# California State Board of Education-Authorized Charter Schools Financial Condition

## Definition of Fiscal Indicators

Deficit Spending

Deficit spending occurs when the charter school’s (school) expenditures exceed its revenues. A school’s operational unrestricted budget should be balanced and ideally provide for growth in fund balance and reserves. Deficit spending depletes fund balance and reserves and as such, must be addressed or it will lead to an insolvent financial position.

Fund Balance

The unrestricted fund balance of a school should be positive. At a minimum, the school’s unrestricted fund balance should be at a level to provide for reserves required in the Memorandum of Understanding (MOU). If the cause of the negative fund balance is not addressed in a timely and appropriate manner, the school could be in jeopardy of financial insolvency that increases the likelihood of revocation. A negative fund balance is indicative of a poor financial condition.

Reserves for Economic Uncertainty

MOU terms are written with the expectation that each school, depending on the level of the school’s average daily attendance (ADA), set aside reserves at the greater of 4 to 5 percent of expenditures, or a floor amount that is adjusted for inflation. The current inflation adjusted floor amount is $75,000. Reserves below the minimum levels are indicative of a poor financial condition.

Attendance Ratio

The attendance ratio is calculated by dividing the second period report of ADA for the Second Principal (P-2) Apportionment by the fall October enrollment count. Generally, the attendance ratio is between 93 to 96 percent.

Debt Ratio

The debt ratio measures a school’s level of financial risk. This ratio is calculated by dividing the school’s total liabilities by its total assets. A debt ratio of more than 1.0 indicates that the school has more debts than assets. Schools with a high debt ratio have limited options for short-term financing and generally will pay more in financing and interest costs.

Working Capital Ratio

The working capital ratio is calculated by dividing current assets by current liabilities. The working capital ratio, also known as current ratio, measures cash liquidity and whether the school has enough short-term assets to cover its short-term debt. A ratio of less than 1.0 means current assets are less than current liabilities. A school with a ratio below 0.8 may have difficulty paying its bills in a timely manner. A current ratio of 1.2 or higher is considered to represent good short-term liquidity.

## Good Financial Condition

A charter school in good financial condition has demonstrated an ability to operate with a balanced budget; maintain stable enrollment and attendance ratios; manage cash liquidity; maintain a low debt level; maintain a positive fund balance; and meet the recommended reserve level specified in the MOU. High reserve levels for charter schools reflect ensuring cashflow for non-district facility leasing expenses, long-term planning to purchase a facility, buffering against increasing costs for health care and pension expenses, and/or anticipation of the potential for state funding deferrals.

Twenty-seven California State Board of Education (SBE)-authorized charter schools were found to be in good financial condition. The SBE-authorized charter schools found to be in good financial condition are as follows:

* Academia Avance Charter
* Baypoint Preparatory Academy – San Diego
* College Preparatory Middle
* Grossmont Secondary
* High Tech (nine operational sites): High Tech Elementary Chula Vista, High Tech Elementary Mesa, High Tech Elementary North County, High Tech Middle Chula Vista, High Tech Middle Mesa, High Tech Middle North County, High Tech High Chula Vista, High Tech High Mesa, and High Tech High North County
* KIPP Bayview Elementary
* KIPP Navigate College Prep
* Latitude 37.8 High
* Los Angeles College Prep Academy
* Magnolia Science Academy Santa Ana
* New West Charter
* Olive Grove Charter – Buellton
* Olive Grove Charter – Lompoc
* Olive Grove Charter – Orcutt/Santa Maria
* Olive Grove Charter – Santa Barbara
* Sweetwater Secondary
* The New School of San Francisco
* Vista Springs Charter
* Watsonville Prep

### Academia Avance Charter

* Charter Term Expires: 6/30/2028
* Grades Authorized to Serve: 8–12
* 2021–22 P-2 ADA: 232.26
* 2022–23 P-2 ADA: 223.30

#### Fiscal Outlook

Academia Avance Charter (AAC) has a good financial record under SBE authorization. AAC’s fiscal year (FY) 2023–24 preliminary budget report indicates that AAC is projecting a positive ending fund balance of $702,408 and reserves of 10.32 percent, which is above the recommended 5 percent in reserves outlined in the MOU between AAC and the SBE.

##### Financial Highlights Table - AAC

NA: Not Applicable

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $7,638,400 | $7,608,560 | $29,840 | 0.85 | 0.86 | $362,201 | 4.76% |
| 2022–23 Budget | $6,720,805 | $6,588,188 | $132,617 | NA | NA | $580,052 | 8.8% |
| 2022–23 2nd Interim | $7,383,833 | $7,097,353 | $286,480 | NA | NA | $648,680 | 9.14% |

#### Oversight Summary

AAC was found to be compliant in all areas under the California Department of Education’s (CDE’s) oversight, in accordance with the MOU and the AAC charter petition, including the annual site visit during the 2022–23 school year. AAC had no letters of concern for the 2022–23 school year.

AAC excels in providing wrap-around services for its students and in engaging its community members in the school’s planning processes. AAC is continuing to work on increasing enrollment, sustaining its expansion of social emotional and mental health supports for students and families, and improving student academic outcomes.

### Baypoint Preparatory Academy – San Diego

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: Transitional Kindergarten (TK)–8
* 2021–22 P-2 ADA: 166.51
* 2022–23 P-2 ADA: 189.89

#### Fiscal Outlook

Baypoint Preparatory Academy – San Diego (BPA–SD) has a good financial record under SBE authorization. BPA–SD’s FY 2023–24 preliminary budget report indicates that BPA–SD is projecting a positive ending fund balance of $1,781,048 and reserves of 49.46 percent, which is above the recommended 5 percent in reserves outlined in the MOU between BPA–SD and the SBE.

##### Financial Highlights Table - BPA–SD

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $3,332,626 | $2,846,19 | $486,429 | 3.19 | 0.64 | $1,506,486 | 52.93% |
| 2022–23 Budget | $3,499,669 | $3,389,309 | $110,360 | NA | NA | $1,800,616 | 53.13% |
| 2022–23 2nd Interim | $2,143,288 | $3,356,742 | $115,840 | NA | NA | $1,622,327 | 48.33% |

#### Oversight Summary

BPA–SD was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the BPA–SD charter petition, including the annual site visit during the 2023–24 school year. BPA–SD had no letters of concern for the 2023–24 school year.

BPA–SD excels in the implementation of their academically rigorous program, their attention to data, and their strong support of both staff and students. BPA–SD opened a new facility in the 2021–22 school year and all community members are highly satisfied with the new facility. Their enrollment continues to be strong, and their staff retention is commendable. BPA–SD continues their work in soliciting parent feedback regularly, supporting teachers with bell-to-bell instruction, and are working to find creative ways to increase the number of adults in the TK/kindergarten (K) classrooms.

### College Preparatory Middle

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: 5–8
* 2021–22 P-2 ADA: 380.47
* 2022–23 P-2 ADA: 385.81

#### Fiscal Outlook

College Preparatory Middle (CPM) has a good financial record under SBE authorization. CPM’s FY 2023–24 preliminary budget report indicates that CPM is projecting a positive ending fund balance of $5,563,711 and reserves of 118.64 percent, which is above the recommended 5 percent in reserves outlined in the MOU between CPM and the SBE.

##### Financial Highlights Table - CPM

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $4,945,948 | $3,752,540 | $1,193,408 | 14.64 | 0.07 | $3,681,304 | 98.1% |
| 2022–23 Budget | $4,675,320 | $4,108,534 | $566,787 | NA | NA | $4,285,614 | 104.31% |
| 2022–23 2nd Interim | $5,195,006 | $4,290,371 | $904,635 | NA | NA | $4,585,939 | 106.89% |

#### Oversight Summary

CPM was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the CPM charter petition, including the annual site visit during the 2022–23 school year. CPM had no letters of concern for the 2022–23 school year.

CPM excels in providing students rigorous instruction paired with targeted, data-driven intervention in order to maximize student outcomes. The school’s successes are built on teacher voice and collaboration, extensive intervention supports, and small class sizes. CPM is continuing to develop teacher capacity and expertise in supporting the academic success of all learners.

### Grossmont Secondary

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: 7–12
* 2021–22 P-2 ADA: 329.74
* 2022–23 P-2 ADA: 276.88

#### Fiscal Outlook

Grossmont Secondary (GS) has a good financial record under SBE authorization. GS’ FY 2023–24 preliminary budget report indicates that GS is projecting a positive ending fund balance of $5,398,528 and reserves of 99.12 percent, which is above the recommended 5 percent in reserves outlined in the MOU between GS and the SBE.

##### Financial Highlights Table - GS

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $6,077,201 | $4,455,553 | $1,621,648 | 9.45 | 0.1 | $4,842,467 | 108.68% |
| 2022–23 Budget | $5,122,984 | $4,866,838 | $256,146 | NA | NA | $4,724,901 | 97.08% |
| 2022–23 2nd Interim | $5,435,196 | $5,163,436 | $271,760 | NA | NA | $5,114,227 | 99.05% |

#### Oversight Summary

GS was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the GS charter petition in the 2022–23 school year. GS had no letters of concern issued for the 2022–23 school year.

GS, in conjunction with its sister school, Sweetwater Secondary, is heavily focused on the reclassification of English Learner (EL) students, monitoring Reclassified Fluent English Proficient students, continuing their work on College and Career Readiness, and building on the engagement of their already large and increasingly growing, Special Education population. The school has a strong system in place for identifying language needs for special education EL students and continues to strengthen their designated and integrated English Language Development (ELD) practices.

### High Tech Elementary Chula Vista

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: K–5
* 2021–22 P-2 ADA: 394.63
* 2022–23 P-2 ADA: 395.67

#### Fiscal Outlook

High Tech Elementary Chula Vista (HTECV) has a good financial record under SBE authorization. HTECV’s FY 2023–24 preliminary budget report indicates that HTECV is projecting a positive ending fund balance of $2,385,877 and reserves of 41.09 percent, which is above the recommended 5 percent in reserves outlined in the MOU between HTECV and the SBE.

##### Financial Highlights Table - HTECV

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $5,890,412 | $5,889,578 | $834 | 2.51 | 0.38 | $2,094,702 | 35.57% |
| 2022–23 Budget | $5,296,358 | $5,190,431 | $105,927 | NA | NA | $2,220,935 | 42.79% |
| 2022–23 2nd Interim | $5,654,736 | $5,540,317 | $114,419 | NA | NA | $2,209,121 | 39.87% |

#### Oversight Summary

HTH Statewide Benefit Charter (SBC) was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the HTH SBC charter petition, including the annual site visit during the 2022–23 school year. HTH SBC had no letters of concern from the CDE for the 2022–23 school year.

HTECV clearly demonstrates its commitment to authentic, inter-disciplinary, project-based learning. HTECV has expanded targeted support for ELs and early reading instruction for kindergarten through third grade. HTECV is currently working to deepen math instruction and social emotional support across all grade levels.

### High Tech Elementary Mesa

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: K–5
* 2021–22 P-2 ADA: 341.96
* 2022–23 P-2 ADA: 394.82

#### Fiscal Outlook

High Tech Elementary Mesa (HTEM) has a good financial record under SBE authorization. HTEM’s FY 2023–24 preliminary budget report indicates that HTEM is projecting a positive ending fund balance of $630,639 and reserves of 11.61 percent, which is above the recommended 5 percent in reserves outlined in the MOU between HTEM and the SBE.

##### Financial Highlights Table - HTEM

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $4,145,491 | $3,851,636 | $293,855 | 2.18 | 0.45 | $293,855 | 7.63% |
| 2022–23 Budget | $5,048,734 | $4,695,323 | $353,411 | NA | NA | $600,324 | 12.79% |
| 2022–23 2nd Interim | $5,281,845 | $4,924,576 | 357,269 | NA | NA | $877,035 | 17.81% |

#### Oversight Summary

HTH SBC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the HTH SBC charter petition, including the annual site visit during the 2022–23 school year. HTH SBC had no letters of concern from the CDE for the 2022–23 school year.

HTEM clearly demonstrates its commitment to authentic, interdisciplinary, project-based learning. HTEM has elevated instructional practices in math and literacy through robust professional development and instructional coaching. HTEM is working on gathering student work samples to serve as evidence to inform shifts in the school’s curriculum.

### High Tech Elementary North County

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: K–5
* 2021–22 P-2 ADA: 411.66
* 2022–23 P-2 ADA: 407.43

#### Fiscal Outlook

High Tech Elementary North County (HTENC) has a good financial record under SBE authorization. HTENC’s FY 2023–24 preliminary budget report indicates that HTENC is projecting a positive ending fund balance of $1,763,631 and reserves of 31.83 percent, which is above the recommended 5 percent in reserves outlined in the MOU between HTENC and the SBE.

##### Financial Highlights Table - HTENC

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $5,232,056 | $4,913,137 | $318,919 | 1.7 | 0.53 | 990,272 | 20.16% |
| 2022–23 Budget | $5,324,845 | $5,218,348 | $106,497 | NA | NA | $817,582 | 15.67% |
| 2022–23 2nd Interim | $5,697,679 | $5,587,356 | $110,323 | NA | NA | $1,100,595 | 19.7% |

#### Oversight Summary

HTH SBC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the HTH SBC charter petition, including the annual site visit during the 2022–23 school year. HTH SBC had no letters of concern from the CDE for the 2022–23 school year.

HTENC clearly demonstrates its commitment to authentic, inter-disciplinary, project-based learning. HTENC has strengthened its literacy support for all students, especially for ELs, through the use of dedicated reading specialists. HTENC is working to improve outcomes in math by implementing new math curriculum and intervention supports.

### High Tech Middle Chula Vista

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: 6–8
* 2021–22 P-2 ADA: 302.08
* 2022–23 P-2 ADA: 306.61

#### Fiscal Outlook

High Tech Middle Chula Vista (HTMCV) has a good financial record under SBE authorization. HTMCV’s FY 2023–24 preliminary budget report indicates that HTMCV is projecting a positive ending fund balance of $2,060,721 and reserves of 52.83 percent, which is above the recommended 5 percent in reserves outlined in the MOU between HTMCV and the SBE.

##### Financial Highlights Table - HTMCV

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $3,716,520 | $3,686,610 | $29,910 | 2.78 | 0.34 | $1,736,578 | 47.11% |
| 2022–23 Budget | $3,661,838 | $3,588,601 | $73,237 | NA | NA | $1,815,593 | 50.59% |
| 2022–23 2nd Interim | $3,828,272 | $3,752,367 | $75,905 | NA | NA | $1,812,483 | 48.3% |

#### Oversight Summary

HTH SBC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the HTH SBC charter petition, including the annual site visit during the 2022–23 school year. HTH SBC had no letters of concern from the CDE for the 2022–23 school year.

HTMCV clearly demonstrates its commitment to authentic, interdisciplinary, project-based learning. HTMCV has expanded its support for ELs through targeted instruction. HTMCV is refining its documentation process for student intervention and student study teams.

### High Tech Middle Mesa

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: 6–8
* 2021–22 P-2 ADA: 312.23
* 2022–23 P-2 ADA: 314.49

#### Fiscal Outlook

High Tech Middle Mesa (HTMM) has a good financial record under SBE authorization. HTMM’s FY 2023–24 preliminary budget report indicates that HTMM is projecting a positive ending fund balance of $1,014,355 and reserves of 25.05 percent, which is above the recommended 5 percent in reserves outlined in the MOU between HTMM and the SBE.

##### Financial Highlights Table - HTMM

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $3,549,274 | $3,324,257 | $225,017 | 1.88 | 0.49 | $295,813 | 8.9% |
| 2022–23 Budget | $3,807,019 | $3,502,458 | $304,561 | NA | NA | $409,812 | 11.7% |
| 2022–23 2nd Interim | $3,975,366 | $3,668,080 | $307,286 | NA | NA | $603,099 | 16.44% |

#### Oversight Summary

HTH SBC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the HTH SBC charter petition, including the annual site visit during the 2022–23 school year. HTH SBC had no letters of concern from the CDE for the 2022–23 school year.

HTMM clearly demonstrates its commitment to authentic, interdisciplinary, project-based learning. HTMM has elevated support for ELs through targeted instruction. HTMM is working to expand its system of math and literacy interventions for general education students.

### High Tech Middle North County

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: 6–8
* 2021–22 P-2 ADA: 309.11
* 2022–23 P-2 ADA: 314.16

#### Fiscal Outlook

High Tech Middle North County (HTMNC) has a good financial record under SBE authorization. HTMNC’s FY 2023–24 preliminary budget report indicates that HTMNC is projecting a positive ending fund balance of $2,851,822 and reserves of 67.9 percent, which is above the recommended 5 percent in reserves outlined in the MOU between HTMNC and the SBE.

##### Financial Highlights Table - HTMNC

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $3,630,334 | $3,648,356 | ($18,022) | 3.44 | 0.28 | $2,409,732 | 66.05% |
| 2022–23 Budget | $3,821,473 | $3,820,286 | $1,187 | NA | NA | $2,518,410 | 65.92% |
| 2022–23 2nd Interim | $3,988,864 | $3,986,167 | $2,697 | NA | NA | $2,412,429 | 60.52% |

#### Oversight Summary

HTH SBC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the HTH SBC charter petition, including the annual site visit during the 2022–23 school year. HTH SBC had no letters of concern from the CDE for the 2022–23 school year.

HTMNC clearly demonstrates its commitment to authentic, interdisciplinary, project-based learning. HTMNC has effectively expanded its intervention support for all students, especially support for ELs. HTMNC continues to build on the successes of its intervention program by continuing to refine processes and support based on student outcomes.

### High Tech High Chula Vista

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: 9–12
* 2021–22 P-2 ADA: 566.45
* 2022–23 P-2 ADA: 584.29

#### Fiscal Outlook

High Tech High Chula Vista (HTHCV) has a good financial record under SBE authorization. HTHCV’s FY 2023–24 preliminary budget report indicates that HTHCV is projecting a positive ending fund balance of $4,180,178 and reserves of 46.63 percent, which is above the recommended 5 percent in reserves outlined in the MOU between HTHCV and the SBE.

##### Financial Highlights Table - HTHCV

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $8,599,592 | $8,098,202 | $501,390 | 2.47 | 0.34 | $3,966,945 | 48.99% |
| 2022–23 Budget | $8,531,275 | $8,360,650 | $170,625 | NA | NA | $3,852,456 | 46.08% |
| 2022–23 2nd Interim | $8,736,799 | $8,560,007 | $176,792 | NA | NA | $4,143,737 | 48.41% |

#### Oversight Summary

HTH SBC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the HTH SBC charter petition, including the annual site visit during the 2022–23 school year. HTH SBC had no letters of concern from the CDE for the 2022–23 school year.

HTHCV clearly demonstrates its commitment to authentic, inter-disciplinary, project-based learning. HTHCV increased instructional support staff by adding additional ELD teachers, an ELD coordinator position, and additional instructional coaches. HTHCV is working to improve outcomes for struggling learners by expanding strategic support early in the intervention process.

### High Tech High Mesa

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: 9–12
* 2021–22 P-2 ADA: 386.47
* 2022–23 P-2 ADA: 398.56

#### Fiscal Outlook

High Tech High Mesa (HTHM) has a good financial record under SBE authorization. HTHM’s FY 2023–24 preliminary budget report indicates that HTHM is projecting a positive ending fund balance of $1,424,962 and reserves of 24.53 percent, which is above the recommended 5 percent in reserves outlined in the MOU between HTHM and the SBE.

##### Financial Highlights Table - HTHM

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $5,104,911 | $4,719,527 | $385,384 | 2.43 | 0.38 | $740,119 | 15.68% |
| 2022–23 Budget | $5,393,243 | $5,069,648 | $323,595 | NA | NA | $725,723 | 14.32% |
| 2022–23 2nd Interim | $5,534,830 | $5,206,987 | $327,843 | NA | NA | $1,067,962 | 20.51% |

#### Oversight Summary

HTH SBC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the HTH SBC charter petition, including the annual site visit during the 2022–23 school year. HTH SBC had no letters of concern from the CDE for the 2022–23 school year.

HTHM clearly demonstrates its commitment to authentic, interdisciplinary, project-based learning. HTHM has improved college attainment outcomes through its partnership with the CARPE College Access Network, which focuses on college access for students in historically underserved subgroups. HTHM is working to sustain its implementation of mental health services provided and coordinated by the school’s full-time school psychologist.

### High Tech High North County

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: 9–12
* 2021–22 P-2 ADA: 381.86
* 2022–23 P-2 ADA: 383.1

#### Fiscal Outlook

High Tech High North County (HTHNC) has a good financial record under SBE authorization. HTHNC’s FY 2023–24 preliminary budget report indicates that HTHNC is projecting a positive ending fund balance of $2,736,723 and reserves of 47.34 percent, which is above the recommended 5 percent in reserves outlined in the MOU between HTHNC and the SBE.

##### Financial Highlights Table - HTHNC

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $5,363,056 | $5,166,439 | $196,617 | 2.71 | 0.35 | $2,592,401 | 50.18% |
| 2022–23 Budget | $5,481,171 | $5,371,548 | $109,623 | NA | NA | $2,717,178 | 50.58% |
| 2022–23 2nd Interim | $5,617,081 | $5,503,381 | $113,700 | NA | NA | $2,706,101 | 49.17% |

#### Oversight Summary

HTH SBC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the HTH SBC charter petition, including the annual site visit during the 2022–23 school year. HTH SBC had no letters of concern from the CDE for the 2022–23 school year.

HTHNC clearly demonstrates its commitment to authentic, interdisciplinary, project-based learning. HTHNC has elevated its existing schoolwide college-and-career-focused culture via its comprehensive Pathways program. HTHNC is working to expand its communication to and relationships with families in creative and engaging ways.

### KIPP Bayview Elementary

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: TK–4
* 2021–22 P-2 ADA: 136.49
* 2022–23 P-2 ADA: 130.28

#### Fiscal Outlook

KIPP Bayview Elementary (KBE) has a good financial record under SBE authorization. KBE’s FY 2023–24 preliminary budget report indicates that KBE is projecting a positive ending fund balance of $891,283 and reserves of 20.9 percent, which is above the recommended 5 percent in reserves outlined in the MOU between KBE and the SBE.

##### Financial Highlights Table - KBE

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $3,833,985 | $3,743,382 | $90,603 | 1.9 | 0.48 | $798,605 | 21.33% |
| 2022–23 Budget | $4,404,956 | $4,426,412 | ($21,456) | NA | NA | $675,090 | 15.25% |
| 2022–23 2nd Interim | $4,532,884 | $4,404,046 | $128,838 | NA | NA | $927,443 | 21.06% |

#### Oversight Summary

KBE was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the KBE charter petition, including the annual site visit during the 2022–23 school year. KBE had no letters of concern for the 2022–23 school year.

KBE excels in the implementation of their unique academic program, which focuses on social emotional learning and support, community outreach, and trauma-informed teaching, and their ability to be proactive with the creation of behavior support plans for all of the students that need it. KBE continues to work on increasing their attendance, academic outcomes, and implementation of daily designated ELD instruction. KBE had a strong 2022-23 school year with their new and permanent leadership team. KBE’s leadership team followed through on their goals to address attendance, academics, and ELD instruction.

### KIPP Navigate College Prep

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: 9–12
* 2021–22 P-2 ADA: 331.12
* 2021–22 P-2 ADA: 314.33

#### Fiscal Outlook

KIPP Navigate College Prep (KNCP) has a good financial record under SBE authorization. KNCP’s FY 2023–24 preliminary budget report indicates that KNCP is projecting a positive ending fund balance of $5,878,576 and reserves of 87.48 percent, which is above the recommended 5 percent in reserves outlined in the MOU between KNCP and the SBE.

##### Financial Highlights Table - KNCP

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $7,761,776 | $5,661,383 | $2,100,393 | 1.28 | 0.43 | $3,044,517 | 53.78% |
| 2022–23 Budget | $8,719,337 | $6,272,298 | $2,447,039 | NA | NA | $4,446,551 | 70.89% |
| 2022–23 2nd Interim | $8,252,796 | $5,973,863 | $2,278,933 | NA | NA | $5,323,450 | 89.11% |

#### Oversight Summary

KNCP was found to be non-compliant during their site visit in the 2022–23 school year. The CDE issued a letter of non-compliance to KNCP due to the CDE’s determination that a portion of ELs are not receiving separate access to appropriate levels of integrated and designated ELD. The CDE requested that KNCP produce a plan to offer ELD instruction to all students and adopt an ELD curriculum. KNCP satisfied this request and has done well with their implementation of their college preparatory academic program.

 KNCP excels in the implementation of their unique academic program that focuses on every student taking Advanced Placement courses. KNCP’s data continues to remain strong despite their many teaching vacancies. KNCP continues to work on filling open teaching positions and is striving to create a balanced work environment for their administrative staff that is often filling open positions.

It was noted that KIPP Navigate has implemented a strong communication system between all staff to focus and increase services for and engagement of all students.

### Latitude 37.8 High

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: 9–12
* 2021–22 P-2 ADA: 209.71
* 2022–23 P-2 ADA: 256.24

#### Fiscal Outlook

Latitude 37.8 High (LAT 37.8) has a good financial record under SBE authorization. LAT 37.8’s FY 2023–24 preliminary budget report indicates that LAT 37.8 is projecting a positive ending fund balance of $2,929,472 and reserves of 36.46 percent, which is above the recommended 5 percent in reserves outlined in the MOU between LAT 37.8 and the SBE.

##### Financial Highlights Table – LAT 37.8

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $5,424,406 | $4,973,229 | $451,177 | 0.05 | 0.82 | $2,699,839 | 54.29% |
| 2022–23 Budget | $5,931,001 | $5,928,133 | $2,868 | NA | NA | $3,181,354 | 53.67% |
| 2022–23 2nd Interim | $6,433,019 | $6,375,817 | $57,202 | NA | NA | $2,700,628 | 42.36% |

#### Oversight Summary

In July 2022, LAT 37.8 completed a two-year renovation project of their facility at 1045 Derby Avenue, Oakland, 94601. LAT 37.8 moved into the facility in late July 2022, and opened the school year in the new facility in August 2022.

LAT 37.8 was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the LAT 37.8 charter petition, including the annual site visit during the 2022–23 school year. LAT 37.8 had no letters of concern for the 2022–23 school year.

LAT 37.8 excels in the implementation of their unique and project-based academic program and their weekly coaching of teachers. LAT 37.8 had a large presentation for families at the end of the school year that showcased tiny homes that the students had built for the homeless community in Oakland.

### Los Angeles College Prep Academy

* Charter Term Expires: 6/30/2027
* Grades Authorized to Serve: 9–12
* 2021–22 P-2 ADA: 41.42
* 2022–23 P-2 ADA: 34.84

#### Fiscal Outlook

Los Angeles College Prep Academy (LACPA) has a good financial record under SBE authorization. LACPA’s FY 2023–24 preliminary budget report indicates that LACPA is projecting a positive ending fund balance of $602,247 and reserves of 36.28 percent, which is above the recommended 5 percent in reserves outlined in the MOU between LACPA and the SBE.

##### Financial Highlights Table - LACPA

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $1,542,301 | $1,513,073 | $29,228 | 1.38 | 0.62 | $559,992 | 37.01% |
| 2022–23 Budget | $1,570,367 | $1,551,700 | $18,666 | NA | NA | $573,781 | 36.98% |
| 2022–23 2nd Interim | $1,637,385 | $1,602,042 | $35,343 | NA | NA | $595,335 | 37.16% |

#### Oversight Summary

LACPA was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the LACPA charter petition, including the annual site visit during the 2022–23 school year. LACPA had no letters of concern for the 2022–23 school year.

LACPA has developed a system in which students receive ample academic and wrap-around support beyond core instruction, reflecting the school’s prioritization of students’ holistic wellness. The master schedule has additional support time built into it, and a major focus has been cultivating students' ownership of their own progress and success. Under the leadership of its Executive Director, LACPA is actively working to increase its enrollment.

### Magnolia Science Academy Santa Ana

* Charter Term Expires: 6/30/2027
* Grades Authorized to Serve: K–12
* 2021–22 P-2 ADA: 482.75
* 2022–23 P-2 ADA: 466.72

#### Fiscal Outlook

Magnolia Science Academy Santa Ana (MSASA) has a good financial record under SBE authorization. MSASA’s FY 2023–24 preliminary budget report indicates that MSASA is projecting a positive ending fund balance of $9,264,836 and reserves of 81.45 percent, which is above the recommended 5 percent in reserves outlined in the MOU between MSASA and the SBE. MSASA’s high reserve includes the purchase of its facility ($8,040,511 net investment in Capital Assets). The cash portion of its reserve is significantly lower; the net ending fund balance (unrestricted) is $1,486,955 with a reserve of 14 percent.

##### Financial Highlights Table - MSASA

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $10,366,691 | $9,962,726 | $403,965 | 1.27 | 0.6 | $9,513,550 | 95.49% |
| 2022–23 Budget | $10,714,159 | $10,561,459 | $152,700 | NA | NA | $9,291,208 | 87.97% |
| 2022–23 2nd Interim | $10,405,076 | $10,675,766 | ($270,690) | NA | NA | $9,242,860 | 86.58% |

#### Oversight Summary

MSASA was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the MSASA charter petition, including the annual site visit during the 2022–23 school year. MSASA had no letters of concern for the 2022–23 school year.

MSASA excels in providing a college preparatory educational program focusing on STEAM instruction in a safe environment that cultivates respect for self and others. The school demonstrates a strong commitment to its core values of excellence, innovation, and connection. MSASA is continuing to develop teacher capacity and expertise in supporting the academic success of all learners.

### New West Charter

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: 6–12
* 2021–22 P-2 ADA: 984
* 2022–23 P-2 ADA: 940.08

#### Fiscal Outlook

New West Charter (NWC) has a good financial record under SBE authorization. NWC’s FY 2023–24 preliminary budget report indicates that NWC is projecting a positive ending fund balance of $10,132,830 and reserves of 66.39 percent, which is above the recommended 5 percent in reserves outlined in the MOU between NWC and the SBE. NWC maintains its reserve to ensure solvency under economic uncertainty, to prepare for possible difficulties securing a facility in a high-cost area, and to support plans to purchase a facility in the future.

##### Financial Highlights Table - NWC

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $13,618,979 | $12,753,826 | $865,153 | 6.38 | 0.11 | $9,579,178 | 75.11% |
| 2022–23 Budget | $15,413,464 | $14,848,224 | $565,240 | NA | NA | $9,852,155 | 66.35% |
| 2022–23 2nd Interim | $14,830,798 | $14,320,635 | $510,163 | NA | NA | $10,089,341 | 70.45% |

#### Oversight Summary

NWC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the NWC charter petition, including the annual site visit during the 2022–23 school year. NWC had no letters of concern for the 2022–23 school year.

NWC has demonstrated strong academic performance for its student population along with a continuous improvement model driven by academic data. The collaborative and open culture at NWC allows students and educators alike to feel safe and comfortable while striving to perform their best. NWC is continuing to develop its processes for analyzing and reporting student progress data.

### Olive Grove Charter – Buellton

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: K–12
* 2021–22 P-2 ADA: 41.34
* 2022–23 P-2 ADA: 40.54

#### Fiscal Outlook

Olive Grove Charter - Buellton (OGCB) has a good financial record under SBE authorization. OGCB’s FY 2023–24 second interim report indicates that OGCB is projecting a positive ending fund balance of $60,895 and reserves of 9.28 percent, which is above the recommended 5 percent in reserves outlined in the MOU between OGCB and the SBE.

##### Financial Highlights Table - OGCB

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $637,471 | $626,581 | $10,890 | 2.77 | 0.3 | $115,350 | 18.41% |
| 2022–23 Budget | $569,010 | $565,204 | $3,805 | NA | NA | $114,709 | 20.3% |
| 2022–23 2nd Interim | $567,484 | $567,331 | $152 | NA | NA | $115,502 | 20.36% |

#### Oversight Summary

OGCB was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the OGCB charter petition, including the annual site visit during the 2022–23 school year. OGCB had no letters of concern for the 2022–23 school year.

OGCB continues to strengthen their ELD program. There is a clear determination between integrated and designated ELD for students. Integrated ELD is a very individual process at OGCB, as the teachers work one on one with the students, they are able to streamline the ELD instruction into the lessons, activities, and assignments.

### Olive Grove Charter – Lompoc

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: K–12
* 2021–22 P-2 ADA: 96.97
* 2022–23 P-2 ADA: 103.08

#### Fiscal Outlook

Olive Grove Charter - Lompoc (OGCL) has a good financial record under SBE authorization. OGCL’s FY 2023–24 preliminary budget report indicates that OGCL is projecting a positive ending fund balance of $160,531 and reserves of 8.49 percent, which is above the recommended 5 percent in reserves outlined in the MOU between OGCL and the SBE.

##### Financial Highlights Table - OGCL

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $1,471,145 | $1,451,662 | $19,483 | 1.65 | 0.55 | $168,647 | 11.62% |
| 2022–23 Budget | $2,151,936 | $2,112,651 | $39,285 | NA | NA | $196,070 | 9.28% |
| 2022–23 2nd Interim | $2,093,647 | $2,060,541 | $33,106 | NA | NA | $201,753 | 9.79% |

#### Oversight Summary

OGCL was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the OGCL charter petition, including the annual site visit during the 2022–23 school year. OGCL had no letters of concern for the 2022–23 school year.

OGCL continues to strengthen their ELD program. There is a clear determination between integrated and designated ELD for students. Integrated ELD is a very individual process at OGCL, as the teachers work one on one with the students, they are able to streamline the ELD instruction into the lessons, activities, and assignments.

### Olive Grove Charter – Orcutt/Santa Maria

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: K–12
* 2021–22 P-2 ADA: 194.53
* 2022–23 P-2 ADA: 147.81

#### Fiscal Outlook

Olive Grove Charter - Orcutt/Santa Maria (OGCOSM) has a good financial record under SBE authorization. OGCOSM’s FY 2023–24 preliminary budget report indicates that OGCOSM is projecting a positive ending fund balance of $250,174 and reserves of 8.5 percent, which is above the recommended 5 percent in reserves outlined in the MOU between OGCOSM and the SBE.

The CDE notes that enrollment at the OGCOSM has been experiencing a steady decline together with other schools in the area. In response to declining enrollment, OGCOSM has adjusted its budget to align with current enrollment.

##### Financial Highlights Table - OGCOSM

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $2,816,943 | $2,799,355 | $17,588 | 1.73 | 0.53 | $269,747 | 9.64% |
| 2022–23 Budget | $3,419,941 | $3,382,928 | $37,013 | NA | NA | $295,382 | 8.73% |
| 2022–23 2nd Interim | $2,859,677 | $2,852,853 | $6,824 | NA | NA | $276,571 | 9.69% |

#### Oversight Summary

OGCOSM was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the OGCOSM charter petition, including the annual site visit during the 2022–23 school year. OGCOSM had no letters of concern for the 2022–23 school year.

OGCOSM continues to strengthen their ELD program. There is a clear determination between integrated and designated ELD for students. Integrated ELD is a very individual process at OGCOSM, as the teachers work one on one with the students, they are able to streamline the ELD instruction into the lessons, activities, and assignments.

### Olive Grove Charter – Santa Barbara

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: K–12
* 2021–22 P-2 ADA: 98.48
* 2022–23 P-2 ADA: 73.86

#### Fiscal Outlook

Olive Grove Charter - Santa Barbara (OGCSB) has a good financial record under SBE authorization. OGCSB’s FY 2023–24 preliminary budget report indicates that OGCSB is projecting a positive ending fund balance of $163,031 and reserves of 9.11 percent, which is above the recommended 5 percent in reserves outlined in the MOU between OGCSB and the SBE.

The CDE notes that enrollment at the OGCSB has been experiencing a steady decline together with other schools in the area. Recent data indicates a drop in birth rates in the county as well as a trend of families moving out of the county, due to high costs of living or loss of work. In response to declining enrollment, OGCSB has adjusted its budget to align with current enrollment.

##### Financial Highlights Table - OGCSB

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $1,864,080 | $1,841,135 | $22,945 | 1.59 | 0.53 | $171,369 | 9.31% |
| 2022–23 Budget | $1,206,613 | $1,202,531 | $4,083 | NA | NA | $178,740 | 11.11% |
| 2022–23 2nd Interim | $1,220,908 | $1,218,972 | $1,935 | NA | NA | $173,304 | 14.22% |

#### Oversight Summary

OGCSB was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the OGCSB charter petition, including the annual site visit during the 2022–23 school year. OGCSB had no letters of concern for the 2022–23 school year.

The OGCSB site has worked diligently to build a solid structure of support for ELD/Special Education students and hopes to extend the structure to another site in the coming school year. The OGCSB ELD program and services have become a successful implementation model for the other Olive Grove Charter schools.

### Sweetwater Secondary

* Charter Term Expires: 6/30/2025
* Grades Authorized to Serve: 7–12
* 2021–22 P-2 ADA: 354.35
* 2022–23 P-2 ADA: 387.99

#### Fiscal Outlook

Sweetwater Secondary (SS) has a good financial record under SBE authorization. SS’ FY 2023–24 preliminary budget report indicates that SS is projecting a positive ending fund balance of $4,733,455 and reserves of 70.63 percent, which is above the recommended 5 percent in reserves outlined in the MOU between SS and the SBE.

##### Financial Highlights Table - SS

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $6,107,581 | $4,824,797 | $1,282,784 | 9.95 | 0.08 | $4,042,544 | 83.79% |
| 2022–23 Budget | $6,636,354 | $6,238,173 | $398,181 | NA | NA | $4,440,725 | 71.19% |
| 2022–23 2nd Interim | $6,572,930 | $6,244,283 | $328,647 | NA | NA | $4,371,191 | 70% |

#### Oversight Summary

SS was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the SS charter petition in the 2022–23 school year. SS had no letters of concern issued for the 2022–23 school year.

SS in conjunction with its sister school Grossmont Secondary, is heavily focused on the reclassification of EL students, monitoring Reclassified Fluent English Proficient students, continuing their work on College and Career Readiness, and building on the engagement of their already large and increasingly growing, Special Education population. The school has a strong system in place for identifying language needs for special education EL students and continues to strengthen their designated and integrated ELD practices.

### The New School of San Francisco

* Charter Term Expires: 6/30/2028
* Grades Authorized to Serve: K–7
* 2021–22 P-2 ADA: 366.06
* 2022–23 P-2 ADA: 401

#### Fiscal Outlook

The New School of San Francisco (NSSF) has a good financial record under SBE authorization. NSSF’s FY 2023–24 preliminary budget report indicates that NSSF is projecting a positive ending fund balance of $2,350,577 and reserves of 27.51 percent, which is above the recommended 5 percent in reserves outlined in the MOU between NSSF and the SBE.

##### Financial Highlights Table - NSSF

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $8,154,900 | $7,527,023 | $627,877 | 2.8 | 0.36 | $1,484,124 | 19.72% |
| 2022–23 Budget | $9,097,010 | $9,073,986 | $23,025 | NA | NA | $1,165,956 | 12.85% |
| 2022–23 2nd Interim | $9,154,533 | $9,147,267 | $7,267 | NA | NA | $1,491,391 | 16.3% |

#### Oversight Summary

NSSF was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the NSSF charter petition, including the annual site visit during the 2022–23 school year. NSSF had no letters of concern for the 2022–23 school year.

NSSF excels in the implementation of its unique academic program, which includes a college preparatory education and Individual Learning Plans that every student actively participates in creating alongside their parents and teachers. NSSF continues to work on their ELD program, assuring all students receive ELD services during the regular school day.

### Vista Springs Charter

* Charter Term Expires: 6/30/2026
* Grades Authorized to Serve: K–12
* 2021–22 P-2 ADA: 205.67
* 2022–23 P-2 ADA: 232.22

#### Fiscal Outlook

Vista Springs Charter (VSC) has a good financial record under SBE authorization. VSC’s FY 2023–24 preliminary budget report indicates that VSC is projecting a positive ending fund balance of $936,297 and reserves of 24.61 percent, which is above the recommended 5 percent in reserves outlined in the MOU between VSC and the SBE.

##### Financial Highlights Table - VSC

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $2,964,767 | $2,751,464 | $213,303 | 1.9 | 0.54 | $730,030 | 26.53% |
| 2022–23 Budget | $3,608,622 | $3,421,937 | $186,685 | NA | NA | $831,575 | 24.3% |
| 2022–23 2nd Interim | $4,254,433 | $3,491,396 | $763,037 | NA | NA | $1,493,067 | 42.76% |

#### Oversight Summary

VSC was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the VSC charter petition, including the site visit during the 2022–23 school year. VSC had no letters of concern for the 2022–23 school year.

VSC excels in the implementation of their dual language immersion program. They focus on community engagement and serve many of the military families in the area. VSC continues to work on building classroom management support for new teachers and increasing academic results.

### Watsonville Prep

* Charter Term Expires: 6/30/2027
* Grades Authorized to Serve: K–8
* 2021–22 P-2 ADA: 279.93
* 2022–23 P-2 ADA: 350.1

#### Fiscal Outlook

Watsonville Prep (WP) has a good financial record under SBE authorization. WP’s FY 2023–24 preliminary budget report indicates that WP is projecting a positive ending fund balance of $1,752,830 and reserves of 22.46 percent, which is above the recommended 5 percent in reserves outlined in the MOU between WP and the SBE.

##### Financial Highlights Table - WP

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $5,017,437 | $4,924,758 | $92,679 | 3.23 | 0.45 | $791,096 | 16.06% |
| 2022–23 Budget | $6,668,109 | $6,291,850 | $376,259 | NA | NA | $774,064 | 12.3% |
| 2022–23 2nd Interim | $7,723,674 | $6,670,789 | $1,052,886 | NA | NA | $1,265,682 | 18.97% |

#### Oversight Summary

WP was found to be compliant in all areas under the CDE’s oversight, in accordance with the MOU and the WP charter petition, including the site visit during the 2022–23 school year. WP had no letters of concern for the 2022–23 school year.

WP excels in the implementation of their rigorous and individualized academic program and the weekly coaching of teachers. They have made strong academic gains using a model that has two teachers in every classroom during English Language Arts and Math instruction and they maintain a strong culture on campus with their morning meetings that include the entire school and many families. WP continues to work on increasing their attendance and focusing on building their teachers’ proficiency in delivering high quality instruction for the more complex literacy and math standards.

## Fair Financial Condition

A charter school in fair financial condition shows some signs of fiscal distress and needs to take appropriate actions to address its decline in financial condition. Specifically, a charter school in fair financial condition may have budgets that are out of balance (deficit spending); declining enrollment or attendance ratio; cash liquidity that is not adequate; debt level that is high; declining or low fund balances; or a reserve level that is below the levels required in the MOU.

One SBE-authorized charter school was found to be in fair financial condition. The SBE-authorized charter school identified as being in fair financial condition is as follow:

* John Henry High

### John Henry High

* Charter Term Expires: 6/30/2028
* Grades Authorized to Serve: 9–12
* 2021–22 P-2 ADA: 310.76
* 2022–23 P-2 ADA: 334.26

#### Fiscal Concerns and Update

John Henry High (JHH)’s FY 2021–22’s Final Audit Report indicates that JHH has an operating deficit of $726,225 and negative ending fund balance of $536,759 with no reserve. This negative ending fund balance is carried forward to FY 2022–23 that the revised projected ending balance is $193,645 with reserves of 3.3 percent, which is below the recommended 5 percent in reserves outlined in the MOU between JHH and the SBE.

JHH submitted its 2023–24 preliminary budget report on June 27, 2023. Its preliminary budget report reflects an improvement from the prior year’s second interim report and indicates that JHH is projecting a positive ending fund balance of $895,909 with 12.58 percent in reserves in FY 2023–24.

The CDE will continue to monitor the JHH budget, and may recommend that the SBE take appropriate action, as deemed necessary.

##### Financial Highlights Table - JHH

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit | $5,742,205 | $6,468,430 | ($726,225) | 0.69 | 1.15 | ($536,759) | NA |
| 2022–23 Budget | $6,868,487 | $6,740,838 | $127,649 | NA | NA | $337,722 | 5.01% |
| 2022–23 2nd Interim | $6,599,744 | $5,869,340 | $730,404 | NA | NA | $919,431 | 15.66% |

#### Oversight Summary

JHH was found to be non-compliant during their site visit in the 2022–23 school year. The CDE issued a letter of non-compliance to JHH due to them not offering ELD instruction to all students during the regular school day. The CDE requested that JHH produce a plan to offer ELD instruction to all students and adopt an ELD curriculum. JHH satisfied this request and has done well with their implementation of their college preparatory academic program.

The school follows well-defined procedures and protocols to ensure safety, collect school data, manage employee and pupil records, and conduct the day-to-day business of the school in a safe, efficient, organized, and responsible fashion, as evidenced by classroom and site walkthrough, interviews with parents, staff, teachers, and board members.

**Poor Financial Condition**

A charter school in poor financial condition is in danger of jeopardizing its fiscal operations going forward. Timely and appropriate action by the charter school’s board is critical in addressing and mitigating the serious decline in financial condition. Specifically, a charter school in poor financial condition may have a negative fund balance, no reserves, an inadequate cash balance, and a high debt level.

One SBE-authorized charter school was found to be in poor financial condition. The SBE-authorized charter school identified as being in poor financial condition is as follow:

* Perseverance Preparatory

### Perseverance Preparatory

* Charter Voluntarily Closed: 6/30/2023
* Grades Authorized to Serve: 5–8
* 2021–22 P-2 ADA: 53.96
* 2022–23 P-2 ADA: 75.77

#### Fiscal Concerns

Due to Perseverance Preparatory’s (PP’s) low enrollment of 84 pupils with ADA of 75.77 in 2022–23, the school was not fiscally viable by the end of June 2023. On June 16, 2023, the Board voted to voluntarily close the charter school effective June 30, 2023.

Although PP increased its enrollment to 84 pupils and reported ADA of 75.77 in 2022–23, its enrollment was still far below the enrollment proposed in its charter petition, which projected a total enrollment of 512 pupils. In addition, the unexpected facilities costs and loss of in lieu basic aid funding led to PP’s budget deficit by the end of June 2023.

#### Charter School Update

The PP Board voted to voluntarily close the charter school effective June 30, 2023.

##### Financial Highlights Table – Perseverance Preparatory

NA: Not Applicable

| Fiscal Year / Source | Total Revenues | Total Expenditures | Net Operating Surplus (Deficit) | Working Capital Ratio | Debt Ratio | Ending Fund Balance | Percent of Reserves |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2021–22 Audit  | NA | NA | NA | NA | NA | NA | NA |
| 2022–23 Budget | $1,641,846 | $1,622,852 | $18,994 | NA | NA | $244,046 | 15.04% |
| 2022–23 2nd Interim | $1,377,675 | $1,349,570 | $28,105 | NA | NA | $91,815 | 6.8% |

#### Oversight Summary

PP planned to open the 2022–23 school year at a new site located at 480 North First Street, San Jose, California 95112. Delays in construction to update and meet code requirements for the building caused PP to pay facilities costs, including rent, for two facilities in order to open for classes for the 2022–23 school year.

In addition to the cost of two facilities, enrollment was far below the original PP petition estimate of 128 pupils per grade level, with a total enrollment of 512. It became apparent to PP that they could no longer pay for both facilities; therefore, the PP Board of Trustees voted to have the school remain in the original facility located at 484 East San Fernando Street, San Jose, California 95112. Many families disagreed with the decision to stay in the older facility and left, decreasing enrollment and impacting the budget.

In March 2023, PP leadership was informed that they had missed the deadline to submit student names to the San Jose Unified School District to be reimbursed for in lieu payment of basic aid funds, and was ineligible for reimbursement of these funds. The loss of basic aid in lieu of dollars exceeded $123,079.48. This revenue loss created a budget deficit that PP could not fill. Therefore, the PP Board of Trustees voted on
June 16, 2023, to voluntarily close PP on June 30, 2023.

Following notice of PP’s closure, the CDE issued a written notice of closure procedures to PP on June 22, 2023.

As PP continued to work through the closure requirements all funding was depleted. PP was unable to pay for their audit or to have the closing audit completed.

#### California Department of Education Follow Up

On June 22, 2023, the CDE issued the PP Board a written notice of closure procedures, which included the following:

* Return grant funds and restricted categorical funds to their source in accordance with the terms of the grant or state and federal law as appropriate. Federal grants must be closed out, including the filing of the required Final Expenditure Reports and Final Performance Reports. Federal Forms 269 and 269a may apply if PP was receiving funds directly from the U.S. Department of Education. Prepare a final expenditure report for all grants.
* Close all financial records of the school effective June 30, 2023.Develop a plan to close out all financial records for the fiscal years 2018–23.
* Provide the CDE a description of current and projected payroll and payroll benefits commitments through closure, including a list of each employee, and their job duties, and a projection of the funds necessary to 1) transition the pupils and records, 2) complete all administrative closure related tasks, and 3) complete contracts and grants.
* Provide the CDE with notice of any outstanding payments to staff and the method by which the school will make the payments.
* Notify all funding sources (including charitable partners), all current and former contractors (such as a charter management organization, education management organization, food service provider, instructional service provider, or transportation service provider), and lenders of PP’s closure.
* Notify the CDE of all pending litigation to which PP is a party.
* Prepare a comprehensive list of creditors and debtors and a comprehensive inventory of all assets.
* Prepare a plan for the proposed disposal of all property owned by PP (and acquired with public funds) in order to maximize revenue in accordance with law, payment of any and all liabilities, and the disbursement of any remaining assets of PP, liquidation of assets to pay off any and all outstanding liabilities, bearing in mind that assets paid for by state funds may be transferred in accordance with the nonprofit corporation’s bylaws to another public agency such as another charter school, including other PP. Assets donated to PP may be returned to donors or disposed of in accordance with donor’s wishes. Net assets (after the payment of outstanding liabilities), if any, may be transferred to another public agency, such as another charter school.
* Arrange for final closure audits to be paid for from the special reserve or bond revenue. The auditor engaged to perform the audit shall be from the list of approved school auditors maintained by the California State Controller’s Office and shall be approved by the CDE. The audit, at a minimum, shall determine the disposition of all assets and liabilities of PP and shall verify the PP’s comprehensive list of creditors and debtors, and the amounts owed or owing, as well as verify PP’s comprehensive list of all assets by source, noting any restrictions on each asset’s use. Notify the CDE of the name of the auditor.

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