



# Literacy First Charter Schools

## Literacy First Charter School Board of Trustees

### Regular Board Meeting

Published on February 4, 2022 at 12:29 PM PST

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#### **Date and Time**

Wednesday February 9, 2022 at 5:00 PM PST

#### **Location**

698 West Main Street  
El Cajon, CA 92021

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Please contact Steve Robinson by phone 619.442.5197 or by email [steve.robinson@lfcsinc.org](mailto:steve.robinson@lfcsinc.org) to request any disability related access to this board meeting.

Documents related to this meeting are available on line at <https://www.lfcsinc.org/> by following the "LFCS Board of Trustees Meeting Agendas" link, in hard copy form at the on site meeting location of 698 W. Main Street El Cajon, CA 92020, or by emailing Steve Robinson at [steve.robinson@lfcsinc.org](mailto:steve.robinson@lfcsinc.org).

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#### **Join Zoom Meeting**

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[pwd=bTJ5cldocCtHbk1VeHB2N0JkTTYvZz09](https://us02web.zoom.us/j/88176579319?pwd=bTJ5cldocCtHbk1VeHB2N0JkTTYvZz09)

Meeting ID: 881 7657 9319

Passcode: JSHYi0

**Agenda**

	<b>Purpose</b>	<b>Presenter</b>	<b>Time</b>
<b>I. Opening Items</b>			<b>5:00 PM</b>
<b>A. Record Attendance</b>			1 m
<b>B. Call the Meeting to Order</b>			
<b>C. Flag Salute</b>			5 m
<b>D. Approve Minutes From January 12, 2022</b>	Approve Minutes		1 m
<b>E. Approve Current Agenda</b>	Vote		
<b>II. Executive Director's Report</b>			<b>5:07 PM</b>
<b>A. School events, program, and staffing update</b>	FYI	Debbie Beyer	5 m
<b>III. Chief Business Officer's Report</b>			<b>5:12 PM</b>
<b>A. 2021-22 Financial Report as of January 30, 2022</b>	FYI	Steve Robinson	5 m
CBO will present current school financials as of January 30, 2022.			
<b>B. Approve the 2020-21 LFCS Audit</b>	Vote	Steve Robinson	
The CBO will present the 2020-21 LFCS Audit to the board for approval. There are no findings in the audit and the CBO has reviewed the audit for accuracy with our current auditor. The CBO does recommend the board approve the audit.			
<b>C. Supplement to the Annual Update for the 2021-22 LCAP</b>	Discuss	Steve Robinson	5 m
The CBO will present the Supplement to the Annual Update for the 2021-22 LCAP, the updated Budget Overview for Parents, midyear outcome data on actions identified in the 2021-22 LCAP, and mid year expenditure and implementation data on all actions identified in the 2020-21 LCAP.			
<b>D. Approve the Title I School Plan for Student Achievement</b>	Vote	Steve Robinson	
To qualify for Title I funds, LFCS is required to operate a Title I Schoolwide Program. The details of the program are contained in the LFCS School Plan for Student Achievement. To apply for Title I funds			

**Purpose    Presenter    Time**

(\$294,000 allocation for 2021-22), this plan must be board approved in order to complete the Title I application process. The CBO recommend the board approve this SPSA.

**E. Approve Updated LFCS Fiscal Policies**                      Vote                      Steve Robinson

The CBO recommends the board approve updated fiscal policies raising the threshold on board approved contracts from \$5,000 to \$10,000 and the double signing of checks from \$5,000 on commercial warrants and \$500 on Mission Federal Credit Union checks to \$10,000 on both. These changes have been cleared by our auditor in writing, will allow LFCS to be nimble as charters were designed to be but still provide adequate protection against fraud when coupled with our other internal controls.

**F. Update on JA facilities project**                      Discuss                      Steve Robinson

Demolition of white houses at 1025 Pepper Drive.  
Cross Removal Project  
MPR A/V Project

**G. Approve bid to abate and demolish structures at 1025 Pepper Drive**                      Vote                      Steve Robinson                      5 m

The CBO recommends the board approve..... The CBO will be submitting the proposal to CDE for approval to use ESSER II funds as this project is creating more open outdoor space for students to physically distance in response to the COVID pandemic and to prevent the further spread of the pandemic.

**H. Approve Sound Image Contract for JA MPR A/V Project**                      Vote                      Steve Robinson                      5 m

The CBO recommends the board approve this contract if necessary depending on the board approval of the updated fiscal policies.

**I. Approve JA Cross AML Bid**                      Vote                      Steve Robinson

Due to the unstable nature of the cross, the CBO recommends the board accept the bid from AML to demolish the cross as an emergency measure.

**J. Audit proposals in response to RFP**                      Discuss                      Steve Robinson

	<b>Purpose</b>	<b>Presenter</b>	<b>Time</b>
	CBO will review audit proposals in response to our RFP. Our current contract with Wilkinson Hadley King is for \$12,000 per year for audit and tax services which expires this year.		

<b>K. Update on SOS lawsuits</b>			5 m
	The CBO will update the board on the two lawsuits filed by SOS in opposition to the construction of our new school site on Chase Ave.		

<b>IV. Governance</b>			<b>5:37 PM</b>
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<b>A. Board Protocols</b>	Discuss	Priscilla Schreiber	5 m
<b>B. Committee Assignments</b>	Discuss	Priscilla Schreiber	5 m
<b>C. Executive Director, CBO, Board Evaluations</b>	Discuss	Priscilla Schreiber	

<b>V. Closed Session</b>			<b>5:47 PM</b>
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<b>A. Enter Closed Session</b>	Vote		5 m
<b>B. Real Estate Matters</b>	Discuss		5 m
<b>C. Adjourn Closed Session</b>	Vote		5 m

<b>VI. Closing Items</b>			<b>6:02 PM</b>
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<b>A. Adjourn Meeting</b>	Vote		
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# Cover Sheet

## Approve Minutes From January 12, 2022

**Section:** I. Opening Items  
**Item:** D. Approve Minutes From January 12, 2022  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:**  
Minutes for Literacy First Charter School Board of Trustees on January 12, 2022

APPROVED



## Literacy First Charter Schools

### Minutes

#### Literacy First Charter School Board of Trustees

#### Regular Board Meeting

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**Date and Time**

Wednesday January 12, 2022 at 5:00 PM

**Location**

698 West Main Street  
El Cajon, CA 92021

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**Join Zoom Meeting**

<https://us02web.zoom.us/j/88138787198?pwd=ZTRkQ1lzdDdxGJHdGtYRkx1NlId4Zz09>

Meeting ID: 881 3878 7198

Passcode: 7P9LEC

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**Trustees Present**

K. Evans, L. Razooky, M. Ferguson, P. Schreiber

**Trustees Absent**

*None*

**Trustees who arrived after the meeting opened**

M. Ferguson

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## **Guests Present**

D. Beyer, L. Amorteguy, S. Robinson

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## **I. Opening Items**

### **A. Record Attendance**

### **B. Call the Meeting to Order**

P. Schreiber called a meeting of the board of trustees of Literacy First Charter Schools to order on Wednesday Jan 12, 2022 at 5:26 PM.

### **C. Flag Salute**

### **D. Approve Minutes From December 8, 2021**

L. Razoogy made a motion to approve the minutes from December 8th 2021 Literacy First Charter School Board of Trustees on 12-08-21.

K. Evans seconded the motion.

The board **VOTED** unanimously to approve the motion.

### **E. Approve Current Agenda**

Public speaker spoke to agenda item IVE in regards to the vaccine mandate.

Requested that the board sign letter in opposition to the vaccine mandate.

K. Evans made a motion to Approve Current Agenda.

L. Razoogy seconded the motion.

The board **VOTED** unanimously to approve the motion.

## **II. Executive Director's Report**

### **A. School events, program, and staffing update**

Debbie Beyer updated Board Members on school events and programs across each campus and provided staffing updates.

Debbie Beyer shared current attendance rates.

New hires are in our Math Department and at our Freedom Academy.

Debbie Beyer shared teachers professional development schedule.

Debbie Beyer introduced Lynn Dunton to share what is happening in regards to the sports program at LCHS and the JA. She shared sports currently offered, discussed the challenges of COVID related issues in regards to the program, shared accomplishments of multiple athletes in our high school program and awards given to them, and discussed issues with physical fitness testing and new mandates coming in regards to the current Ed Code.

M. Ferguson arrived at 5:56 PM.

### **B. SARC approval**

Gail Stroben presented the board with the current SARC (School Accountability Report Card) and made recommendation that the board approve the SARC. This report is due February 1st, 2022. Gail shared what remains the same and what will be new information included in the report. She shared areas that the CDE will populate by mid February 2022 and will make a full report to the board at the March meeting.

L. Razoooky made a motion to Approve SARC report.

K. Evans seconded the motion.

The board **VOTED** unanimously to approve the motion.

### **C. Policy to compensate staff for COVID related absences**

Debbie Beyer presented a detailed policy (Resolution 2022-03) to the board on COVID related absences and expanded compensation guidelines for such employee absences.

M. Ferguson made a motion to Voted to approve COVID absence policy.

L. Razoooky seconded the motion.

The board **VOTED** unanimously to approve the motion.

## **III. Chief Business Officer's Report**

### **A. 2021-22 Financial Report as of December 31, 2021**

Steve Robinson, CBO, presented current school financials as of December 31st 2021.

Presented the data in the P-1 Report.

Presented the Actuals and Budget Summaries.

Discussed monies received at this point in the year. Expenses are running where they should be. Budget summary projected cash reserves at the end of the year is strong.

Discussed plan for Title 1 funds.

Presented letter from SDCOE in regards to their acceptance and analysis of our 2020-21 Unaudited Actuals report. The report was very favorable.

A draft of last years audit has been presented to Steve Robinson. The final audit should be ready for February 2022 Board Meeting.

### **B. Update on SOS lawsuits**

Steve Robinson, CBO, gave an update on the two lawsuits filed by SOS in opposition to the construction of our new school site on Chase Ave. SOS has until January 22, 2022 to file their opening brief in their appeal case against the County of San Diego for issuing the MUP. In the case against the San Diego County Office of Education for approving the material revision to our charter allowing us to move our high school program to the new Chase site when it is built and ready for occupancy, court dates of March 18, 2022 and May 6, 2022 are calendared to hear the latest demurrers.

### **C. Update on JA facilities project**

Steve Robinson gave an update on the Jr. Academy facilities project. Preliminary work proceeds so we can demolish the two white houses at 1025 Pepper Drive to extend our field at the Junior Academy. HAZMAT testing was completed and we are waiting for the results. SDGE, Helix Water, and Padre Dam are in the final stages of disconnecting electrical, gas, water, and sewer utilities. Competitive bids are being taken for the permitting, demolition, and rough grading. The goal is to have bids ready for board review and approval at the February board meeting.



#### **IV. Governance**

##### **A. Board Protocols**

##### **B. Committee Assignments**

##### **C. Board Development and Recruitment**

The board interviewed a potential board member, Jason Lewis, to fill the current vacancy on the LFCS School Board.

##### **D. Vote on potential board member Jason Lewis**

M. Ferguson made a motion to Approve Mark Lewis to fill the open position on the LFCS School Board.

L. Razoogy seconded the motion.

Mark Ferguson accounting and construction background will be helpful to the school moving forward.

The board **VOTED** unanimously to approve the motion.

##### **E. COVID Vaccine Mandate Letter to Gov. Newsom**

The board discussed adding their names to a letter that addresses the vaccine mandate. It was drafted for school board members and signed by other board members in other CA school districts. It is addressed to the CA Legislature and Governor Newsom.

The Board discussed the letter and asked questions for clarification on certain paragraphs. LFCS Board approved the letter and made plans for how to add their names to it.

K. Evans made a motion to Sign and send letter.

M. Ferguson seconded the motion.

The board **VOTED** unanimously to approve the motion.

#### **V. Closed Session**

##### **A. Enter Closed Session**

M. Ferguson made a motion to Enter closed session.

K. Evans seconded the motion.

The board **VOTED** unanimously to approve the motion.

##### **B. Real Estate Matters**

##### **C. Adjourn Closed Session**

M. Ferguson made a motion to Adjourn Closed session at 8:40pm.

P. Schreiber seconded the motion.

The board **VOTED** unanimously to approve the motion.

#### **VI. Closing Items**

##### **A. Adjourn Meeting**

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:41 PM.

Respectfully Submitted,  
S. Robinson

# Cover Sheet

## 2021-22 Financial Report as of January 30, 2022

<b>Section:</b>	III. Chief Business Officer's Report
<b>Item:</b>	A. 2021-22 Financial Report as of January 30, 2022
<b>Purpose:</b>	FYI
<b>Submitted by:</b>	
<b>Related Material:</b>	LFCS Actuals Ending 1.31.22.pdf

LITERACY FIRST CHARTER SCHOOLS

1/31/2022

Fund: 6209  
Charter Schools Enterprise Fund

CDE Charter # / CDS #: 0405 / 37-10371-6119119  
Sponsoring LEA: SDCOE

Description	Object Codes	Original Adopted Budget (A)	Projected Operating Budget (B)	Actuals To Date (C)	Difference Col B & A (D)	% Diff Column B & C (E)
<b>A. REVENUES</b>						
1) LCFF Sources						
a) State Aid - Local Control Funding Formula {LCFF}	8011	11,327,550	8,825,458	5,377,110	(2,502,092)	60.9%
b) Educational Protection Account {EPA}	8012	3,962,510	6,369,904	2,135,215	2,407,394	33.5%
c) Transfers to Charter schools in Lieu of Property Taxes	8096	3,981,722	3,480,781	1,740,391	(500,941)	50.0%
Total LCFF Sources	8010-8099	19,271,782	18,676,143	9,252,716	(595,639)	49.5%
2) Federal Revenue	8100-8299	1,413,396	1,555,802	712,658	142,406	45.8%
3) Other State Revenue	8300-8599	2,002,552	2,737,621	1,199,596	735,069	43.8%
4) Other Local Revenue	8600-8799	1,752,037	1,730,347	749,891	(21,690)	43.3%
5) TOTAL, REVENUES		24,439,767	24,699,913	11,914,860	260,146	48.2%
<b>B. EXPENSES</b>						
1) Certificated Salaries	1000-1999	10,666,630	9,692,376	5,688,402	(974,254)	58.7%
2) Classified Salaries	2000-2999	2,181,890	2,415,552	1,366,371	233,662	56.6%
3) Employee Benefits	3000-3999	4,279,562	4,528,934	2,312,634	249,372	51.1%
4) Books and Supplies	4000-4999	1,629,280	1,316,127	595,425	(313,153)	45.2%
5) Services and Other Operating Expenses	5000-5999	5,244,768	5,453,914	2,912,760	209,146	53.4%
8) Other - September Suspense	7999	0	0	0	0	0.0%
9) TOTAL, EXPENSES		24,002,130	23,406,903	12,875,592	(595,227)	55.0%
<b>C. EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)</b>						
		437,637	1,293,010	(960,732)	855,373	-74.3%
<b>D. OTHER FINANCING SOURCES/USES</b>						
1) Interfund Transfers						
a) Transfers In	8900-8929					
b) Transfers Out	7600-7629					
2) Other Sources/Uses						
a) Sources	8930-8979	0	0	0	0	0.0%
b) Uses	7630-7699	0	0	0	0	0.0%
3) Contributions (between unrestrict/restricted)	8980-8999	0	0	0	0	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES		0	0	0	0	0.0%
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE / NET POSITION (C + D4)</b>						
		437,637	1,293,010	(960,732)	855,373	-74.3%
<b>F. FUND BALANCE, RESERVES / NET POSITION</b>						
1) Beginning Fund Balance / Net Position						
a) As of July 1 - Unaudited	9791	17,595,730		18,233,221	0	
b) Audit Adjustments	9793	0			0	
c) As of July 1 - Audited (F1a + F1b)		17,595,730		18,233,221		
d) Other Restatements	9795	0		0	0	
e) Adjusted Beginning Balance / Net Position (F1c + F1d)		17,595,730		18,233,221		
2) Ending Fund Balance / Net Position, June 30 (E + F1e)		18,033,367		17,272,489		
<b>G. COMPONENTS OF ENDING FUND BALANCE - FUND 01</b>						
1) Nonspendable						
a) Revolving Cash	9711					
b) stores	9712					
c) Prepaid	9713					
d) All Others	9719					
2) Restricted	9740					
3) Committed						
a) Stabilization Arrangements	9750					
b) Other Commitments	9760					
4) Assigned						
a) Other Assignments	9780					
5) Unassigned/Unappropriated						
a) Reserve for Economic Uncertainties	9789					
b) Unassigned/Unappropriated Amount	9790					
<b>G. COMPONENTS OF ENDING NET POSITION - FUND 62</b>						
a) Net Investment in Capital Assets	9796					
b) Restricted Net Position	9797					
c) Unrestricted Net Position	9790					

# Cover Sheet

## Approve the 2020-21 LFCS Audit

<b>Section:</b>	III. Chief Business Officer's Report
<b>Item:</b>	B. Approve the 2020-21 LFCS Audit
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	2020-21 Audit Report - Literacy First Charter 1.24.22.pdf



Literacy First Charter  
School

Charter #405

County of San Diego

San Diego, California

Audit Report

June 30, 2021



**Literacy First Charter School**  
 Financial Statements and Supplemental Information  
 Year Ended June 30, 2021

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Brian K. Hadley, CPA  
Aubrey W. Mann, CPA  
Kevin A. Sproul, CPA

## Independent Auditor's Report

To the Board of Directors of  
Literacy First Charter School  
San Diego, California

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Literacy First Charter School (the School), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, consolidated functional expenses, and consolidated cash flows for the year then ended, and the related notes to the consolidated 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.

### Auditor's 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. 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 auditor's 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 respective financial position of the School as of June 30, 2021, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

218 West Douglas Avenue, El Cajon, CA 92020  
Phone: 619-447-6700 | Fax: 619-447-6707 | whllp.com



## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying supplementary information, as required by the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*Wilkinson Hadley King + Co LLP*

El Cajon, California  
January 14, 2022

**Consolidated Financial Statements**

**Literacy First Charter School**  
 Consolidated Statement of Financial Position  
 June 30, 2021

**Assets**

Cash and cash equivalents	\$ 7,492,784
Accounts receivable	2,379,131
Prepaid expenses	527,113
Security deposits	150,824
Bond issuance costs	520,226
Property and equipment, net	18,219,994
Total Assets	\$ 29,290,072

**Liabilities and Net Assets**

Liabilities

Accounts payable - vendors	\$ 319,101
Accrued payroll liabilities	248,024
Unearned revenue	55,023
Bonds and notes payable	11,674,783
Total Liabilities	12,296,931

Net Assets

Without donor restrictions	
Undesignated	9,829,833
Invested in property and equipment, net of related debt	6,545,211
	16,375,044
With donor restrictions	
Restricted for state programs	618,097
	618,097
Total Net Assets	16,993,141
Total Liabilities and Net Assets	\$ 29,290,072

The accompanying notes are an integral part of this statement.

**Literacy First Charter School**

## Consolidated Statement of Activities

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support, and Gains</b>			
Local Control Funding Formula (LCFF) sources			
State aid	\$ 6,894,194	\$ -	\$ 6,894,194
Education protection account state aid	5,512,982	-	5,512,982
Transfers in lieu of property taxes	3,673,523	-	3,673,523
Total LCFF sources	<u>16,080,699</u>	<u>-</u>	<u>16,080,699</u>
Federal contracts and grants	-	1,307,473	1,307,473
PPP loan forgiveness	-	2,202,300	2,202,300
State contracts and grants	2,631,613	1,057,409	3,689,022
Local contracts and grants	115,804	-	115,804
Interest income	51,606	-	51,606
Net assets released from restriction -			
Grant restrictions satisfied	4,478,090	(4,478,090)	-
Total revenue, support, and gains	<u>23,357,812</u>	<u>89,092</u>	<u>23,446,904</u>
<b>Expenses and Losses</b>			
Program services expense	16,336,866	-	16,336,866
Supporting services expense	3,386,054	-	3,386,054
Total expenses and losses	<u>19,722,920</u>	<u>-</u>	<u>19,722,920</u>
<b>Change in Net Assets</b>	3,634,892	89,092	3,723,984
<b>Net Assets, Beginning of Year*</b>	12,740,152	529,005	13,269,157
<b>Net Assets, End of Year</b>	<u>\$ 16,375,044</u>	<u>\$ 618,097</u>	<u>\$ 16,993,141</u>

\*As Restated in Note K

The accompanying notes are an integral part of this statement.

**Literacy First Charter School**  
 Consolidated Statement of Functional Expenses  
 Year Ended June 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
	Educational Programs	Management and General	
Salaries and wages	\$ 8,928,473	\$ 2,196,134	\$ 11,124,607
Pension expense	1,428,740	351,427	1,780,167
Other employee benefits	1,002,903	246,684	1,249,587
Payroll taxes	256,418	63,071	319,489
Fees for services:			
Legal	-	41,524	41,524
Audit	-	11,900	11,900
Professional consulting	301,870	-	301,870
District oversight	-	150,296	150,296
Other fees	-	148,296	148,296
Advertising and promotion	52,585	-	52,585
Office expenses	5,964	-	5,964
Information technology	143,324	-	143,324
Occupancy	1,391,950	-	1,391,950
Travel and conferences	47,078	-	47,078
Debt service	518,800	-	518,800
Dues and memberships	23,682	-	23,682
Depreciation	590,735	-	590,735
Insurance	-	142,775	142,775
Other expenses:			
Books and supplies	1,472,867	-	1,472,867
Student events and expenses	31,090	-	31,090
Specialized therapy services	139,526	-	139,526
Miscellaneous	861	33,947	34,808
Total expenses by function	<u>\$ 16,336,866</u>	<u>\$ 3,386,054</u>	<u>\$ 19,722,920</u>

The accompanying notes are an integral part of this statement.

## Literacy First Charter School

### Consolidated Statement of Cash Flows

Year Ended June 30, 2021

<b>Cash Flows from Operating Activities</b>	
Receipts from federal, state, and local contracts and grants	\$ 17,100,806
Receipts from property taxes	3,612,135
PPP loan forgiveness	2,202,300
Other cash receipts	51,606
Payments to employees for services provided	(14,349,028)
Payments to vendors	(4,122,785)
Interest paid	(518,800)
<b>Net Cash Used For Operating Activities</b>	<u><u>3,976,234</u></u>
<b>Cash Flows from Investing Activities</b>	
Purchases of property and equipment	(124,386)
<b>Net Cash Used For Investing Activities</b>	<u><u>(124,386)</u></u>
<b>Cash Flows from Financing Activities</b>	
Principal payments on bonds payable	(200,000)
<b>Net Cash From Financing Activities</b>	<u><u>(200,000)</u></u>
<b>Net Change in Cash and Cash Equivalents</b>	3,651,848
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>3,840,936</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 7,492,784</u></u>
<b>Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities</b>	
Change in net assets	\$ 3,723,984
Adjustments to reconcile change in net assets to net cash:	
Depreciation and amortization	614,417
Changes in operating assets and liabilities	
(Increase) Decrease in assets	
Accounts receivable	(524,929)
Prepaid expenses	(106,933)
Increase (Decrease) in liabilities	
Accounts payable	100,001
Accrued payroll liabilities	124,822
Unearned revenue	44,872
<b>Net Cash Used For Operating Activities</b>	<u><u>\$ 3,976,234</u></u>

The accompanying notes are an integral part of this statement.

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements  
Year Ended June 30, 2021

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**A. Principal Activity and Summary of Significant Accounting Policies**

*Organization Structure*

Literacy First Charter School (the School) is a non-profit public benefit School established on November 30, 2000. Under the Charter Schools Act of 1992, a charter school is authorized to elect to operate as, or be operated by, a nonprofit public benefit School. The School was authorized by San Diego County Office of Education (the District). On December 14, 2011, the San Diego County Board of Education approved a material revision to the Literacy First Charter School charter to add grades 9 through 12 and operate the Liberty Charter High School under a single charter document beginning the 2012-13 school year. The School and the San Diego County Office of Education entered into a Memorandum of Understanding (MOU), dated March 5, 2012 to address operational issues relating to the revised charter, including issues related to the operation of grade 9 through 12 and the location of facilities. Under the MOU, the School is required to locate Liberty Charter High School within the boundaries of the Grossmont Union High School District. On April, 24, 2012 the School entered into a lease agreement with the Lemon Grove School District to lease certain property known as Palm Middle School for the Liberty Charter High School. The school site is located within the boundaries of the Grossmont Union High School District. On January 29, 2021 the School submitted a Renewal Charter Petition to the San Diego County Office of Education which was approved by the San Diego County Board of Education on April 14, 2021 for a new 5 year term effective July 1, 2021 through June 30, 2026. On December 9, 2021, the School and the San Diego County Superintendent of Schools entered into an updated Memorandum of Understanding to address the School's operations and obligations and the SDCOE's responsibilities through the new charter term ending on June 30, 2026. The San Diego County Board of Education also approved a material revision to the new charter on April 14, 2021 to allow the School to move its Liberty Charter High School program from 8425 Palm Street in Lemon Grove to its projected new site on Chase Avenue in El Cajon once that site is built and ready for occupancy. The School is organized and operated exclusively for educational and charitable purposes pursuant to and within the meaning of section 501(c)(3) of the Internal Revenue Code.

The School's mission is to provide quality education to students in kindergarten through twelfth grade.

Literacy First Charter School Issuer LLC was created to assist the charter school in obtaining land and facilities for its school locations.

*Basis of Consolidation*

The accompanying consolidated financial statements include accounts of Literacy First Charter School and its related entity, Literacy First Charter School Issuer LLC. All significant intercompany accounts and transactions have been eliminated in consolidation. Management makes estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ from those estimates.

*Basis of Accounting*

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The School uses the accrual basis of accounting, under which revenues are recognized when they are earned, and expenditures are recognized in the accounting period in which the liability is incurred.

*Cash and Cash Equivalents*

The School considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

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*Accounts Receivable*

Accounts receivables consist primarily of noninterest-bearing amounts due to the School for federal, state, and local grants and contracts receivable. The amounts in accounts receivable are considered fully collectable and as such there has not been an allowance for uncollectable accounts or discount established for the School.

*Property and Equipment*

The School records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed in the current period.

The School reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2021.

*Investments*

The School records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values on the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

*Net Assets*

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or 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) restrictions.

*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.



**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

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*Revenue and Revenue Recognition*

The School recognizes revenue from sales when the products are transferred and services are provided. The School records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. 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 substantially met. Some federal, state, and local contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expense. In such cases the revenue is recognized once all performance requirements have been met.

*Donated Services and In-Kind Contributions*

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and developing activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

*Advertising*

Advertising costs are expensed as incurred and approximated \$52,585 during the year ended June 30, 2021.

*Functional Allocation of Expenses*

The costs of program and supporting services activities have been summarized on a functional bases in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

*Income Taxes*

The School is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The School is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The School may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2021, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The School follows provisions of uncertain tax positions as addressed in ASC 958. The School recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2021.

*Compensated Absences*

Accumulated unpaid employee vacation benefits are recognized as liabilities of the School. The balance of the liabilities is recognized in the financial statements at year end. The balance of \$60,236 is recognized as part of the accrued payroll liabilities in the financial statements at year end.

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

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*Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires the School to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

*Financial Instruments and Credit Risk*

The School manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the School to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the School has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from government agencies.

*LCFF Revenues and Payments in Lieu of Property Taxes*

The School's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the local control funding formula (LCFF) on statewide charter school rates multiplied by the schools' average daily attendance (ADA) as reported at the second principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the school, which is funding in lieu of property taxes, and education protection account funds paid by the state under proposition 30. The remaining balance is paid from the state general fund, in the form of LCFF State Aid. LCFF funding sources, inclusive of state and local sources, made up 68.58% of the School's revenue.

The School is not at risk of losing these funding sources, as long as the schools maintain a steady level of ADA, as these funding sources are mandated by the California State Constitution to fund schools.

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

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*New Accounting Guidance*

The Financial Accounting Standards Board (FASB) issues accounting standards updates and additional guidance for not-for-profit and for-profit agencies to establish consistent accounting across all organizations in the United States. The following table represents items that have been issued by FASB that became effective in the 2020-21 fiscal year:

Description	Date Issued
FASB Accounting Standards Update 2017-11 - <i>Earnings Per Share (Topic 260)</i>	Jan-18
FASB Accounting Standards Update 2017-11 - <i>Distinguishing Liabilities from Equity (Topic 480)</i>	Jan-18
FASB Accounting Standards Update 2017-11 - <i>Derivatives and Hedging (Topic 815)</i>	Jan-18
FASB Accounting Standards Update 2019-05 - <i>Financial Instruments, Credit Losses (Topic 326)</i>	May-19
FASB Accounting Standards Update 2019-11 - <i>Codification Improvements to Financial Instruments, Credit Losses (Topic 326)</i>	Nov-19
FASB Accounting Standards Update 2020-03 - <i>Codification Improvements to Financial Instruments</i>	Mar-20
FASB Accounting Standards Update 2020-04 - <i>Reference Rate Reform (Topic 848)</i>	Mar-20
FASB Accounting Standards Update 2021-01 - <i>Reference Rate Reform (Topic 848)</i>	Jan-21
FASB Accounting Standards Update 2021-03 - <i>Intangibles Goodwill and Other (Topic 350)</i>	Mar-21

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The School has adopted provisions of effective Accounting Standards Updates. The implementation of these items did not result in a change to financial presentation for the School.

*Subsequent Events*

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through January 14, 2022, the date the financial statements were available to be issued.

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

**B. Liquidity and Availability**

The School's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	Literacy First Charter School	Literacy First Charter School Issuer LLC	Total
Cash and cash equivalents	\$ 6,517,992	\$ 974,792	\$ 7,492,784
Accounts receivable	2,379,131	-	2,379,131
Prepaid expenses	527,113	-	527,113
	<u>\$ 9,424,236</u>	<u>\$ 974,792</u>	<u>\$ 10,399,028</u>

**C. Fair Value Measurements and Disclosures**

The School reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3: Unobservable inputs for the asset or liability. In these situations, the School develops inputs using the best information available in the circumstances.

**Literacy First Charter School**  
 Notes to the Consolidated Financial Statements (Continued)  
 Year Ended June 30, 2021

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the School’s assessment of the quality, risk, or liquidity profile of the asset or liability.

The School has funds at the San Diego County Treasury which invests funds in various markets such as CDs, money market, and U.S. government obligations. Those CDs and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market rate assumptions and are classified within Level 2.

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2021:

<u>Assets</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash in county treasury	\$ 5,558,219	\$ -	\$ 5,558,219	\$ -

**D. Cash and Cash Equivalents**

The School’s cash and cash equivalents on June 30, 2021, consisted of the following:

	<u>Literacy First Charter School</u>	<u>Literacy First Charter School Issuer LLC</u>	<u>Total</u>
Cash in county treasury	\$ 5,558,219	\$ -	\$ 5,558,219
Cash in bank accounts	209,773	974,792	1,184,565
Cash with fiscal agent	750,000	-	750,000
Total cash and cash equivalents	<u>\$ 6,517,992</u>	<u>\$ 974,792</u>	<u>\$ 7,492,784</u>

*Cash in County Treasury*

The School is a voluntary participant and therefore maintains a portion of its cash in the San Diego County Treasury as part of the common investment pool (\$5,558,219 as of June 30, 2021). The County Treasury is restricted by Government Code §53635 pursuant to §53601 to invest in time deposits, U.S. Government Securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, banker’s acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse agreements.

The fair value of the School’s investment in this pool is reported in the accompanying financial statements at amounts based upon the School’s pro-rata share of the fair value provided by the County Treasury for the entire County Treasury portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasury, which are recorded on an amortized cost basis. Cash may be added or withdrawn from the investment pool without limitation.

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

*Cash with Fiscal Agent*

The School maintains a portion of their funds in with a third party as part of a surety bond (\$750,000 as of June 30, 2021). These funds are not FDIC insured and are therefore exposed to custodial credit risk. The School does not anticipate any losses as a result of this risk.

*Cash in Bank*

The remainder of the School's cash, (\$1,184,565 as of June 30, 2021), is held in financial institutions which are insured by the Federal Deposit Insurance School (FDIC) up to a limit of \$250,000 per depositor. As of June 30, 2021, the School held \$738,879 in excess of the FDIC insured amounts. The School reduces its exposure to risk by maintaining such deposits with high quality financial institutions. The School has not experienced any losses in such accounts and believe it is not exposed to any significant credit risk.

**E. Accounts Receivable**

As of June 30, 2021, The School's accounts receivable consisted of the following:

	Literacy First Charter School
Federal Government	
Federal Programs	\$ 23,844
State Government	
State Aid	1,109,989
Lottery Funding	119,425
Special Education	1,029,916
Local Government	
Property tax payments	61,388
Other Local Sources	
Interest	8,048
Other local sources	26,521
Total Accounts Receivable	\$ 2,379,131

**F. Prepaid Expenses**

As of June 30, 2021, the School's prepaid expenses consisted of the following:

	Literacy First Charter School
Prepaid rent	\$ 53,759
Prepaid vendors	371,532
Prepaid insurance	101,822
Total Prepaid Expenses	\$ 527,113

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

**G. Property and Equipment**

Property and equipment for the School consisted of the following at June 30, 2021:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-Depreciable Capital Assets				
Land	\$ 5,202,964	\$ 76,091	\$ -	\$ 5,279,055
Work in Progress	1,920,619	80,096	-	2,000,715
Total Non-Depreciable Capital Assets	<u>7,123,583</u>	<u>156,187</u>	<u>-</u>	<u>7,279,770</u>
Depreciable Capital Assets				
Equipment, Furniture, and Fixtures	1,006,832	6,200	10,800	1,002,232
Total Depreciable Capital Assets	<u>1,006,832</u>	<u>6,200</u>	<u>10,800</u>	<u>1,002,232</u>
Total Capital Assets	8,130,415	162,387	10,800	8,282,002
Less Accumulated Depreciation	<u>(506,453)</u>	<u>(115,329)</u>	<u>-</u>	<u>(621,782)</u>
Capital Assets, Net	<u>\$ 7,623,962</u>	<u>\$ 47,058</u>	<u>\$ 10,800</u>	<u>\$ 7,660,220</u>

Property and equipment for the LLC consisted of the following at June 30, 2021:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Capital Assets				
Buildings and Improvements	\$ 13,526,313	\$ -	\$ -	\$ 13,526,313
Total Depreciable Capital Assets	<u>13,526,313</u>	<u>-</u>	<u>-</u>	<u>13,526,313</u>
Total Capital Assets	13,526,313	-	-	13,526,313
Less Accumulated Depreciation	<u>(2,491,134)</u>	<u>(475,406)</u>	<u>-</u>	<u>(2,966,540)</u>
Capital Assets, Net	<u>\$ 11,035,179</u>	<u>\$ (475,406)</u>	<u>\$ -</u>	<u>\$ 10,559,773</u>

Consolidated Property and equipment consisted of the following at June 30, 2021:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-Depreciable Capital Assets				
Land	\$ 5,202,964	\$ 76,091	\$ -	\$ 5,279,055
Work in Progress	1,920,619	80,096	-	2,000,715
Total Non-Depreciable Capital Assets	<u>7,123,583</u>	<u>156,187</u>	<u>-</u>	<u>7,279,770</u>
Depreciable Capital Assets				
Buildings and Improvements	13,526,313	-	-	13,526,313
Equipment, Furniture, and Fixtures	1,006,832	6,200	10,800	1,002,232
Total Depreciable Capital Assets	<u>14,533,145</u>	<u>6,200</u>	<u>10,800</u>	<u>14,528,545</u>
Total Capital Assets	21,656,728	162,387	10,800	21,808,315
Less Accumulated Depreciation	<u>(2,997,587)</u>	<u>(590,735)</u>	<u>-</u>	<u>(3,588,322)</u>
Capital Assets, Net	<u>\$ 18,659,141</u>	<u>\$ (428,348)</u>	<u>\$ 10,800</u>	<u>\$ 18,219,993</u>

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

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**H. Unearned Revenue**

As of June 30, 2021, unearned revenue consisted of the following:

Unearned Revenue, beginning of period	\$	10,151
Increases in deferred revenue due to cash received during the period		55,023
Decreases in deferred revenue due to performance obligations met during the period		10,151
Unearned Revenue, end of period	<u>\$</u>	<u>55,023</u>

## State Programs:

In Person Instruction	\$	55,023
Total	<u>\$</u>	<u>55,023</u>

**I. Bonds Payable**

In November 2019, the LLC entered into a loan agreement with California Municipal Finance Authority for the issuance of \$10,630,000 charter School Lease Revenue Bonds. The funds were used for acquisition, construction, renovation, improving, and equipping of an existing charter school facility located at 1012 East Bradley Avenue, El Cajon, California, and the Main Street facilities. The remaining bonds mature as follows:

In conjunction with the issuance of the Lease Revenue Bond, the LLC incurred costs associated with the issuance in the amount of \$543,908. The costs are being amortized over the life of the Bond (30 years) using the straight-line method. Amortization will be charged annually based on the payment amount through the life of the bond.

Bonds payable consist of the following at June 30, 2021:

Principal	\$	10,430,000
Unamortized premium		1,244,783
	<u>\$</u>	<u>11,674,783</u>



**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

Future maturities of bonds payable are as follows:

Year Ended June 30	Principal	Interest	Total
2022	\$ 210,000	\$ 509,063	\$ 719,063
2023	220,000	498,850	718,850
2024	230,000	488,163	718,163
2025	240,000	477,000	717,000
2026	255,000	465,244	720,244
2027-2031	1,825,000	2,119,832	3,944,832
2032-2036	1,265,000	1,710,625	2,975,625
2037-2041	1,630,000	1,350,500	2,980,500
2042-2046	2,080,000	889,250	2,969,250
2047-2050	2,475,000	282,625	2,757,625
Total	<u>\$ 10,430,000</u>	<u>\$ 8,791,152</u>	<u>\$ 19,221,152</u>

**J. Leases**

On November 1, 2019, Literacy First Charter School entered into a lease agreement with the LLC for the use of school facilities located at Main Street and Bradley Street. The building is owned by the LLC and as such, the leases have not been recorded on the statement of financial position for the School. Future minimum lease payments are as follows:

Year Ended June 30	Operating Leases
2022	\$ 724,058
2023	723,816
2024	723,090
2025	724,800
2026	725,068
2027-2031	3,917,220
2032-2036	3,008,251
2037-2041	3,020,365
2042-2046	2,974,023
2047-2050	2,464,405
Total minimum lease payments	<u>\$ 19,005,096</u>

Rent expense for the year ended June 30, 2021 totaled \$1,329,725.

**Literacy First Charter School**  
 Notes to the Consolidated Financial Statements (Continued)  
 Year Ended June 30, 2021

**K. Beginning Net Asset Adjustment**

There was an adjustment made to the beginning net assets for the School and LLC for a correction

	Literacy First Charter School	Literacy First Charter School Issuer LLC
Beginning net assets as of July 1, 2020	\$ 13,193,422	\$ 817,084
Adjustments to Beginning Net Assets		
Correction for fixed assets	-	(144,222)
Reclassification of LLC net assets	(910,988)	313,861
Total adjustments to beginning net assets	(910,988)	169,639
Adjusted beginning net assets	\$ 12,282,434	\$ 986,723

**L. Restricted Net Assets**

The School receives grants from federal and state agencies that are restricted for specific purposes. Once the restricted purpose has been fulfilled, the assets are released from restriction. During the 2020-21 fiscal year the School received the Expanded Learning Opportunities Grant which is a multi-year restricted grant. At June 30, 2021, net assets were restricted for the following purposes:

Beginning restricted net assets	\$ 529,005
Restricted grants received	4,567,182
Net assets released from restriction:	
Restricted purpose satisfied	(4,478,090)
Ending restricted net assets	\$ 618,097
Subject to expenditure for specified state purposes:	
Expanded Learning Opportunity	\$ 618,097
	618,097
Total net assets with donor restrictions	\$ 618,097

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended June 30, 2021.

**Literacy First Charter School**  
 Notes to the Consolidated Financial Statements (Continued)  
 Year Ended June 30, 2021

**M. Employee Retirement System**

Qualified employees are covered under a multiple-employer defined benefit pension plan by agencies of the State of California. Certificated employees are members of the California State Teachers’ Retirement System (CalSTRS) and classified employees are members of the California Public Employees’ Retirement System (CalPERS). The risks of participating in this multi-employer plan are different from single-employer plans in the following aspects:

- a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Schools choose to stop participating in some of its multi-employer plans, the Schools may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Schools participation in this plan for the fiscal year ended June 30, 2020, is outlined in the table below. The “EIN/Pension Plan Number” column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2021, 2020 and 2019 is for the plan’s year-end at June 30, 2021, 2020 and 2019, respectively. The zone status is based on information that the School received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

*Period to Period Comparability:*

Literacy First Charter School increased in CalSTRS contributions from 2019 to 2020 by 19% followed by an additional increase in 2021 of 2%. Literacy First Charter School increased in CalPERS contributions from 2019 to 2020 by 12% followed by an additional increase in 2021 of 25%. The increase in 2020 & 2021 was in large due to rising contribution rates along with an increase in revenues that cause salaries to also rise, increasing contributions further.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status Year Ended June 30,			FIP/RP Status Pending/ Implemented
		2021	2020	2019	
CalSTRS	37012	Yellow	Yellow	Yellow	No
CalPERS	5817850904	Yellow	Yellow	Yellow	No

Pension Fund	Contributions			Number of Employees	Surcharge Imposed
	2021	2020	2019		
CalSTRS	\$ 1,348,759	\$ 1,322,397	\$ 1,107,834	139	No
CalPERS	431,408	344,560	307,821	60	No
Total	\$ 1,780,167	\$ 1,666,957	\$ 1,415,655	199	

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

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CalSTRS:

The Schools contribute to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level of percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2021, active plan members were required to contribute between 10.205% and 10.25% of their salary, depending on their hire date. The employer contribution rate was 16.15% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The School made contributions as noted above. For the year ended June 30, 2021 the State contributed \$862,538 (10.328% of certificated salaries) on behalf of the Schools.

CalPERS:

The School contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, with the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Active plan members are required to contribute 7% of their salary and the School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2020-21 was 20.70% of classified salaries. The School made contributions as noted above.

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

**N. Upcoming Changes in Accounting Pronouncements**

The Financial Accounting Standards Board (FASB) has issued the following Accounting Standards Updates (ASU) that become effective over the next few fiscal years:

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2016-02 - <i>Leases (Topic 842)</i>	Feb-16	2022-23
FASB Accounting Standards Update 2016-13 - <i>Credit Losses (Topic 326)</i>	Jun-16	2023-24
FASB Accounting Standards Update 2017-04 - <i>Intangibles, Goodwill &amp; Other (Topic 350)</i>	Jan-17	2023-24
FASB Accounting Standards Update 2017-12 - <i>Derivatives and Hedging (Topic 815)</i>	Aug-17	2021-22
FASB Accounting Standards Update 2018-01 - <i>Leases (Topic 842)</i>	Jan-18	2022-23
FASB Accounting Standards Update 2018-10 - <i>Codification Improvements to Topic 842 Leases</i>	Jul-18	2021-22
FASB Accounting Standards Update 2018-11 - <i>Leases Targeted Improvements (Topic 842)</i>	Jul-18	2022-23
FASB Accounting Standards Update 2018-12 - <i>Financial Services Insurance (Topic 944)</i>	Aug-18	2024-25
FASB Accounting Standards Update 2018-14 - <i>Compensation, Retirement Benefits - Defined Benefit Plans (Topic 715-20)</i>	Aug-18	2022-23
FASB Accounting Standards Update 2018-15 - <i>Intangibles, Goodwill and Other, Internal Use Software (Topic 350-40)</i>	Aug-18	2021-22
FASB Accounting Standards Update 2018-16 - <i>Derivatives and Hedging (Topic 815)</i>	Oct-18	2021-22
FASB Accounting Standards Update 2018-17 - <i>Consolidation (Topic 810)</i>	Oct-18	2021-22
FASB Accounting Standards Update 2018-18 - <i>Collaborative Arrangements (Topic 808)</i>	Nov-18	2021-22
FASB Accounting Standards Update 2018-19 - <i>Codification Improvements for Credit Losses (Topic 326)</i>	Nov-18	2023-24
FASB Accounting Standards Update 2018-20 - <i>Leases (Topic 842)</i>	Dec-18	2022-23
FASB Accounting Standards Update 2019-01 - <i>Leases (Topic 842)</i>	Mar-19	2022-23
FASB Accounting Standards Update 2019-02 - <i>Entertainment Film Costs (Topic 926-20)</i>	Mar-19	2021-22
FASB Accounting Standards Update 2019-09 - <i>Financial Services, Insurance (Topic 944)</i>	Nov-19	2024-25
FASB Accounting Standards Update 2019-10 - <i>Financial Instruments, Credit Losses</i>	Nov-19	2023-24

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2019-10 - <i>Derivatives and Hedging (Topic 815)</i>	Nov-19	2021-22
FASB Accounting Standards Update 2019-12 - <i>Income Taxes (Topic 740)</i>	Dec-19	2022-23
FASB Accounting Standards Update 2020-01 - <i>Investments (Topics 321, 323, and 815)</i>	Jan-20	2022-23
FASB Accounting Standards Update 2020-05 - <i>Revenue from Contracts with Customers (Topic 606)</i>	Jun-20	2022-23
FASB Accounting Standards Update 2020-05 - <i>Leases (Topic 842)</i>	Jun-20	2022-23
FASB Accounting Standards Update 2020-06 - <i>Debt (Topic 470-20)</i>	Aug-20	2024-25
FASB Accounting Standards Update 2020-06 - <i>Derivatives and Hedging (Topic 815-40)</i>	Aug-20	2024-25
FASB Accounting Standards Update 2020-07 - <i>Not-For-Profit Entities (Topic 958)</i>	Sep-20	2021-22
FASB Accounting Standards Update 2020-08 - <i>Codification Improvements for Receivables (Topic 310-20)</i>	Oct-20	2022-23
FASB Accounting Standards Update 2020-10 - <i>Codification Improvements</i>	Nov-20	2025-26
FASB Accounting Standards Update 2021-02 - <i>Franchisors Revenue (Topic 952-606)</i>	Jan-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Earnings Per Share (Topic 260)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Debt Modifications and Extinguishments (Topic 470-50)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Stock Compensation (Topic 718)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Derivatives and Hedging (Topic 815-40)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-05 - <i>Leases (Topic 842)</i>	Jul-21	2022-23
FASB Accounting Standards Update 2021-07 - <i>Stock Compensation (Topic 718)</i>	Oct-21	2022-23
FASB Accounting Standards Update 2021-08 - <i>Business Combinations (Topic 805)</i>	Oct-21	2024-25
FASB Accounting Standards Update 2021-09 - <i>Leases (Topic 842)</i>	Nov-21	2022-23

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The updates effective during the future fiscal years are not expected to impact the financial accounting or presentation for the School.

**Literacy First Charter School**  
Notes to the Consolidated Financial Statements (Continued)  
Year Ended June 30, 2021

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**O. COVID-19 Impact and Considerations**

The 2020-21 school year continued to be impacted by the COVID-19 pandemic. The School was funded based on 2019-20 levels and was held harmless for attendance. The School met all the criteria for re-opening for in person instruction and provided in person instruction every day of the 2020-21 school year. K-5th grades attended school on site for in person instruction 5 days per week. Grades 6-12 participated in a hybrid program where they attended school on site for in person instruction at least 2 days per week and participated in distance learning from home via Google Classroom and Zoom the other days. The School followed all the state regulations and requirements regarding attendance accounting and instruction for in person and distance learning. All K-12 students had the option to participate in 100% distance learning. By April 19, 2021 the hybrid program for grades 6-12 was eliminated and students returned to 5 day per week full day on site instruction until the end of the school year. 100% distance learning remained an option when the hybrid program was eliminated. The School has been allocated COVID relief state and federal revenue, is expensing it according to allowable uses, and appropriately reporting it so that the School can continue to comply with state regulations and keep on site and in person instruction safe and effective during the continued COVID pandemic.

**Supplementary Information**



**LITERACY FIRST CHARTER SCHOOL**  
 Consolidating Statement of Financial Position  
 Year Ended June 30, 2021

	Literacy First Charter School	Literacy First Charter School Issuer LLC	Elimination	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 6,517,992	\$ 974,792	\$ -	\$ 7,492,784
Operating investments	-	-	-	-
Accounts receivable	2,379,131	-	-	2,379,131
Prepaid expenses	527,113	-	-	527,113
Security deposits	150,824	-	-	150,824
Bond issuance costs	-	520,226	-	520,226
Property and equipment, net	7,660,221	10,559,773	-	18,219,994
Total Assets	<u>\$ 17,235,281</u>	<u>\$ 12,054,791</u>	<u>\$ -</u>	<u>\$ 29,290,072</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable - vendors	\$ 319,101	\$ -	\$ -	\$ 319,101
Accrued payroll liabilities	248,024	-	-	248,024
Unearned revenue	55,023	-	-	55,023
Bonds and notes payable	-	11,674,783	-	11,674,783
Total Liabilities	<u>622,148</u>	<u>11,674,783</u>	<u>-</u>	<u>12,296,931</u>
<b>Net Assets</b>				
<b>Without donor restrictions</b>				
Undesignated	8,334,815	1,495,018	-	9,829,833
Invested in property and equipment, net of related debt	7,660,221	(1,115,010)	-	6,545,211
	<u>15,995,036</u>	<u>380,008</u>	<u>-</u>	<u>16,375,044</u>
<b>With donor restrictions</b>				
Restricted for state programs	618,097	-	-	618,097
	<u>618,097</u>	<u>-</u>	<u>-</u>	<u>618,097</u>
Total Net Assets	<u>16,613,133</u>	<u>380,008</u>	<u>-</u>	<u>16,993,141</u>
Total Liabilities and Net Assets	<u>\$ 17,235,281</u>	<u>\$ 12,054,791</u>	<u>\$ -</u>	<u>\$ 29,290,072</u>

See Accompanying Notes to Supplementary Information

**LITERACY FIRST CHARTER SCHOOL**

## Consolidating Statement of Activities

Year Ended June 30, 2021

	Literacy First Charter School		Literacy First Charter School Issuer LLC	Elimination	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	
<b>Revenue, Support, and Gains</b>					
Local Control Funding Formula (LCFF) sources					
State aid	\$ 6,894,194	\$ -	\$ -	\$ -	\$ 6,894,194
Education protection account state aid	5,512,982	-	-	-	5,512,982
Transfers in lieu of property taxes	3,673,523	-	-	-	3,673,523
Total LCFF sources	<u>16,080,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,080,699</u>
Federal contracts and grants	-	1,307,473	-	-	1,307,473
PPP loan forgiveness	-	2,202,300	-	-	3,689,022
State contracts and grants	2,631,613	1,057,409	-	-	3,689,022
Local contracts and grants	115,804	-	-	-	115,804
Rental income	-	-	718,800	(718,800)	-
Interest income	51,606	-	-	-	51,606
Net assets released from restriction - Grant restrictions satisfied	4,478,090	(4,478,090)	-	-	-
Total revenue, support, and gains	<u>23,357,812</u>	<u>89,092</u>	<u>718,800</u>	<u>(718,800)</u>	<u>23,446,904</u>
<b>Expenses and Losses</b>					
Program services expense	15,730,151	-	1,325,515	(718,800)	16,336,866
Supporting services expense	3,386,054	-	-	-	3,386,054
Total expenses and losses	<u>19,116,205</u>	<u>-</u>	<u>1,325,515</u>	<u>(718,800)</u>	<u>19,722,920</u>
<b>Change in Net Assets</b>	4,241,607	89,092	(606,715)	-	3,723,984
<b>Net Assets, Beginning of Year*</b>	<u>11,753,429</u>	<u>529,005</u>	<u>986,723</u>	<u>-</u>	<u>13,269,157</u>
<b>Net Assets, End of Year</b>	<u>\$ 15,995,036</u>	<u>\$ 618,097</u>	<u>\$ 380,008</u>	<u>\$ -</u>	<u>\$ 16,993,141</u>

\*As Restated in Note K

See Accompanying Notes to Supplementary Information

**LITERACY FIRST CHARTER SCHOOL**  
**Consolidating Statement of Functional Expenses**  
**Year Ended June 30, 2021**

	Literacy First Charter School		Literacy First Charter School Issuer LLC		Total
	Program Services	Supporting Services	Program Services	Elimination	
	Educational Programs	Management and General	Educational Programs		
Salaries and wages	\$ 8,928,473	\$ 2,196,134	\$ -	\$ -	\$ 11,124,607
Pension expense	1,428,740	351,427	-	-	1,780,167
Other employee benefits	1,002,903	246,684	-	-	1,249,587
Payroll taxes	256,418	63,071	-	-	319,489
Fees for services:					
Legal	-	41,524	-	-	41,524
Audit	-	11,900	-	-	11,900
Professional consulting	301,870	-	-	-	301,870
District oversight	-	150,296	-	-	150,296
Other fees	-	148,296	-	-	148,296
Advertising and promotion	52,585	-	-	-	52,585
Office expenses	5,964	-	-	-	5,964
Information technology	143,324	-	-	-	143,324
Occupancy	1,803,231	-	307,519	(718,800)	1,391,950
Travel and conferences	47,078	-	-	-	47,078
Debt service	-	-	518,800	-	518,800
Amortization	-	-	23,682	-	23,682
Depreciation	115,329	-	475,406	-	590,735
Insurance	-	142,775	-	-	142,775
Other expenses:					
Books and supplies	1,472,759	-	108	-	1,472,867
Student events and expenses	31,090	-	-	-	31,090
Specialized therapy services	139,526	-	-	-	139,526
Miscellaneous	861	33,947	-	-	34,808
Total expenses by function	<u>\$ 15,730,151</u>	<u>\$ 3,386,054</u>	<u>\$ 1,325,515</u>	<u>\$ (718,800)</u>	<u>\$ 19,722,920</u>

See Accompanying Notes to Supplementary Information

## Literacy First Charter School

LEA Organization Structure

Year Ended June 30, 2021

Legacy First Charter School (Charter #405) was formed pursuant to Education Code 47600 under the agreement with the San Diego County Office of Education granted in June 2001. The charter serves kids grades K-12 between its campuses.

### GOVERNING BOARD

Name	Office	Term and Term Expiration
Sal Campos	President	Permanent
Lori Ague	Secretary/Treasurer	Permanent
Priscilla Schreiber	Trustee	Permanent
Mark Ferguson	Trustee	Permanent
Lucy Razooky	Trustee	Permanent

### ADMINISTRATION

Debbie Beyer  
Executive Director

Steve Robinson  
Financial Officer

**Literacy First Charter School**

Schedule of Instructional Time

Year Ended June 30, 2021

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<u>Grade Level</u>	<u>Minimum Daily Minutes Offered</u>	<u>Instructional Days Offered Multi-Track Calendar</u>	<u>J-13A Credited Days</u>	<u>Status</u>
Kindergarten	180	175	N/A	Complied
1st Grade	240	175	N/A	Complied
2nd Grade	240	175	N/A	Complied
3rd Grade	240	175	N/A	Complied
4th Grade	240	175	N/A	Complied
5th Grade	240	175	N/A	Complied
6th Grade	240	175	N/A	Complied
7th Grade	240	175	N/A	Complied
8th Grade	240	175	N/A	Complied
9th Grade	270	175	N/A	Complied
10th Grade	270	175	N/A	Complied
11th Grade	270	175	N/A	Complied
12th Grade	270	175	N/A	Complied

See Accompanying Notes to Supplementary Information

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**Literacy First Charter School**  
**Schedule of Financial Trends & Analysis**  
**Year Ended June 30, 2021**

	Budget 2022	2021	2020	2019
Revenues	\$ 21,151,073	\$ 23,446,904	\$ 17,655,282	\$ 17,515,615
Expenses	20,238,095	19,722,920	18,454,976	17,168,981
Change in Net Assets	912,978	3,723,984	(799,694)	346,634
Ending Net Assets	<u>\$ 17,906,119</u>	<u>\$ 16,993,141</u>	<u>\$ 13,269,157</u>	<u>\$ 14,068,851</u>
Unrestricted Net Assets	<u>\$ 17,906,119</u>	<u>\$ 16,375,044</u>	<u>\$ 13,461,501</u>	<u>\$ 12,381,741</u>
Unrestricted net assets as a percentage of total expenses	<u>88.48%</u>	<u>83.03%</u>	<u>72.94%</u>	<u>72.12%</u>
Total Long Term Debt	<u>\$ 11,464,783</u>	<u>\$ 11,674,783</u>	<u>\$ 11,874,783</u>	<u>\$ 2,839,429</u>
ADA at P2	<u>1,774</u>	<u>N/A</u>	<u>1,705</u>	<u>1,606</u>

The School's ending net assets has increased by \$2,924,290 (20.79%) over the past two fiscal years. The significant increase is in large due to enrollment growth and additional funding received as a result of the COVID-19 pandemic. Restricted ending net assets include multi-year grants that will be expended over the next two to three years.

As a result of the COVID-19 pandemic there was no attendance reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 average daily attendance (ADA) reported.

The 2021-22 budget is presented for purposes of analysis only and has not been audited. Net assets are projected to increase by \$912,978 and ADA is projected to be 1,774 for the 2021-22 fiscal year.

See Accompanying Notes to Supplementary Information

## Literacy First Charter School

### Reconciliation of Unaudited Actual Financial Report to Audited Financial Statements Year Ended June 30, 2021

June 30, 2021 annual financial alternative form net assets:	\$	18,233,221
Adjustments and reclassifications:		
Overstatement of cash		(1,001,182)
Overstatement of accounts receivable		(198,090)
Overstatement of prepaid expenses		(688,130)
Overstatement of capital assets		(11,471,140)
Overstatement of unearned revenue		69,504
Overstatement of long term debt		<u>11,668,950</u>
Total adjustments and reclassifications		<u>(1,620,088)</u>
June 30, 2021 audited financial statements net assets:	\$	<u><u>16,613,133</u></u>

See Accompanying Notes to Supplementary Information

**Literacy First Charter School**  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Federal Expenditures
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>				
U.S. Department of Education				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	\$ -	\$ 235,823
Total Special Education (IDEA) Cluster			<u>-</u>	<u>235,823</u>
<b>OTHER PROGRAMS</b>				
U.S. Department of Education				
Passed through State Department of Education				
Title I	84.010	14329	-	32,995
Governor's Emergency Education Relief Fund	84.425C	15517	-	87,402
CARES Act - Elementary & Secondary School Emergency Relief II	84.425D	15547	-	111,275
Total passed through State Department of Education			<u>-</u>	<u>231,672</u>
Total U.S. Department of Education			<u>-</u>	<u>467,495</u>
U.S. Department of Treasury				
Passed through State Department of Education				
Coronavirus Relief Fund - Learning Loss Mitigation	21.019	25516	-	839,978
Total passed through State Department of Education			<u>-</u>	<u>839,978</u>
Total U.S. Department of Treasury			<u>-</u>	<u>839,978</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ -</u>	<u>\$ 1,307,473</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.



## Literacy First Charter School

### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

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#### Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 *Basis for Determining Federal Awards Expended* and 2CFR §200.510(b) *Schedule of Expenditures of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

#### Summary of Significant Accounting Policies

The expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs*. The School used an indirect cost rate of 5.00% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The School did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs*. There were no programs that utilized a lower indirect cost rate based on program restrictions or other factors determined by the School.

#### Schoolwide Program

The School does not operate a schoolwide program.

#### Personal Protection Equipment (PPE)

The School was provided PPE valued at \$500 during the 2020-21 year as part of the CARES act. PPE donated is recorded at fair market value.



**Literacy First Charter School**  
Notes to Supplementary Information (Continued)  
Year Ended June 30, 2021

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Reconciliation of Unaudited Actual Financial Report to Audited Financial Statements

This schedule provides information necessary to reconcile between the audited financial statements and the financial data submitted to the sponsoring school district via the unaudited actual financial report.

**Other Independent Auditor's Reports**

Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
Literacy First Charter School  
San Diego, California

We have audited, in accordance with the 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 the governmental activities and each major fund of Literacy First Charter School (the School), as of and for the year ended June 30, 2021, and the related Notes to the Financial Statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated January 14, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's 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 the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King + Co LLP

El Cajon, California  
January 14, 2022

Independent Auditor's Report on Compliance for Each Major Program and on  
Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors  
Literacy First Charter School  
San Diego, California

**Report on Compliance for Each Major Federal Program**

We have audited Literacy First Charter School's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Literacy First Charter School's major federal programs for the year ended June 30, 2021. Literacy First Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Literacy First Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Literacy First Charter School'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 opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Literacy First Charter School's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Literacy First Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of Literacy First Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Literacy First Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Literacy First Charter School's 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Wilkinson Hadley King + LLP*  
El Cajon, California  
January 14, 2022



## Independent Auditor's Report on State Compliance

To the Board of Directors  
Literacy First Charter School  
San Diego, California

### **Report on State Compliance**

We have audited the Literacy First Charter School's (the School) compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810, that could have a direct and material effect on each of the School's state programs identified below for the fiscal year ended June 30, 2021.

### **Management's Responsibility for State Compliance**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each applicable program as identified in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. We conducted our audit of compliance 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 *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Those standards and audit guide 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 direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about each school'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 opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

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

<u>Description</u>	<u>Procedures Performed</u>
<b>Local Education Agencies Other Than Charter Schools</b>	
A. Attendance and Distance Learning.....	Yes
B. Teacher Certification and Misassignments.....	N/A
C. Kindergarten Continuance.....	N/A
F. Instructional Time.....	N/A
G. Instructional Materials.....	N/A
H. Ratio of Administrative Employees to Teachers.....	N/A
I. Classroom Teacher Salaries.....	N/A
J. Early Retirement Incentive.....	N/A
K. Gann Limit Calculation.....	N/A
L. School Accountability Report Card.....	N/A
O. K-3 Grade Span Adjustment.....	N/A
Q. Apprenticeship: Related and Supplemental Instruction.....	N/A
R. Comprehensive School Safety Plan.....	N/A
S. District of Choice.....	N/A
<b>School Districts, County Offices of Education, and Charter Schools</b>	
T. California Clean Energy Jobs Act.....	Yes
V. Proper Expenditure of Education Protection Account Funds.....	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
<b>Charter Schools</b>	
AA. Attendance.....	Yes
BB. Mode of Instruction.....	Yes
CC. Nonclassroom Based Instruction/Independent Study.....	Yes
DD. Determination of Funding for Nonclassroom Based Instruction.....	N/A
FF. Charter School Facility Grant Program.....	Yes

The term N/A is used above to mean either the School did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

## Opinion on State Compliance

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2021.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing. This report is an integral part of an audit performed in accordance with *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.

*Wilkinson Hadley King + Co LLP*

El Cajon, California

January 14, 2022

**Auditor’s Results, Findings & Recommendations**

## Literacy First Charter School

Schedule of Auditor's Results

Year Ended June 30, 2021

### FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
One or more material weakness(es) identified?	_____ Yes <u>  X  </u> No
One or more significant deficiencies identified that are not considered material weakness(es)?	_____ Yes <u>  X  </u> No
Noncompliance material to financial statements noted?	_____ Yes <u>  X  </u> No

### FEDERAL AWARDS

Internal control over major programs:	
One or more material weakness(es) identified?	_____ Yes <u>  X  </u> No
One or more significant deficiencies identified that are not considered material weakness(es)?	_____ Yes <u>  X  </u> No

Type of auditor's report issued on compliance for major programs:	Unmodified
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Compliance supplement utilized for single audit	July 2021 with December 2021 Addendum
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516?	_____ Yes <u>  X  </u> No
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Identification of major programs:

CFDA Number(s)	
21.019	Coronavirus Relief Fund - Learning Loss Mitigation

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	_____ Yes <u>  X  </u> No
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### STATE AWARDS

Any audit findings disclosed that are required to be reported in accordance with <i>2020-21 Guide for Annual Audits of California K-12 Local Education Agencies?</i>	_____ Yes <u>  X  </u> No
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Type of auditor's report issued on compliance for state programs:	Unmodified
-------------------------------------------------------------------	------------

**Literacy First Charter School**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2021

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Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, or the *2020-21 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting* (the Audit Guide). Finding codes as identified in the Audit Guide are as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

**A. Financial Statement Findings**

None

**B. Federal Award Findings**

None

**C. State Award Findings**

None

**LITERACY FIRST CHARTER SCHOOL**

Schedule of Prior Year Audit Findings

Year Ended June 30, 2021

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<u>Finding/Recommendation</u>	<u>Status</u>	<u>Explanation if Not Implemented</u>
There were no findings in the prior year audit.	N/A	N/A

# Cover Sheet

## Supplement to the Annual Update for the 2021-22 LCAP

**Section:** III. Chief Business Officer's Report  
**Item:** C. Supplement to the Annual Update for the 2021-22 LCAP  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** 2021-22 LFCS Budget Overview for Parents update 1.20.22.pdf  
2021-22 LFCS Supplement to the 2021-22 LCAP.pdf  
2021-22 LFCS Mid Year LCAP Report Financials.docx  
2021-22 LFCS Mid Year LCAP Goals Report.pdf



## 2021-22 LCFF Budget Overview for Parents Data Input Sheet

<b>Local Educational Agency (LEA) Name:</b>	Literacy First Charter Schools
<b>CDS Code:</b>	37103716119119
<b>LEA Contact Information:</b>	Name: Debbie Beyer – Executive Position: Director Phone: 619-579-7232
<b>Coming School Year:</b>	2021-22
<b>Current School Year:</b>	2020-21

\*NOTE: The "High Needs Students" referred to in the tables below are Unduplicated Students for LCFF funding purposes.

<b>Projected General Fund Revenue for the 2021-22 School Year</b>	<b>Amount</b>
<b>Total LCFF Funds</b>	\$15865128
<b>LCFF Supplemental &amp; Concentration Grants</b>	\$1544737
<b>All Other State Funds</b>	\$464451
<b>All Local Funds</b>	\$1556635
<b>All federal funds</b>	\$3051429
<b>Total Projected Revenue</b>	\$20,937,643

<b>Total Budgeted Expenditures for the 2021-22 School Year</b>	<b>Amount</b>
<b>Total Budgeted General Fund Expenditures</b>	\$18846978
<b>Total Budgeted Expenditures in the LCAP</b>	\$633217
<b>Total Budgeted Expenditures for High Needs Students in the LCAP</b>	\$144000
<b>Expenditures not in the LCAP</b>	\$18,213,761

<b>Expenditures for High Needs Students in the 2020-21 School Year</b>	<b>Amount</b>
<b>Total Budgeted Expenditures for High Needs Students in the Learning Continuity Plan</b>	\$133333
<b>Actual Expenditures for High Needs Students in Learning Continuity Plan</b>	\$133333

<b>Funds for High Needs Students</b>	<b>Amount</b>
<b>2021-22 Difference in Projected Funds and Budgeted Expenditures</b>	\$-1,400,737
<b>2020-21 Difference in Budgeted and Actual Expenditures</b>	\$0

<b>Update on Additional Funding Received in 2020-21</b>	<b>Response(s)</b>
<b>This area is provided to include an update regarding additional funding received in 2021-22.</b>	Total LCFF funds is now projected to be \$18,779,512 which includes \$1,811,014 in supplemental grant funding. Other state funding is projected to be \$2,395,541. Other local funding is projected to be \$1,759,442 (this includes state SPED funds). Federal revenue is projected to be \$1,601,500. Total revenue is projected to be \$23,190,868.

<b>Required Prompts(s)</b>	<b>Response(s)</b>
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<p><b>Briefly describe any of the General Fund Budget Expenditures for the school year not included in the Local Control and Accountability Plan (LCAP).</b></p>	<p>General Fund Budget Expenditures not included in the LCAP include the majority of general education teacher salaries and benefits, administrators salaries and benefits, and classified salaries and benefits, construction to our sites to improve air quality and safety, improving the internet service at our high school site, most of our general education curriculum, our lease payments, our utilities payments, and maintenance costs.</p>
<p><b>The amount budgeted to increase or improve services for high needs students in the 2021-22 LCAP is less than the projected revenue of LCFF supplemental and concentration grants for 2021-22. Provide a brief description of the additional actions the LEA is taking to meet its requirement to improve services for high needs students.</b></p>	<p>We have created and filled three new positions to serve our SPED students, EL students, and students reading and writing below grade level.</p>

## LCFF Budget Overview for Parents

Local Educational Agency (LEA) Name: Literacy First Charter Schools

CDS Code: 37103716119119

School Year: 2021-22

LEA contact information:

Debbie Beyer – Executive

Director

619-579-7232

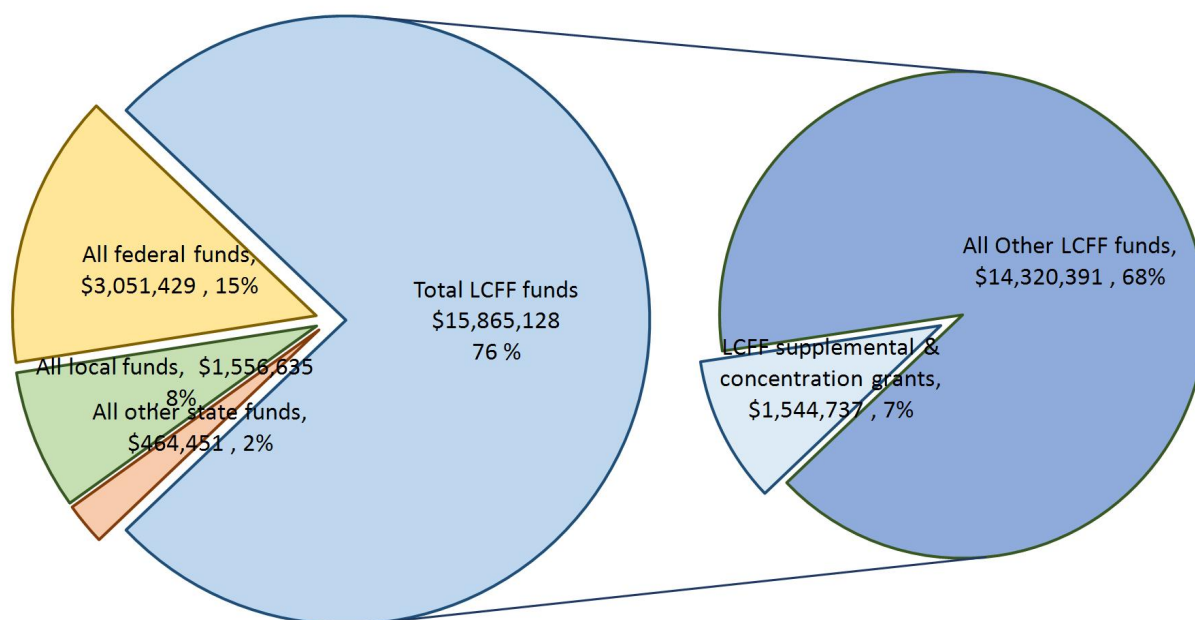
School districts receive funding from different sources: state funds under the Local Control Funding Formula (LCFF), other state funds, local funds, and federal funds. LCFF funds include a base level of funding for all LEAs and extra funding - called "supplemental and concentration" grants - to LEAs based on the enrollment of high needs students (foster youth, English learners, and low-income students).

### Update on Additional Funding Received in 2021-22

Total LCFF funds is now projected to be \$18,779,512 which includes \$1,811,014 in supplemental grant funding. Other state funding is projected to be \$2,395,541. Other local funding is projected to be \$1,759,442 (this includes state SPED funds). Federal revenue is projected to be \$1,601,500. Total revenue is projected to be \$23,190,868.

### Budget Overview for the 2021-22 School Year

## Projected Revenue by Fund Source

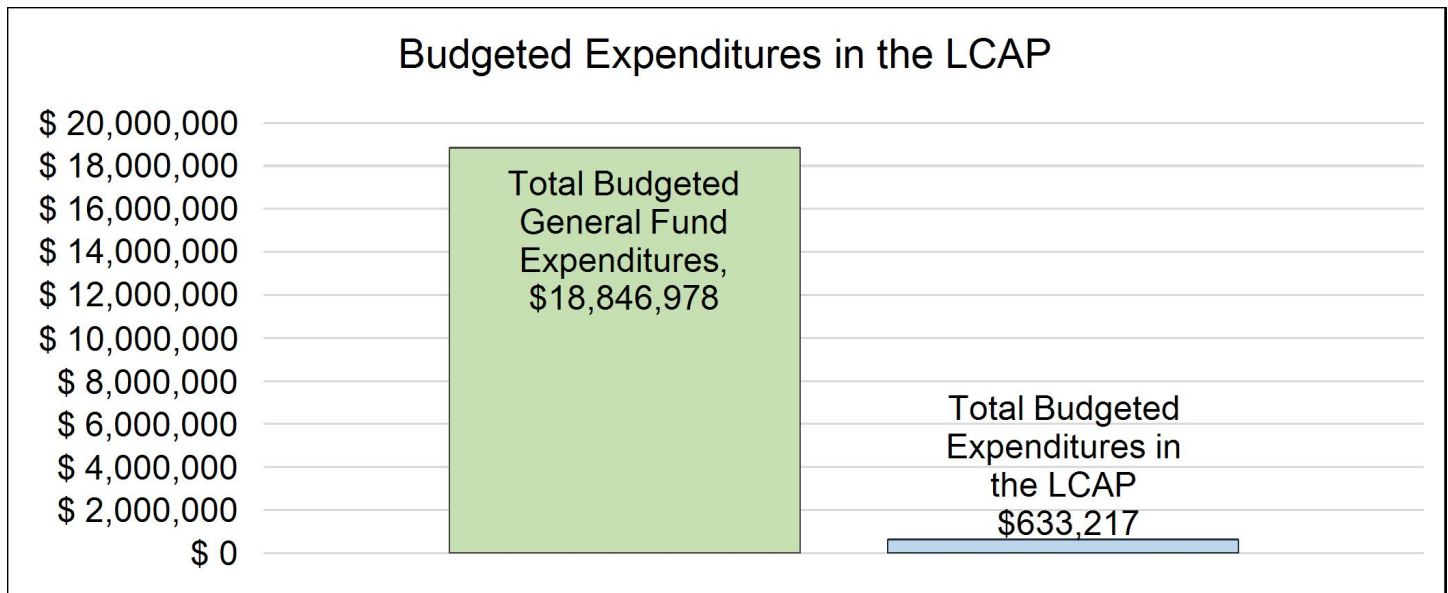


This chart shows the total general purpose revenue Literacy First Charter Schools expects to receive in the coming year from all sources.

The total revenue projected for Literacy First Charter Schools is \$20,937,643, of which \$15,865,128 is Local Control Funding Formula (LCFF), \$464,451 is other state funds, \$1,556,635 is local funds, and \$3,051,429 is federal funds. Of the \$15,865,128 in LCFF Funds, \$1,544,737 is generated based on the enrollment of high needs students (foster youth, English learner, and low-income students).

## LCFF Budget Overview for Parents

The LCFF gives school districts more flexibility in deciding how to use state funds. In exchange, school districts must work with parents, educators, students, and the community to develop a Local Control and Accountability Plan (LCAP) that shows how they will use these funds to serve students.



This chart provides a quick summary of how much Literacy First Charter Schools plans to spend for 2021-22. It shows how much of the total is tied to planned actions and services in the LCAP.

Literacy First Charter Schools plans to spend \$18846978 for the 2021-22 school year. Of that amount, \$633217 is tied to actions/services in the LCAP and \$18,213,761 is not included in the LCAP. The budgeted expenditures that are not included in the LCAP will be used for the following:

General Fund Budget Expenditures not included in the LCAP include the majority of general education teacher salaries and benefits, administrators salaries and benefits, and classified salaries and benefits, construction to our sites to improve air quality and safety, improving the internet service at our high school site, most of our general education curriculum, our lease payments, our utilities payments, and maintenance costs.

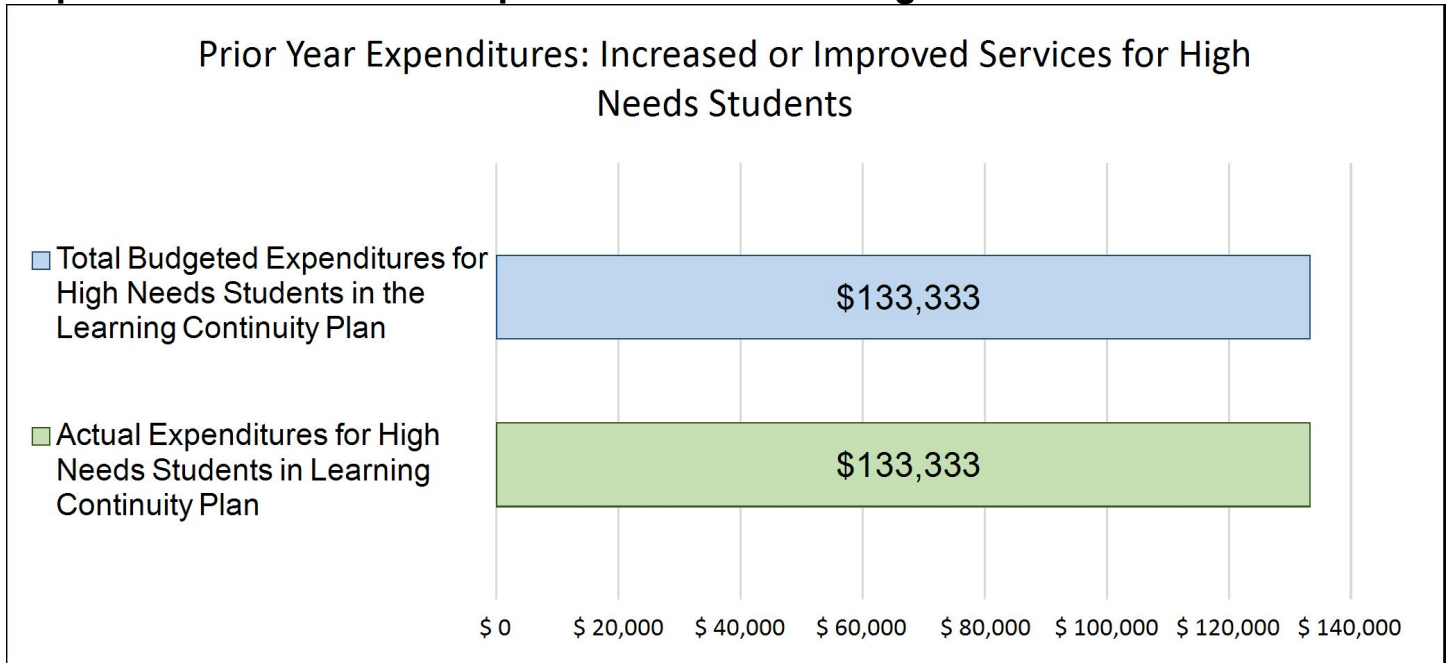
### Increased or Improved Services for High Needs Students in the LCAP for the 2021-22 School Year

In 2021-22, Literacy First Charter Schools is projecting it will receive \$1544737 based on the enrollment of foster youth, English learner, and low-income students. Literacy First Charter Schools must describe how it intends to increase or improve services for high needs students in the LCAP. Literacy First Charter Schools plans to spend \$144000 towards meeting this requirement, as described in the LCAP.

We have created and filled three new positions to serve our SPED students, EL students, and students reading and writing below grade level.

## LCFF Budget Overview for Parents

### Update on Increased or Improved Services for High Needs Students in 2020-21



This chart compares what Literacy First Charter Schools budgeted last year in the Learning Continuity Plan for actions and services that contribute to increasing or improving services for high needs students with what Literacy First Charter Schools estimates it has spent on actions and services that contribute to increasing or improving services for high needs students in the current year.

In 2020-21, Literacy First Charter Schools's Learning Continuity Plan budgeted \$133333 for planned actions to increase or improve services for high needs students. Literacy First Charter Schools actually spent \$133333 for actions to increase or improve services for high needs students in 2020-21.

# Goals and Actions

## Goal

Goal #	Description
1	To improve student achievement, students will receive instruction by teachers who participate in ongoing Professional Development, participate in professional learning communities and training that aligns with the mission, vision and values of LFCS

An explanation of why the LEA has developed this goal.

In order to provide students with a quality education, we first have to provide our teachers with quality training and growth opportunities. We have built our school on the foundation of our mission, vision and values, and in order to have those come to fruition, we know how important it is to equip our teachers with the skills they need to therefore instill them into their daily teaching and interactions with their students and families.

## Measuring and Reporting Results

Metric	Baseline	Year 1 Outcome	Year 2 Outcome	Year 3 Outcome	Desired Outcome for 2023-24
1A	All students will be instructed by teachers who engage in ongoing PD in 21st Century Learning including ELA/ELD, Math, History Frameworks, and brain based, research proven strategies.	Teachers are currently being trained in PD twice monthly- in staff meetings as well as staff conversations			All staff members will engage in ongoing PD.
2B	With 3 consecutive years at LFCS, all EL students will advance at least one performance level annually as determined by ELPAC	Due to the COVID-19 pandemic, there aren't scores available to compare a years growth in the ELPAC.			ELL students will advance one performance level annually.

Metric	Baseline	Year 1 Outcome	Year 2 Outcome	Year 3 Outcome	Desired Outcome for 2023-24
4E	Steadily Increase EL Reclassification levels in grades 5-8.	99% of all eligible ELL students were reclassified this year.			Eligible ELL students will be reclassified.
1B	Students with Disabilities will meet annual IEP Goals and improve ELA and Math scores by 1% annually.	Due to the COVID-19 pandemic, there aren't scores available to compare a years growth in the CAASP. Student goal progress cannot be measured until the end of the school year when all IEP meetings have been held.			Students with disabilities will meet annual IEP goal.
6C	Administer annual staff surveys	One staff survey has been administered regarding graduate programs.			Administer annual staff surveys



# Goals and Actions

## Goal

Goal #	Description
2	Implementation of a school-wide standards aligned assessment system to effectively analyze student performance data on an ongoing basis to improve instruction, close the achievement gap, and ensure that all students meet or exceed state standards.

An explanation of why the LEA has developed this goal.

It is imperative to have an assessment system that is aligned with state standards, in order to help teachers and the school at large gauge how effective teachers are teaching and students are learning. As well as, to guide instruction, special education and language support programs.

## Measuring and Reporting Results

Metric	Baseline	Year 1 Outcome	Year 2 Outcome	Year 3 Outcome	Desired Outcome for 2023-24
1A	Teachers will meet highly qualified LFCS criteria.	Teachers are being observed regularly to determine if criteria is being met.			Teachers will meet highly qualified LFCS criteria.
1B	All students will have access to curriculum & instructional materials in ELA & Math that are aligned to common core	All students currently have access to curriculum & instructional materials in ELA & Math that are aligned to common core			All students will have access to curriculum & instructional materials
4B	All students Kinder-8th are assessed in ELA & Math Benchmark Assessments: 3 times per year. High School students are benchmark tested in	All K-8 students have completed one benchmark assessment. They are in the second testing window now. The third will be given this spring. High School			All students will be assessed regularly.

Metric	Baseline	Year 1 Outcome	Year 2 Outcome	Year 3 Outcome	Desired Outcome for 2023-24
4A	content areas quarterly. Students Meeting or Exceeding Standards on CAASPP (ELA & MATH) will show at least one year of growth annually, 3rd – 8th grade.	students have completed semester one pre and post assessments. Due to the COVID-19 pandemic, there aren't scores available to compare a years growth in the CAASP.			Students meeting or exceeding standards will show growth on CAASP assessments in grade 3-8.
4D	Students not meeting or nearly meeting standards will be identified and supported by an intervention program specific to the area of need.	Our intervention team has identified students not meeting or nearly meeting standards and is currently supporting them. They are working to assess students in order to provide services for new students identified throughout the year.			Students not meeting or nearly meeting standards will be identified and supported by an intervention program specific to the area of need.
4A	Overall student participation rate will maintain 95% or higher, including all subgroups.	For the 2020-21 CAASP assessment, we had 97% participation.			Overall student participation rate will maintain 95% or higher, including all subgroups.

## Actions

# Goals and Actions

## Goal

Goal #	Description
3	Engage parents through education, communication, and collaboration to promote student academic success & engagement.

An explanation of why the LEA has developed this goal.

We rely heavily on our parents at LFCS. They are the direct connection to their students, so it only makes sense to invest in them through classes that assist them in continuing the school teachings at home. We communicate with parents through email, phone calls, newsletters and social media and we collaborate with them by offering volunteer opportunities in the classroom and at school events, as well as through our Parent teacher leadership council.

## Measuring and Reporting Results

Metric	Baseline	Year 1 Outcome	Year 2 Outcome	Year 3 Outcome	Desired Outcome for 2023-24
3A-C	Implement strategic plan, collect data, assess impact that parent involvement has increased	Due to the COVID-19 pandemic, parents are not permitted on campus, so we are not meeting this goal at this time. We do have select involved parents, however, overall, this number has decreased.			Implement strategic plan, collect data, assess impact that parent involvement has increased
3C	Host at least 4 parent workshops & trainings with a 3% increase in attendance from 2021- 2024.	One parent workshop was held by our DELAC team this school year.			Host at least 4 parent workshops & trainings with a 3% increase in attendance from 2021- 2024.
3A-C	Expand school wide volunteer opportunities in	PTLC has offered two large parent volunteer opportunities this			Expand school wide volunteer opportunities in

Metric	Baseline	Year 1 Outcome	Year 2 Outcome	Year 3 Outcome	Desired Outcome for 2023-24
	coordination with PTLC	year, and will hold more in the spring. They also hold monthly volunteer opportunities in our uniform exchanges.			coordination with PTLC
3A-C	Use Social media- Facebook, Twitter and Instagram- as a important tool in connecting with parents. We aim to increase this number by 10% next year.	Our Instagram participation has increased at least 15% this year, and our Facebook participation is steadily increasing also.			Increase Social media- Facebook, Twitter and Instagram- presence as a important tool in connecting with parents.

# Goals and Actions

## Goal

Goal #	Description
4	To provide all students with a safe well-maintained facility and a positive learning climate that supports the academic, social, emotional and physical needs of all students.

An explanation of why the LEA has developed this goal.

Students and staff deserve a safe place to learn and teach. A safe well-maintained facility is at the utmost importance for all LFCS campuses. This creates a positive learning climate so students feel safe to learn and grow at school.

## Measuring and Reporting Results

Metric	Baseline	Year 1 Outcome	Year 2 Outcome	Year 3 Outcome	Desired Outcome for 2023-24
1C	All students will receive instruction in facilities that are safe, secure, clean and well maintained.	All students receive instruction in facilities that are safe, secure, clean and well maintained.			All students will receive instruction in facilities that are safe, secure, clean and well maintained.
6C	Participation in quarterly community service projects	Our students K-12 have participated in one community service project so far this school year.			Participation in quarterly community service projects
6C	95% of LFCS, LCHS 9-12 students will participate in a schoolwide community service project.	We have not met this goal at this time.			95% of LFCS, LCHS 9-12 students will participate in a schoolwide community service project.
5E	95% of LCHS Seniors will participate in a Service Learning Project & assessed by	This goal will be completed by June.			95% of LCHS Seniors will participate in a Service Learning Project.

Metric	Baseline	Year 1 Outcome	Year 2 Outcome	Year 3 Outcome	Desired Outcome for 2023-24
5A	a clearly defined rubric. Assess student attendance rates	As a school, we assess attendance rates monthly and intervene when needed.			Assess student attendance rates
4B	Identify students for academic intervention & provide a support system through MTSS for each student, K-8	264 students have been assessed and identified this year for academic intervention & support, K-8			Identify students for academic intervention & provide a support system through MTSS for each student, K-8
5D-E	Identify Students 9-12 for academic intervention & provide a support system through MTSS for each thru the LCHS Academy program.	44 Students 9-12 have been identified for academic intervention & support system through MTSS thru the LCHS Academy program.			Identify Students 9-12 for academic intervention & provide a support system through MTSS for each thru the LCHS Academy program.
6C	Provide counselors, school psychologists and behavior therapists for students K-12 to assist in the area of social emotional health/ learning.	2 Counselors, 3 school psychologists and we outsource behavior therapists for the high school. These are provided for students K-12 to assist in the area of social emotional health/ learning.			Provide counselors, school psychologists and behavior therapists for students K-12 to assist in the area of social emotional health/ learning.
6C	Provide and use a social emotional phone app to track and assist our	As a school, we provide and use a social emotional phone app called "EduGuide" to track			Provide and use a social emotional phone app to track and assist our

Metric	Baseline	Year 1 Outcome	Year 2 Outcome	Year 3 Outcome	Desired Outcome for 2023-24
	students in Grades 7-8.	and assist our students in Grades 7-8.			students in Grades 7-8.
6C	Staff and parents will have access to resources in the area of social emotional learning/ health.	Staff and parents have access to 10 resources in the area of social emotional learning/ health that can be found on our school website.			Staff and parents will have access to resources in the area of social emotional learning/ health.

## 2021-22 LFCS Mid-Year LCAP Expenditure Report

Financials as of December 31, 2021

Goal 1: Improving student achievement through the professional development of their teachers.

Action: Description	Budgeted Funds	Mid-Year Expenditure Amount	% of Budget
Action 1: Types of Professional Development	\$30,609	\$8,088	26.4%
Action 2: Payment for Professional Development	\$30,609	\$8,088	26.4%
Action 3: IEP Funds	\$187,826	\$93,913	50%
Action 4: Feedback	\$0	\$0	100%
Action 5: ELL Expenditures	\$55,333	\$258,768	467.7%
Action 6: LS and Intervention Professional Development	\$10,000	\$0	0%
Action 7: ELL Coordinator	\$40,000	\$26,433	66.1%

Goal 2: Implementing a school wide assessment program to better inform instruction and interventions to improve student learning

Action: Description	Budgeted Funds	Mid-Year Expenditure Amount	% of Budget
Action 1: Direct Coaching	\$30,800	\$17,250	56%
Action 2: Science Curriculum	\$5,000	\$11,069.82	221.4%
Action 3: CAASPP Tech Support	\$123,213	\$25,390.78	20.6%
Action 4: Tech Updates	\$50,000	\$40,745.96	81.5%

Goal 3: Engage parents to promote student academic engagement and success.

Action: Description	Budgeted Funds	Mid-Year Expenditure Amount	% of Budget
Action 1: Parent Connection Funds	\$500	\$0	0%
Action 2: Parent Workshop Funds	\$1,000	\$0	0%
Action 3: Translation Services	\$8,672	\$720	8.3%



Goal 4: Provide all students with a safe, well-maintained facility and a positive learning climate to meet academic, social, emotional, and physical student needs.

Action: Description	Budgeted Funds	Mid-Year Expenditure Amount	% of Budget
Action 1: Attendance	\$64,033	\$32,016.50	50%
Action 2: Summer Intervention Program	\$25,000	\$32,994.94	132%
Action 3: Streamlined Intervention Testing	\$5,632	\$2,816	50%
Action 4: Celebration Assemblies	\$1,000	\$3000	300%
Action 5: Service Projects	\$90,000	\$45,000	50%
Action 6: Support Staff for Students	\$156,619	\$78,309.50	50%
Action 7: Social Emotional Learning	\$5,000	\$2,260	45.2%

**Literacy  
First  
Charter  
Schools**



*"The tree of knowledge begins with literacy."*

## Supplement to the Annual Update to the 2021–22 Local Control and Accountability Plan

Local Educational Agency (LEA) Name	Contact Name and Title	Email and Phone
Literacy First Charter Schools	Debbie Beyer Executive Director	debbie.beyer@lfcinc.org 619-579-7232

California’s 2021–22 Budget Act, the federal American Rescue Plan Act of 2021, and other state and federal relief acts have provided local educational agencies (LEAs) with a significant increase in funding to support students, teachers, staff, and their communities in recovering from the COVID-19 pandemic and to address the impacts of distance learning on students. The following is a one-time mid-year report to the local governing board or body and educational partners related to engagement on, and implementation of, these Acts.

A description of how and when the LEA engaged, or plans to engage, its educational partners on the use of funds provided through the Budget Act of 2021 that were not included in the 2021-22 Local Control and Accountability Plan (LCAP).

LFCS included the applicable funds in its adopted 2021-22 LCAP, additionally our educational partners are informed monthly of the planned use of these and all funds during our board meetings.

A description of how the LEA used, or plans to use, the additional concentration grant add-on funding it received to increase the number of staff who provide direct services to students on school campuses with an enrollment of students who are low-income, English learners, and/or foster youth that is greater than 55 percent.

LFCS does not receive concentration grant or concentration grant add-on funding as our unduplicated count is less than 55% of our total enrollment.

A description of how and when the LEA engaged its educational partners on the use of one-time federal funds received that are intended to support recovery from the COVID-19 pandemic and the impacts of distance learning on pupils.

LFCS leadership conducted parent surveys and engaged in conversations with staff, our DELAC, and our board of trustees regarding how to spend one time federal funds intended to support recovery from the COVID-19 pandemic and the impacts of distance learning on pupils.

A description of how the LEA is implementing the federal American Rescue Plan Act and federal Elementary and Secondary School Emergency Relief expenditure plan, and the successes and challenges experienced during implementation.

LFCS has not expensed any of the ESSER III initial apportionment to date. LFCS has expensed ESSER II funds to improve the air quality of our facilities, purchase COVID specific cleaning supplies and PPE, fund extra staff to address learning loss in reading and math, and to offer expanded summer school options for students behind on credits and /or learning below grade level. We have struggled with a shortage of candidates for teaching and intervention positions. We have struggled with teacher and students missing school due to COVID-19 exposure. However, our 2021 CAASPP and 2021-22 AimsWeb scores indicate our students are outperforming their peers in California and nationwide so our intentional efforts to support student learning and address learning loss by going back to in person instruction earlier than most public schools in San Diego for longer school days has demonstrated a level of success.

A description of how the LEA is using its fiscal resources received for the 2021–22 school year in a manner that is consistent with the applicable plans and is aligned with the LEA’s 2021–22 LCAP and Annual Update.

LFCS is using its fiscal resources received for the 2021-22 school year to prioritize staff and student health and student learning consistent with our 2021-22 LCAP, Safe Return to In Person Instruction and Continuity of Services plan, and our ESSER III Expenditure Plan. We expend resources on cleaning supplies, masks, and hand washing stations. We expend resources to incentivize candidates to accept employment and stay employed with LFCS so we can adequately supervise students while on campus, to reduce student to teacher ratios, and to provide the necessary interventions in reading and math to address learning loss. We expend funds on assessments to determine the degree of learning loss and to inform staff of the proper interventions. We expend funds on school counselors to address the social and emotional impact of the COVID pandemic on students. We expend funds on projects and equipment that improve air quality. We expend funds on technology to deliver instruction, assess learning, provide evidence of learning, and communicate with parents and students.

# Instructions for the Supplement to the Annual Update for the 2021–22 Local Control and Accountability Plan Year

*For additional questions or technical assistance related to the completion of the Supplement to the Annual Update to the 2021–22 Local Control and Accountability Plan (LCAP), please contact the local county office of education (COE), or the California Department of Education’s (CDE’s) Local Agency Systems Support Office, by phone at 916-319-0809 or by email at [lcff@cde.ca.gov](mailto:lcff@cde.ca.gov).*

## Introduction

California’s 2021–22 Budget Act, the federal American Rescue Plan Act of 2021, and other state and federal relief acts have provided local educational agencies (LEAs) with a significant increase in funding to support students, teachers, staff, and their communities in recovering from the COVID-19 pandemic and to address the impacts of distance learning on students. Section 124(e) of Assembly Bill 130 requires LEAs to present an update on the Annual Update to the 2021–22 LCAP and Budget Overview for Parents on or before February 28, 2022, at a regularly scheduled meeting of the governing board or body of the LEA. At this meeting, the LEA must include all of the following:

- The Supplement to the Annual Update for the 2021–22 LCAP (2021–22 Supplement);
- All available mid-year outcome data related to metrics identified in the 2021–22 LCAP; and
- Mid-year expenditure and implementation data on all actions identified in the 2021–22 LCAP.

When reporting available mid-year outcome, expenditure, and implementation data, LEAs have flexibility to provide this information as best suits the local context, provided that it is succinct and contains a level of detail that is meaningful and accessible for the LEA’s educational partners.

The 2021–22 Supplement is considered part of the 2022–23 LCAP for the purposes of adoption, review, and approval, and must be included with the LCAP as follows:

- The 2022–23 Budget Overview for Parents
- The 2021–22 Supplement
- The 2022–23 LCAP
- The Action Tables for the 2022–23 LCAP
- The Instructions for the LCAP Template

As such, the 2021–22 Supplement will be submitted for review and approval as part of the LEA’s 2022–23 LCAP.

## Instructions

Respond to the following prompts, as required. In responding to these prompts, LEAs must, to the greatest extent practicable, provide succinct responses that contain a level of detail that will be meaningful and accessible for the LEA’s educational partners and the broader public and must, to the greatest extent practicable, use language that is understandable and accessible to parents.

In responding to these prompts, the LEA has flexibility to reference information provided in other planning documents. An LEA that chooses to

reference information provided in other planning documents must identify the plan(s) being referenced, where the plan(s) are located (such as a link to a web page), and where in the plan the information being referenced may be found.

**Prompt 1:** *“A description of how and when the LEA engaged, or plans to engage, its educational partners on the use of funds provided through the Budget Act of 2021 that were not included in the 2020–21 Local Control and Accountability Plan (LCAP).”*

In general, LEAs have flexibility in deciding what funds are included in the LCAP and to what extent those funds are included. If the LEA received funding through the Budget Act of 2021 that it would have typically included within its LCAP, identify the funds provided in the Budget Act of 2021 that were not included in the LCAP and provide a description of how the LEA has engaged its educational partners on the use of funds. If an LEA included the applicable funds in its adopted 2021–22 LCAP, provide this explanation.

**Prompt 2:** *“A description of how LEA used, or plans to use, the concentration grant add-on funding it received to increase the number of staff who provide direct services to students on school campuses with an enrollment of students who are low-income, English learners, and/or foster youth that is greater than 55 percent.”*

If LEA does not receive a concentration grant or the concentration grant add-on, provide this explanation.

Describe how the LEA is using, or plans to use, the concentration grant add-on funds received consistent with California *Education Code* Section 42238.02, as amended, to increase the number of certificated staff, classified staff, or both, including custodial staff, who provide direct services to students on school campuses with greater than 55 percent unduplicated pupil enrollment, as compared to schools with an enrollment of unduplicated students that is equal to or less than 55 percent.

In the event that the additional concentration grant add-on is not sufficient to increase the number of staff providing direct services to students at a school with an enrollment of unduplicated students that is greater than 55 percent, describe how the LEA is using the funds to retain staff providing direct services to students at a school with an enrollment of unduplicated students that is greater than 55 percent.

**Prompt 3:** *“A description of how and when the LEA engaged its educational partners on the use of one-time federal funds received that are intended to support recovery from the COVID-19 pandemic and the impacts of distance learning on pupils.”*

If the LEA did not receive one-time federal funding to support recovery from the COVID-19 pandemic and the impacts of distance learning on students, provide this explanation.

Describe how and when the LEA engaged its educational partners on the use of one-time federal funds it received that are intended to support recovery from the COVID-19 pandemic and the impacts of distance learning on students. See the COVID-19 Relief Funding Summary Sheet web page (<https://www.cde.ca.gov/fg/cr/relieffunds.asp>) for a listing of COVID-19 relief funding and the Federal Stimulus Funding web page (<https://www.cde.ca.gov/fg/cr/>) for additional information on these funds. The LEA is not required to describe engagement that has taken place related to state funds.

**Prompt 4:** *“A description of how the LEA is implementing the federal American Rescue Plan Act and federal Elementary and Secondary School Emergency Relief expenditure plan, and the successes and challenges experienced during implementation.”*

If an LEA does not receive ESSER III funding, provide this explanation.

Describe the LEA's implementation of its efforts to maintain the health and safety of students, educators, and other staff and ensure the continuity of services, as required by the federal American Rescue Plan Act of 2021, and its implementation of the federal Elementary and Secondary School Emergency Relief (ESSER) expenditure plan to date, including successes and challenges.

**Prompt 5:** "A description of how the LEA is using its fiscal resources received for the 2021–22 school year in a manner that is consistent with the applicable plans and is aligned with the LEA's 2021–22 LCAP and Annual Update."

Summarize how the LEA is using its fiscal resources received for the 2021–22 school year to implement the requirements of applicable plans in a manner that is aligned with the LEA's 2021–22 LCAP. For purposes of responding to this prompt, "applicable plans" include the Safe Return to In-Person Instruction and Continuity of Services Plan and the ESSER III Expenditure Plan.

California Department of Education  
November 2021

## Cover Sheet

### Approve the Title I School Plan for Student Achievement

<b>Section:</b>	III. Chief Business Officer's Report
<b>Item:</b>	D. Approve the Title I School Plan for Student Achievement
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	2021 CAASPP Results.pdf Fall 2021-22 AimsWeb Reading Scores.pdf Fall 2021-22 AimsWeb Math Scores.pdf 2021-22 LFCS School Plan for Student Achievement.docx



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## English Language Arts/Literacy and Mathematics

Smarter Balanced Summative Assessments

[View Test Results](#) [Search / Compare Results](#) [Understanding Results](#) [Research Files](#)

### Test Results at a Glance

Type a School, District, County, ZIP, CDS Code

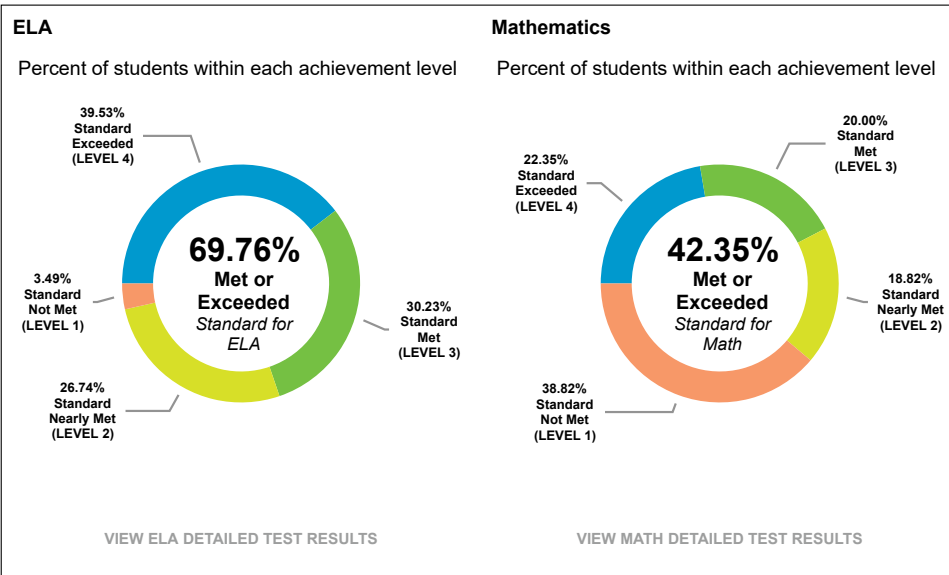
#### School: Literacy First Charter

CDS Code: 37-10371-6119119 | County: San Diego | District: Literacy First Charter

#### Report Options

Year:  Grade:  Student Group:  School Type:  [Selections Applied](#) [Clear Selections](#)

**PLEASE NOTE:** Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020-21 varied. Care should be used when interpreting results.



- ADD TO COMPARE** [→](#)  
 Add this entity to comparison and find other entities to compare it to.
- SCHOOL-DISTRICT-STATE COMPARISON** [→](#)  
 Search for a school to compare its results to the district and state.
- CHANGE OVER TIME** [→](#)  
 View how a group/cohort of students has progressed.
- PERFORMANCE TREND REPORTS** [→](#)  
 View the performance of two different student groups within a single grade over time.
- RESEARCH FILES** [→](#)  
 Get files for complex analyses and customized reporting.



School Year: 2021-22

# LFCS School Plan for Student Achievement

School Name	County-District-School (CDS) Code	Schoolsite Council (SSC) Approval Date	Local Board Approval Date
Literacy First Charter Schools	37-10371-6119119	N/A	2.9.2022

## Purpose and Description

This is a Title I Schoolwide Program Plan that seeks to help all students identified as reading, writing, and computing below grade level close those learning gaps and attain grade level proficiency as quickly as possible.

Using multiple assessments, including AimsWeb and CAASPP, students will be identified as reading, writing, and computing below grade level and provided targeted intervention by trained staff during the school day and during summer school through one on one and/or “pull out” and “push in” small group instruction in a way that minimizes the loss of instruction in core academic subjects.

## Stakeholder Involvement

### Involvement Process for the SPSA and Annual Review and Update

During parent conferences in the fall, winter, and spring, parents are informed of their student(s)’s academic performance and consulted as to how they think their student(s)’s needs can best be served. Over the course of current and historical conversations, parents consistently ask for targeted instruction for their student(s) during the school day in the areas their student(s) need to grow. They want extra help for their student(s) at school. During Lead Teacher meetings and Team meetings, school leadership, General Education teachers, and Intervention staff discuss student needs and how to best meet them using research based curriculum, instructional practices, and assessments and within a schedule that prioritizes students remaining in the general education setting for instruction in the core academic subjects. Since this is our first year of this SPSA there is no annual review or update.

## Resource Inequities

2021-22SPED expenses are expected to exceed SPED revenue by \$694,700.

# Goals, Strategies, Expenditures, & Annual Review

## Goal 1

All students identified as reading below grade level will improve their reading in the 2021-22 school year by at least 1.2 grade levels.

### Identified Need

15.5% of our 2<sup>nd</sup> through 8<sup>th</sup> graders are in the 25<sup>th</sup> quartile in reading, nationally normed according to AimsWeb. 30% of 11<sup>th</sup> graders did not meet standard on the 2021 ELA CAASPP.

### Annual Measurable Outcomes

Metric/Indicator	Baseline/Actual Outcome	Expected Outcome
Fall AimsWeb Reading Assessment	15.5% in the 25 <sup>th</sup> quartile	Less than 10% in the 25 <sup>th</sup> quartile
Fall Reading and Writing high school placement tests and Read 360 assessments; CAASPP	30% of 11 <sup>th</sup> graders did not meet standard on the 2021 ELA CAASPP	75% meet or exceed standard on the CASPP ELA; 95% nearly meet, meet, or exceed standard

### Strategy/Activity

#### Students to be Served by this Strategy/Activity

All students identified as reading in the 25<sup>th</sup> quartile through AimsWeb or below grade level on high school placement assessments or Read 360 assessments.

### Strategy/Activity

Targeted reading and writing intervention instruction and assessment during one on one and small group pull out and push in services during the school year and during summer school.

### Proposed Expenditures for this Strategy/Activity

Amount(s)	Source(s)
\$123,356.50	Title I A

## Goal 2

All students identified as mathematically below grade level will improve their mathematics abilities in the 2021-22 school year by at least 1.2 grade levels.

### Identified Need

12.4% of our 2<sup>nd</sup> through 8<sup>th</sup> graders are in the 25<sup>th</sup> quartile in mathematics, nationally normed according to AimsWeb. 58% of 11<sup>th</sup> graders did not meet standard on the 2021 Mathematics CAASPP.

### Annual Measurable Outcomes

Metric/Indicator	Baseline/Actual Outcome	Expected Outcome
Fall AimsWeb Mathematics Assessment	12.4% in the 25 <sup>th</sup> quartile	8% or less in the 25 <sup>th</sup> quartile
Fall High School Mathematics Placement Assessments; CAASPP	58% of 11 <sup>th</sup> graders did not meet standard on the 2021 Mathematics CAASPP	47% will meet or exceed standard; 70% will nearly meet, meet, or exceed standard.

### Strategy/Activity

#### Students to be Served by this Strategy/Activity

All students identified in the 25<sup>th</sup> quartile for mathematics or below grade level according to high school mathematics placement assessments.

### Strategy/Activity

Targeted mathematics intervention instruction and assessment during one on one and small group pull out and push in services during the school year and during summer school.

### Proposed Expenditures for this Strategy/Activity

Amount(s)	Source(s)
\$123,356.50	Title I A

## Annual Review

This is our first School Plan for Student Achievement so no annual review is possible.

# Budget Summary

## Budget Summary

DESCRIPTION	AMOUNT
Total Funds Provided to the School Through the Consolidated Application	\$ 246,713
Total Federal Funds Provided to the School from the LEA for CSI	\$ 0
Total Funds Budgeted for Strategies to Meet the Goals in the SPSA	\$ 246,713

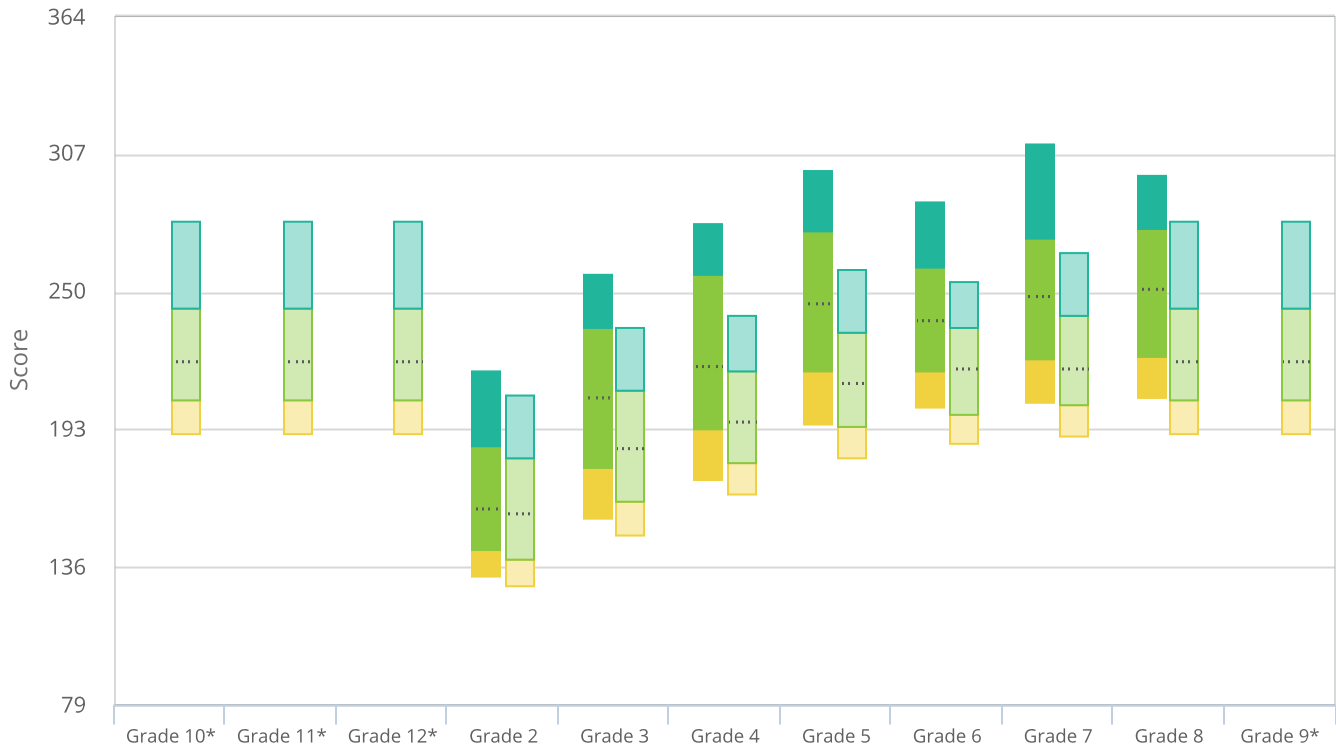




**Report** Benchmark Distribution      **School Year** 2021-2022      **Period** Fall 2021-2022      **Roster** Literacy First Charter Schools

Test: Math | Grade: 2-12 | Demographics Selection: Not Filtered

**Show:** ■ Grades **GroupBy:** School Year **Comparison:** ■ National Norms      --- Median



2021-2022

\*Insufficient scores for comparison. At least 10 scores are required.

2021-2022						
Comparison: National	Grade 10	Grade 11	Grade 12	Grade 2	Grade 3	Grade 4
90-99th %ile	0 (0.0%)	0 (0.0%)	0 (0.0%)	23 (12.4%)	49 (25.4%)	70 (36.5%)
75-89th %ile	1 (16.7%)	2 (100.0%)	0 (0.0%)	31 (16.8%)	42 (21.8%)	28 (14.6%)
26-74th %ile	3 (50.0%)	0 (0.0%)	5 (100.0%)	92 (49.7%)	77 (39.9%)	64 (33.3%)
11-25th %ile	2 (33.3%)	0 (0.0%)	0 (0.0%)	27 (14.6%)	12 (6.2%)	21 (10.9%)



**Report**                      **School Year**                      **Period**                      **Roster**  
 Benchmark Distribution                      2021-2022                      Fall 2021-2022                      Literacy First Charter Schools

Test: Math | Grade: 2-12 | Demographics Selection: Not Filtered

Comparison: National	2021-2022					
	Grade 10	Grade 11	Grade 12	Grade 2	Grade 3	Grade 4
1-10th %ile	0 (0.0%)	0 (0.0%)	0 (0.0%)	12 (6.5%)	13 (6.7%)	9 (4.7%)
Total Students	6	2	5	185	193	192
Mean	219.3	264.0	226.0	168.3	207.1	224.3
Standard Deviation	22.63	9.90	16.81	33.09	37.84	39.88

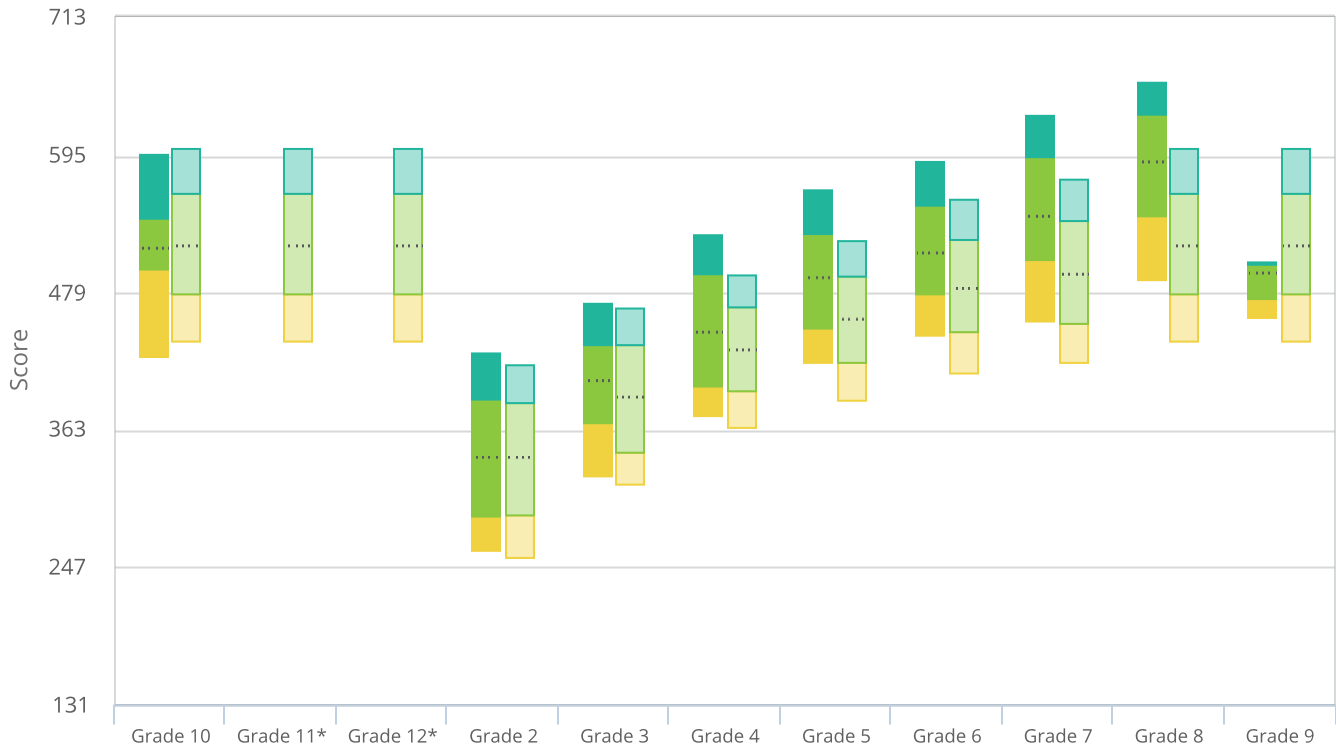
Comparison: National	2021-2022				
	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9
90-99th %ile	75 (39.7%)	55 (34.6%)	47 (31.1%)	29 (22.1%)	0 (0.0%)
75-89th %ile	37 (19.6%)	32 (20.1%)	41 (27.2%)	48 (36.6%)	0 (0.0%)
26-74th %ile	60 (31.7%)	62 (39.0%)	48 (31.8%)	41 (31.3%)	1 (33.3%)
11-25th %ile	10 (5.3%)	9 (5.7%)	11 (7.3%)	10 (7.6%)	0 (0.0%)
1-10th %ile	7 (3.7%)	1 (0.6%)	4 (2.6%)	3 (2.3%)	2 (66.7%)
Total Students	189	159	151	131	3
Mean	246.8	241.9	251.5	251.7	195.7
Standard Deviation	39.92	32.10	39.96	35.60	16.86



**Report** Benchmark Distribution      **School Year** 2021-2022      **Period** Fall 2021-2022      **Roster** Literacy First Charter Schools

Test: Reading | Grade: 2-12 | Demographics Selection: Not Filtered

**Show:** ■ Grades **GroupBy:** School Year **Comparison:** ■ National Norms      - - - Median



2021-2022

\*Insufficient scores for comparison. At least 10 scores are required.

2021-2022						
Comparison: National	Grade 10	Grade 11	Grade 12	Grade 2	Grade 3	Grade 4
90-99th %ile	1 (8.3%)	1 (12.5%)	1 (16.7%)	21 (11.5%)	22 (11.4%)	50 (26.2%)
75-89th %ile	1 (8.3%)	3 (37.5%)	1 (16.7%)	27 (14.8%)	29 (15.0%)	26 (13.6%)
26-74th %ile	8 (66.7%)	3 (37.5%)	4 (66.7%)	88 (48.1%)	114 (59.1%)	70 (36.6%)
11-25th %ile	0 (0.0%)	1 (12.5%)	0 (0.0%)	32 (17.5%)	12 (6.2%)	27 (14.1%)





**Report** Benchmark Distribution      **School Year** 2021-2022      **Period** Fall 2021-2022      **Roster** Literacy First Charter Schools

Test: Reading | Grade: 2-12 | Demographics Selection: Not Filtered

Comparison: National	2021-2022					
	Grade 10	Grade 11	Grade 12	Grade 2	Grade 3	Grade 4
1-10th %ile	2 (16.7%)	0 (0.0%)	0 (0.0%)	15 (8.2%)	16 (8.3%)	18 (9.4%)
Total Students	12	8	6	183	193	191
Mean	516.2	550.3	536.3	342.7	402.1	448.7
Standard Deviation	61.84	52.94	53.12	63.87	54.16	62.24

Comparison: National	2021-2022				
	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9
90-99th %ile	54 (28.6%)	39 (24.5%)	49 (32.5%)	54 (41.2%)	0 (0.0%)
75-89th %ile	37 (19.6%)	32 (20.1%)	31 (20.5%)	32 (24.4%)	0 (0.0%)
26-74th %ile	78 (41.3%)	68 (42.8%)	57 (37.7%)	34 (26.0%)	8 (72.7%)
11-25th %ile	18 (9.5%)	14 (8.8%)	7 (4.6%)	10 (7.6%)	3 (27.3%)
1-10th %ile	2 (1.1%)	6 (3.8%)	7 (4.6%)	1 (0.8%)	0 (0.0%)
Total Students	189	159	151	131	11
Mean	490.8	516.0	545.2	581.6	488.7
Standard Deviation	56.31	57.83	66.51	61.00	21.15

# Cover Sheet

## Approve Updated LFCS Fiscal Policies

**Section:** III. Chief Business Officer's Report  
**Item:** E. Approve Updated LFCS Fiscal Policies  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:**  
LFCS Purchasing, Procurement, and Contracting Policy Proposed.docx

## Literacy First Charter Schools: Purchasing, Procurement, and Contracting Policy

- I. Purpose
  - a. The purpose of this policy is to establish procedures for carrying out purchasing, procurement, and contracting functions of the school and to provide efficient management of public funds and ensure compliance with all applicable state and federal laws.
- II. General Statement of Policy
  - a. It is the policy of LFCS and its Board of Trustees to utilize resources to the greatest benefit of our students' education and to establish procedures for all expenditures made with school funds to ensure efficiency, economy, legal compliance, internal controls, ethical behavior, and fairness in dealing with vendors.
    - i. General Purchasing Procedures
      1. Authorization: The school's executive director and chief business officer, in conjunction with the school's board of trustees, are responsible for overseeing the procurement process, including the establishment of procedures, internal controls, quality assurance, methods of greatest economy, and compliance with all applicable laws. The board approved school budget is authorization for the executive director and chief business officer to make or authorize purchases within the budget under their control. **To be valid, all contracts over \$10,000 must be approved by the board of trustees.** In the case of emergencies, contracts may be executed prior to board approval. The school's executive director and/or chief business officer will promptly inform the board of such situations and provide the board the contract with all deliberate speed.
    - ii. Scope
      1. Purchasing procedures apply to procurement of equipment, supplies, and services used to support the education process. Expenditure of school funds may only be for the public purpose of the school.
    - iii. Monitoring
      1. The executive director and the chief business officer will monitor and facilitate best practices and ensure best pricing.
    - iv. Economy
      1. Products will be purchased for the lowest price for acceptable quality.
    - v. Purchasing Methods
      1. All school purchases will be made through one of the following methods: purchase orders, school purchasing card, employee reimbursement, lease agreements, and invoices.
    - vi. Purchasing Process
      1. Purchase Orders: Purchase orders are filled out by school site administrators and approved by the executive director and chief business officer. Each administrator keeps copies of each purchase order they generate and logs them on a common spreadsheet. The chief business officer and finance office staff reconcile Purchase Orders with invoices.
      2. School purchasing card (credit card): The executive director authorizes who is to be granted a school purchasing card. Staff who use the school card must submit receipts each month to verify purchases on each monthly statement. School finance office staff reconcile monthly credit card statements and receipts for each school issued credit card. The school's chief business officer approves the overall monthly credit card payment. Approval by the executive director or chief business officer is needed for purchases over \$5000.
      3. Employee reimbursement: Employees may be reimbursed for school expenses using the LFCS Employee Reimbursement form. The completed form must include the employee's

name and address, a description of the item(s) purchased, the cost, the corresponding receipt(s), and the employee's signature. The reimbursement forms are then reviewed and approved by the executive director and/or chief business officer and then processed for payment through the school's financial office.

4. **Petty Cash:** Petty cash boxes for each campus may be authorized by the school's executive director. The maximum amount of petty cash allowed in each cash box at each campus is \$300 at any one time. Two signatures are required on all deposits, the initiator, and the office manager. An entry and receipt for every transaction are kept in a journal. Receipts for purchases in the office and copies of checks must be attached to the deposit slips. Copies of deposit collections with a bank deposit record attached are sent to the school's finance office for processing. Deposits are reviewed by the school's financial office staff and bank statements reconciled each month.
5. **Receiving Goods:** Upon delivery, office staff or other responsible school employees will inspect the shipment against the packing slip to verify the complete order was delivered and in good condition. The employee initials the packing slip and send it to the finance office where it is matched to the invoice. Invoices for ordered items are not paid until verification by a signed packing slip, if available. If a packing slip was not sent with the order, an email, text message or other written confirmation with the chief business officer or finance office staff will be used as verification.
6. **Invoices:** The school's chief business officer approves all invoices for payment with a stamp and a signature. The school's finance office staff generate warrants for each invoice. The school's executive director signs each warrant. If the school's executive director is not available to sign warrants, the school's chief business officer may do so. Commercial warrants over \$10,000 require two signatures. Mission Federal Credit Union Checks over \$10,000 require two signatures. The school's finance office staff pairs warrants with the proper invoices. The school's chief business officer reviews all warrants and invoices, envelopes them, and seals the envelopes. Mission Federal Credit Union statements are reconciled monthly.
7. **Procedures for Purchases using restricted non-federal funds**
  - a. The chief business officer will ensure that all expenditures using restricted state funds are allowable according to the stipulations of each fund and that the school follows all compliance regulations and reporting requirements specific to each fund. In addition to the general procurement policies listed above and as applicable, the school's executive director and/or the chief business officer, in conjunction with the school's board of trustees, will issue a request for proposal for contracts, examine three bids, and select a qualified vendor according to applicable California regulations. All qualified vendors will be provided equal opportunity. There may be emergency situations where competitive bidding is not possible. The school's executive director and/or chief business officer will promptly inform the board of such situations and provide the board the subsequent contract, if applicable, will all deliberate speed.
8. **Procedures for Purchases using federal funds**
  - a. The chief business officer will ensure that all expenditures using federal funds are allowable according to the stipulations of each fund and that the school follows all compliance regulations and reporting requirements specific to each fund. In addition to the general procurement policies listed above and as applicable, the school's executive director and/or the chief business officer, in conjunction with the school's board of trustees, will issue a request for proposal for contracts, examine three bids, and select a qualified vendor according to

applicable California and Federal regulations. All qualified vendors will be provided equal opportunity. There may be emergency situations where competitive bidding is not possible. The school's executive director and/or chief business officer will promptly inform the board of such situations and provide the board the subsequent contract, if applicable, will all deliberate speed.

9. Exceptions to bids and formal competitive bidding
  - a. Purchases excluded from the requirement for written bids and formal competitive bidding include equipment and public projects that do not exceed \$2,500; supplies and services that do not exceed \$10,000; textbooks, library books, films, audiovisual materials, test materials, workbooks, instructional software, periodicals, rental and lease of facilities, television program rights, newspaper advertising, cost of training classes and workshops, postage and postage metering costs, utilities, travel services, perishable food and seasonal commodities, services from other governmental agencies, and consultant services for financial, economic, accounting, engineering, legal, and administrative matters.

## Cover Sheet

### Approve bid to abate and demolish structures at 1025 Pepper Drive

**Section:** III. Chief Business Officer's Report  
**Item:** G. Approve bid to abate and demolish structures at 1025  
Pepper Drive  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:**  
Pepper Drive Houses Demo Quote AML.pdf  
Pepper Drive Houses Demo Quote Casper.pdf  
Pepper Drive Houses Demo Quote Dr Demo.pdf  
Pepper Drive Houses Superior Abatement and Demo Quote.pdf  
Pepper Drive Houses Alliance Abatement Quote.pdf  
Pepper Drive Houses Alliance Demo Quote.pdf



777 North Georgia Avenue, Azusa, CA 91702 Ph: 619-229-6135 Fx: 619-481-6196

www.alliance-enviro.com

License 716538 DOSH # 630

info@alliance-enviro.com

**Project:** 1025 & 1025 1/2 Pepper Drive - Abatement

"Property" Address: 1025 & 1025 1/2 Pepper Drive

City: El Cajon State: CA Zip: 92021

Contact: Steve Robison

Work No.: 619-316-5839

Mobile No.: 619-579-7232 Home No.: \_\_\_\_\_

Claim Number: \_\_\_\_\_

**Customer**  **Billing Party**

**Literacy First Charter Schools**

Address: 799 E Washington Ave

City: El Cajon State: CA Zip: 92020

Contact: Steve Robison

Phone No.: 619-316-5839

Fax No.: \_\_\_\_\_

Email: steve.robison@lfcinc.org

Scheduled Start Date:

Scheduled Completion Date:

Total Bid Amount: **\$46,525.00**

Deposit Required: **\$0.00**

Balance Due on Completion: **\$46,525.00**

**SCOPE OF WORK (Description of Project, Materials to be Used, and/or Equipment to be Installed)**

1. Notify required local regulatory agency prior to job start if applicable.
2. Isolate work areas.
3. Set up the shower decontamination system adjacent to work area(s).
4. Run negative air filtration during the abatement and monitor air in the work area(s).
5. Perform abatement of lead containing siding, eaves, fascia, trim, baseboards, window frames/components, flooring, doors, and door jams. Perform abatement of all asbestos containing vinyl flooring, mastic, and window putty. Includes hepa vacuuming, wet wiping, and disposal of hazardous debris.
6. Transport, manifest and dispose of waste at an EPA landfill.
7. Remove containment and equipment upon final inspection and/or clearance.

In the event that an insurance company issues a check to the owner for payment for services performed by Alliance, please endorse the check and forward it to Alliance upon the completion of the job.

EXCLUSIONS: Any/all repair of building materials removed prior to or as a result of the abatement process or abatement containment procedures. Any/all damage to electrical, fixtures, paint, walls, floors, due to the abatement process or abatement containment procedures. Any/all pre-contamination that may have occurred by work performed prior to or as a result of the loss itself. Alliance is responsible for work inside our work area and any/all contamination that may have occurred prior is not the responsibility of Alliance. Third party testing.

1. UNLESS OTHERWISE NOTED IN THIS CONTRACT, Homeowner or tenant is ultimately responsible to ensure that all personal items are removed from the work area prior to the arrival of Alliance Environmental Group, LLC. In the event that a third party company is contracted to remove the contents from that area, and not all necessary items are removed prior to Alliance Environmental Group, LLC.'s arrival, a cancellation fee or content manipulation charge to the homeowner or tenant may apply as outlined in the following paragraph. In order to prevent these charges, homeowner is responsible to ensure all necessary content manipulation has been completed or to notify Alliance Environmental Group, LLC. of any changes prior to Alliance Environmental Group, LLC.'s arrival.
2. In the event that the work area is not ready for abatement, the homeowner or tenant will be responsible for payment of either \$70.00 per man per hour to manipulate contents (contents exclusions in subsection 3, titled exclusions, apply) or a \$250 cancellation fee. In the event of a cancellation, the job will be rescheduled for the soonest opening once the work areas are prepared for abatement.

Customer Initial: \_\_\_\_\_

Payment notice:

1. In the event that the homeowner is paying Alliance Environmental Group, LLC. directly, payment is due and payable immediately upon completion of the job.
2. In the event that an insurance company issues a check to the owner for payment for services performed by Alliance Environmental Group, LLC., the homeowner is responsible to issue payment to Alliance Environmental Group, LLC. for full contract amount.
3. In the event that an insurance company denies all or part of the claim, the homeowner is ultimately responsible for payment for the full contract amount.

Customer Initial: \_\_\_\_\_

DEPOSIT may not exceed \$1,000 or 10 percent of Contract Amount, whichever is less. Customer shall pay Alliance Environmental Group, LLC. the Deposit prior to Alliance Environmental Group, LLC. scheduling work. In the event of failure to pay any of the amount due in this invoice, all collection costs and/or attorney fees in the collection of any such amount will be paid by the Customer. Interest at the rate of 1.5% per month, or the maximum rate allowed by law whichever is less, will be charged on accounts past due more than 30 days. In the event of failure to pay any of the amount due, all collection costs and/or attorney fees in the collection of any such amount will be paid by the Customer. In the event that an insurance company issues a check to the owner for payment for services performed by Alliance Environmental Group, LLC., please endorse the check and forward it to Alliance Environmental Group, LLC. upon the completion of the job.

Some of the services performed by Alliance Environmental Group, LLC. require the use of EPA approved chemicals. It is the Customer's responsibility to notify Alliance Environmental Group, LLC. of any potential health concerns or known sensitivity to chemicals. I have read and understand that if I have concerns I am to notify Brian Thomas.

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Date)

**Any and all hazardous waste fees are to be paid by the generator, not Alliance Environmental Group, LLC. This is including but not limited to ALL generator fees from the State Board of Equalization and Department of Toxic Substance Control.**

**Customer acknowledges and authorizes Alliance Environmental Group, LLC. to sign the Hazardous Waste Manifest "on behalf of" the generator.**

Customer Initial: \_\_\_\_\_

The State Board of Equalization will assess a fee for each generator that produces five tons or more of hazardous waste. **This assessed fee is not included in this contract amount.** Please be aware that if you generate more than five tons of hazardous waste, the BOE will bill you the required fee.

Current fees are as follows:

Generator Size:	Fee:	Generator Size:	Fee:
Less than 5 tons/year	\$0.00	25 but less than 50 tons/year	\$2,000.00
5 but less than 25 tons/year	\$250.00	50 but less than 250 tons/year	\$5,000.00

**Contact your Alliance Environmental Group, LLC. Project Manager/Estimator (Brian Thomas) for assistance in approximating your Generator Fee.**

**Notice:** Recent lead laws require that any pre 1978 structure where lead paint will be disturbed must have the paint tested or it will be presumed positive. Alliance Environmental Group, LLC. strongly recommends that these painted surfaces be tested for lead content prior to performing work. If Alliance Environmental Group, LLC. has not been provided lead testing results, it will be assumed that all surfaces contain lead. Alliance Environmental Group, LLC. will profile and characterize these materials for the proper handling and disposal. Pending results of the lead profile characterization, additional disposal cost may be charged at a price to be determined by Alliance Environmental Group, LLC.



Alliance Environmental Group, LLC. (hereinafter referred to as "Alliance"), and the undersigned homeowner or tenant (hereinafter referred to as "Customer") agree as follows: The previous page and above portion of this page are incorporated herein as part of the Contract between the parties.

**1. SCOPE OF WORK:** In consideration of the payment specified above, Alliance is hereby authorized to furnish all labor, materials, and equipment necessary to perform removal and disposal of asbestos, lead, mold, and/or other materials and/or to perform hazardous remediation of hazardous materials, all as specified in the above agreed Scope of Work, in material compliance with applicable laws and regulations. Alliance agrees to use reasonable best efforts to complete the Scope of Work. However, Customer acknowledges and agrees that this Agreement is for Alliance's effort and not for any particular results. ALLIANCE MAKES NO REPRESENTATION OR WARRANTY THAT THE WORK DESCRIBED IN THE SCOPE OF WORK WILL RESULT IN THE ELIMINATION OF ASBESTOS, LEAD, MOLD, AND/OR OTHER HAZARDOUS MATERIALS CONTAMINATION ("HAZARDS CONTAMINATION") FROM THE AREAS DESCRIBED IN THE SCOPE OF WORK OR THAT SUCH HAZARDS CONTAMINATION WILL NOT REAPPEAR IN SUCH AREAS OR OTHER AREAS OF THE PROPERTY. ALLIANCE MAKES NO REPRESENTATION OR WARRANTY REGARDING HAZARDS CONTAMINATION IN AREAS, INCLUDING ADJOINING AREAS, NOT SPECIFIED IN THE SCOPE OF WORK, NOR THAT SUCH HAZARDS CONTAMINATION WILL NOT MIGRATE TO AREAS DESCRIBED IN THE SCOPE OF WORK FOLLOWING COMPLETION OF OR DURING THE SCOPE OF WORK. Without limiting the foregoing, Customer specifically waives and releases Alliance from any claim for damages on account of work recommended by Alliance but not accepted by Customer or Insurer, and for any consequential, incidental or punitive damages, or for loss of use, property or profits of whatever kind arising out of or in connection with performance of Scope of Work.

**2. START DATE AND COMPLETION DATE:** California Law requires that Contractor start this project within (20) days of execution of this Contract subject to Alliance's ability to obtain permits and Customer's ability to obtain financing if Customer is buying the property in question, subject to delay caused by any processing and obtaining permits may required which may extend Start Date and correspondingly delay the Completion Date.

**3. EXCLUSIONS:** Any work that is not specifically included in Scope of Work shall not be any part of this Contract. Removal of inaccessible asbestos, mold, or lead-containing materials is not covered in the Contract amount and additional charges will apply if materials must be removed to uncover same. Doors, lights, ceiling fans, curtains and other items may need to be removed by Alliance to perform work and Alliance does NOT rebuild or reinstall these items. Plumbing supply lines may be faulty and may need to be replaced. This cost is not covered in the Contract Amount. Contents and appliances need to be removed from work area prior to abatement. Additional costs will be applied if contents need to be removed, unless otherwise stated in the Scope of Work. Unless otherwise stated in the Scope of Work, the cost of third party clearance testing is not part of the Contract Amount.

**4. DAMAGE:** Incidental damage to doors, door casings, windows, window sills, baseboards, walls, wallpaper, wood, paneling, painted surfaces, and to contents or Customer personal items left in work area may occur as a result of work performed, including but not limited to taping plastic barriers to walls and other surfaces. Every reasonable attempt will be made to minimize such occurrences. Alliance shall not pay/reimburse for, nor does it do any, repairs, repainting, rebuilding or replacement of such "incidental damages, and such is not included in the Scope of Work. Due to odors caused by chemicals used for mastic removal, the work areas will be razor scraped to remove the majority of mastic but residual mastic may be left after scraping and will be sealed with an E.P.A. approved encapsulant. When working in attics Alliance shall not be held responsible for nail pops, cracks or other incidental damages that may occur due to the scope of work being performed.

**5. SITE ACCESS:** Customer agrees to ensure that prior to any work undertaken by Alliance, the site of the work, the area from which the work is controlled, and any storage area used by Alliance in connection with the work (collectively referred to hereinafter as the "Site"), shall be vacated and remain closed to all persons (other than Alliance employees) for the duration of the project. In the event that any individual other than Alliance employees enters the Site, Customer agrees that Alliance shall not be held liable for any claims, including, without limitation, any

**6. DIFFERING SITE CONDITIONS:** If Alliance encounters subsurface, latent, unusual or unknown physical conditions in the work area differing materially from those indicated in its initial inspection or the Scope of Work, Alliance will promptly notify Customer or Insurer. If such conditions cause an increase in the cost of, or the time required for, performance of the Scope of Work, appropriate equitable adjustments in Scope of Work, price and completion date shall be made.

**7. EXTRA WORK AND CHANGE ORDERS:** Customer and Alliance, or Insurer (defined below) and Alliance, may change the Scope of Work at any time and from time to time, including changes in scope, methods, scheduling or performance requirement, but no such change shall be effective unless and until an agreed written Change Order is made and executed, including appropriate adjustments to the overall price and completion date of the Scope of Work. Subject to the following, if Alliance undertakes additional or different work notwithstanding the absence of a Change Order, it will not operate as a waiver of this provision, and Alliance will nevertheless be entitled to appropriate equitable adjustments to the price and completion date terms of the Scope of Work. All phone quotes are subject to field verification. Extra work and Change Orders become part of the Contract once the order is prepared in writing and signed by the parties. The Change Order must describe the scope of the extra or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments, if any. Change Orders required by the building department at the jobsite shall be considered incorporated into the contract without being signed by both parties.

- 8. ELIMINATION:** Literacy First Charter Schools - Literacy First Charter School Board of Trustees - Agenda - Wednesday February 9, 2022 at 5:00 PM  
conditions from the Property that may cause or contribute to re-contamination by mold or other irritants, including but not limited to standing water, faulty plumbing, leaks, dampness from condensation, damaged wood, roof leaks, direct wood to soil contact, improperly protected exterior wood surfaces, landscaping above foundation grade line, and improperly installed irrigation.
- 9. UTILITIES; STORAGE:** Customer agrees to provide to Alliance, free of charge, reasonable use of electrical power, light, water, and storage space necessary for the proper undertaking and completion of the Services at the Property.
- 10. FORCE MAJEURE:** Alliance shall not be deemed to default nor be liable for damages for any failure or delay in performance of its work which arise out of causes beyond its reasonable control. Such causes may include, without limitation, acts of God, acts of terrorists or terrorist organizations, the public enemy, acts of government in either its sovereign or contractual capacity, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, material shortages, or unusual severe weather. In the event work by Alliance is delayed by such causes, the completion date will be extended accordingly.
- 11. MECHANICS LIEN WARNING:** Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a "20-day Preliminary Notice." This notice is not a lien. The purpose of the notice is to let you know what the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

**BE CAREFUL.** The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices. You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

**PROTECT YOURSELF FROM LIENS.** You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

**PAY WITH JOINT CHECKS.** One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's website at [www.cslb.ca.gov](http://www.cslb.ca.gov) <<http://www.cslb.ca.gov>> or call CSLB at 1-800-321-CSLB (2752).

**Remember, if you do nothing, you risk having a lien placed on your home.** This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe.

**12. COMMERCIAL GENERAL LIABILITY INSURANCE (CGL):** Alliance carries CGL insurance written by Lockton Companies. You may call the insurance company at 713-458-5200 to check Alliance's coverage.

**13. WORKERS' COMPENSATION INSURANCE:** Alliance carries workers' compensation insurance for employees.

**14. INFORMATION ABOUT CONTRACTORS STATE LICENSE BOARD (CSLB):** See Attached Notice .

**15. INSURANCE TRANSACTION AND INSURANCE AUTHORIZATION TO RELEASE FUNDS:** When Contract for Scope of Work is between Alliance and Customer's insurance company ("Insurer"), Customer shall nevertheless be jointly and severally liable with Insurer to pay Alliance all amounts due to Alliance. Customer's signature on this Contract grants Alliance the Customer's power of attorney to sign/endorse Insurer checks and/or drafts payable to the Customer, including as result of Customer's claim to Insurer for property damages, concerning or intended to be in payment for Alliance's work. Customer agrees checks from Insurer will be sent directly to Alliance.

**NOTICE OF INFORMATION ABOUT CONTRACTORS STATE LICENSE BOARD**

CSLB is the state consumer protection agency that licenses and regulates construction contractors. You may contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB. Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees. For more information: VISIT: CSLB's website at [www.cslb.ca.gov](http://www.cslb.ca.gov). CALL: CSLB at 1-800-3321-CSLB (2752). WRITE: CSLB at P.O. Box 26000, Sacramento, CA 95826.

**BOTH YOU AND ALLIANCE, BEFORE ANY WORK MAY BE STARTED.**

**\* YOU, THE CUSTOMER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. IF YOU ARE 65 YEARS OF AGE OR OLDER, THEN, YOU MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO THE FIFTH BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE ATTACHED NOTICE OF CANCELLATION FORM FOR EXPLANATION OF THIS RIGHT.**

CUSTOMER SIGNATURE BELOW IS ACKNOWLEDGEMENT THAT CUSTOMER HAS RECEIVED THE NOTICE OF RIGHT TO CANCEL

THIS CONTRACT WILL NOT BECOME BINDING ON THE PARTIES UNTIL ACCEPTED BY AN AUTHORIZED REPRESENTATIVE OF ALLIANCE, AT ALLIANCE'S OFFICES.

CUSTOMER:

ALLIANCE ENVIRONMENTAL GROUP, LLC.:

Dated: [Redacted]

Representative: Brian Thomas

Print Name [Redacted]

(Printed Name)

\_\_\_\_\_

(Signature)

[Redacted Signature]

(Signature)

Corporate/Los Angeles	777 North Georgia Avenue, Azusa, CA 91702	Ph (626) 633-3500 Fax (626) 633-3599
Bay Area/San Francisco	1250 Campbell Avenue, San Jose, CA 95126	Ph (408) 830-9700 Fax (408) 980-9746
Central Coast	535 Lindon Lane, Suite D, Nipomo, CA 93444	Ph (805) 931-5925 Fax (805) 222-2370
Fairfield	497 Edison Court, Suite A, Fairfield, CA 94534	Ph (707) 419-7638 Fax (408) 980-9746
Fresno	3505 West Gettysburg Avenue, Fresno, CA 93722	Ph (559) 475-7267 Fax (559) 475-7268
Monterey/Santa Cruz	804 Estates Drive, Suite 208, Aptos, CA 95003	Ph (831) 661-0328 Fax (831) 661-0464
Orange County	11730 Seaboard Circle, Stanton, CA 90680	Ph (714) 507-4080 Fax (714) 608-1094
Sacramento	8210 Berry Avenue, Suite 160, Sacramento, CA 95828	Ph (916) 520-2296 Fax (626) 633-3596
San Diego	8390 Juniper Creek Lane, San Diego, CA 92126	Ph (619) 229-6135 Fax (619) 229-6143
Ventura/Santa Barbara	94 West Cochran Street, Suite C, Simi Valley, CA 93065	Ph (805) 378-6590 Fax (805) 378-6594
Arizona	1123 East Tonto Street, Phoenix, AZ 85034	Ph (480) 389-2492 Fax (480) 452-1905
Nevada	2146 Highland Avenue, Las Vegas, NV 89102	Ph (702) 851-8025 Fax (702) 851-8154



This form letter will only be used in the event that Alliance receives a 3rd party check issued to your mortgage company.

Mortgage Company Name:

Address:

City, State, Zip:

Attn: Loss Draft Department

RE: Borrower Name(s): Steve Robison  
Property Address: 1025 & 1025 1/2 Pepper Drive  
Property City, State, Zip: El Cajon, CA 92021  
Loan#

**AUTHORIZATION TO RELEASE INFORMATION FROM MORTGAGE COMPANY**

Dear Sir or Madam,

This is to authorize you to release any and all information concerning the above referenced loan to the Accounts Receivable Department at Alliance Environmental Group, LLC. at their request. Alliance Environmental Group, LLC. is the contractor assisting us with submittal of an invoice payment. Please release any information to this contractor in the future without any further authorization until complete invoice amount is paid in full.

If you need additional information, please contact them at 626-633-3500.

\_\_\_\_\_  
Home Owner's Signature

Temp006UAZ-1, 1025 & 1025 1/2 Pepper Drive - Abatement

**NOTICE OF YOUR  
RIGHT TO CANCEL**

Project: 1025 & 1025 ½ Pepper Drive

Enter Date of Transaction: \_\_\_\_\_

**YOUR RIGHTS TO CANCEL BEFORE WORK BEGINS**

**(A) You, the Buyer, have the right to cancel this contract until:**

- 1. You receive a copy of this contract signed and dated by you and the contractor; and**
- 2. The contractor starts work.**

**(B) However, even if the work has begun you, the Buyer, may still cancel the contract for any of the reasons specified in items 1 through 4 of this paragraph. If any of these reasons occur, you may cancel the contract within three business days (or within five business days, if you are 65 years of age or older) of signing the contract for normal service and repairs, or within seven business days of signing a contract to repair or correct conditions resulting from any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:**

- 1. You may cancel the contract if the price, including all labor and materials, is more than seven hundred fifty dollars (\$750).**
- 2. You may cancel the contract if you did not initiate the contact with the contractor to request the work.**
- 3. You may cancel the contract if the contractor sold you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor.**
- 4. You may cancel the contract if the payment was due or the contractor accepted any money before the work was complete.**

**(C) If any of these reasons for canceling occurred, you may cancel the contract as specified under paragraph (B) above by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business within three business days (or within five business days, if you are 65 years of age or older), or, if applicable, seven business days of the date you received a signed and dated copy of this contract. Include your name, your address, and the date you received a signed copy of the contract and this notice.**

**If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation.**

**If you fail to sign this contract, you remain liable for performance of all obligations under the contract. The law requires that the contractor give you a notice explaining your right to cancel. Initial this checkbox if the contractor has given you a 'Notice of Your Right to Cancel.'**

**(Please initial the box above, and sign below)**

Date: \_\_\_\_\_

CUSTOMER:

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature)

**To cancel this transaction, email, mail, fax or deliver a signed and dated copy of this cancellation notice, or any other written notice, to Alliance Environmental Group, LLC, 777 North Georgia Avenue, Azusa, California 91702; [info@alliance-enviro.com](mailto:info@alliance-enviro.com); fax # 626-633-3599, not later than midnight, three days (or**



777 North Georgia Avenue, Azusa, CA 91702 Ph: 619-229-6135 Fx: 619-481-6196

www.alliance-enviro.com

License 716538 DOSH # 630

info@alliance-enviro.com

**Project:** 1025 & 1025 1/2 Pepper Drive - Demo

"Property" Address: 1025 & 1025 1/2 Pepper Drive

City: El Cajon State: CA Zip: 92021

Contact: Steve Robison

Work No.: 619-316-5839

Mobile No.: 619-579-7232 Home No.: \_\_\_\_\_

Claim Number: \_\_\_\_\_

**Customer**  **Billing Party**

**Literacy First Charter Schools**

Address: 799 E Washington Ave

City: El Cajon State: CA Zip: 92020

Contact: Steve Robison

Phone No.: 619-316-5839

Fax No.: \_\_\_\_\_

Email: steve.robison@lfcinc.org

Scheduled Start Date: \_\_\_\_\_ Scheduled Completion Date: \_\_\_\_\_

Total Bid Amount: **\$28,498.00** Deposit Required: **\$0.00** Balance Due on Completion: **\$28,498.00**

**SCOPE OF WORK (Description of Project, Materials to be Used, and/or Equipment to be Installed)**

1. Perform full structure demolition of 1025 & 1025 1/2 Pepper Drive, including concrete slab, shed, and chain link enclosure (dog kennel). TCLP testing included for interior plaster. Customer understands that in the event the plaster waste is characterized as lead after testing, a change order will be necessary for disposal.

EXCLUSIONS: Any/all repair of building materials removed prior to or as a result of the abatement process or abatement containment procedures. Any/all damage to electrical, fixtures, paint, walls, floors, due to the abatement process or abatement containment procedures. Any/all pre-contamination that may have occurred by work performed prior to or as a result of the loss itself. Alliance is responsible for work inside our work area and any/all contamination that may have occurred prior is not the responsibility of Alliance. Third party testing.

Trash dumpster fees are not included in this contract and shall be coordinated / paid by signer (Alliance will provide all labor to dispose of non-regulated waste in trash dumpsters provided by customer).

Customer understands that point count testing for drywall is not included. This testing will need to be conducted prior to demolition. Should test results characterize drywall waste as trash, no change order will be needed. If deemed hazardous, a change order will be presented for review and approval.

Notes:

1. UNLESS OTHERWISE NOTED IN THIS CONTRACT, Homeowner or tenant is ultimately responsible to ensure that all personal items are removed from the work area prior to the arrival of Alliance Environmental Group, LLC. In the event that a third party company is contracted to remove the contents from that area, and not all necessary items are removed prior to Alliance Environmental Group, LLC.'s arrival, a cancellation fee or content manipulation charge to the homeowner or tenant may apply as outlined in the following paragraph. In order to prevent these charges, homeowner is responsible to ensure all necessary content manipulation has been completed or to notify Alliance Environmental Group, LLC. of any changes prior to Alliance Environmental Group, LLC.'s arrival.
2. In the event that the work area is not ready for abatement, the homeowner or tenant will be responsible for payment of either \$70.00 per man per hour to manipulate contents (contents exclusions in subsection 3, titled exclusions, apply) or a \$250 cancellation fee. In the event of a cancellation, the job will be rescheduled for the soonest opening once the work areas are prepared for abatement.

Customer Initial: \_\_\_\_\_

Payment notice:

1. In the event that the homeowner is paying Alliance Environmental Group, LLC. directly, payment is due and payable immediately upon completion of the job.
2. In the event that an insurance company issues a check to the owner for payment for services performed by Alliance Environmental Group, LLC., the homeowner is responsible to issue payment to Alliance Environmental Group, LLC. for full contract amount.
3. In the event that an insurance company denies all or part of the claim, the homeowner is ultimately responsible for payment for the full contract amount.

Customer Initial: \_\_\_\_\_



DEPOSIT may Literacy First Charter Schools - Literacy First Charter School Board of Trustees - Agenda - Wednesday, February 9, 2022 at 5:00 PM Group, LLC. the Deposit prior to Alliance Environmental Group, LLC. scheduling work. In the event of failure to pay any of the amount due in this invoice, all collection costs and/or attorney fees in the collection of any such amount will be paid by the Customer. Interest at the rate of 1.5% per month, or the maximum rate allowed by law whichever is less, will be charged on accounts past due more than 30 days. In the event of failure to pay any of the amount due, all collection costs and/or attorney fees in the collection of any such amount will be paid by the Customer. In the event that an insurance company issues a check to the owner for payment for services performed by Alliance Environmental Group, LLC., please endorse the check and forward it to Alliance Environmental Group, LLC. upon the completion of the job.

Some of the services performed by Alliance Environmental Group, LLC. require the use of EPA approved chemicals. It is the Customer's responsibility to notify Alliance Environmental Group, LLC. of any potential health concerns or known sensitivity to chemicals. I have read and understand that if I have concerns I am to notify Brian Thomas.

[Redacted Signature]

[Redacted Date]

(Signature)

(Date)

**Any and all hazardous waste fees are to be paid by the generator, not Alliance Environmental Group, LLC. This is including but not limited to ALL generator fees from the State Board of Equalization and Department of Toxic Substance Control.**

**Customer acknowledges and authorizes Alliance Environmental Group, LLC. to sign the Hazardous Waste Manifest "on behalf of" the generator.**

**Customer Initial:** \_\_\_\_\_

The State Board of Equalization will assess a fee for each generator that produces five tons or more of hazardous waste. **This assessed fee is not included in this contract amount.** Please be aware that if you generate more than five tons of hazardous waste, the BOE will bill you the required fee. Current fees are as follows:

Generator Size:	Fee:	Generator Size:	Fee:
Less than 5 tons/year	\$0.00	25 but less than 50 tons/year	\$2,000.00
5 but less than 25 tons/year	\$250.00	50 but less than 250 tons/year	\$5,000.00

**Contact your Alliance Environmental Group, LLC. Project Manager/Estimator (Brian Thomas) for assistance in approximating your Generator Fee.**

**Notice:** Recent lead laws require that any pre 1978 structure where lead paint will be disturbed must have the paint tested or it will be presumed positive. Alliance Environmental Group, LLC. strongly recommends that these painted surfaces be tested for lead content prior to performing work. If Alliance Environmental Group, LLC. has not been provided lead testing results, it will be assumed that all surfaces contain lead. Alliance Environmental Group, LLC. will profile and characterize these materials for the proper handling and disposal. Pending results of the lead profile characterization, additional disposal cost may be charged at a price to be determined by Alliance Environmental Group, LLC.

Alliance Environmental Group, LLC. (hereinafter referred to as "Alliance"), and the undersigned homeowner or tenant (hereinafter referred to as "Customer") agree as follows: The previous page and above portion of this page are incorporated herein as part of the Contract between the parties.

**1. SCOPE OF WORK:** In consideration of the payment specified above, Alliance is hereby authorized to furnish all labor, materials, and equipment necessary to perform removal and disposal of asbestos, lead, mold, and/or other materials and/or to perform hazardous remediation of hazardous materials, all as specified in the above agreed Scope of Work, in material compliance with applicable laws and regulations. Alliance agrees to use reasonable best efforts to complete the Scope of Work. However, Customer acknowledges and agrees that this Agreement is for Alliance's effort and not for any particular results. ALLIANCE MAKES NO REPRESENTATION OR WARRANTY THAT THE WORK DESCRIBED IN THE SCOPE OF WORK WILL RESULT IN THE ELIMINATION OF ASBESTOS, LEAD, MOLD, AND/OR OTHER HAZARDOUS MATERIALS CONTAMINATION ("HAZARDS CONTAMINATION") FROM THE AREAS DESCRIBED IN THE SCOPE OF WORK OR THAT SUCH HAZARDS CONTAMINATION WILL NOT REAPPEAR IN SUCH AREAS OR OTHER AREAS OF THE PROPERTY. ALLIANCE MAKES NO REPRESENTATION OR WARRANTY REGARDING HAZARDS CONTAMINATION IN AREAS, INCLUDING ADJOINING AREAS, NOT SPECIFIED IN THE SCOPE OF WORK, NOR THAT SUCH HAZARDS CONTAMINATION WILL NOT MIGRATE TO AREAS DESCRIBED IN THE SCOPE OF WORK FOLLOWING COMPLETION OF OR DURING THE SCOPE OF WORK. Without limiting the foregoing, Customer specifically waives and releases Alliance from any claim for damages on account of work recommended by Alliance but not accepted by Customer or Insurer, and for any consequential, incidental or punitive damages, or for loss of use, property or profits of whatever kind arising out of or in connection with performance of Scope of Work.

**2. START DATE AND COMPLETION DATE:** California Law requires that Contractor start this project within (20) days of execution of this Contract subject to Alliance's ability to obtain permits and Customer's ability to obtain financing if Customer is buying the property in question, subject to delay caused by any processing and obtaining permits may required which may extend Start Date and correspondingly delay the Completion Date.

**3. EXCLUSIONS:** Any work that is not specifically included in Scope of Work shall not be any part of this Contract. Removal of inaccessible asbestos, mold, or lead-containing materials is not covered in the Contract amount and additional charges will apply if materials must be removed to uncover same. Doors, lights, ceiling fans, curtains and other items may need to be removed by Alliance to perform work and Alliance does NOT rebuild or reinstall these items. Plumbing supply lines may be faulty and may need to be replaced. This cost is not covered in the Contract Amount. Contents and appliances need to be removed from work area prior to abatement. Additional costs will be applied if contents need to be removed, unless otherwise stated in the Scope of Work. Unless otherwise stated in the Scope of Work, the cost of third party clearance testing is not part of the Contract Amount.

**4. DAMAGE:** Incidental damage to doors, door casings, windows, window sills, baseboards, walls, wallpaper, wood, paneling, painted surfaces, and to contents or Customer personal items left in work area may occur as a result of work performed, including but not limited to taping plastic barriers to walls and other surfaces. Every reasonable attempt will be made to minimize such occurrences. Alliance shall not pay/reimburse for, nor does it do any, repairs, repainting, rebuilding or replacement of such "incidental damages, and such is not included in the Scope of Work. Due to odors caused by chemicals used for mastic removal, the work areas will be razor scraped to remove the majority of mastic but residual mastic may be left after scraping and will be sealed with an E.P.A. approved encapsulant. When working in attics Alliance shall not be held responsible for nail pops, cracks or other incidental damages that may occur due to the scope of work being performed.

**5. SITE ACCESS:** Customer agrees to ensure that prior to any work undertaken by Alliance, the site of the work, the area from which the work is controlled, and any storage area used by Alliance in connection with the work (collectively referred to hereinafter as the "Site"), shall be vacated and remain closed to all persons (other than Alliance employees) for the duration of the project. In the event that any individual other than Alliance employees enters the Site, Customer agrees that Alliance shall not be held liable for any claims, including, without limitation, any

**6. DIFFERING SITE CONDITIONS:** If Alliance encounters subsurface, latent, unusual or unknown physical conditions in the work area differing materially from those indicated in its initial inspection or the Scope of Work, Alliance will promptly notify Customer or Insurer. If such conditions cause an increase in the cost of, or the time required for, performance of the Scope of Work, appropriate equitable adjustments in Scope of Work, price and completion date shall be made.

**7. EXTRA WORK AND CHANGE ORDERS:** Customer and Alliance, or Insurer (defined below) and Alliance, may change the Scope of Work at any time and from time to time, including changes in scope, methods, scheduling or performance requirement, but no such change shall be effective unless and until an agreed written Change Order is made and executed, including appropriate adjustments to the overall price and completion date of the Scope of Work. Subject to the following, if Alliance undertakes additional or different work notwithstanding the absence of a Change Order, it will not operate as a waiver of this provision, and Alliance will nevertheless be entitled to appropriate equitable adjustments to the price and completion date terms of the Scope of Work. All phone quotes are subject to field verification. Extra work and Change Orders become part of the Contract once the order is prepared in writing and signed by the parties. The Change Order must describe the scope of the extra or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments, if any. Change Orders required by the building department at the jobsite shall be considered incorporated into the contract without being signed by both parties.

- 8. ELIMINATION:** Literacy First Charter Schools - Literacy First Charter School Board of Trustees - Agenda - Wednesday February 9, 2022 at 5:00 PM  
conditions from the Property that may cause or contribute to re-contamination by mold or other irritants, including but not limited to standing water, faulty plumbing, leaks, dampness from condensation, damaged wood, roof leaks, direct wood to soil contact, improperly protected exterior wood surfaces, landscaping above foundation grade line, and improperly installed irrigation.
- 9. UTILITIES; STORAGE:** Customer agrees to provide to Alliance, free of charge, reasonable use of electrical power, light, water, and storage space necessary for the proper undertaking and completion of the Services at the Property.
- 10. FORCE MAJEURE:** Alliance shall not be deemed to default nor be liable for damages for any failure or delay in performance of its work which arise out of causes beyond its reasonable control. Such causes may include, without limitation, acts of God, acts of terrorists or terrorist organizations, the public enemy, acts of government in either its sovereign or contractual capacity, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, material shortages, or unusual severe weather. In the event work by Alliance is delayed by such causes, the completion date will be extended accordingly.
- 11. MECHANICS LIEN WARNING:** Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a "20-day Preliminary Notice." This notice is not a lien. The purpose of the notice is to let you know what the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

**BE CAREFUL.** The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices. You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

**PROTECT YOURSELF FROM LIENS.** You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

**PAY WITH JOINT CHECKS.** One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's website at [www.cslb.ca.gov](http://www.cslb.ca.gov) <<http://www.cslb.ca.gov>> or call CSLB at 1-800-321-CSLB (2752).

**Remember, if you do nothing, you risk having a lien placed on your home.** This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe.

**12. COMMERCIAL GENERAL LIABILITY INSURANCE (CGL):** Alliance carries CGL insurance written by Lockton Companies. You may call the insurance company at 713-458-5200 to check Alliance's coverage.

**13. WORKERS' COMPENSATION INSURANCE:** Alliance carries workers' compensation insurance for employees.

**14. INFORMATION ABOUT CONTRACTORS STATE LICENSE BOARD (CSLB):** See Attached Notice .

**15. INSURANCE TRANSACTION AND INSURANCE AUTHORIZATION TO RELEASE FUNDS:** When Contract for Scope of Work is between Alliance and Customer's insurance company ("Insurer"), Customer shall nevertheless be jointly and severally liable with Insurer to pay Alliance all amounts due to Alliance. Customer's signature on this Contract grants Alliance the Customer's power of attorney to sign/endorse Insurer checks and/or drafts payable to the Customer, including as result of Customer's claim to Insurer for property damages, concerning or intended to be in payment for Alliance's work. Customer agrees checks from Insurer will be sent directly to Alliance.

**NOTICE OF INFORMATION ABOUT CONTRACTORS STATE LICENSE BOARD**

CSLB is the state consumer protection agency that licenses and regulates construction contractors. You may contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB. Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees. For more information: VISIT: CSLB's website at [www.cslb.ca.gov](http://www.cslb.ca.gov). CALL: CSLB at 1-800-3321-CSLB (2752). WRITE: CSLB at P.O. Box 26000, Sacramento, CA 95826.

**BOTH YOU AND ALLIANCE, BEFORE ANY WORK MAY BE STARTED.**

**\* YOU, THE CUSTOMER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. IF YOU ARE 65 YEARS OF AGE OR OLDER, THEN, YOU MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO THE FIFTH BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE ATTACHED NOTICE OF CANCELLATION FORM FOR EXPLANATION OF THIS RIGHT.**

CUSTOMER SIGNATURE BELOW IS ACKNOWLEDGEMENT THAT CUSTOMER HAS RECEIVED THE NOTICE OF RIGHT TO CANCEL

THIS CONTRACT WILL NOT BECOME BINDING ON THE PARTIES UNTIL ACCEPTED BY AN AUTHORIZED REPRESENTATIVE OF ALLIANCE, AT ALLIANCE'S OFFICES.

CUSTOMER:

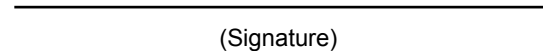
ALLIANCE ENVIRONMENTAL GROUP, LLC.:

Dated: 

Representative: Brian Thomas

Print Name 

(Printed Name)



(Signature)



(Signature)

Corporate/Los Angeles	777 North Georgia Avenue, Azusa, CA 91702	Ph (626) 633-3500 Fax (626) 633-3599
Bay Area/San Francisco	1250 Campbell Avenue, San Jose, CA 95126	Ph (408) 830-9700 Fax (408) 980-9746
Central Coast	535 Lindon Lane, Suite D, Nipomo, CA 93444	Ph (805) 931-5925 Fax (805) 222-2370
Fairfield	497 Edison Court, Suite A, Fairfield, CA 94534	Ph (707) 419-7638 Fax (408) 980-9746
Fresno	3505 West Gettysburg Avenue, Fresno, CA 93722	Ph (559) 475-7267 Fax (559) 475-7268
Monterey/Santa Cruz	804 Estates Drive, Suite 208, Aptos, CA 95003	Ph (831) 661-0328 Fax (831) 661-0464
Orange County	11730 Seaboard Circle, Stanton, CA 90680	Ph (714) 507-4080 Fax (714) 608-1094
Sacramento	8210 Berry Avenue, Suite 160, Sacramento, CA 95828	Ph (916) 520-2296 Fax (626) 633-3596
San Diego	8390 Juniper Creek Lane, San Diego, CA 92126	Ph (619) 229-6135 Fax (619) 229-6143
Ventura/Santa Barbara	94 West Cochran Street, Suite C, Simi Valley, CA 93065	Ph (805) 378-6590 Fax (805) 378-6594
Arizona	1123 East Tonto Street, Phoenix, AZ 85034	Ph (480) 389-2492 Fax (480) 452-1905
Nevada	2146 Highland Avenue, Las Vegas, NV 89102	Ph (702) 851-8025 Fax (702) 851-8154



This form letter will only be used in the event that Alliance receives a 3rd party check issued to your mortgage company.

Mortgage Company Name:

Address:

City, State, Zip:

Attn: Loss Draft Department

RE: Borrower Name(s): Steve Robison  
Property Address: 1025 & 1025 1/2 Pepper Drive  
Property City, State, Zip: El Cajon, CA 92021  
Loan#

**AUTHORIZATION TO RELEASE INFORMATION FROM MORTGAGE COMPANY**

Dear Sir or Madam,

This is to authorize you to release any and all information concerning the above referenced loan to the Accounts Receivable Department at Alliance Environmental Group, LLC. at their request. Alliance Environmental Group, LLC. is the contractor assisting us with submittal of an invoice payment. Please release any information to this contractor in the future without any further authorization until complete invoice amount is paid in full.

If you need additional information, please contact them at 626-633-3500.

\_\_\_\_\_  
Home Owner's Signature

Temp006UAZ-2, 1025 & 1025 1/2 Pepper Drive - Demo

**NOTICE OF YOUR  
RIGHT TO CANCEL**

Project: 1025 & 1025 ½ Pepper Drive

Enter Date of Transaction: \_\_\_\_\_

**YOUR RIGHTS TO CANCEL BEFORE WORK BEGINS**

**(A) You, the Buyer, have the right to cancel this contract until:**

- 1. You receive a copy of this contract signed and dated by you and the contractor; and**
- 2. The contractor starts work.**

**(B) However, even if the work has begun you, the Buyer, may still cancel the contract for any of the reasons specified in items 1 through 4 of this paragraph. If any of these reasons occur, you may cancel the contract within three business days (or within five business days, if you are 65 years of age or older) of signing the contract for normal service and repairs, or within seven business days of signing a contract to repair or correct conditions resulting from any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:**

- 1. You may cancel the contract if the price, including all labor and materials, is more than seven hundred fifty dollars (\$750).**
- 2. You may cancel the contract if you did not initiate the contact with the contractor to request the work.**
- 3. You may cancel the contract if the contractor sold you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor.**
- 4. You may cancel the contract if the payment was due or the contractor accepted any money before the work was complete.**

**(C) If any of these reasons for canceling occurred, you may cancel the contract as specified under paragraph (B) above by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business within three business days (or within five business days, if you are 65 years of age or older), or, if applicable, seven business days of the date you received a signed and dated copy of this contract. Include your name, your address, and the date you received a signed copy of the contract and this notice.**

**If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation.**

**If you fail to sign this contract, you remain liable for performance of all obligations under the contract. The law requires that the contractor give you a notice explaining your right to cancel. Initial this checkbox if the contractor has given you a 'Notice of Your Right to Cancel.'**

**(Please initial the box above, and sign below)**

Date: \_\_\_\_\_

CUSTOMER:

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature)

**To cancel this transaction, email, mail, fax or deliver a signed and dated copy of this cancellation notice, or any other written notice, to Alliance Environmental Group, LLC, 777 North Georgia Avenue, Azusa, California 91702; [info@alliance-enviro.com](mailto:info@alliance-enviro.com); fax # 626-633-3599, not later than midnight, three days (or**





## LFCS PEPPER DEMO PROJECT



### PROPOSED BY

AML-American Made Logistics  
771 Jamacha Rd #338  
El Cajon, CA 92019  
Office: 888.231.2892  
Fax: 619.880.1055  
Lic# 1076857

### PROPOSED TO

Literacy First Charter School  
1012 E Bradley Ave  
El Cajon, CA 92021

December 3, 2021

Literacy First Charter School  
1012 E Bradley Ave  
El Cajon, CA 92021



**Attention: Jeremy Murphy & Steve Robinson**

RE: LFCS Pepper Demo Project

Dear Jeremy & Steve,

AML is pleased to submit our proposal in response to the Demo project located at 1025 Pepper Drive in El Cajon. Our proposal includes experience, industry knowledge and offers a San Diego based team as an extension of your best practices.

Our proposal includes total project management from start-to-finish.

**The attached estimate of \$68,569.00 includes all permits, labor, material, asbestos/lead and soil Surveys as well as asbestos/lead Abatement. Due to the utility, permit and abatement process we estimate all work would be completed within 3-4 months from award.**

I, Shane Beyer as Vice President am authorized to sign and negotiate the attached proposal on behalf of AML-American Made Logistics and should you have any questions please contact me by phone at (619) 368-2424 or by e-mail at [Shane@AmericanMadeLogistics.com](mailto:Shane@AmericanMadeLogistics.com).

Respectfully,

A handwritten signature in black ink, appearing to read 'Shane Beyer', is written over the printed name.

Shane Beyer  
Vice President

**American Made Logistics - Lic# 1076857**

771 Jamacha Rd #338  
 El Cajon, CA 92019  
 +1 8882312892  
 www.AmericanMadeLogistics.com



**ADDRESS**

Literacy First Charter School  
 1012 E Bradley Ave  
 El Cajon, CA 92021

**Project Estimate 2854**

**DATE 12/03/2021**

**EXPIRATION DATE 02/03/2022**

SCOPE OF SERVICES	AMOUNT
Gas line Weld Hole & backfill w/ SDG&E permits & approval.	3,800.00
Demo/ haul off; C&D recycling, rough grading and pad work. Mobilization and transportation fees/ hauling permits.	28,174.00
A/C & concrete demo & haul off with proper freon/ hvac equipment disposal.	7,837.00
Electrical SDG&E disconnect and temp power set-up as directed by customer.	1,885.00
SURVEY - Asbestos, Lead and Soil samples for Primary and Secondary structures; includes up to 50 samples for asbestos & lead and 1-5 for soil.	6,495.00
ABATEMENT - Primary and Secondary structures asbestos abatement & lead abatement per Survey & OSHA procedures. HEPA machines for inside work, PPE for interior and remove asbestos with hand tools wet. Includes manifest and reports.	14,588.00
Safety plan, CAD Site drawing, SDG&E approval/ permits, County permits, & State (if necessary), and project management.	5,790.00

\*This estimate is not a contract or a bill. It is our best guess at the total price to complete the work based upon our initial evaluation and inspection. Any deviation involving unforeseen costs, will be reviewed with the customer.

SCHEDULE OF PROGRESS PAYMENTS: 40% Mobilization of project: 50% Abatement & demo & Substantial progress: 10%. Upon final and approval.

**TOTAL \$68,569.00**

Accepted By

Accepted Date

## OUR COMPANY

AML is a Service Disabled Veteran Owned Small Business (SDVOSB), Minority Owned Enterprise and a California licensed general contractor CA Lic# 1076857.

AML specializes in providing construction and technical services for the private and public business sectors. We provides general construction services, maintenance services, sustainability, design and project management.

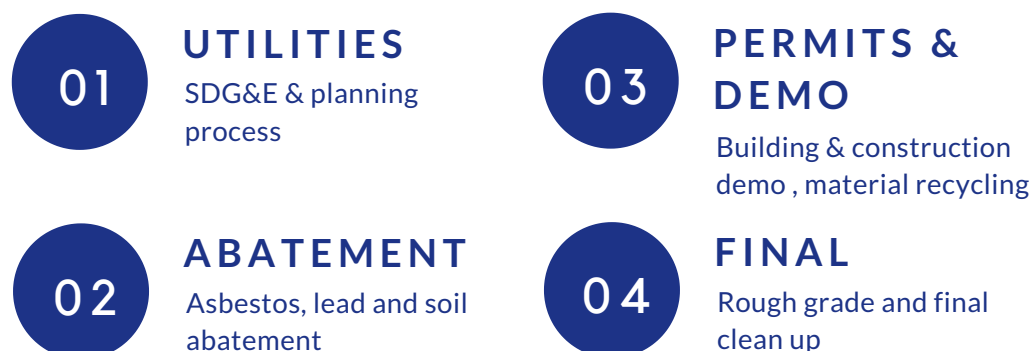
## PROJECT PROPOSAL

1025 1/2 PEPPER DR #1025-1  
EL CAJON, CA 92021

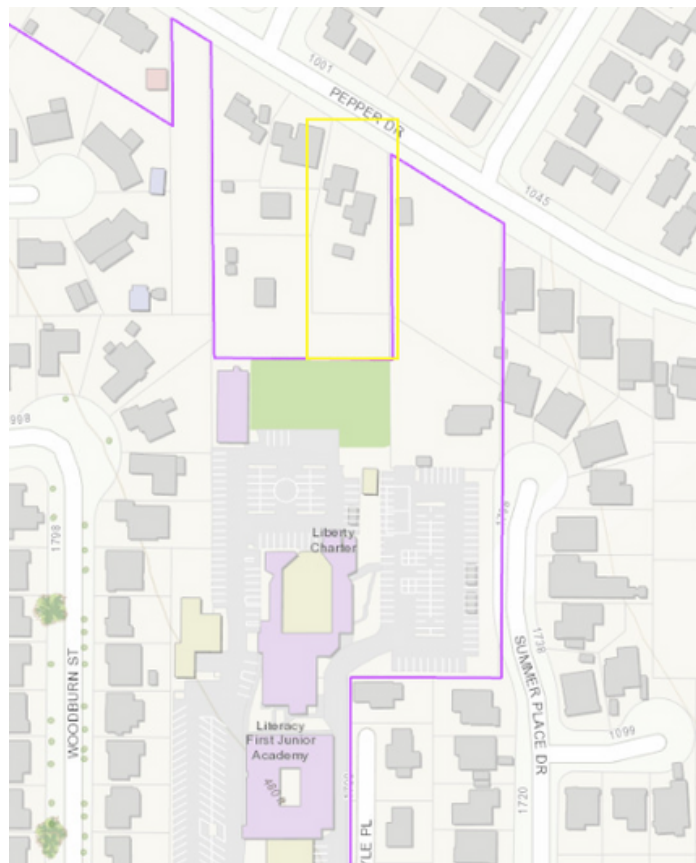
### SCOPE OF WORK

- Utility disconnect and SDG&E approval
- County Demo permits and approvals
- Building demo and haul off
- AC, concrete and asphalt demo and recycling
- SURVEY - Asbestos, Lead and Soil samples for Primary and Secondary structures.
- ABATEMENT - Primary and Secondary structures asbestos abatement & lead abatement includes manifest lead and asbestos off site reports.
- Safety plans, CAD Site plan/ drawing, SDG&E approval/ permits, County permits, & State (if necessary), and project management.

## PROJECT PROCESS



# PROJECT DISCOVERY



# PROJECT DISCOVERY



# PROJECT DISCOVERY



First American



Property Profile

1025 1/2 PEPPER DR #1025-1, EL CAJON, CA 92021

Property Information			
Owner(s):	LITERACY FIRST CHARTER SCHOOLS	Mailing Address:	1012 E BRADLEY AVE, EL CAJON, CA 92021
Owner Phone:	Unknown	Property Address:	1025 1/2 PEPPER DR #1025-1, EL CAJON, CA 92021
Vesting Type:		Alt. APN:	
County:	SAN DIEGO	APN:	388-203-11-00
Map Coord:	000661 ;	Census Tract:	016502
Lot#:	10	Block:	
Subdivision:	SOMERMONT PLACE	Tract:	661
Legal:	LOT 10 NELY PAR AS PER ROS 3396 IN TR 000661		

Property Characteristics			
Use:	MULTI FAMILY 10 UNITS LESS	Year Built / Eff. :	1935 / 1935
		# of Units:	2
Zoning:	R-1	Lot Size Ac / Sq Ft:	0.487 / 21219
Bedrooms:	3	Fireplace:	
Bathrooms:	2.0	Heating:	
# Rooms:	0	Quality:	
Pool:		Style:	
Air:		Parking / #:	/
Stories:		Garage Area :	
Basement Area:			
Gross Area:	1508	Sq. Ft. :	1508

Sale and Loan Information			
Sale / Rec Date:	08/06/2019 / 08/07/2019	*\$/Sq. Ft.:	\$232.10
		2nd Mtg.:	
Sale Price:	\$350,000	1st Loan:	
		Prior Sale Amt:	\$120,000
Doc No.:	2019.331500	Loan Type:	
		Prior Sale Date:	04/02/1991
Doc Type:	GRANT DEED	Transfer Date:	08/07/2019
		Prior Doc No.:	1991.195031
Seller:	INTERNATIONAL CH OF FOURSQUARE GO	Lender:	
		Prior Doc Type:	

\*\$/Sq. Ft. is a calculation of Sale Price divided by Sq. Feet.

Tax Information			
Imp Value:	\$50,518	Exemption Type:	
Land Value:	\$303,108	Tax Year / Area:	2021 / 86-014
Total Value:	\$353,626	Tax Value:	
Total Tax Amt:	\$4,381.76	Improved:	14.29%



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/23/2021

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Business & Contractors Insurance Services, Inc. 1941 Friendship Dr Suite F El Cajon CA 92020	<b>CONTACT NAME:</b> Cierra Bowen <b>PHONE (A/C No. Ext):</b> (619) 592-4440 <b>FAX (A/C, No):</b> (619) 592-4449 <b>E-MAIL ADDRESS:</b> cierra@bcis.net
<b>INSURER(S) AFFORDING COVERAGE</b>	
INSURER A: James River Insurance Co.	
INSURER B: State Compensation Ins Fund	
INSURER C: Lloyds Of London	
INSURER D:	
INSURER E:	
INSURER F:	

**COVERAGES** **CERTIFICATE NUMBER: CL21112316222** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			001242540	11/16/2021	11/16/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A	92640052021	11/8/2021	11/8/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	<b>PROFESSIONAL LIABILITY</b>			MPL462558721	11/8/2021	11/8/2022	1,000,000/1,000,000 DED 1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**PROOF OF COVERAGE**

**CERTIFICATE HOLDER**

**CANCELLATION**

<p style="text-align: center;">PROOF OF COVERAGE</p>	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p> <p>Cierra Bowen/MR <span style="float: right;"></span></p>
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- CORE DRILLING
- CONCRETE CUTTING
- ENVIRONMENTAL
- DEMOLITION

DATE: 12-13-2021

TO: LITERACY FIRST CHARTER SCHOOL

ATTN: JEREMY MURPHY

EMAIL [Jeremy.murphy@ifcsinc.org](mailto:Jeremy.murphy@ifcsinc.org)

CELL: 619-277-1465

FROM: DARRELL MERRITT

EMAIL: [darrell@caspercompany.com](mailto:darrell@caspercompany.com)

CELL: 760-535-3918

PROJECT: SITE DEMOLITION PROPOSAL FOR 1025 & 1025 ½ PEPPER DR, EL CAJON CA.

BASED ON GOGGLE EARTH TAKE OFF

**PROPOSED SCOPE OF WORK:**

PROVIDE LABOR, SUPERVISION, EQUIPMENT, TRUCKING & DUMP FEES TO DEMOLISH & REMOVE THE FOLLOWING:

**HAZAROUS WASTE SURVEY** **TOTAL: \$BY OTHERS**

- ◆ ASBESTOS AND LEAD SURVEY BY OTHERS

**ASBESTOS ABATEMENT** **TOTAL: \$??**

- ◆ AFTER REPORT

**UNIVERSAL WASTE** **TOTAL: \$350**

- ◆ LIGHT TUBES AND FREON

**PRE DEMOLITION** **TOTAL: \$2250**

- ◆ CITY OF EL CAJON DEMOLITION PERMIT. \$500
- ◆ COUNTY AIR POLLUTION CONTROL DISTRICT NOTIFICATION. \$NOT REQUIRED
- ◆ CAP SEWER MAINS. 2 EACH \$1150
- ◆ **ADDED COST TO PUMP SEPTIC TANK FOR DRAIN FIELDS**
- ◆ CAP ELECTRICAL MAIN. \$SDGE
- ◆ CAP WATER SUPPLY. \$OTHERS
- ◆ SNOW FENCE BARRIER. \$600

**DEMOLITION** **TOTAL: \$26,970**

- ◆ DEMOLISH AND REMOVE RESIDENTIAL BUILDING STRUCTURES. 2240 SQ.FT.
- ◆ REMOVE CONCRETE FOUNDATIONS.
- ◆ REMOVE DRIVEWAY ASPHALT PAVING. 3140 SQ.FT.
- ◆ REMOVE SHED AND FOUNDATIONS. 110 SQ.FT.
- ◆ SITE TO BE LEFT FLAT WITH ALL VOIDS FILLED.

**ALTERNATE: REMOVE TREE AND HEDGES ADD:\$2860**







**TOTAL BID AMOUNT: \$29,570**

EXCLUSIONS: GRADING AND COMPACTION, HAZARDOUS MATERIALS

3825 BANCROFT DRIVE SPRING VALLEY CA, 91977 •P. 619.589.6001 • LICENSE # 478960 •DOSH# 730  
[www.caspercompany.com](http://www.caspercompany.com)



1025 Pepper Dr

-  1 - FOOTPRINT BUILDING - 1,212 SF
-  2 - SOG FOOTPRINT BUILDINGS - 1,039 SF
-  3 - ASPHALT PARKING LOT - 3,139 SF
-  4 - PINE TREE 30' CANOPY - 1 EA
-  5 - HEDGES - 484 SF
-  6 - SHED - 110 SF



285 Mace Street, Chula Vista, CA 91911  
 P: 619-420-3366 drdemo@drdemo.com  
 CSLB Lic. #764287 www.drdemo.com

# Estimate

Date	Estimate #
12/1/2021	6514

Name / Address
Literacy First Charter Jeremy Murphy

Project	Rep
1025 Pepper Dr., El Cajon, CA	
Description	Total Estim...
1. Demo and remove both houses and concrete foundations. 2. Demo and remove concrete pillars in the back. 3. Demo and remove asphalt driveway and curbing. 4. Hauling and disposal of all debris.  Price: 5. \$45,000. Immediate Payment. Deposit payment upon commencement and full balance immediately upon completion of demo.	45,000.00
6. A. Acquisition of demolition permit. This includes doing footwork with the various county agencies. B. Does not include permit fee, APCD fee, HazMat testing fee, Abatement fee, site plan fee, or any other fee. We would need checks made out directly to the appropriate agency or company at the appropriate time. C. Since it's a commercial building, a HazMat survey will be required. If it tests positive for asbestos, we will need to hire an abatement contractor to remove. D. Will need a one sentence letter authorizing me to obtain building record. E. Will need a site plan drawn up.	5,000.00
<b>Total Estimate</b>	



285 Mace Street, Chula Vista, CA 91911  
 P: 619-420-3366 drdemo@drdemo.com  
 CSLB Lic. #764287 www.drdemo.com

# Estimate

Date	Estimate #
12/1/2021	6514

Name / Address
Literacy First Charter Jeremy Murphy

Project	Rep
1025 Pepper Dr., El Cajon, CA	
Description	Total Estim...
<p>Exclusions:</p> <ul style="list-style-type: none"> <li>7. Utility safe-off and disconnects.</li> <li>8. HazMat testing and abatement.</li> <li>9. Trees and landscaping removal.</li> <li>10. Waiver of subrogation is an additional 3% of total price. Not included at this time.</li> </ul> <p>Clarifications:</p> <ul style="list-style-type: none"> <li>11. Only the specific items listed above are included in the pricing. Any other items requested to be demolished or removed will be at an additional cost. Any additional or different work will have to be priced and agreed upon prior to commencement of such work.</li> <li>12. A reasonable adjustment in the prices above shall be applied if adverse concealed conditions are encountered.</li> <li>13. In any dispute between the Parties arising from or relating to this Estimate, the prevailing Party shall be entitled to recover from the non-prevailing Parties reasonable attorneys' fees and costs.</li> </ul> <p>This Estimate is accepted by: _____</p> <p>Date of acceptance: _____</p>	
<b>Total Estimate</b> \$50,000.00	





**SUPERIOR ABATEMENT SERVICES INC.**

6977 Navajo Rd. #226  
 San Diego, CA 92119  
 O: 619-583-3278  
 F: 619-303-5093  
 sasi@cox.net

**LIT\_1ST\_PEPPER\_DEMO**

**1025 Pepper Dr**

<b>Shed</b>	<b>LxWxH 10' x 6' x 8'</b>
<b>DESCRIPTION</b>	<b>QTY</b>
1. DEMO OF SHED BEHIND MAIN STRUCTURE	1.00 EA

<b>Living Room</b>	<b>LxWxH 15' 7" x 13' 7" x 8'</b>
<b>DESCRIPTION</b>	<b>QTY</b>
2. Containment Barrier/Airlock/Decon. Chamber	211.67 SF
3. Peel & seal zipper - heavy duty	1.00 EA
4. Scrape loose and flaked lead base paint (no haul off)	10.00 SF
5. Apply asbestos fiber encapsulating compound	10.00 SF
6. Clean the floor	211.67 SF
<b>REQUIRED WET WIPING OF CONTAINMENT FLOOR</b>	
7. HEPA Vacuuming - Detailed - (PER SF)	211.67 SF
8. Plastic bag - used for disposal of contaminated items Assumes 10 sf per bag. Must be double bagged per regulations for disposal	42.33 EA
9. Asbestos Roof penetration mastic	3.00 EA
10. Demolish/remove home (400 sf - 1000 sf)	211.67 SF

<b>Bedroom 1</b>	<b>LxWxH 14' 1" x 11' 6" x 8'</b>
<b>Subroom 1: Offset</b>	<b>LxWxH 4' 9" x 3' 2" x 8'</b>
<b>DESCRIPTION</b>	<b>QTY</b>
11. Containment Barrier/Airlock/Decon. Chamber	177.00 SF
12. Scrape loose and flaked lead base paint (no haul off)	10.00 SF
13. Apply asbestos fiber encapsulating compound	10.00 SF
14. Clean the floor	177.00 SF
<b>REQUIRED WET WIPING OF CONTAINMENT FLOOR</b>	
15. HEPA Vacuuming - Detailed - (PER SF)	177.00 SF
16. Plastic bag - used for disposal of contaminated items Assumes 10 sf per bag. Must be double bagged per regulations for disposal	35.40 EA
17. Asbestos Roof penetration mastic	3.00 EA
18. Demolish/remove home (400 sf - 1000 sf)	177.00 SF



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**Closet**

**LxWxH 8' 2" x 5' 3" x 8'**

<b>DESCRIPTION</b>	<b>QTY</b>
19. Containment Barrier/Airlock/Decon. Chamber	42.88 SF
20. Scrape loose and flaked lead base paint (no haul off)	10.00 SF
21. Apply asbestos fiber encapsulating compound	10.00 SF
22. Clean the floor	42.88 SF
<b>REQUIRED WET WIPING OF CONTAINMENT FLOOR</b>	
23. HEPA Vacuuming - Detailed - (PER SF)	42.88 SF
24. Plastic bag - used for disposal of contaminated items	8.58 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal	
25. Asbestos Roof penetration mastic	3.00 EA
26. Demolish/remove home (400 sf - 1000 sf)	42.88 SF

**Hallway**

**LxWxH 6' 5" x 2' 8" x 8'**

<b>DESCRIPTION</b>	<b>QTY</b>
27. Containment Barrier/Airlock/Decon. Chamber	17.11 SF
28. Scrape loose and flaked lead base paint (no haul off)	10.00 SF
29. Apply asbestos fiber encapsulating compound	10.00 SF
30. Clean the floor	17.11 SF
<b>REQUIRED WET WIPING OF CONTAINMENT FLOOR</b>	
31. HEPA Vacuuming - Detailed - (PER SF)	17.11 SF
32. Plastic bag - used for disposal of contaminated items	3.42 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal	
33. Asbestos Roof penetration mastic	3.00 EA
34. Demolish/remove home (400 sf - 1000 sf)	17.11 SF

**Bathroom**

**LxWxH 8' 2" x 5' 10" x 8'**

<b>DESCRIPTION</b>	<b>QTY</b>
35. Containment Barrier/Airlock/Decon. Chamber	47.64 SF
36. Scrape loose and flaked lead base paint (no haul off)	10.00 SF
37. Apply asbestos fiber encapsulating compound	10.00 SF
38. Clean the floor	47.64 SF
<b>REQUIRED WET WIPING OF CONTAINMENT FLOOR</b>	
39. HEPA Vacuuming - Detailed - (PER SF)	47.64 SF
40. Plastic bag - used for disposal of contaminated items	9.53 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal	
41. Asbestos Roof penetration mastic	3.00 EA
42. Demolish/remove home (400 sf - 1000 sf)	47.64 SF



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**Kitchen**

**LxWxH 15' 6" x 11' 4" x 8'**

DESCRIPTION	QTY
43. Containment Barrier/Airlock/Decon. Chamber	175.67 SF
44. Scrape loose and flaked lead base paint (no haul off)	10.00 SF
45. Apply asbestos fiber encapsulating compound	10.00 SF
46. Tear out subfloor & bag for disposal	1.00 SF
MULTIPLE LAYERS OF VINYL ALL GLUED TOGETHER	
47. Clean the floor	175.67 SF
REQUIRED WET WIPING OF CONTAINMENT FLOOR	
48. HEPA Vacuuming - Detailed - (PER SF)	175.67 SF
49. Plastic bag - used for disposal of contaminated items	35.13 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal	
50. Asbestos Roof penetration mastic	3.00 EA
51. Demolish/remove home (400 sf - 1000 sf)	175.67 SF

**Bedroom 2**

**LxWxH 14' 5" x 9' 7" x 8'**

DESCRIPTION	QTY
52. Containment Barrier/Airlock/Decon. Chamber	138.16 SF
53. Peel & seal zipper - heavy duty	1.00 EA
54. Scrape loose and flaked lead base paint (no haul off)	10.00 SF
55. Apply asbestos fiber encapsulating compound	10.00 SF
56. Clean the floor	138.16 SF
REQUIRED WET WIPING OF CONTAINMENT FLOOR	
57. HEPA Vacuuming - Detailed - (PER SF)	138.16 SF
58. Plastic bag - used for disposal of contaminated items	27.63 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal	
59. Asbestos Roof penetration mastic	3.00 EA
60. Demolish/remove home (400 sf - 1000 sf)	138.16 SF

**Bedroom 3**

**LxWxH 14' 3" x 9' 7" x 8'**

DESCRIPTION	QTY
61. Containment Barrier/Airlock/Decon. Chamber	136.56 SF
62. Scrape loose and flaked lead base paint (no haul off)	10.00 SF
63. Apply asbestos fiber encapsulating compound	10.00 SF
64. Clean the floor	136.56 SF
REQUIRED WET WIPING OF CONTAINMENT FLOOR	
65. HEPA Vacuuming - Detailed - (PER SF)	136.56 SF
66. Plastic bag - used for disposal of contaminated items	27.31 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal	
67. Asbestos Roof penetration mastic	3.00 EA





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**CONTINUED - Bedroom 3**

<b>DESCRIPTION</b>	<b>QTY</b>
68. Demolish/remove home (400 sf - 1000 sf)	136.56 SF

**Exterior**

<b>DESCRIPTION</b>	<b>QTY</b>
69. Containment Barrier/Airlock/Decon. Chamber	1,318.33 SF
70. Asbestos Roof penetration mastic	3.00 EA
71. Scrape loose and flaked lead base paint (no haul off)	1,318.33 SF
72. Apply asbestos fiber encapsulating compound	1,318.33 SF
73. Mulching	527.33 SF

**1025 1/2 Pepper Dr**

**Living Room**

**LxWxH 13' 8" x 11' 8" x 8'**

**Subroom 1: Bed 1 Offset**

**LxWxH 3' 2" x 2' 4" x 8'**

<b>DESCRIPTION</b>	<b>QTY</b>
74. Containment Barrier/Airlock/Decon. Chamber	166.83 SF
75. Peel & seal zipper - heavy duty	1.00 EA
76. HEPA Vacuuming - Detailed - (PER SF)	166.83 SF
77. Plastic bag - used for disposal of contaminated items	33.37 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal	
78. Demolish/remove home (400 sf - 1000 sf)	166.83 SF
79. Apply asbestos fiber encapsulating compound	10.00 SF

**Bedroom 1**

**LxWxH 11' 7" x 9' x 8'**

<b>DESCRIPTION</b>	<b>QTY</b>
80. Containment Barrier/Airlock/Decon. Chamber	104.25 SF
81. HEPA Vacuuming - Detailed - (PER SF)	104.25 SF
82. Plastic bag - used for disposal of contaminated items	20.85 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal	
83. Demolish/remove home (400 sf - 1000 sf)	104.25 SF
84. Apply asbestos fiber encapsulating compound	10.00 SF



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<b>Kitchen</b>		<b>LxWxH 13' 5" x 7' 5" x 8'</b>
<b>DESCRIPTION</b>		<b>QTY</b>
85. Containment Barrier/Airlock/Decon. Chamber		99.51 SF
86. HEPA Vacuuming - Detailed - (PER SF)		99.51 SF
87. Plastic bag - used for disposal of contaminated items		19.90 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal		
88. Demolish/remove home (400 sf - 1000 sf)		99.51 SF
89. Apply asbestos fiber encapsulating compound		10.00 SF

<b>Bathroom</b>		<b>LxWxH 9' 10" x 4' 10" x 8'</b>
<b>DESCRIPTION</b>		<b>QTY</b>
90. Containment Barrier/Airlock/Decon. Chamber		47.53 SF
91. HEPA Vacuuming - Detailed - (PER SF)		47.53 SF
92. Plastic bag - used for disposal of contaminated items		9.51 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal		
93. Demolish/remove home (400 sf - 1000 sf)		47.53 SF
94. Apply asbestos fiber encapsulating compound		10.00 SF

<b>Back Entry</b>		<b>LxWxH 3' 6" x 3' 6" x 8'</b>
<b>DESCRIPTION</b>		<b>QTY</b>
95. Containment Barrier/Airlock/Decon. Chamber		12.25 SF
96. Peel & seal zipper - heavy duty		1.00 EA
97. HEPA Vacuuming - Detailed - (PER SF)		12.25 SF
98. Plastic bag - used for disposal of contaminated items		2.45 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal		
99. Demolish/remove home (400 sf - 1000 sf)		12.25 SF
100. Apply asbestos fiber encapsulating compound		10.00 SF

<b>Bedroom 2</b>		<b>LxWxH 13' 6" x 11' 5" x 8'</b>
<b>Subroom 1: Closet</b>		<b>LxWxH 9' 8" x 3' 9" x 8'</b>
<b>DESCRIPTION</b>		<b>QTY</b>
101. Containment Barrier/Airlock/Decon. Chamber		190.38 SF
102. HEPA Vacuuming - Detailed - (PER SF)		190.38 SF
103. Plastic bag - used for disposal of contaminated items		38.08 EA
Assumes 10 sf per bag. Must be double bagged per regulations for disposal		
104. Demolish/remove home (400 sf - 1000 sf)		190.38 SF
105. Apply asbestos fiber encapsulating compound		10.00 SF



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**Exterior**

DESCRIPTION	QTY
106. Containment Barrier/Airlock/Decon. Chamber	1,137.50 SF
107. Remove Wood window - single hung, 9-12 sf	2.00 EA
108. Asbestos Roof penetration mastic	3.00 EA
109. Scrape loose and flaked lead base paint (no haul off)	1,137.50 SF
110. Mulching	455.00 SF
111. Apply asbestos fiber encapsulating compound	1,137.50 SF

**General Items**

DESCRIPTION	QTY
112. AQMD-APCD Mandatory Notification fees	1.00 EA
113. Add for personal protective equipment - Heavy duty	40.00 EA
114. Respirator cartridge - HEPA only (per pair)	40.00 EA
115. Hazardous Waste/Mold Cleaning- Supervisory/Admin- per hour	2.00 HR
116. Hazardous Waste/Mold Cleaning Technician - per hour	1.00 HR
<b>LABOR TO CLEAN JOB SITE AND EQUIPMENT EACH DAY DUE TO COVID-19</b>	
117. Neg. air fan/Air scrub.-Large (per 24 hr period)-No monit.	20.00 DA
118. Add for HEPA filter (for negative air exhaust fan)	1.00 EA
119. Canister HEPA Vacuum (per day)	20.00 DA
120. Add for HEPA filter (for canister/backpack vacuums)	1.00 EA
121. Temporary safety shower	1.00 EA
122. Temporary toilet (per month)	1.00 MO
123. Power HEPA circular saw	20.00 DA
124. Generator - 6,000 watt - portable (per day)	20.00 DA
125. Equipment decontamination charge - HVY, per piece of equip	2.00 EA
126. Equipment setup, take down, and monitoring (hourly charge)	4.00 HR
<b>TO SET AND REMOVE EQUIPMENT AFTER CLEARANCE BY HYGIENIST</b>	
127. Dumpster load - Approx. 40 yards, 7-8 tons of debris	4.00 EA
128. Hazardous waste disposal large drum	4.00 EA
<b>LARGE LEAD WASTE DRUM DISPOSAL</b>	
129. Remediation-Pre and Post Inspection / Clearance [ BY OTHERS ]	1.00 EA
<b>WE DO NOT PERFORM POST PROJECT ASBESTOS CLEARANCES. ASBESTOS CLEARANCE MUST BE PERFORMED BY A STATE CERTIFIED INSPECTOR PER THE BUSINESS &amp; PROFESSIONS CODE 7180(b)(3) AND 7187.</b>	

Grand Total

\$54,105.82

Barney Hill



## Cover Sheet

### Approve Sound Image Contract for JA MPR A/V Project

<b>Section:</b>	III. Chief Business Officer's Report
<b>Item:</b>	H. Approve Sound Image Contract for JA MPR A/V Project
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	Screen Installation- Proposal from Sound Image.pdf

**\*\* Proposal \*\***

**1/18/2022**

**Project Number: 2201LFCA**



2425 Auto Park Way  
Escondido, CA 92029  
760-737-3900 Fax 760-737-3929

PROJECT INFO:
Screen Installation

BILL TO:
Literacy First Charter Schools Troy Beyer 1012 E. Bradley Ave El Cajon, CA 92021  Tel: 619-596-5665

SHIP TO:

Mfr-Part No.	Qty	Description
Thank you for asking Sound Image for this proposal		

This quote is to install 2 owner furnished Da Lite motorized screens. a wireless remote package will be included. Any electrical work will be supplied by others

LEGRANAV-40973	2	SINGLE MOTOR LVC110VOLT WHITE Voltage Control System	
ANIXTER-9451-1000	1	Cable, 22 AWG stranded	
SOUNDIMG-MATERI ALS & SUPPLIES	1	Materials & Supplies - Rigging Package	
<b>Subtotal - Equipment</b>			<b>1,036.99</b>
<b>Labor</b>			<b>5,205.00</b>

This ** Proposal ** is Valid for 30 Days.			
Freight: 31.65		Shipping & Handling:	\$ 31.65
		CA Sales Tax	\$ 80.36
Approved By: _____ Date: _____		Project Total:	\$ <u>6,354.00</u>
Scott Coyle, Account Executive			

# Cover Sheet

## Approve JA Cross AML Bid

<b>Section:</b>	III. Chief Business Officer's Report
<b>Item:</b>	I. Approve JA Cross AML Bid
<b>Purpose:</b>	Vote
<b>Submitted by:</b>	
<b>Related Material:</b>	AML JA Cross Removal Proposal.pdf

**American Made Logistics** CA Lic# 1076857

771 Jamacha Rd #338

El Cajon, CA 92019

+1 8882312892

www.AmericanMadeLogistics.com



**ADDRESS**

Literacy First Charter School

1012 E Bradley Ave

El Cajon, CA 92021

**Project Estimate 2857**

**DATE** 01/10/2022

**EXPIRATION DATE** 02/28/2022

**LFCS Junior Academy Cross Removal**

SCOPE OF SERVICES	AMOUNT
FAA permits & approval.	6,470.00
40 Ton XL - Hyd. Truck Crane.	
Demo Jr. Campus cross & wood supports and remove all debris.	
Cut/ remove wood supports flush to ground or to customers requested height.	
Estimated at 3 days start to finish.	

**TOTAL \$6,470.00**

Accepted By

Accepted Date





Section 1

Section 2 - 1-4

Cut 1-4 flush with ground

1

2

3

4

# Cover Sheet

## Audit proposals in response to RFP

<b>Section:</b>	III. Chief Business Officer's Report
<b>Item:</b>	J. Audit proposals in response to RFP
<b>Purpose:</b>	Discuss
<b>Submitted by:</b>	
<b>Related Material:</b>	Baker Tilly LFCS Proposal.pdf EideBailly LFCS Proposal.pdf Christy White LFCS Proposal.pdf WHK Audit and Tax Contract 2019-2021.pdf



# Literacy First Charter Schools

*Proposal for annual audit services from not-for-profit industry specialists*

**February 1, 2022**





February 1, 2022

Steve Robinson, Chief Business Officer  
Literacy First Charter Schools  
799 E. Washington Ave  
El Cajon, CA, 92020

Baker Tilly US, LLP  
3655 Nobel Drive  
Suite 300  
San Diego, CA 92122  
T: +1 (858) 597 4100  
F: +1 (858) 597 4111  
bakertilly.com

Dear Mr. Robinson:

Welcome! This proposal marks the beginning of a valuable relationship we plan to build with Literacy First Charter Schools (LFCS). Based on our conversations, we are confident we are the right fit to serve you with forward-thinking annual audit services – today, tomorrow and for many years to come. Our proposal describes our unique value proposition for how we plan to enhance and protect value while meeting your key objectives:

- Produce an annual independent audit report of the school’s financial position for the years ending June 30, 2022-2024 that complies with the regulations of the California Education Code, California Department of Education and the California State Controller’s Office and includes the school’s attendance accounting, revenue claims practices and internal control practices.
- Prepare federal and state information returns, including Form 990, for the years ended June 30, 2022-2024.
- Provide a thorough and timely review of each audit report with school leadership.
- Provide timely and informative guidance to school leadership regarding the school’s finances and financial compliance obligations throughout the contract.

Benefits of working with Baker Tilly include:

**The right firm**

LFCS will benefit from our best-of-both-worlds solution that pairs the technical qualifications, technology tools and expansive resources of the largest firms with the responsive service, personalized attention and proactive communication of smaller firms. We also have a local San Diego office to meet your needs.

**The right team**

With our understanding of your industry and organization, paired with experience serving more than 2,000 not-for-profit clients, LFCS receives a tailored approach. Your audit partner Jim Rotherham leads our charter and independent schools on the West Coast and will bring his knowledge of the compliance/regulatory requirements and operating challenges charter schools face.

**The right value**

We provide high-quality service for a fair and reasonable fee. Our significant level of partner and manager involvement translates into a responsive, efficient engagement for LFCS. We will deliver value throughout the year through complimentary thought leadership and resources.

LFCS will be a valued client of Baker Tilly, and I will be personally involved in all aspects of our relationship, from planning through completion. Thank you for the opportunity to make tangible contributions to your success. Our team is excited to earn your trust, and we look forward to discussing your questions and feedback.

Sincerely,

Jim Rotherham, CPA, Partner  
Baker Tilly US, LLP  
T: +1 (858) 320 6773 | jim.rotherham@bakertilly.com

Brenda Bock, CPA, MBA, Director  
Baker Tilly US, LLP  
T: +1 (858) 597 4100 | brenda.bock@bakertilly.com

## Serving as LFCS' Value Architect™

Clients like LFCS are the reason our team members love to work for Baker Tilly. We do not think of ourselves as accountants or advisors – that is what we do. Instead, we consider ourselves Value Architects™. It is a mindset; a set of skills, capabilities and behaviors rather than a job description.

Like an architect, we will work with LFCS to design unique blueprints for your success. We will have meaningful conversations to solve your most pressing problems. You can trust our judgment to marshal the right people and resources for whatever you need. **And we will continue to make that commitment to you, day in and day out.** We invite you to click on the video below to hear what being a Value Architect™ means at Baker Tilly.



### OUR COMMITMENT TO BEING YOUR VALUE ARCHITECT™

*Being your Value Architect™ means we will be there for LFCS every step of the way as your organization evolves.*

Based on what we learned from you, here are some of the ways we plan to help LFCS enhance and protect your value by delivering a customized Value Architect™ approach: beginning audit work early for an efficient and timely audit that meets internal and state deadlines.

# Contents

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Baker Tilly is responsive, interactive and produces the results they say they will. We are very pleased with the services they provide and consider **Baker Tilly a leader among accounting and advisory firms.**

*Controller*



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# Executive summary

## Understanding your needs to achieve your objectives

As a not-for-profit organization dedicated to helping students K-12 become literate, life-long learners and responsible citizens, LFCS is looking for timely and thorough annual independent audit reports with informative guidance to school leadership and deserves to work with a service provider that goes beyond simply meeting requirements. You require a Value Architect™ who will enhance and protect your value – the value you have worked hard to create and grow – and offers audit services that meet your needs now and as you continue to grow.

We listened as you described LFCS’ needs and relationship expectations in your RFP. The following table details our understanding of what we heard and how we plan to address your needs in a valuable way.

WHAT WE HEARD LFCS NEEDS	HOW BAKER TILLY WILL MEET YOUR NEEDS
A depth of resources to meet your evolving needs	<ul style="list-style-type: none"> <li>– Ability to offer a bench strength of 6,000+ professionals, including 500 partners, as the ninth largest accounting firm in the U.S.</li> <li>– Direct access to global resources through Baker Tilly International, the 10th largest accounting and advisory network</li> <li>– Full suite of value-added consulting, accounting, tax and assurance solutions to meet your needs and grow alongside LFCS</li> </ul>
A firm with relevant not-for-profit experience	<ul style="list-style-type: none"> <li>– Specialized knowledge and direct experience gained from serving 2,000 not-for-profit clients, including more than 400 educational institutions like LFCS</li> <li>– Support from our not-for-profit practice group with a bench strength of 200 professionals</li> <li>– In-depth understanding of charter and independent schools and your most pressing, complex challenges</li> </ul>
A responsive engagement team	<ul style="list-style-type: none"> <li>– Thoughtful, strategic guidance from a consistent team who will serve you year after year – protecting and enhancing your value over the long term</li> <li>– Handpicked team of not-for-profit specialists who will deliver big-picture insights and best practices</li> <li>– Engagement team members who are leaders in industry associations and authors of thought leadership</li> <li>– Commitment to year-round accessibility and communication</li> </ul>
Value for fees paid	<ul style="list-style-type: none"> <li>– Competitive fee arrangement; we do not bill for every question, comment or concern</li> <li>– Significant partner and manager involvement to deliver timely, responsive service</li> <li>– Year-round training, education and insight at no additional cost</li> <li>– Streamlined approach that pairs technical expertise with innovative technology to add efficiencies</li> </ul>

**LFCS RECEIVES MANY BENEFITS BY CHOOSING TO WORK WITH BAKER TILLY**

*We understand your needs and will meet your objectives with our ability to offer valuable resources, experience and solutions.*

## EXECUTIVE SUMMARY

We work closely with you, have candid conversations and implement valuable solutions together to build trust. As a sign of our commitment to building a successful relationship, we will provide:

<p><b>Proactive, responsive communication</b></p> <p>We will co-develop a communication protocol to be responsive and accessible to LFCS. We do not bill for routine phone calls, and we welcome discussions year round.</p>	<p><b>Waived transition fees</b></p> <p>Client Name will experience an efficient transition process requiring only a modest amount of time from your internal team. We will waive all fees associated with the transition process.</p>	<p><b>Complimentary consultations</b></p> <p>LFCS will receive meaningful insights and solutions from our industry experience and service expertise. Your team can introduce Client Name to other firmwide specialists for complimentary consultations as your goals change.</p>
<p><b>Client-training webinars</b></p> <p>Our firm is an accredited professional training organization under National Association of State Boards of Accountancy requirements. Our webinars qualify for continuing professional education (CPE) and are free to clients.</p>	<p><b>Industry insight and thought leadership</b></p> <p>LFCS will receive tools, templates and resources free of charge throughout the year to help you stay one step ahead of industry trends and regulatory changes.</p>	<p><b>Forward-thinking service solutions</b></p> <p>LFCS will receive customized ideas from our Value Architects™ to assist you with identifying and seizing new opportunities.</p>

### INFUSING VALUE IN OUR RELATIONSHIP

*Helping LFCS achieve your goals is our top priority. We will provide meaningful ways to support your success throughout our relationship.*

## Moving forward with next steps

If our proposal aligns with your expectations and you select Baker Tilly as LFCS' audit services provider, here is what you can expect next:

1. **Provide LFCS with an engagement letter**
2. **Co-develop a transition timeline to onboard LFCS as our client**
3. **Schedule a kickoff call to introduce key Value Architects™**
4. **Create a customized client service plan based on your needs and begin the engagement**

### LFCS RECEIVES A SMOOTH, BENEFICIAL TRANSITION PROCESS

*We have experience transitioning similar not-for-profit organizations, meaning we can drive an efficient onboarding process.*

Please refer to page 11 for a more detailed transition process. We are excited about the opportunity to serve you. Should LFCS need additional information for the decision-making process, we would be happy to schedule a time to discuss your questions or feedback and how our qualifications position us to best meet your needs. **Let's face the future, together.**

## Enhancing and protecting your value: our future together

We are prepared to support LFCS' success – as evidenced by our ability to meet your needs. Our relationship-driven approach has been carefully developed over 90 years to decrease your internal staff burden, increase your cash flow, add efficiencies and reduce risk – all while meeting your deadlines on time and on budget. We will continue to deepen our understanding of your organization's objectives and are ultimately dedicated to helping LFCS succeed with timely and thorough annual independent financial audit services. **After all, we only have one agenda: yours.**



# Firm qualifications and experience

## Offering our resources: Baker Tilly at a glance

We dedicate ourselves to delivering efficiency, quality, creativity, innovation and forward-thinking solutions. We are passionate about enhancing and protecting our clients' value, which is a collective effort by everyone across our firm.

LFCS will receive an exceptional experience for your governance team and – ultimately – your students. Below are some key facts about our firm.



### COMPREHENSIVE EXPERIENCE TO SERVE YOU

*LFCS will receive support and guidance from a respected firm that continues to grow – as evidenced by INSIDE Public Accounting naming Baker Tilly as the ninth largest accounting firm in the U.S. on their 2021 Top 400 Firms list.*

## Celebrating 90 years in serving our valued clients

As a future-looking firm, we celebrate 90 years in the marketplace by honoring our roots and continuing to shape our future. We embrace the fact that business can't stand still – and we won't stand still. As we help our clients identify new needs and opportunities, we innovate and change to work better. We celebrate where we came from and how far we have come – which is essential to knowing who we are and where we are headed.



Our roots took hold in 1931 in Waterloo, Wisconsin, where we began as a public accounting firm specializing in canning factory audits. Since that time, we have grown with more than 40 different combinations, each with its own rich history, expanding our presence coast to coast and globally and our scope across industries, services and areas of expertise.

One thing has not changed in 90 years: **our shared passion for enhancing and protecting our clients' value.**

As we reimagine our lasting impact, we remain grounded in our timeless core values. Through dedication, creativity and never standing still, Baker Tilly will become more connected to our clients, our people, our communities and our profession.

## FIRM QUALIFICATIONS AND EXPERIENCE

### *Supporting you with a deep bench strength and offices across California*

California is a critical geography for Baker Tilly and will only grow in importance in the years to come. Our professionals have served California-area clients for more than 50 years and support a diverse client base throughout the state, including work with other not-for-profit organizations.

Our expanding client relationships, on-the-ground local presence and knowledge of the state's unique markets are driving our explosive growth and strong position in the Golden State. We offer LFCS **more than 550 professionals across 10 offices, including more than 60 team members across two San Diego offices.**

### **Helping you achieve your mission with our not-for-profit specialization**

As a not-for-profit organization, we know LFCS is continually looking to improve efficiencies and direct more dollars and resources to achieving your mission. Our firm's long-standing reputation for providing high-quality accounting, tax and advisory services, paired with more than 80 years of experience serving the not-for-profit industry, enables us to help you meet your specific needs and develop real outcomes to the challenges you face.

#### *Education industry specialization, including independent schools*

Baker Tilly has a long history of serving a variety of organizations, but more than 50 years ago, we developed a specialty in serving education institutions nationwide. Our education team spends their time with independent and charter schools, research institutions and colleges and universities and understands the nuances of working in education. Baker Tilly provides audit, tax and advisory services to **more than 400 educational institutions** or related organizations, including **many independent and charter schools.**

They choose Baker Tilly because of our depth of experience, industry-specific knowledge and commitment to their success. In addition, we have experience with charter schools that have contracts with public school districts and whose financial statements include a schedule of contract revenues and expenditures.



**DEPTH OF CALIFORNIA RESOURCES**  
 LFCS will receive exceptional service with our deep bench strength of 10 offices in California.

#### **Not-for-profit focus**

Because the financial needs of not-for-profits are unique, we maintain a separate practice group that:



**Comprises approximately 200 team members**



**Serves more than 2,000 not-for-profit organizations**



**Performs more than 500 single audits each year, ranking us in the top three nationally among CPA firms**

## Firm qualifications and experience

Your engagement partner Jim Rotherham leads our charter and independent school team based in California and represents one of the largest audit and tax service providers to charter schools in the state. **We work closely with the State Controller’s Office and the California Department of Education** to ensure that audit issues are effectively and appropriately addressed. We also confer with FASB to help charter schools handle emerging accounting issues.

Please see below for a select list of our charter and independent school clients.

- Academy of Alameda – Acuitus, Inc.
- Amethod Public Schools
- Bay Area Educational Institute
- Berkwood Hedge School
- C5 Children’s School
- Charles Armstrong School
- Discovery Charter School
- Epic Charter School
- Escuela Popular
- Global Education Collaborative
- Greenwood School
- KEY Academy
- Khan Lab School
- Leadership High School
- Leflore Legacy Academy
- Mission Vista Academy
- Montclair Community Play Center
- Plumas Charter School
- Presidio Preschool
- REACH Leadership Academy
- Ronald C. Wornick Jewish Day School
- Seven Hills School
- SLS Preschool
- Town School for Boys
- Vista Oaks Charter School

### *Tax capabilities*

LFCS needs to be certain that its tax-exempt status is protected. As our client, you can rest assured that we have the resources to help you comply with the ever-changing IRS, state and local regulations. Baker Tilly prepares or reviews **more than 1,800 Form 990 tax returns each year**. We have a dedicated team of not-for-profit tax specialists who serve the distinct needs of these organizations. Our services include:

- Acquisition consulting
- Analyzing new laws and regulations and communicating their impact to our clients
- California Forms 199/109 and RRF-1
- Comprehensive tax planning under the COVID-19 relief bills
- Intermediate sanctions consulting
- International tax compliance
- IRS risk assessment/uncertain tax position analysis
- Real estate and property tax exemption applications and assessments
- Representation before tax authorities
- Review of state and local taxes
- Sales and use tax exemption application and consulting
- Tax compliance: Forms 990, 990-T, 990-PF, 5500, state charitable tax and registration forms
- Unrelated business taxable income consulting

## Firm qualifications and experience

### *Delivering the full breadth of our professional services*

We offer approximately 200 not-for-profit auditors, tax specialists, forensic accountants, management consultants and risk consultants who are prepared to offer you tailored service methodologies. We have advised many not-for-profit organizations, including charter schools and higher education institutions, on various operational and strategic issues.

The services we provide to not-for-profit organizations include the following:

- Board of Trustees and audit committee advisory services
- Cost reduction strategies
- Disaster recovery
- Due diligence
- Employee benefit plan audit and consulting
- Enterprise Risk Management
- Financial statement audit, review and compilation
- Forensic valuation and litigation support
- Fraud investigations, forensic accounting and data mining
- Grant, contract and research management
- Human resources consulting and outsourcing
- Information technology and cybersecurity
- Internal audit
- Leadership and board development
- Management consulting and reporting
- Resource and performance optimization
- Single audit
- Strategic planning
- Succession planning
- Tax planning and compliance
- Transaction advisory

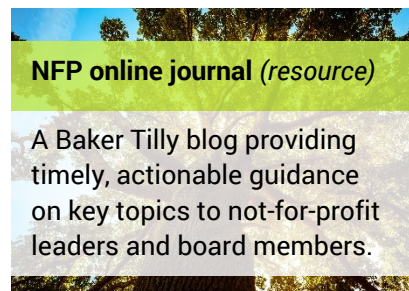
### *Helping LFCS stay at the forefront of the not-for-profit industry*

We are committed to helping LFCS stay up to date on emerging issues and trending topics. Our team members serve in leadership positions on various boards and committees, and they regularly give educational presentations on industry and technical topics. Our firm's leadership, paired with our involvement in the below associations and conferences, will help LFCS stay at the forefront of your industry.

- American Institute of Certified Public Accountants (AICPA)
  - AICPA Governmental Audit Quality Center
  - AICPA Governing Council
  - AICPA Healthcare Revenue Recognition Task Force
- CA Charter School Association
- Coalition for Children with Special Needs
- Financial Accounting Standards Board (FASB)
- Interagency Council (IAC)
- NatCon – National Council for Behavioral Health (for the National Council of Wellbeing)
- NYS Alliance for Children with Special Needs
- NYSSCPA Not-for-Profit Organizations Committee
- Social Impact Advisory Group

## Firm qualifications and experience

Our team members will also share complimentary webinars, alerts, whitepapers, articles, case studies, events, resources and other thought leadership year-round so that you can focus on what matters most: your mission. The below examples, which are available online at [bakertilly.com/notforprofit](https://bakertilly.com/notforprofit), demonstrate the value Baker Tilly can provide to LFCS.

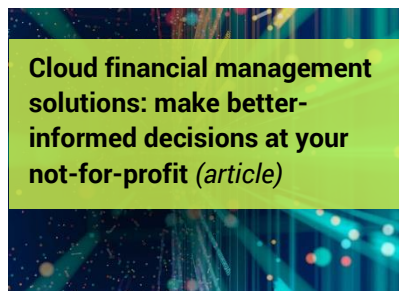


**NFP online journal** (*resource*)

A Baker Tilly blog providing timely, actionable guidance on key topics to not-for-profit leaders and board members.



**Not-for-profit Fiscal Workshop 2021** (*webinar*)



**Cloud financial management solutions: make better-informed decisions at your not-for-profit** (*article*)



**NFP lease accounting: understanding ASC 842 and real-world challenges** (*webinar*)



**Board and audit committee governance** (*resource*)



**Embracing the virtual audit** (*article*)





### HIGHLIGHTING OUR INSIGHTS AND RESOURCES

*We will help LFCS stay informed and one step ahead in the not-for-profit industry.*

# Your Value Architects™

## Aligning key engagement team members with your goals

Your handpicked team of professionals offers a collaborative focus supported by the breadth and depth of our firm’s national resources. We believe in strong personal relationships, and this means a personal interest in LFCS from some of our most experienced team members. Engagement team members are introduced below, and complete resumes are available in the **Appendix**.

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR LFCS		
	<b>Jim Rotherham, CPA – partner</b>	
	<b><i>Value that Jim brings to LFCS: Audit partner</i></b> Jim will serve as the single point of contact for assurance service delivery. He will develop expectations and a timeline with you, execute the services as agreed upon, and ensure a high level of satisfaction.	<b><i>Experience</i></b> – More than 30 years of experience serving clients in the education, not-for-profit, technology and life sciences industries
	<b>Michael H. Lorber, CPA –partner</b>	
	<b><i>Value that Brenda brings to LFCS: quality review and advisory partner</i></b> Michael will perform an independent quality assurance review of the financial statements, as well as provide advisory oversight on industry trends and strategic initiatives based on his expertise serving independent charter schools and other not-for-profit organizations.	<b><i>Experience</i></b> – More than 35 years of business and financial management experience with not-for-profit, technology, life science and other clients
	<b>Brenda Bock, CPA, MBA – director</b>	
	<b><i>Value that Brenda brings to LFCS: Audit director</i></b> Brenda will coordinate audit services, oversee the work of staff/seniors and deliver seamless project management. She will also perform research on and implementation for complex accounting issues.	<b><i>Experience</i></b> – More than a decade of experience serving not-for-profit organizations
	<b>Kathy Schmidt – senior manager</b>	
	<b><i>Value that Kathy brings to LFCS: Tax senior manager</i></b> Kathy will work with your organization to streamline compliance and implement strategic tax initiatives that minimize tax liabilities with a focus on achieving your goals.	<b><i>Experience</i></b> – 10 years of experience focusing on not-for-profit organizations and providing compliance and consulting services

**LFCS WILL RECEIVE TANGIBLE RESULTS WITH BAKER TILLY**

*All engagement team members are committed LFCS’ success. Their industry experience and service expertise translates into tangible results for LFCS.*

## Cultivating an engaging culture to offer a consistent team for LFCS

You can expect to see the same engagement team members every year and avoid the time and cost commitments of onboarding a new team. We view our commitment to staff continuity as the cornerstone of building a lasting relationship with LFCS.

Exceptional professionals thrive at Baker Tilly because we cultivate an engaging culture through diversity and inclusion, work-life balance, continuous learning opportunities, career advancement and employee recognition.

**EVIDENCE OF OUR TEAM MEMBER-FOCUSED CULTURE AND COMMITMENT TO EXCELLENCE**

<p>Ranked as the <b>ninth largest accounting and advisory firm in the U.S.</b> according to INSIDE Public Accounting's 2021 Top 400 Firms list</p> 	<p>Recognized as <b>one of America's Best Large Employers</b> in 2021 by Forbes</p> 	<p>Received <b>250+</b> culture awards and workplace recognitions firmwide</p> 
<p>Ranked as a <b>top 10</b> accounting and advisory firm for workplace prestige and quality on Vault Accounting's Accounting 50 list; <b>culture</b> is the number one reason that team members join our ranks and stay at our firm</p> 	<p><b>Certified as a Great Place to Work®</b> for the fourth consecutive year</p> 	

### CULTIVATING AN ENGAGING CULTURE

*Our commitment to attracting and retaining a top-quality workforce benefits LFCS through engaged team members and staff continuity.*

## Providing a high level of partner involvement and access

LFCS can expect to have an open line of communication with and access to our engagement partner year-round. This promotes an efficient, effective audit engagement and allows us to quickly resolve any issues. Our audit partners, as well as our not-for-profit practice leader, are always available at the board's request.

# Service approach

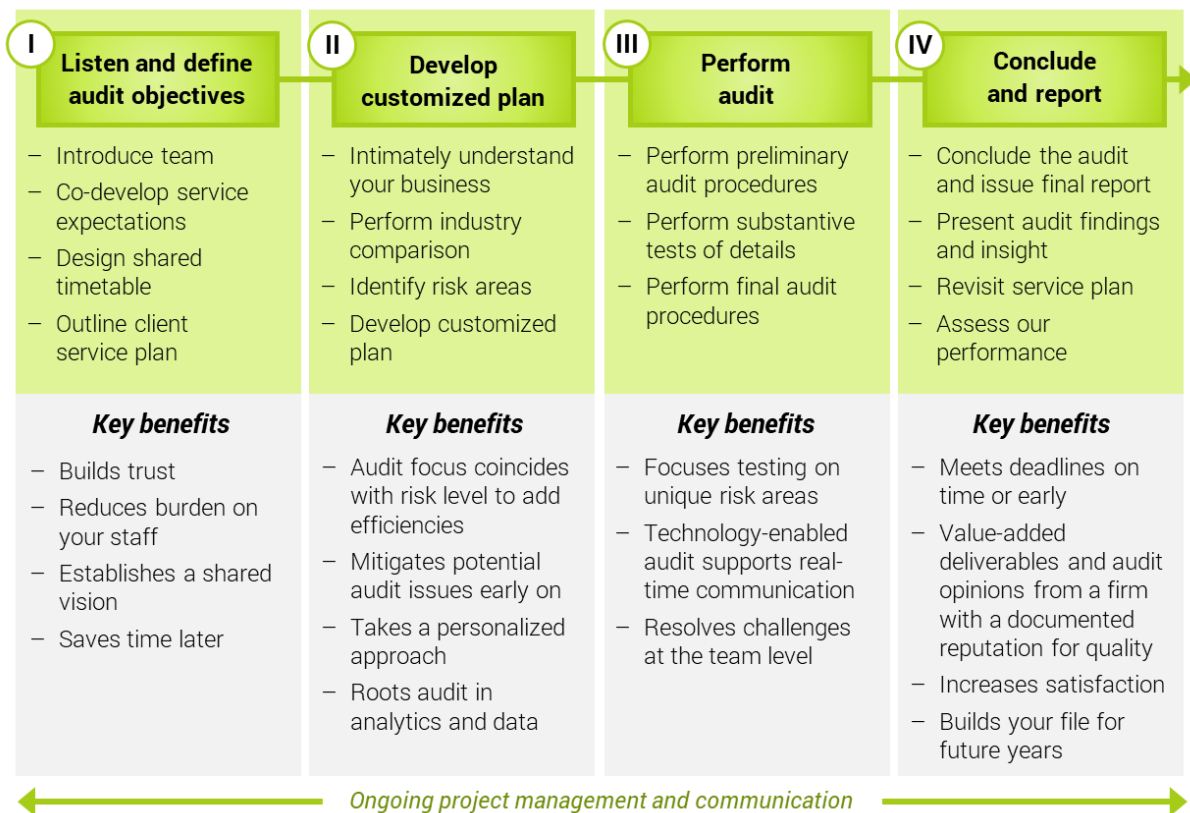
## Designing a collaborative audit approach

**What** we do in terms of our audit approach is designed to deliver a high-quality audit. **How** we do it is what distinguishes our firm. To help LFCS adapt to and benefit from change, Baker Tilly works hard to be a consultative assurance ally that proactively manages risk.

Our audit approach is collaborative, industry-focused, advisory-based and considerate of your internal team every step of the way. Your Baker Tilly team members will employ a proactive, risk-based model that aligns with a specific understanding of LFCS' organization, industry, size, ownership structure and internal controls. We spend time on the front end learning about LFCS to design value-added analytics and predictive tests that provide sound evidence. This helps us share our observations and insights as part of our management letter and reporting process.

### Tailoring our approach to meet your needs

An overview of our collaborative, industry-focused and advisory-based audit approach is detailed below.



### TAILORED AUDIT APPROACH

*A high-touch audit service model assures LFCS of accessibility, reliability and a tailored approach. We will work hard to gain your trust and solve problems through open, engaging dialogue and frequent communication.*



## Co-developing a timeline to meet LFCS' deadlines

Your time is valuable, and one significant way we will add value to your organization is by delivering our services on time or ahead of schedule.

Below is an overview of our customized approach to successfully provide audit services. During your client service plan development, we will collaborate with LFCS to co-develop an agreed-upon service timeline that meets your needs and timing requirements.

ENGAGEMENT TIMELINE	
August 2022	<ul style="list-style-type: none"> <li>– Meeting with management to discuss audit plan</li> <li>– Pre-audit communications with the Audit Committee</li> <li>– Perform preliminary fieldwork</li> </ul>
September – October 2022	<ul style="list-style-type: none"> <li>– Perform year-end fieldwork</li> <li>– Exit meeting with management to discuss audit and draft reports</li> </ul>
October 2022	<ul style="list-style-type: none"> <li>– Draft copies of financial statements delivered to management</li> </ul>
Early November 2022	<ul style="list-style-type: none"> <li>– Debrief with the Audit Committee</li> <li>– Delivery of final reports</li> </ul>
Communication	<ul style="list-style-type: none"> <li>– Throughout the engagement</li> </ul>

**COMMITMENT TO SUCCESSFULLY DELIVER AUDIT SERVICES TO MEET LFCS' REQUIREMENTS**  
*LFCS' time is valuable. We will co-develop a timeline to provide LFCS services on time or ahead of schedule.*

## Working on-site or remotely



For Baker Tilly, the safety of our people and your people is paramount. We are committed to playing our part in containing COVID-19 by practicing responsible social distancing. We miss seeing our clients face-to-face, but know that virtual or remote service delivery may be the best, safest option for the time being. We are able to deliver our audit service in a completely remote manner through the use of technology if that is the safest option. The engagement team has various tools enabling them to assist you from any location. Baker

Tilly professionals each receive their own laptop and remote access credentials to connect to our internal network from outside the office. When we are not able to meet in person, we have web conferencing software – including Zoom and Microsoft Teams – to quickly set up online meetings.

Additionally, we use Suralink, a secure cloud collaboration software, to work together anywhere, anytime and on any device. Suralink provides a platform for you and Baker Tilly to come together, share files, assign tasks and track activity in a secure environment. Using Suralink as a central hub of activity means we all spend less time organizing documents, chasing approvals and searching through email – and more time achieving tangible results. The platform also enables real-time communication, meaning the status of your engagement will always be available. We also recently began using Microsoft Teams, which further facilitates easier communication and project management. We are flexible in using the

## SERVICE APPROACH

file-sharing and storage tools that are most convenient to our clients and welcome input into this decision, particularly in a remote environment.

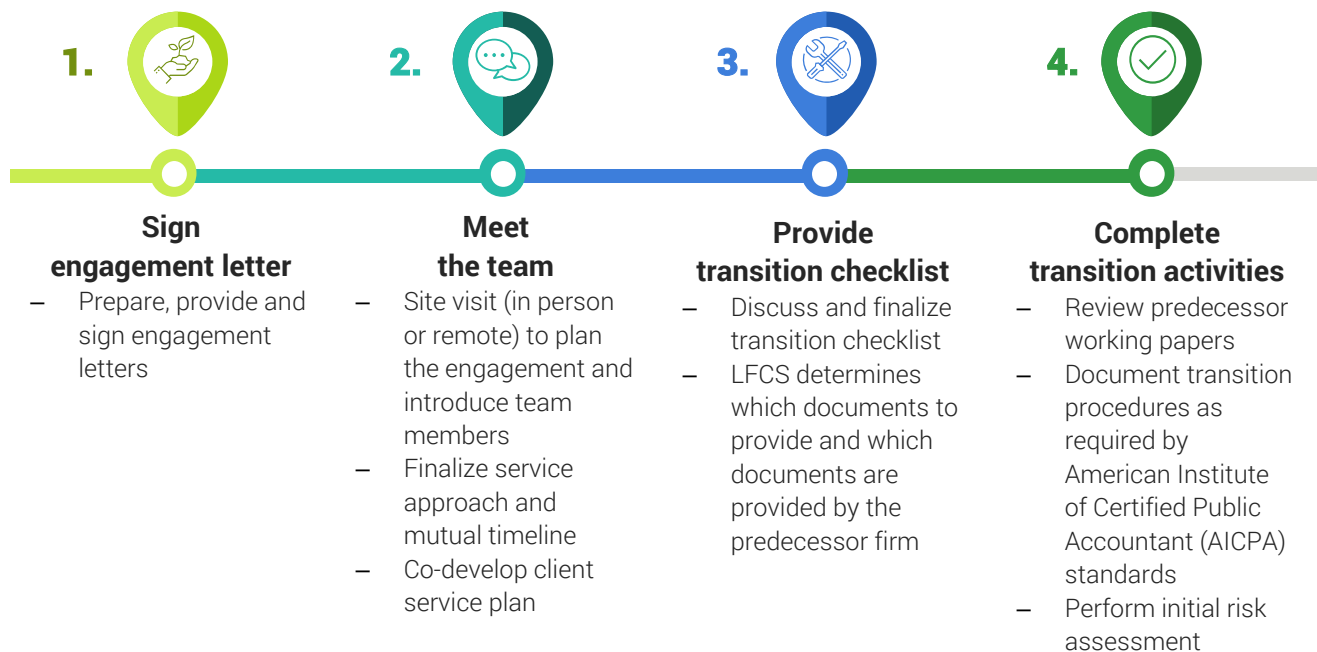
### Welcoming LFCS as our client

Our team is confident we can drive an effective engagement and deliver value to LFCS from day one. As we collaborate with you for the first time, our fresh perspective can help identify relevant opportunities to improve operational efficiencies and provide insights to benefit your organization.

#### Leading a smooth transition

We have experience transitioning similar clients – meaning we can deliver an efficient process that requires only a modest amount of time from your governance team. You will not need to spend time explaining your organization to us because your Value Architects™ are knowledgeable about the circumstances that impact your not-for-profit operations.

Below is an overview of our customized process to successfully welcome LFCS as an audit client. We will co-develop an agreed-upon timeline at a pace that fits your needs and provide a secure location where LFCS can easily upload all data requested in our prepared-by-client list.



#### SUPPORTING A SMOOTH AND EFFICIENT TRANSITION PROCESS

*LFCS' transition is the chance to build the foundation of our strong relationship and take an innovative approach to your independent financial audit work – incorporating what is currently working while making changes to areas that can be improved.*

# References

## Demonstrating successful relationships with similar clients

We encourage you to connect with the clients below to learn more about the value of their relationship with Baker Tilly. Each client will offer a different perspective as you consider your own needs.

Plumas Charter School			
<b>Name</b>	Taletha Washburn	<b>Title</b>	Executive Director
<b>Phone</b>	+1 (530) 283 3851	<b>Email</b>	taletha@plumascharterschool.org

Epic Charter School			
<b>Name</b>	Paul MacGregor	<b>Title</b>	Executive Director
<b>Phone</b>	+1 (657) 220 1000	<b>Email</b>	paul.macgregor@epiccharterschools.org

Amethod Public Schools			
<b>Name</b>	Andrew Wang	<b>Title</b>	Senior Director of Finance
<b>Phone</b>	+1 (510) 434 7005	<b>Email</b>	awang@amethodschools.org

**PROVIDING VALUABLE PERSPECTIVES FROM CURRENT CLIENTS**

*At Baker Tilly, relationships matter. Our Value Architects™ have a record of successfully enhancing and protecting similar clients' value – resulting in experience-based insights for LFCS.*



Our trusted business advisors always provide friendly, prompt and reliable service and guidance. They are very knowledgeable and help our school stay compliant with the ever-changing government reporting regulations. Our years of partnership with our auditors can be summed up with 5 letters – TRUST. I have and will continue to recommend Baker Tilly to any district looking for auditing services.

*Business manager*

# Value for fees

## Delivering a professional fee estimate for LFCS

We are excited about the opportunity to work with LFCS and have prepared the below fee estimate to meet LFCS’ needs and objectives. Our fees allow for thorough and insightful advice from experienced professionals without unnecessary add-on or startup charges.

SERVICES	FEES FOR THE YEARS ENDED June 30*		
	2022	2023	2024
<b>Audit fees</b>	\$21,995	\$22,995	\$23,995
<b>Single audit</b>	\$8,000	\$9,000	\$10,000
<b>Form 990 preparation fees</b>	\$2,500	\$2,600	\$2,700
<b>TOTAL</b>	<b>\$32,495</b>	<b>\$34,595</b>	<b>\$36,695</b>

*\*Out of pocket expenses and an 6% administrative fee are charged in addition to the above fees.*

### Assumptions

We based our fees on the assumptions below. If a unique issue arises, we will work with you to determine the level of assistance required and arrange an appropriate fee at that time. No surprise billing. Ever.

- Adequate support, preparedness and cooperation from management
- Organized books and timely response to inquiries or requests
- No major business or scope changes, including changes to accounting and tax standards or laws

### An all-inclusive, transparent fee structure

Routine phone calls, emails and quick consultations are included in your fee estimate because we do not believe in billing for every question, comment or concern. We communicate with clients year round and encourage clients to share any new and unusual transactions with us so we can determine how they will impact the engagement. We will always tell you if the assistance required is out of scope and never perform additional work without explicit approval.

### Continued conversations and an open discussion around fees

We believe our fees are competitive based on our estimate of the professional time necessary to complete the requested services. However, should our fees (or anything else) not be in line with your expectations, we would appreciate the opportunity to have an open discussion with you.

## **Appendix: Resumes**

*LFCS' handpicked engagement team members are well-versed and experienced specialists in the not-for-profit industry.*



**PARTNER**



# James A. Rotherham, CPA

*Jim is an audit partner based in our San Diego, California office and has more than 30 years of public accounting experience.*



**Baker Tilly US, LLP**

3655 Nobel Drive  
Suite 300  
San Diego, CA 92122  
United States

T: +1 (858) 320 6773  
[jim.rotherham@bakertilly.com](mailto:jim.rotherham@bakertilly.com)

[bakertilly.com](http://bakertilly.com)

## Education

Bachelor of Science in finance and accounting  
University of Pennsylvania

Jim offers our clients more than 30 years of experience in public accounting and private industry. He leads numerous audit engagements for clients in the education industry. His specialties include audits of charter schools, school districts, local governments, Native American tribal governments, and not-for-profit organizations.

## Specific experience

- Serves clients in the education, not-for-profit, technology, and life sciences industries
- Leads and manages financial statement audits
- Offers strong entrepreneurial professional skills in mergers and acquisitions, financing, revenue recognition, auditing and financial analysis
- Formerly co-founded and served as CFO of several privately owned and venture-backed technology companies, including one that he took public in 2003

## Industry involvement

- Member, Financial Accounting Standards Board (FASB) Small Business Advisory Committee (SBAC)
- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)

## Community involvement

- Volunteer and past Board Member, Boys and Girls Clubs of Greater San Diego

**PARTNER****Michael H. Lorber, CPA**

*Michael Lorber, an audit partner in Baker Tilly's San Diego, California office, has more than 35 years of business and financial management experience.*

**Baker Tilly US, LLP**

3655 Nobel Drive  
 Suite 300  
 San Diego, CA 92122  
 United States

T: +1 (858) 597 4100  
[michael.lorber@bakertilly.com](mailto:michael.lorber@bakertilly.com)

[bakertilly.com](http://bakertilly.com)

**Education**

Bachelor of Science in accounting  
 University of Illinois  
 (Urbana-Champaign, Illinois)

Michael joined Baker Tilly in 2005 and has led or assisted on a wide variety of public company and private sector audit client engagements. His clients include companies in a number of industries including manufacturing and distribution, technology, life science, renewable energy, medical devices and not-for-profit. He is also a specialist for employee benefit plan audits. Michael's blend of public accounting and private industry financial management experience establishes the foundation for his valuable perspective and ability to provide quality audit services with a focus and priority on clear and open communication and client service.

**Specific experience**

- Extensive experience working with companies ranging from development or early-stage entities to established SEC registrants
- Manages financial statement audit and review engagements
- Leads or assists on many 401k Plan, or other Employee Benefit Plan, audits, particularly with audit requirements from the Department of Labor
- Previous experience as a CFO and controller for several public and private sector companies in various industries, including life sciences, medical devices, financial services, defense contracting, and manufacturing and distribution

**Industry involvement**

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)

**Community involvement**

- Day for Change, board member
- San Diego Humane Society Audit, committee member
- Business Executives Council, board member
- CFO Roundtable in San Diego, California member

**DIRECTOR**

# Brenda Bock, CPA, MBA

*Brenda Bock is an audit director in Baker Tilly's San Diego, California office.*



**Baker Tilly US, LLP**

3655 Nobel Drive  
Suite 300  
San Diego, CA 92122  
United States

T: +1 (858) 597 4100  
[brenda.bock@bakertilly.com](mailto:brenda.bock@bakertilly.com)

[bakertilly.com](http://bakertilly.com)

## Education

Master of Business  
Administration in accounting  
Montclair State University  
(Montclair, New Jersey)

Bachelor of Arts in economics and  
Spanish  
Rutgers University  
(New Brunswick, New Jersey)

Brenda has more than a decade of experience in public accounting and private industry specialization. She has significant experience performing audits of charter schools, school districts, local governments, Native American tribal governments and casinos and not-for-profit organizations.

## Specific experience

- Manages several aspects of audit engagements including planning, assessment of internal controls, analytical reviews, budget preparations and audit execution
- Reviews and analyzes financial statements and related footnote disclosures to be in compliance with US GAAP
- Evaluates internal controls and develops recommendations to improve client processes, control structure and efficiency
- Communicates findings directly with senior management
- Licensed CPA in California and New Jersey

## Industry involvement

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- New Jersey Society of Certified Public Accountants (NJCPA)



**SENIOR MANAGER**

# Kathy Schmidt

*Kathy is a tax senior manager with nearly 40 years of public accounting experience.*



**Baker Tilly US, LLP**

3655 Nobel Drive  
Suite 300  
San Diego, CA 92122  
United States

T: +1 (858) 320 6766  
[kathy.schmidt@bakertilly.com](mailto:kathy.schmidt@bakertilly.com)

**[bakertilly.com](http://bakertilly.com)**

## Education

Bachelor of Science in accounting  
San Diego State University  
(California)

Kathy is an established tax professional in our San Diego, California office. She focuses on delivering high quality tax and accounting solutions to clients. Kathy joined Baker Tilly in 2016.

## Specific experience

- Specializes in tax and accounting services
- Provides compliance and consulting services to high-net-worth individuals, small businesses and not-for-profit organizations
- Highly diverse clientele throughout her career, but has spent the last 10 years focusing primarily on not-for-profit organizations, including charter and independent schools
- Prior to joining Baker Tilly, Kathy was responsible for growing the not-for-profit practice at a regional accounting firm

## **Appendix B: Commitment to diversity and giving back**

*Baker Tilly is committed to diversity, inclusion and belonging, as well as giving back to our local communities*



## Prioritizing Diversity, Inclusion and Belonging for Success (DIBS)

At Baker Tilly, diversity, inclusion and belonging is who we are rather than what we do. Creating an environment where all team members are valued empowers us to bring our authentic selves to work each day. When our contributions reflect our individual best, we achieve better results for JFS.

Belonging is a core Baker Tilly value. We foster a deep level of mutual respect where each one of us feels seen, heard, valued and connected. Each team member commits to upholding a diverse and inclusive workplace driven by fairness, compassion and equality.

Throughout the firm, you will find our DIBS philosophy and practices embedded into everything we do. We hire people who bring new perspectives and experiences. We embrace our differences and believe a more open, connected world serves everyone better. DIBS is the lens that helps us see things more broadly and lights the path for us to follow. This benefits our people, our clients and our communities.

### *DIBS steering committee*

Baker Tilly's national DIBS steering committee is designed to strengthen our firm's culture of diversity, inclusion and belonging. Theresa Nickels, principal and general counsel, chairs this committee.

A cross-section of leaders across the firm oversee our strategy – from inclusion-related communications to accountability measures for our key diversity goals and coordination of our signature initiatives described below and on the following pages.

**We choose to embed DIBS into all aspects of our business from strategy to operations.**

**From how we recruit, develop and promote team members, to the way we serve clients, manage projects and treat each other.**



### **COMMITMENT TO DIBS**

*We invite JFS to listen to how we celebrate and value the contributions of every team member across our firm.*



### **Growth and Retention of Women (GROW)**



Through our GROW initiative, Baker Tilly provides women valuable opportunities to network, share their stories, acquire skills, strengthen professional relationships and advance in their careers. Our commitment to GROW increases the number of women in management positions, enhances the retention of women at all firm levels, creates an environment where women feel empowered and supports our advocacy of advancing women in business. It also helps us share knowledge gained with clients and creates a workforce that reflects our client base.

### Supporting Opportunity, Advancement and Retention for all (SOAR)



SOAR focuses on improving inclusion and increasing retention of team members of color to create a more inclusive, innovative and productive workforce. Diversity makes each of our professionals unique; inclusion is how that unique team collaborates to achieve common goals. Our SOAR strategy rests on four key pillars: talent acquisition, advancement, education and awareness, and recognition.

### NexGen: joining workforce generations



Today, four generations coexist in the workplace – baby boomers, Gen X, millennials and Gen Z – and each brings unique viewpoints influenced by events and experiences in their lifetime. With NexGen, we aim to empower the next generation of team members to collaboratively engage in the firm’s progress while promoting an overall investment in our future. Key components of NexGen’s vision involve discovering how different generations can build rewarding professional relationships that are mutually beneficial. NexGen amplifies the voices of our firm’s next generation of professionals, providing leadership and growth opportunities along the way.

### PRIDE team member network



Our PRIDE team member network exists to support the LGBTQ+ community and their allies within Baker Tilly. We strive to create an open environment centered on LGBTQ+ issues and topics relevant to the workplace. This effort includes the involvement, support, understanding and acceptance from colleagues across the firm.

### Racial Equity Action Plan (ACTION) and focus on social justice



Our firm developed an ACTION plan to support our strategic goal of increasing the retention of team members of color and also to create positive change in our communities and our profession. As initial steps in our plan, we convened our DIBS steering committee and formed a racial equity advisory group consisting of a diverse group of team members. We then worked closely with a highly respected consulting firm to assess the current state of our workplace as it relates to diversity, inclusion and racial equity. We used their recommendations to refine our DIBS strategic plan and inform the next steps in our journey.

Over the past year, Baker Tilly team members have taken the time to have difficult conversations and reflect deeply. Colleagues shared stories of how racism and discrimination affect their daily lives – stories they did not feel comfortable sharing before. Others gained new insight into their own unconscious biases and the steps needed to overcome them. As a firm, we are committed to continue on this learning journey and achieve tangible results together.

### Baker Tilly Foundation support for racial justice advocacy

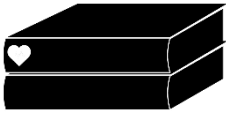


As a firm, we have made our position clear: we stand against racism and discrimination in any form. The Baker Tilly Foundation’s board of directors, with input from our team members, recently selected key racial justice organizations as recipients of direct financial support from our firm with a commitment to match team member donations. Additionally, our local SOAR committees support social justice causes across the United States through event sponsorship, fundraising initiatives and volunteer engagement.

## Focusing our charitable involvement with the Baker Tilly Foundation

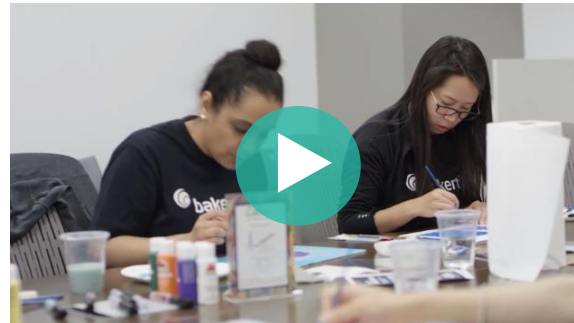
"Now, for tomorrow" is not merely a tagline, it is our philosophy. We bring our philanthropic efforts together under the Baker Tilly Foundation to prioritize our commitment and inspire each other to do good every day.

The Baker Tilly Foundation focuses our charitable involvement on three pillars of philanthropy: education, health and wellness, and human services.



### Education

Our profession is dynamic, innovative and growing. We are committed to helping today's students become tomorrow's generation of business advisors. This pillar includes education programs and services, scholarships, and support, including infrastructure support for competencies related to the financial services sector.



### Health and wellness

We support organizations that are dedicated to the treatment of today's diseases and disorders and seek tomorrow's prevention strategies and cures. Examples include disease and disorder prevention and cure, medical research, patient and family support, mental health and crisis services, addiction and substance abuse.

#### GIVING BACK WITH BAKER TILLY WISHES

*We value giving back to communities, organizations and people in need. We invite you to listen to how we help our employees support causes they are passionate about.*



### Human services

We preserve and strengthen the communities where we live and work by supporting organizations that advance human well-being, equity and inclusion and efforts to end poverty. Program examples include multipurpose human services organizations, such as the American Red Cross, United Way and YMCA/YWCA, recognizing they also may have programs outside this pillar.

“

Ultimately, when you think about giving back to your communities, we are doing it in a way that we want to make a difference for the future generation.

*Jennifer Soltis, Baker Tilly partner and Baker Tilly Foundation officer*

## Giving back to our local communities

One of the many things that makes Baker Tilly special is how our team members support local causes in creative ways. Throughout the year, they serve on not-for-profit boards, spearhead fundraisers that often have a personal connection and volunteer their time and talent with remarkable organizations.

As a commitment to Baker Tilly's core value of stewardship, our Southern California team members support numerous not-for-profit organizations to make our communities a better place to live and work. Additionally, Baker Tilly has two signature programs that focus on community outreach through volunteerism: Stewardship Week and Helping Enrich Relationships through Outreach (HERO) time.



**MAKING A DIFFERENCE FOR THE FUTURE**  
*We invite you to listen how we put stewardship on the forefront of our organization.*

### *Celebrating Stewardship Week in 2021*

The COVID-19 outbreak caused us to rethink our approach to Stewardship Day, which has been an annual tradition since 2016, given the realities of social distancing, staggered state-mandated safer-at-home policies and our own rules around in-person gatherings. Instead of a single day of service, our firm celebrated Stewardship Week this year from August 2-6, 2021.



Team members across Baker Tilly came together during five powerful days of service to give back to a variety of local causes near and dear to our hearts. These acts of community volunteering and outreach service provide creative ways for our employees to contribute to remarkable organizations that make a difference every day.

### *HERO program*

Our HERO program provides an additional eight hours of paid time to support causes our employees personally care about and that make a difference in their community.

## Focusing our charitable involvement with the Baker Tilly Foundation

"Now, for tomorrow" is not merely a tagline, it is our philosophy. We bring our philanthropic efforts together under the Baker Tilly Foundation to prioritize our commitment and inspire each other to do good every day.

We created the Now for Tomorrow Scholarship in honor of our firm's 90th anniversary as we look to the future and seek to make an ever-greater impact on our profession. Funded through the Baker Tilly Foundation, the scholarship supports one of our foundation's three key pillars: education. The scholarship will support students of color seeking to join our profession. A significant scholarship package and development opportunities within our firm will help promising young professionals, who often face barriers and are underrepresented in our profession.





Proposal for  
**Literacy First Charter School**  
San Diego, California

For the fiscal year ending June 30, 2022,  
plus optional renewals through June 30, 2024

***Submitted on February 1, 2022:***

By: Christy White Brook, CPA, CFE  
619-270-8222  
cwhite@christywhite.com

**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**

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- INSURANCE CERTIFICATES
- QUALITY CONTROL PEER REVIEW OPINION





Certified Public Accountants serving  
K-12 School Districts and Charter  
Schools throughout California

February 1, 2022

Mr. Steve Robinson, Financial Officer and  
Board of Directors  
Literacy First Charter School  
San Diego, California

Dear Mr. Robinson and Members of the Board,

Christy White, Inc. (CW) is pleased to respond to Literacy First Charter School's request for Annual Financial Statement Audits for the fiscal year ending June 30, 2022 (plus the two optional renewal periods through 2024).

We **specialize in auditing California charter schools**, including High Tech High (16 charter schools), EJE Academies (2 charter schools), and Steele Canyon High School (over 2,100 pupils). In 2020-21, we were providing services to over 65 nonprofit organizations with charter schools and 140+ school districts. Also, we audit county education offices, school bonds, and state facilities grants, plus, should the need arise, we perform forensic audits.

**CW will serve Literacy First Charter School with our audit team of charter school nonprofit specialists.** For 20 years, our firm has specialized in charter school audits, so you get the benefits of not only an experienced specialized team but an entire firm of more than 30 professionals. As a leader in the K-12 education industry, we provide educational organization audit focused staff training unmatched by other firms. We assure you that every Christy White team member will be trained to handle your audit efficiently and effectively. Moreover, we provide **free training and accounting advice** to our clients.

Founding partner, Christy White Brook, has 35 years of school audit and consulting experience and is joined by Partners Heather Daud Rubio, Michael Ash, John Whitehouse, plus seven director-level managers, and experienced in-charges auditors and staff. My partners and I have a great deal of interest and **commitment to providing excellent auditing services to Literacy First Charter School.** Our team is committed to meeting all requirements and timelines for the successful completion of the engagement.

After reading through our proposal, should you have any questions, please feel free to contact me at 619-270-8222. I would be happy to meet with you, the auditor selection committee, and the Governing Board.

Sincerely,

Christy White Brook, CPA, CFE  
President

348 Olive Street  
San Diego, CA  
92103

O: 619-270-8222  
F: 619-260-9085  
[christywhite.com](http://christywhite.com)

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**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**


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## EXECUTIVE SUMMARY

Christy White, Inc. (CW), a professional accountancy corporation, is the 2nd largest CPA firm in the number of Local Educational Agencies (LEAs) audited annually. Home-based in San Diego with professional staff that resides across the State to best serve our clients. Christy White Brook, CPA, CFE, and Marcy Kearney, CPA, will lead the proposed auditing services that include an audit of the annual consolidated financial statements and compliance for Literacy First Charter School for the fiscal year ending June 30, 2022, plus two optional renewal years.

When considering whether to hire our firm, you will find that CW can be differentiated from our competitors in several areas, such as:

- **EXPERIENCED AND INVOLVED PARTNERS AND MANAGERS:** Christy White Brook, CPA, President and Partner, has 35 years of audit and consulting experience garnered from 28 years in public accounting and 7 years with School Services of California, Inc. Marcy Kearney, CPA, Senior Director of the charter school division and tax department, has 13 years of experience working directly with independent charter schools, other nonprofit organizations, and school districts. You can expect that Ms. White and Ms. Kearney will be accessible to Literacy First Charter School when the audit is underway and lend their expertise freely on accounting and internal control issues.
- **TIMELY AUDITS:** CW is committed to meeting all audit deadlines. All of our audits have been performed according to agreed-upon audit schedules, with the final reports to the State of California filed on time.
- **SECURE REMOTE AUDIT TECHNOLOGY:** Our firm implemented a "virtual office" setting several years preceding the pandemic. With our technology, we are fully capable of conducting a secure remote audit by providing audit-related items via our client-secured online portal (Suralink). Your CW audit manager will help set up you and your staff. The portal is very user-friendly.
- **COMMITMENT TO QUALITY:** CW has received an "unqualified" audit opinion by our peer reviewers regarding our firm's Quality Control Standards. All audits submitted to the State have been approved. Current client references are available upon request.
- **SMOOTH AUDIT PROCESS:** CW specializes in governmental and not-for-profit entities, so the process for the audit will be smooth. CW guarantees that: (1) trained and supervised staff will be on-site; (2) clients will be given a detailed audit plan; (3) CW will be considerate of your staff and their workload; and (4) all audit findings will be discussed before the report is finalized.
- **FINDING SOLUTIONS:** CW is not content to simply identify problem areas that may exist in your Organization but seeks ways to help provide solutions. Any CPA firm can discover a problem, but with our combined backgrounds and experiences, we can supply our clients with a wide range of possible solutions.

The following proposal provides more specific information on the scope of the audit services, our experience, qualifications, client references, and audit approach. We hope that you select our audit firm.

**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**

**GENERAL INFORMATION – ABOUT CW**

**LEGAL NAME AND CORPORATE CONTACT INFORMATION**

Legal Name: Christy White, A Professional Accountancy Corporation (dba Christy White, Inc.)  
 Corporate Address: 348 Olive Street, San Diego, CA 92103  
 Telephone Number: 619-270-8222  
 Fax Number: 619-260-9085  
 Email Address: [cwhite@christywhite.com](mailto:cwhite@christywhite.com)  
 Website: [www.christywhite.com](http://www.christywhite.com)

**FIRM HISTORY, SERVICES, AND SIZE**

Christy White, Inc. was incorporated in 2010, succeeding Nigro Nigro & White (NNW) as the AICPA designated successor firm (Christy White was a founding partner NNW in 1999). Our firm has grown steadily over the past 20 years and now has 30 professionals, including seven CPAs.

We offer services exclusively to local educational agencies (LEAs), including school districts and charter schools. It's our full specialization in LEAs that makes us unique among CPA firms and provides added value to our clients. As your educational audit specialist, CW audits over 140 school districts, 10 county offices of education, 100+ Proposition 39 bonds, 40+ State School Facilities Grant audits, and over 100 charter schools. Our audit clients range in size from large charter schools to mid-size and small entities. We also prepare the annual tax Forms 990/199 for our nonprofit charter school clients. Our consulting capabilities include helping our clients with:

ASB Training	Forensic/Fraud Audits
Attendance Accounting	Business Functions Organization
FASB and Compliance Implementation	Charter School Back Office
Efficiency Studies	Financial Reporting

**FIRM LICENSE, AFFILIATIONS AND ASSOCIATIONS**

Christy White, Inc. (CW) is incorporated in the State of California. CW is licensed by the State Board of Accountancy. We are a majority women-owned firm. The California State Controller's Office CPA Directory lists Christy White as an eligible CPA firm that conducts LEA audits.

CW is a member of the Private Companies Practice Section (PCPS) and Government Audit Quality Center (GAQC) of the American Institute of CPAs, which requires an independent peer review every three years. We are members of the American Institute of CPAs (AICPA) and the California Society of CPAs. We are also associate members with the California Charter School Association (CCSA), the California Association of School Business Officials (CASBO), the Government Finance Officers' Association (GFOA), and the Association of Certified Fraud Examiners.

CW is also an active participant with the Education Audit Appeals Panel in developing the annual K-12 audit guide and dialogues regularly with State agencies on audit issues that affect our charter school clients.

**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL****GENERAL INFORMATION – ABOUT CW (CONT.)****FIRM INDEPENDENCE**

One of the benefits of an audit is having an "independent" assessment of your internal controls over financial statements and compliance matters. Our quality control program ensures that we adhere to auditor independence's strictest standards, including those required by the Standards for Audit of Governmental Organization, Programs, Activities and Functions, published by the United States, General Accounting Office. We ensure that all firm partners and any staff working on the engagement do not have any financial or other interests in your Organization other than a strictly professional one. Our continued success as your business partner depends upon our independence.

CW has had no personal or business relationship with Literacy First Charter School or its board members. Should a professional relationship occur that presents an independence conflict during the contract period, CW would immediately notify Literacy First Charter School.

**RESPONSIBLE BUSINESS PRACTICES**

Christy White, Inc. is financially stable. We have no long-term debt and have remained fiscally stable throughout our 20-year history. We will not joint venture with another firm on this engagement.

CW has a standing record of performing quality audits. Our clients and the State Controller's Office have accepted all of our audit reports. No client has terminated a contract during the performance of the audit. Additionally, we have not been involved in litigation or any investigation by a state, federal, or professional agency.

There have been no complaints levied by the State Board of Accountancy or other regulatory authority in the history of CW or its predecessor firm of Nigro Nigro & White, PC. None of the CPAs of CW have had any individual complaints or sanctions.

**CW'S QUALITY CONTROL SYSTEM**

Our quality control systems include policies and procedures in leadership, ethical requirements, acceptance of new clients, personnel management, engagement performance, monitoring, and communication. We actively monitor compliance with our quality control document by reviewing work papers, training on new standards, consultation on complex areas, and sound human resources practices. CW has received the highest level of assurance from our peer reviewer, which is "Pass." Attached is our most recent quality control report.

**INDEMNITY**

CW has errors and omissions insurance and will indemnify and hold harmless the Organization from and against all losses and claims in the execution of our work or the consequences of any negligence or carelessness on our part. We are also fully insured for workers' compensation. Our current policies are attached.

PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL

## AUDIT STAFFING AND PERSONNEL

### STAFF QUALIFICATIONS

The firm partners and staff of Christy White, Inc. (CW) bring an extensive background of audit and consulting experience to CW clients. We have audited local educational agencies (LEAs) throughout California. We are familiar with the unique issues relative to charter school finance: budgetary constraints, construction accounting, new federal and state program compliance, attendance accounting, state funding models, cash flow management, and more. The audit team will include:

Christy White, Inc. Personnel Assigned	
Name	Classification
Christy White Brook, CPA, CFE	Partner
Marcy Kearney, CPA	Senior Director
Lily Novoa, CPA	Supervisor

### ABBREVIATED RESUMES OF CHRISTY WHITE, INC.'S ASSIGNED AUDIT TEAM

Biographies of all staff members assigned to your audit are shown below.



**President Christy White, CPA, CFE**, has served hundreds of school districts and charter schools as an auditor, school finance consultant, professional author, and trainer. Christy provides audit and financial consulting in organizational structure, internal controls, school district reorganization, attendance accounting, forensic and fraud audits, and developing and conducting six workshop series throughout the State. Christy received a Best Volunteer Trainer award from the California Society of CPA's Education Foundation. And she is a Certified Fraud Examiner (CFE) in addition to her CPA license.



**Senior Director Marcy Kearney, CPA**, is a licensed CPA in California with over thirteen years of experience, individually working with public school districts, independent charter schools, and not-for-profit entities for both audit and tax preparation. She manages the tax department and the charter school division of the audit department. Additionally, Marcy has been a long-time member of the California Society of CPAs (CalCPA) and is a member of the American Institute of CPAs (AICPA). Marcy holds a Bachelor of Science degree in Business Administration with an emphasis in Accountancy from Cal State University, San Marcos.



**Supervisor Lily Novoa, CPA**, has over seven years of experience auditing public schools and as an accounting supervisor at a private school. She leads many projects with Christy White including in-charge auditor on school district and charter school audits, heading up the internal audit of Southwestern Community College, assisting with CharterWise Management back-office accounting and she is our nonprofit tax supervisor. Lily holds a Master of Science in Accounting from Golden Gate University. She is past Board President of San Diego Rotaracts and has completed Rotary leadership development training.

**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**

**AUDIT STAFFING AND PERSONNEL (CONT.)**

**STAFF TRAINING PROGRAMS**

CW's program of staff development includes two full weeks of focused in-house training in the audit of charter schools and school districts. We also provide opportunities to staff to attend professional training provided by outside providers, such as School Services of California, the California Society of CPAs, and CCSA. A sampling of training programs our staff has attended within the last year include:

Sampling of Recent Training Courses Taken by Staff	Training Provider Organizations
<ul style="list-style-type: none"> <li>• Annual California Charter School Conference</li> <li>• Annual CASBO Conference, Attendance Accounting</li> <li>• January, May, and Summer Budget Conferences</li> <li>• School District Conference</li> <li>• Annual Fraud Conference</li> <li>• Annual GFOA Conference</li> <li>• Annual Conference, Charter Schools Development Center</li> <li>• Nonprofit Accounting and Auditing Conference, Single Audit Conference</li> </ul>	<ul style="list-style-type: none"> <li>• CCSA</li> <li>• CASBO</li> <li>• School Services of California, Inc.</li> <li>• California Society of CPAs</li> <li>• Association of Certified Fraud Examiners</li> <li>• GFOA</li> <li>• Charter Schools Development Center</li> <li>• AICPA</li> </ul>

**STAFF CAPACITY**

CW has a corporate office located in San Diego and numerous remote offices throughout California. We have over 30 professional employees, including seven certified public accountants, and sufficient audit capacity to provide excellent audit services to Literacy First Charter School.

**EQUAL OPPORTUNITY EMPLOYER**

CW is an equal opportunity employer. We do not discriminate based on race, ethnicity, age, or religion. We are in compliance with all applicable federal and state laws and regulations relating to equal opportunity employment, including the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable Federal and State laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of September 24, 1965.

**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**

**PAST PERFORMANCE**

**SPECIALIZING IN K-12 AUDITS**

CW devotes our practice exclusively to K-12 auditing and consulting, including charter schools, schools districts and county offices. A full list of all charter schools served is included on the following page and below is a list of all charter schools in San Diego County as well as charter schools that we work with that also contract with CSMC for business services. References can be provided upon request.

**SAN DIEGO COUNTY CLIENTS**

Below is a list of our current nonprofit organization clients that operate one or more independent charter schools in the County:

<b>Charter School Non-Profit</b>	<b>Years Audited</b>
B.E.S.T Academy	2019-20 through present
Dual Language Immersion North County	2020-21 through present
EJE Academies (2 schools)	2006-07 through present
Elevate Elementary School	2014-15 through present
Empower Charter School	2014-15 through present
High Tech High (16 schools)	2008-09 through present
Howard Gardner Community Charter	2012-13 through present
Kidinnu Academy	2019-20 through present
Old Town Academy	2015-16 through present
San Diego Global Vision Academy	2020-21 through present
School for Entrepreneurship & Technology	2020-21 through present
Sparrow Academy	2019-20 through present
Steele Canyon High School	2019-20 through present
Urban Discovery Academy	2017-18 through present

In addition to the charter schools listed above, we also audit several school districts in the County as well as the San Diego County Office of Education. Below is a list of both past and current LEA audit clients:

<b>Local Education Agency</b>	<b>Local Education Agency</b>
Cajon Valley Union School District	Lemon Grove School District
Carlsbad Unified School District	Oceanside School District
Coronado Unified School District	San Diego County Office of Education
Eastside Union School District	San Marcos Unified School District
Encinitas Union School District	San Pasqual Union School District
Escondido Union High School District	Solana Beach School District
Grossmont Union School District	South Bay Union School District
La Mesa-Spring Valley School District	Valley Center-Pauma Unified School District

**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**

**PAST PERFORMANCE (CONT.)**

**FULL LIST OF CALIFORNIA CHARTER SCHOOL AUDIT CLIENTS OPERATED BY NONPROFIT ORGANIZATIONS**

<b>Charter School Non-Profit</b>	<b>Charter School Non-Profit</b>
AeroSTEM Academy	Lennox Math, Science & Technology Academy
Academy of Media Arts	Los Angeles Academy of Arts & Enterprise
B.E.S.T Academy	Method Schools (3 schools)
Bitney Prep High Charter School	Mojave River Academy
Capitol Collegiate Academy	New Heights Charter School
Clear Passage Educational Center	Nevada City School of the Arts
Clovis Global Academy	Old Town Academy
CORE Butte Charter School	Promise Charter School
CORE Charter School	Orange County Academy of Sciences and Arts (2 schools)
Compass Charter Schools (3 schools)	Oxford Preparatory Academy (2 schools)
Crete Academy	Palisades Charter High School
Da Vinci RISE High	Provisional Accelerated Learning Academy
Da Vinci Schools (4 schools)	Rising Sun Montessori
Dual Language Immersion North County	River Springs Charter School
EJE Academies (2 schools)	San Diego Cooperative Charter School
El Camino Real Charter High School	San Diego Global Vision Academy
Elevate Elementary School	Santiago Middle School
Empower Charter School	School for Entrepreneurship & Technology
Excelsior Charter School	Spark Charter School
Excelsior Charter School Corona-Norco	Stony Point Academy
Fenton Charter Public Schools (5 schools)	Sparrow Academy
Forest Charter School	Steele Canyon High School
Granite Mountain Charter School	Taylion San Diego Academy
Griffin Technology Academies (4 schools)	Three Rivers Charter School
Hayward Collegiate Charter School	Twin Rivers Charter School
High Tech High (16 schools)	Unity Middle Charter High School
High Tech Los Angeles (2 schools)	Unity Schools (2 schools)
Howard Gardner Community Charter	University Preparation School at CSU Channel Islands
Humphreys College Academy of Business, Law & Education	Urban Discovery Academy
International School of Monterey	We the People Public Schools



## PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL

# CAPACITY AND METHODOLOGY

### SCOPE OF THE AUDIT

The scope of auditing services provided includes the **Annual Consolidated Financial Statements** of Literacy First Charter School (the nonprofit organization and charter school) and the Literacy First Charter School Issuer LLC, and Compliance with State Audit and Federal Requirements for the fiscal year ending June 30, 2022, with options to extend through 2024.

The purpose of the financial audits is to render the following opinions and reports:

- Auditor's Opinion on the Financial Statements
- Auditor's Opinion on Internal Controls and Compliance required by *Governmental Auditing Standards*
- Auditor's Opinion on State Compliance Requirements
- Current Year Findings and Recommendations
- Status Report on Prior-Year's Findings and Recommendations

Also, we will conduct the audit to meet procedures required of:

- Federal OMB Uniform Guidance and the Compliance Supplements, when applicable
- Other guides as required by the federal and State agencies, when applicable

### RISK ASSESSMENT

CW has long taken a risk-based audit approach in our audits of LEAs for audit effectiveness and efficiency. We will perform our **Audit Risk Assessment** to include, at a minimum:

- Overall Internal control structure; precisely controls over electronic data processing systems, cash collections, cash disbursements, maintenance and operations and segregation of duties
- Compliance with Education Code and federal and state laws and regulations
- Capitalization and depreciation of assets

### DOCUMENTATION OF INTERNAL CONTROL STRUCTURES

For each engagement performed, we conduct a thorough **Understanding of Internal Control Systems**, assess control risk, and suggest improvements to our clients. CW is well versed in the Risk-based Assessment Standards and will incorporate these requirements into our audit programs. Areas of **Internal Control** typically evaluated for our charter school clients include:

- |                                                             |                                          |
|-------------------------------------------------------------|------------------------------------------|
| ➤ Cash receipting and cash management                       | ➤ Inventory and fixed assets             |
| ➤ Purchasing and accounts payable                           | ➤ Attendance and compliance reporting    |
| ➤ Personnel requisition/terminations and payroll processing | ➤ Financial Reporting                    |
|                                                             | ➤ Student body activities, if applicable |

Our examination of internal controls helps us plan our audit procedures. More importantly, we will communicate both positive control points and points where areas of improvement are needed.

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**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**


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## **CAPACITY AND METHODOLOGY (CONT.)**

### **APPROACH TO FRAUD RISK AND TESTING**

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant transaction and group of transactions and design tests to ensure the transactions are free of material errors and irregularities. Our procedures meet the fraud risk and testing requirements of the clarified Statements on Auditing Standards (SAS).

Suppose fraud is suspected or detected in the preparation of financial statements or the misappropriation of assets. In that case, CW will bring the matter to the attention of the appropriate level in the Organization. You can then take prompt action and prevent further instances from occurring as quickly as possible. We are also skilled in fraud investigations should the need arise.

### **MANAGEMENT DISCUSSION AND LETTERS**

Christy White, Inc. (CW) believes the purpose of a quality audit is to provide management with feedback on the internal control structure's effectiveness, including the data processing systems. We will report all reportable conditions and discuss potential audit findings, observed good fiscal practices, and then recommend ways to enhance the overall effectiveness and efficiency of the Organization as a whole.

After thoroughly discussing each finding with management and incorporating the Organization's response, we will issue our final management letter. The audit findings will meet *Government Auditing Standards* and standards established by the State Controller's Office.

### **PLANNING AND EXIT CONFERENCE MEETINGS**

CW works closely with management at various stages during the audit cycle. We will organize both group and one-on-one meetings with individuals such as the Business Manager, the Executive Director, and a governing board representative.

- **Audit Planning/Entrance Meeting:** During our planning phase, we discuss our proposed audit timelines, deliverables and ask for input on areas deemed "new or high risk."
- **Exit Conferences:** After fieldwork, we will meet with you to discuss the results of our audit work and preliminary findings, if any. We do not want you to experience "audit surprises." Timely communication is the key to a surprise free audit.
- **Review of Draft Audit Reports:** Upon the audit's conclusion, we provide you with a draft report (which we are happy to review with you), our findings, and the charter management's response.

We are also available to meet with you on an ad hoc basis if an issue or question arises.

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**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**


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## **CAPACITY AND METHODOLOGY (CONT.)**

### **GENERAL AUDITING APPROACH**

By following the professional standards prescribed by **Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards**, we are confident that we are meeting our professional standards for the industry. We will conduct the audit to meet procedures required of:

- K-12 Audit Guide, as published by the State Controller's Office
- *Government Auditing Standards*, as published by the Federal Office of Management and Budget

Being a leading CPA firm in the LEA industry, we have experience working with State, and Federal agencies in the development of the K-12 audit guide, client resolution of findings, researching laws and regulations and aiding on sensitive client situations further elaborate on our **Audit Project Plan**, below are the three stages of the audit process:

### **THREE STAGE AUDIT PLAN**

Stage 1 – Planning and Risk Assessment

Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement Substantive Testing

Stage 3 – Drafting and Finalization of Financial Statements, Preparation of Forms 990/199

### **Stage 1 – Planning and Risk Assessment**

We will confer with charter school personnel to discuss our plan to commence the audit. We hold an entrance conference call with representatives from the Board, Executive Director, Business/Finance office, and other department heads to discuss risk, concerns, expectations, and audit protocol. Our planning activities include:

- Reviewing and updating our understanding of the organization
- Identification of critical audit areas, plus changes to compliance areas
- Performing preliminary risk assessments
- Establishing an audit timeline
- Compiling data request lists
- Establishing agreed-upon deadlines

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant account (e.g., cash, capital assets, accounts payable, and debt) and transaction group (e.g., payroll, cash disbursements, and cash receipts).

Upon assessing audit risk, we then design audit tests to meet the overall objective of the financial statements and compliance areas free of material errors and irregularities, under the clarified Statements on Auditing Standards (SAS).

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**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**


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## **CAPACITY AND METHODOLOGY (CONT.)**

### **GENERAL AUDITING APPROACH (CONTINUED)**

#### **Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement Substantive Testing**

CW will gain an understanding of the internal control structure of the organization for financial accounting and compliance over federal and State programs. We also evaluate electronic data, including general and application controls over financial reporting and compliance with laws and regulations.

We develop our substantive testing by utilizing the results of our internal control testing and risk assessments. As in all stages of the audit, we will communicate with the Organization to permit timely resolution of any issues found. We will hold an exit conference with the Organization to summarize our fieldwork results and review significant findings.

#### **Stage 3 – Drafting and Finalization of Financial Statements, Preparation of Forms 990/199**

CW will draft the financial statements and provide the draft and any adjusting entries to the Organization for review and approval. Reports to management will include written reports, and discussions will be held with management and the Audit and Finance Committee or Governing Board. After the audit, we will prepare the Forms 990/199, should you contract for our tax services.

### **YEAR-ROUND FASB STATEMENT IMPLEMENTATION AND ON-GOING ASSISTANCE**

The partners at CW are thoroughly knowledgeable about FASB standards. CW has assisted all of our nonprofit audit clients, *without extra charges*, with FASB implementation, and on an on-going basis by, for example:

- **Not-for-Profit Financial Reporting Model:**
  - Providing training on implementation and impact on accounting recordkeeping
  - Providing draft financial reports
  
- **IASB and FASB Revenue Recognition Standards:**
  - Training on revenue recognition framework
  - Advising on the adoption of the new standards and financial statement impacts
  
- **Accounting for Leases**
  - Consulting on changes in accounting for leases
  - Support in financial reporting changes

PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL

## CAPACITY AND METHODOLOGY (CONT.)

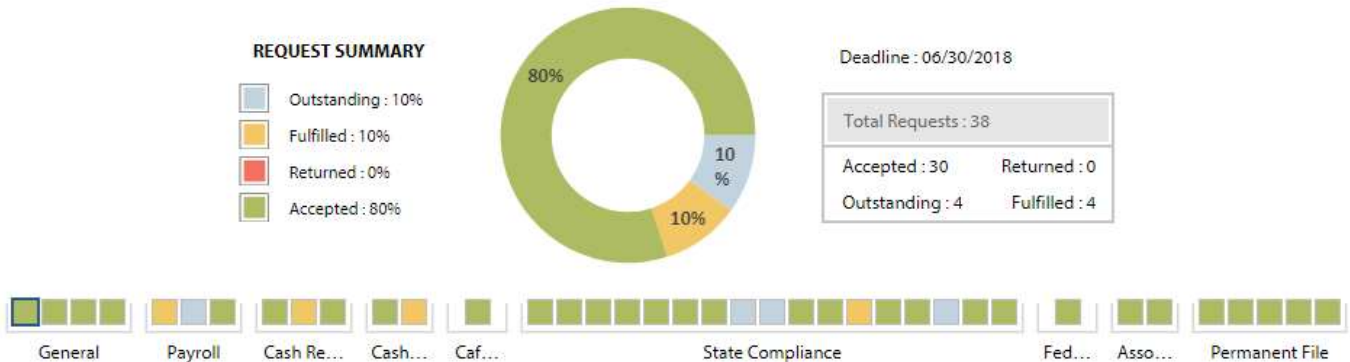
### LEVEL AND NATURE OF SUPPORT REQUIRED

We conduct our audit through a combination of off-site and on-site work. We are entirely paperless and have a client portal for ease of document transmission. As such, we can make sample selections in advance of our fieldwork and conduct specific audit tests right from our office. We ask that the accounting staff be generally available to answer questions, upload documentation, and scan sampled document support throughout the audit.

### SECURED PORTAL TO UPLOAD YOUR RECORDS WITH EASE

Christy White, Inc. uses a secure portal for seamless document-request coordination. Using the portal means all our requests are in one place, accessible by everyone assigned, and updated in real-time. Some of the key elements are summarized below:

- **Portal Dashboard:** The dashboard provides a real-time snapshot of the audit progress by indicating the number of outstanding, fulfilled, returned, and accepted items in a color-coded and easy to understand interface
- **Security:** Our portal boasts State of the art security in which all data is stored and transferred with AES 256-bit encryption, and servers are housed in SSAE16 Type II SOC1, SOC2 data centers with daily fail-safe backups
- **Drag and Drop Functionality:** To upload documents to the portal, drag and drop the file(s) from your computer to the requested item in the portal, at which time the status will be automatically changed from outstanding to fulfilled
- **Email Notifications:** Receive summary email notifications based on your timing preference (ex. daily, weekly, morning, afternoon, etc.), which provides activity updates for the engagement (ex. when files are uploaded/downloaded, or the status of an item has been changed)



**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**

**STATEMENT OF WORK**

**PROPOSED TIMEFRAME**

The following is an estimate of the audit and tax work to be conducted each month. The final schedule would be arranged based on the planning meeting that CW holds with you and your stakeholders.

Month	Proposed Work	Percentage of Work Done
Late March – June	Audit planning; the test of internal controls and state compliance with school site(s) personnel	15%
June – August	Tests of internal controls, state compliance testing with business office	22%
Late August – November	Year-end fieldwork, depending on when books are closed	35%
October – early December	Reports drafted, reviewed, and finalized	22%
No later than December 15 <sup>th</sup>	Final audit reports distributed	1%
January – May	Preparation/filing of tax forms 990/199	5%
<b>Total</b>		<b>100%</b>

Before each phase of the audit, we will discuss the upcoming work with you, provide weekly progress reports, and conduct an exit conference. The exit conference will provide you with the preliminary results of the recent work, recommendations and list any outstanding audit items.

**ESTIMATED HOURS BY MAJOR WORK SEGMENT**

We have reviewed the previous 2019-20 and 2020-21 audit reports to plan what we believe to be reasonable hours to complete the audit for the 2021-22 fiscal year.

<u>Audit Work Segments</u>	<u>Estimated Hours of Completion</u>	<u>Audit Work Segments</u>	<u>Estimated Hours of Completion</u>
<b>Planning, Supervision/Review</b>		<b>State Compliance Testing</b>	
Planning and Risk Assessment	4	Attendance	5
Supervision and Quality Control Review	2	Unduplicated LCFF Pupil Count	2
Contingencies/Subsequent Events	1	All Other Areas	2
Board Minutes	3	<b>Substantive Testing Areas</b>	
Correspondence (including Confirmations)	1	Assets (Cash, Receivables, etc.)	8
Entrance/Exit Conference	2	Liabilities (Payables, Loans, Bonds, etc.)	8
<b>Internal Control Review/Transaction Testing</b>		Net Assets	2
Interviews and Risk Assessment	2	Revenues	5
Cash Disbursements & Payroll	8	Expenses	3
Cash Receipts	4	<b>Report Preparation and Review</b>	
Journal Entries	2	Audit Reports Review and Opinions	12
		Management Letters/Secretarial	4
		<b>Total Audit Hours</b>	<b>80</b>

*Cont'd next col.*

**PROPOSAL FOR LITERACY FIRST CHARTER SCHOOL**

**PROPOSED FEES**

**FEE STRUCTURE FOR LITERACY FIRST CHARTER SCHOOL**

The proposed fees are all-inclusive and will not change unless there are significant changes in the scope of the audit or tax services proposed, as imposed by state or federal agencies or directly requested by the Organization. Audit fees increase per year at a rate of four percent for Cost of Living Adjustment (COLA). We do not bill for advisory services related to the audit or an application of accounting standards. We encourage our clients to contact us at any time year-round for free advice on general finance and accounting issues.

We propose to conduct the audit engagement and submit the audit reports in compliance with the instructions provided by the State Controller's Office. The fee schedule below includes a list of personnel by classification assigned to the audits, indicating the estimated number of hours and rate per hour for the audits.

<b>Classification</b>	<b>Billing Rates</b>	<b>Estimated Hours</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Partner	\$ 210	4	\$ 840	\$ 874	\$ 908
Director	185	12	2,220	2,309	2,401
Supervisor	155	12	1,860	1,934	2,011
Senior	135	22	2,970	3,089	3,213
Staff	110	26	2,860	2,974	3,092
Clerical Assistant	65	4	260	270	280
		<u>80</u>			
<b>Total Audit Fees*</b>			<b>\$ 11,010</b>	<b>\$ 11,450</b>	<b>\$ 11,905</b>
<b>Tax Preparation Fees**</b>			1,950	1,950	1,950
<b>Total Professional Fees</b>			<b>\$ 12,960</b>	<b>\$ 13,400</b>	<b>\$ 13,855</b>

\*Fees above do not include services related to a Federal Single Audit. If a Federal Single Audit under OMB Uniform Guidance (UG) becomes applicable during any given year, an additional \$3,500 will be added to the annual audit fee plus \$1,000 for every federal major program selected for audit (minimum fee of \$4,500). A Federal Single Audit under OMB UG is applicable in any given year that the Organization expends more than \$750,000 in Federal funds.

\*\*Fees noted for preparation of tax returns include Federal IRS Form 990 and related schedules, California Form 199 for Literacy First Charter School and the CA Form 199 for the LLC. If these are not the appropriate forms or if any additional Federal or State forms are necessary, this fee may be modified based on the client tax compliance needs (i.e. Form 990-T for reporting of taxable income).

We will enter into an agreement with Literacy First Charter School in the form of an engagement letter upon acceptance of this proposal document. We look forward to the opportunity to work with the Literacy First Charter School. Please do not hesitate to contact us with any questions or to arrange an interview. Thank you!

Name of Accounting Firm: Christy White Inc.

Authorized By: Christy White Brook

Name: Christy White Brook, CPA, CFE

Title: President

Date: February 1, 2022





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## APPENDICES

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## INSURANCE CERTIFICATES

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**CAMICO MUTUAL INSURANCE COMPANY  
DECLARATIONS**

**ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY**

Policy Number: CAL108463-11

Effective Date: 08/01/2021 at 12:01 A.M. Standard time at the address shown below  
Expiration Date: 08/01/2022 at 12:01 A.M. Standard time at the address shown below  
Retroactive Date: 08/01/2010

Item 1 - Named Insured: Christy White Associates

Item 2 - Business Address: 348 Olive St  
San Diego, CA 92103

Item 3 - Limits of Liability: \$1,000,000 Per Claim  
\$3,000,000 Policy Aggregate

Item 4 - Deductibles: \$10,000 Per Claim Deductible

Item 5 - Total Premium: \$36,348

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

- PL-1000-A 07/14 Accountants Professional Liability Insurance Policy
- PL-2001-A (CA) 07/14 State Endorsement - California
- PL-1007-A 07/14 Exclusion - Claims Following Insureds Suit for Fees
- PL-1034-A 07/14 Excluded Entities
- PL-1049-A 07/2014 Privacy and Client Network Damage Endorsement
- PL-1052-A 06/18 100K Cyber CPA Endorsement
- PL-1056-A 06/16 Multiple Claims and Related Acts, Errors and Omissions Amendment

**PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.**

**CAMICO Mutual Insurance Company**

Authorized Representative





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## QUALITY CONTROL PEER REVIEW OPINION

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# Grant Bennett Associates

A PROFESSIONAL CORPORATION

## Report on the Firm's System of Quality Control

February 26, 2021

To Christy White Associates, Inc. and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Christy White Associates, Inc. (the firm) in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Christy White Associates, Inc. in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Christy White Associates, Inc. has received a peer review rating of *pass*.



GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants



[www.gbacpa.com](http://www.gbacpa.com)

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Sacramento, CA 95815  
916/922-5109 FAX 916/641-5200

P.O. Box 223096  
Princeville, HI 96722  
888/769-7323



January 10, 2022

Board of Trustees  
Literacy First Charter School  
El Cajon, California

Thank you for giving Eide Bailly LLP the opportunity to propose on the professional audit services for Literacy First Charter School. We understand your needs and have been providing governmental auditing and specialized accounting services to our clients for over 100 years. We've served the government industry for more than 50 years and work with more than 900 government clients throughout the nation, including more than 400 school districts and charter schools. We are confident the Charter will benefit from the experience we can provide. We believe Eide Bailly is the right firm for the Charter for the following reasons:

The value of being an Eide Bailly LLP client is that we offer you the best of all worlds. We are a large, regional Top 25 firm of more than 2,500 professionals, with diverse skill sets serving clients throughout the nation. During your engagement, we will work closely with your management team to identify opportunities and provide responsive solutions that are tailored to your organization. In addition, you will experience partner and manager involvement during all phases of the engagement. At Eide Bailly LLP, we make it a priority to be accessible to our clients, which includes returning phone calls and emails in a timely manner.

Eide Bailly has devoted a substantial amount of time and resources to developing our governmental practice specifically as it relates to K-12 school district and charter schools. Our clients are provided with a high-quality audit that is both efficient and timely. Our expertise in this industry has positioned us to be a leading provider of audit services to K-12 district and charter schools throughout California.

We stay abreast of current issues impacting local educational agencies and grow our knowledge by attending workshops and trainings. During your engagement, we will work closely with your management team to identify issues and provide responsive solutions that are tailored to your organization. In addition, you will experience partner involvement during all phases of the engagement, as well as throughout the year. At Eide Bailly, we make it a priority to be accessible to our clients.

### **Charter Schools Experience**

We understand schools face a myriad of challenges, especially in these difficult economic times. Charter schools of all sizes face increasing demands for accountability, while coping with decreasing revenue sources. Charter schools in many areas are struggling to maintain quality programs and services while becoming increasingly vulnerable to state spending reductions. Other charter schools are continually planning and restructuring as student demographics fluctuate. Whatever challenges the Charter School faces, our governmental team will listen to your needs in order to gain a better understanding. This, in turn, will help you respond, adapt and operate more efficiently.



## **Audit Approach**

Our staff is passionate about their work and your success. We will customize our approach to meet your needs. Prior to beginning the engagement, we will meet with your management team to discuss:

- The engagement timeline
- The audit approach and process
- Additional considerations that may affect scope, schedules and work papers to be prepared by your personnel

During the course of our audit services, we will hold periodic meetings with your management. This continuous interchange of information will keep you fully informed and will provide us with timely information, so we can best serve your organization. We will work with your staff to deliver a quality product and limit any disruptions in your day-to-day activities. An audit project plan will be developed between our team and the Charter and then followed closely. We anticipate our services will be completed during the discussed timeframe with the final deliverable being issued by December 15.

## **Nonprofit Tax Expertise**

Our Exempt Organization Tax Practice prepares more than 2,400 federal and state information, income tax and charitable organization registration returns and filings for nonprofit organizations nationwide. Through local and National Tax Office resources, we help our clients manage their tax planning, compliance and reporting needs through proactive planning, sound advice and thorough research. Our focused knowledge and understanding of the tax laws and regulations applicable to nonprofits allows us to help clients meet their overall goals and minimize tax liabilities and risks.

The tax team will work with the audit team to avoid duplicate requests for information. We also include a member of the tax team as part of our audit planning meeting at the beginning of the engagement to share information related to changes in your organization or the environment.

The tax timeline would be based on when you want to file the Federal Form 990. Some clients prefer to use all extensions available and others prefer to file within four and a half months of year-end. Once we have discussed your preferences, we will develop a timeline for delivery that includes time for management and the Board of Directors to review the tax return prior to filing.

## **Your Service Team**

We understand local, personal service is important to our clients. You will work with a local team from the Rancho Cucamonga office that has extensive knowledge and experience in the charter school industry. Bobby Patel will lead the team and serve as Engagement Partner; Scott Gustafsson will serve as the role of technical review partner, Lori Gray will serve as the tax senior manager, and Ira Gonzalez will serve as the audit supervisor. These professionals bring strong credentials and a desire to work with Literacy First Charter School. If awarded this engagement, these individuals will serve as your primary contacts. We will complement the project team with additional resources as necessary.

We realize other firms are knowledgeable as well; however, we believe what differentiates us is personal and attentive service from all members of our service team, including partners and senior-level staff. We will get to know you and your staff and take the time to understand your specific challenges and opportunities. We pride ourselves on delivering honest and insightful advice beyond what is normally experienced in the public accounting industry.





**Timeliness**

We will meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We will work closely with your management team to customize our audit and tax services to your needs. We believe in clear, up-front and open communication with no surprises.

**Value for Fees**

You can expect quality service at reasonable fees. Eide Bailly has established a reputation of providing quality work at a fair price. Our fees are based on the complexity of the issue and the experience level of the personnel necessary to address it. In the event you request additional services, Eide Bailly will obtain your agreement on fees before such work would commence. In other words, there will be no hidden fees.

We propose the following fee schedule based on our understanding of the scope of work and the level of involvement of Literacy First Charter School staff:

**Engagement Services and Fees**

Professional Services	2022	2023	2024
Financial Statement Audit	\$27,000	\$28,000	\$29,000
Tax Return Preparation and Filing	\$2,500	\$3,000	\$3,500
<b>Total Fees</b>	<b>\$29,500</b>	<b>\$31,000</b>	<b>\$32,500</b>

**We Want to Work with You**

We believe the qualifications of our firm merit serious consideration. Know that you will be a highly valued client. Our people would be proud to work with Literacy First Charter School and build a trusting relationship with your team. Please contact me at 909.755.2710 and [bpatel@eidebailly.com](mailto:bpatel@eidebailly.com) if you would like to discuss any aspect of this proposal.

Sincerely,

Bobby J. Patel, CPA, CFE  
 Partner  
 Eide Bailly LLP



P. Robert Wilkinson, CPA  
Brian K. Hadley, CPA

Aubrey W. King, CPA  
Kevin A. Sproul, CPA

February 11, 2019

To the Governing Board and Management  
Literacy First Charter School  
El Cajon, California

We are pleased to confirm our understanding of the services we are to provide for Literacy First Charter School (School) for the years ended June 30, 2019, June 30, 2020 and June 30, 2021.

We will audit the financial statements of the School, which comprise the statement(s) of financial position as of June 30, 2019, June 30, 2020, and June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our 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, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

- 1) LEA Organization Structure
- 2) Schedule of Average Daily Attendance
- 3) Schedule of Instructional Time
- 4) Reconciliation of Annual Financial Budget Report with Audited Financial Statements
- 5) Any other items identified in the *Guide for Annual Audits of California K-12 Local Education Agencies*, published by the Education Audit Appeals Panel.

**Audit Objectives**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes a report on State Compliance as set forth in the *Guide for Annual Audits of K-12 Local Education Agencies* and State Compliance Reporting, published by the Education Audit Appeals Panel. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the School's financial statements. Our report will be addressed to Governing Board of the School. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

El Cajon Office  
218 W. Douglas Avenue • El Cajon, CA 92020  
Tel. (619) 447-6700 • Fax (619) 447-6707

Emeryville Office  
1900 Powell Street, Suite 600 • Emeryville, CA 94608  
Tel. (510) 588-8729 • Fax (510) 588-8701

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the School is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the School's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the Guide) published by the Education Audit Appeals Panel, requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with state statutes, regulations, and the terms and conditions of the state awards applicable to the audit as identified in the Guide. Our procedures will consist of tests of transactions and other applicable procedures described in the Guide for the types of compliance requirements that could have a direct and material effect on each of the Organization's state compliance programs. The purpose of these procedures will be to express an opinion on the Organization's compliance with requirements applicable to each of its state compliance programs in our report on compliance issued pursuant to Title 5, *California Code of Regulations*, Section 19810.

#### **Other Services**

We will prepare the Organization's federal (IRS Form 990) and state information (CA Form 199) returns for the years ended June 30, 2019, June 30, 2020, and June 30, 2021, for the Internal Revenue Service and the California Franchise Tax Board based on information provided by you. We will also assist in preparing the financial statements and related notes of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

#### **Management Responsibilities**

Management is responsible for (1) establishing and maintaining effective internal controls, including monitoring ongoing activities and for helping to ensure that appropriate goals and objectives are met; (2) following laws and regulations; and (3) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Organization is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the tax services, financial statements, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Wilkinson Hadley King & Co. LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to oversight agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Wilkinson Hadley King & Co. LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agencies. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

P. Robert Wilkinson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit after the books close and to issue our report no later than December 15th of each fiscal year. We expect to complete your information returns by the extended due dates.

Our fees for these services will be as follows:

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Audit of Literacy First Charter School	\$11,000	\$11,000	\$11,000
Preparation of Information			
Tax Returns	\$1,000	\$1,000	\$1,000

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to the School and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Wilkinson Hadley King & Co. LLP*

Wilkinson Hadley King & Co. LLP

RESPONSE:

This letter correctly sets forth the understanding of Literacy First Charter School.

Management signature:

*[Handwritten Signature]*

Title:

*[Handwritten Title]*

Date:

*March 13, 2019*

Approved by Governance On:

*March 13, 2019*