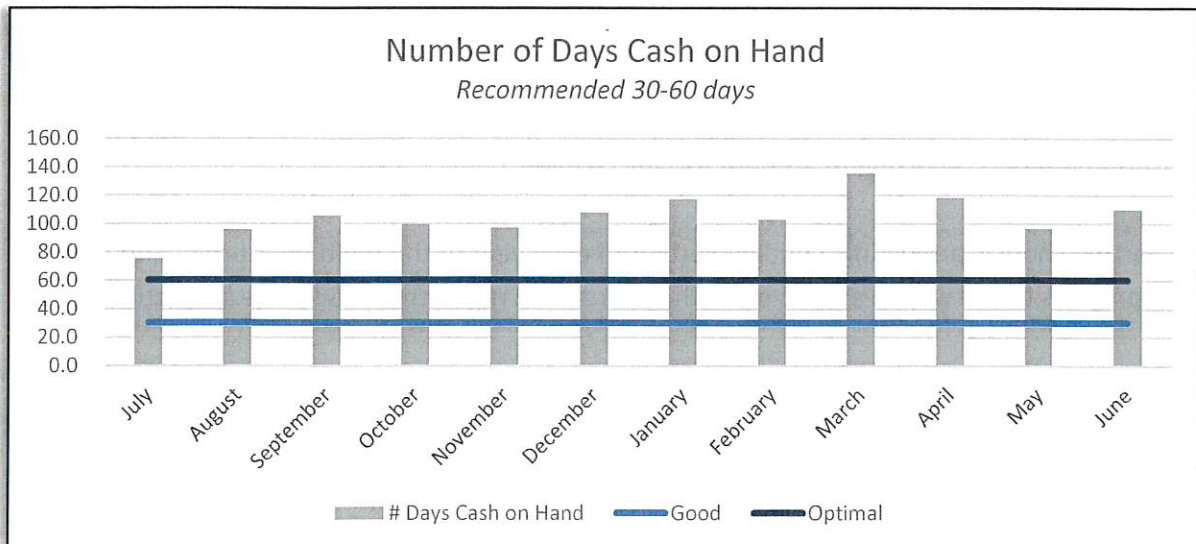


Multi-Year Projection

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 all years of the projection period.

Cash Flow

The cash flow submitted with the 2021-22 Second Interim 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 76- to 135-days.



Long-Term Debt and Liabilities

The Charter School Holding, LLC. issued Charter School Lease Revenue Bonds (tax-exempt bonds) in November 2019 for \$10.6 million for the acquisition, construction, renovation, improvement and equipping of 1012 East Bradley Avenue, El Cajon, CA, and the Main Street facilities. Based on the First Interim Report, Literacy First Charter School will be able to repay the debt within the respective terms.

Bond Component	Rate	Amount	Maturity Date	Payment Due in 2021-22
2019 Series A Revenue Bonds	5.00%	\$7,450,000	December 1, 2049	\$372,500
2019 Series B Revenue Bonds	4.75%	\$3,180,000	December 1, 2030	\$351,565

Audit Adjustments or Restatements

The charter school had an audit adjustment in their 2020-21 audit report in the amount of (\$1,620,088) to reclassify capital assets and long term debt to their corporation per fiscal accounting standards. The audit adjustment was reflected in the Second Interim Report. An audit adjustment from a prior year remains outstanding causing the current year balance to be understated by \$685,506.00. Please ensure this audit adjustment is appropriately accounted for in the charter school's Estimated Actuals and Budget Adoption Report.

Audit Findings

The charter school did not have any audit findings in their 2021-22 audit report.

Conclusion

Literacy First Charter School has a 5.26% increase in enrollment from the previous fiscal year of 2020-21. The projected average daily attendance (ADA) is 1,860 in the 2021-22 fiscal year with an ADA to enrollment ratio of 94.9%. Enrollment and ADA are projected to remain flat at 1,960 and 1,860 in 2022-23 and 2023-24 with an enrollment to ADA ration of 94.9%. The charter school is encouraged to adjusted revenue and expenditure assumptions based on actual ADA at the Second Principal Apportionment (P2) reporting to account for any changes.

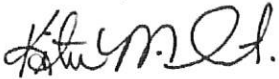
The charter school is projecting a budget surplus in each year of the multi-year projection. The charter school projects that it will be able to meet the 3% reserve requirement over the projection period.

We appreciate Literacy First 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.

2021-22 Second Interim Report
Literacy First Charter School
June 1, 2022
Page 5 of 5

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

Sincerely,



Kristin Armatis
Senior Director, Charter School Services

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

