



INSPIRE CHARTER SCHOOLS

1740 Huntington Drive #205, Duarte, California 91010
Phone (626) 932-1802 * Fax (626) 932-1804

**Regular Board Meeting
Inspire Charter School - Kern
March 8, 2018 - 6:30 pm - 8:30 pm
2131 Saturn Ct.
Bakersfield, CA 93308**

AGENDA

1. Call to Order
2. Public Comment
3. Approval of Minutes
4. Approval of the July-January Financials
5. Acceptance of the First Interim
6. Acceptance of the Second Interim
7. Approval of the 2016-2017 Audit
8. Fiscal Policy and Procedures Update
9. Board Resolution To Give Notice To CharterSAFE
10. Selection of Auditor
11. Adjournment

Public comment rules: Members of the public may address the Board on agenda or non-agenda items. Please fill out a yellow card available at the entrance. Speakers may be called in the order that requests are received, or grouped by subject area. We ask that comments are limited to 2 minutes each, with no more than 15 minutes per single topic so that as many people as possible may be heard. By law, the Board is allowed to take action only on items on the agenda. The Board may, at its discretion, refer a matter to district staff or calendar the issue for future discussion.

Note: Inspire Charter Schools Governing Board encourages those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact the Governing Board Office at 818-207-3837 at least 48 hours before the scheduled board meeting so that we may make every reasonable effort to accommodate you. (Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. § 12132)).



INSPIRE CHARTER SCHOOLS

1740 Huntington Drive #205, Duarte, California 91010
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Regular Scheduled Board Meeting - Inspire Charter School - Kern
November 30, 2017 – 5:00 pm - 7:00 pm.
2131 Saturn Ct. Bakersfield, CA 93308.

Attendance : Jeff Pray, Talia Bridgman and Jennifer Woodward
Teleconference: Jeffrey Cooley

Absent: None

Also Present: Kimmi Buzzard, Shari Erlendson, Erika Vanderspek, Bryanna Brossman, Chris Williams, Courtney McCorkle, and Greg Bordo.

Call to Order:

Jeff Pray called the meeting to order at 5:24 pm.

Public Comments:

None

Approval of Minutes:

Jennifer Woodward moved to approve the minutes with the changes. Talia Bridgman seconds.
-Unanimous.

Instructional Funds Policy- Educational Travel:

Talia Bridgeman moved to adopt the Instructional Funds Policy. Jennifer Woodward seconds.
-Unanimous

Review of July-October Financials:

Jennifer Woodward moved to approve the July- October Financials. Talia Bridgman seconds.
-Unanimous

SELPA Resolution and Participation Agreement:

Talia Bridgman moved to approve the Board Resolution Approval of El Dorado Charter Selpa Participation Agreement. Jeffrey Cooley seconded
-Unanimous

Dashboard Indicators:

The local Dashboard Indicators were disclosed to the board



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Adjournment:

Jennifer Woodward motioned to adjourn the meeting at 6:31 pm. Talia Bridgman seconded.

-Unanimous

Prepared By:

Bryanna Brossman

Noted By:

Jennifer Woodward

Board Secretary



INSPIRE CHARTER SCHOOLS

1740 Huntington Drive #205, Duarte, California 91010

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Special Board Meeting - Inspire Charter School - Kern

January 9, 2018 – 5:20 pm - 5:40 pm.

2131 Saturn Ct. Bakersfield, CA 93308.

Attendance: Jeff Pray, Talia Bridgman, Jeffrey Cooley, Jennifer Woodward and Nicole Panero
-Teleconference.

Absent: None

Also Present: Nick Nichols, Kimmi Buzzard, Shari Erlendson, Erika Vanderspek, Bryanna Brossman,
Edward Robillard and Greg Bordo - Teleconference.

Call to Order:

Jeff Pray called the meeting to order at 5:26 pm.

Public Comments:

None.

Board Resolution - Certificate of Consent to Self-Insure Workers Compensation Liability:

Jennifer Woodward moved to approve the Board Resolution. Talia Bridgman seconded.

-Unanimous

Board Resolution - To Authorize Fees for Professional, Software and CTE Development:

Jennifer Woodward moved to approve the Board Resolution. Nicole Panero seconded.

-Unanimous

Adjournment:

Talia Bridgman motioned to adjourn the meeting at 5:42 pm. Nicole Panero seconded.

-Unanimous

Prepared By:

Bryanna Brossman



INSPIRE CHARTER SCHOOLS

1740 Huntington Drive #205, Duarte, California 91010

Phone (626) 932-1802 * Fax (626) 932-1804

Noted By:

Jennifer Woodward

Board Secretary

Fund Balance Progress - Inspire Charter School - Kern

P2 of 4,550	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
State Aid - Revenue Limit	3,155,292	3,155,292	3,155,292	3,155,292	3,155,292	3,155,292	3,155,292	3,155,292	3,155,292	3,155,292	3,155,292	3,155,292	37,863,509
Federal Revenue	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396	568,751
Other State Revenue	300,883	300,883	300,883	300,883	300,883	300,883	300,883	300,883	300,883	300,883	300,883	300,883	3,610,593
Total Revenue:	3,503,571	3,503,571	3,503,571	3,503,571	3,503,571	3,503,571	3,503,571	3,503,571	3,503,571	3,503,571	3,503,571	3,503,571	42,042,852
Actual/Expected	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Expected	Expected	Expected	Expected	Expected	Expected
Certificated Salaries	625,070	713,959	1,024,053	1,057,167	1,030,578	1,030,578	1,030,578	1,030,578	1,030,578	1,030,578	1,030,578	1,030,578	11,664,877
Classified Salaries	354,042	341,059	331,195	325,859	326,485	326,485	326,485	326,485	326,485	326,485	326,485	326,485	3,964,031
Benefits	330,521	325,479	379,967	457,901	442,657	442,657	459,880	446,101	446,101	446,101	446,101	446,101	5,069,566
Books and Supplies	232,883	372,247	585,752	551,798	519,832	409,717	410,057	1,115,400	1,115,400	1,115,400	1,115,400	1,115,400	8,659,285
Subagreement Services	53,272	137,484	422,223	373,464	831,474	508,126	470,888	510,866	510,866	510,866	510,866	510,866	5,351,259
Professional/Consulting Services	45,477	82,535	68,615	54,937	71,671	78,363	86,251	140,135	246,816	260,893	244,149	648,888	2,028,729
Facilities, Repairs and Other Leases	795	1,129	30,575	13,940	(3,251)	14,095	16,439	14,194	14,194	14,194	14,194	14,194	144,691
Operations and Housekeeping	17,059	35,375	39,408	38,315	40,120	33,193	62,720	18,865	18,865	18,865	18,865	18,865	360,518
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	92,367	222,118	176,598	263,911	223,461	250,482	315,078	-	278,607	98,000	147,000	147,000	2,214,622
Total Expenses:	1,751,485	2,231,386	3,058,387	3,137,291	3,483,027	3,093,695	3,178,376	3,602,624	3,987,912	3,821,382	3,853,638	4,258,377	39,457,579
Surplus/Deficit	1,752,086	1,272,185	445,184	366,280	20,544	409,876	325,195	(99,053)	(484,341)	(317,811)	(350,067)	(754,806)	2,585,273
Cumulative Fund Balance	1,752,086	3,024,272	3,469,456	3,835,736	3,856,280	4,266,156	4,591,351	4,492,298	4,007,957	3,690,146	3,340,079	2,585,273	
Beginning Fund Balance	(6,634,739)	(4,882,653)	(3,610,467)	(3,165,283)	(2,799,003)	(2,778,459)	(2,368,583)	(2,043,388)	(2,142,441)	(2,626,782)	(2,944,593)	(3,294,660)	
Ending Fund Balance	(4,882,653)	(3,610,467)	(3,165,283)	(2,799,003)	(2,778,459)	(2,368,583)	(2,043,388)	(2,142,441)	(2,626,782)	(2,944,593)	(3,294,660)	(4,049,466)	

Inspire Charter School - Kern

Monthly Cash Flow/Forecast FY17-18

Revised 02/23/18

ADA = 4550.00



		Prior Year P2 and PENSEC Estimates						P-1				P-2		Annual Forecast	Original Budget Total	Favorable / (Unfav.)		
		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18				Year-End Accruals	
Revenues																ADA = 3325.00		
State Aid - Revenue Limit																		
8011	LCFF State Aid	-	785,136	785,136	1,413,244	1,413,244	1,413,244	1,413,244	1,413,244	5,276,591	5,276,591	5,276,591	5,276,591	5,721,053	35,463,910	25,724,393	9,739,518	
8012	Education Protection Account	-	-	-	99,850	-	-	99,849	-	-	469,253	-	-	239,617	908,569	665,000	243,569	
8019	State Aid - Prior Year	-	-	-	-	-	-	-	-	(46,047)	(46,047)	(46,047)	(46,047)	(46,047)	(230,237)	-	(230,237)	
8096	In Lieu of Property Taxes	-	18,446	36,891	24,594	24,594	24,594	24,594	522,518	261,259	261,259	261,259	261,259	-	1,721,266	930,834	790,433	
		-	803,582	822,027	1,537,688	1,437,838	1,437,838	1,537,687	1,935,762	5,491,803	5,961,056	5,491,803	5,491,803	5,914,622	37,863,509	27,320,226	10,543,282	
Federal Revenue																		
8181	Special Education - Entitlement	-	-	-	-	-	-	-	-	284,375	-	-	142,188	142,188	568,750	415,625	153,125	
8299	Prior Year Federal Revenue	-	-	-	(25,000)	-	-	25,000	-	-	-	-	-	-	0	-	0	
		-	-	-	(25,000)	-	-	25,000	-	284,375	-	-	142,188	142,188	568,751	415,625	153,125	
Other State Revenue																		
8311	State Special Education	48,870	48,870	87,966	87,966	87,966	87,966	87,966	360,226	360,226	360,226	360,226	360,226	-	2,338,702	1,709,050	629,652	
8550	Mandated Cost	-	-	-	-	-	37,476	98,066	-	-	98,066	-	98,065	-	331,673	373,142	(41,469)	
8560	State Lottery	-	-	-	-	-	-	117,737	-	-	117,737	-	-	647,228	882,701	628,425	254,276	
8598	Prior Year Revenue	-	-	15,095	-	-	-	42,422	-	-	-	-	-	-	57,518	-	57,518	
8599	Other State Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,000	(30,000)	
		48,870	48,870	103,061	87,966	87,966	125,442	346,191	360,226	360,226	576,029	360,226	458,291	647,228	3,610,593	2,740,617	869,976	
Total Revenue		48,870	852,452	925,088	1,600,654	1,525,804	1,563,280	1,908,878	2,295,988	6,136,404	6,537,085	5,852,029	6,092,281	6,704,037	42,042,852	30,476,468	11,566,383	
Expenses																		
Certificated Salaries																		
1100	Teachers' Salaries	432,096	517,241	746,318	680,419	832,920	832,920	832,920	832,920	832,920	832,920	832,920	832,920	-	9,039,434	7,463,896	(1,575,538)	
1175	Teachers' Extra Duty/Stipends	35,308	35,100	118,990	181,151	33,317	33,317	33,317	33,317	33,317	33,317	33,317	33,317	-	637,084	70,186	(566,898)	
1200	Pupil Support Salaries	15,801	29,959	26,313	31,352	31,909	31,909	31,909	31,909	31,909	31,909	31,909	31,909	-	358,698	244,365	(114,333)	
1300	Administrators' Salaries	141,864	131,659	132,432	164,245	132,432	132,432	132,432	132,432	132,432	132,432	132,432	132,432	-	1,629,661	1,250,520	(379,141)	
		625,070	713,959	1,024,053	1,057,167	1,030,578	1,030,578	1,030,578	1,030,578	1,030,578	1,030,578	1,030,578	1,030,578	-	11,664,877	9,028,966	(2,635,910)	
Classified Salaries																		
2100	Instructional Salaries	333,636	325,235	319,478	314,001	314,001	314,001	314,001	314,001	314,001	314,001	314,001	314,001	-	3,804,355	3,073,792	(730,563)	
2200	Support Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,500	49,500	
2300	Classified Administrators' Salaries	9,583	3,759	-	-	-	-	-	-	-	-	-	-	-	13,342	-	(13,342)	
2400	Clerical and Office Staff Salaries	10,823	12,064	11,718	11,858	12,484	12,484	12,484	12,484	12,484	12,484	12,484	12,484	-	146,333	153,232	6,899	
		354,042	341,059	331,195	325,859	326,485	326,485	326,485	326,485	326,485	326,485	326,485	326,485	-	3,964,031	3,276,524	(687,507)	
Benefits																		
3101	STRS	84,478	98,226	127,708	131,231	148,712	148,712	148,712	148,712	148,712	148,712	148,712	148,712	-	1,631,343	1,302,880	(328,463)	
3301	OASDI	21,965	20,840	20,671	20,220	20,242	20,242	20,242	20,242	20,242	20,242	20,242	20,242	-	245,633	203,144	(42,489)	
3311	Medicare	16,311	19,233	22,054	22,372	19,677	19,677	19,677	19,677	19,677	19,677	19,677	19,677	-	237,391	178,430	(58,961)	
3401	Health and Welfare	178,238	146,760	182,083	230,720	230,720	230,720	230,720	230,720	230,720	230,720	230,720	230,720	-	2,583,561	1,464,237	(1,119,325)	
3501	State Unemployment	29,529	21,794	8,826	2,989	4,306	4,306	21,529	17,223	8,612	4,306	4,306	4,306	-	132,029	85,538	(46,492)	
3601	Workers' Compensation	-	18,625	18,625	18,625	18,999	18,999	18,999	18,999	18,999	18,999	18,999	18,999	-	207,865	172,277	(35,588)	
3901	Other Benefits	-	-	-	31,744	-	-	-	-	-	-	-	-	-	31,744	-	(31,744)	
		330,521	325,479	379,967	457,901	442,657	442,657	459,880	455,574	446,962	442,657	442,657	442,657	-	5,069,566	3,406,505	(1,663,061)	
Books and Supplies																		
4100	Textbooks and Core Materials	1,759	22,261	314,648	4,181	-	1,105	-	728,752	624,645	416,430	312,322	-	-	2,426,102	331,776	(2,094,326)	
4200	Books and Reference Materials	25,260	58,376	64,293	125,177	110,686	59,911	51,729	197,497	169,283	112,855	84,642	-	-	1,059,709	591,549	(468,160)	
4302	School Supplies	93,193	165,893	80,908	165,500	165,499	137,214	192,462	502,225	430,478	286,986	215,239	-	-	2,435,598	2,148,805	(286,793)	
4303	Special Activities/Field Trips	9,491	23,698	30,564	71,846	72,728	52,364	33,206	56,983	48,842	32,561	24,421	-	-	456,704	1,059,238	602,534	
4305	Software	103,181	52,275	55,301	165,444	117,254	142,365	(2,854)	351,762	301,510	201,007	150,755	-	-	1,638,000	650,000	(988,000)	
4400	Noncapitalized Equipment	-	49,745	40,038	19,650	53,664	16,758	135,515	114,731	98,341	65,561	49,171	-	-	643,172	1,582,055	938,882	
		232,883	372,247	585,752	551,798	519,832	409,717	410,057	1,951,950	1,673,100	1,115,400	836,550	-	-	8,659,285	6,363,422	(2,295,863)	

Inspire Charter School - Kern

Monthly Cash Flow/Forecast FY17-18

Revised 02/23/18

ADA = 4550.00



		Prior Year P2 and PENSEC Estimates						P-1				P-2		Annual Forecast	Original Budget Total	Favorable / (Unfav.)	
		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18				Year-End Accruals
Subagreement Services																	
5102	Special Education	1,170	16,613	34,845	91,589	130,620	76,545	71,467	178,290	172,071	226,303	226,303	-	111,275	1,337,090	563,602	(773,489)
5106	Other Educational Consultants	52,102	120,871	387,378	281,876	700,854	431,580	399,421	574,030	492,026	328,017	246,013	-	-	4,014,169	3,457,882	(556,287)
		53,272	137,484	422,223	373,464	831,474	508,126	470,888	752,321	664,097	554,320	472,316	-	111,275	5,351,259	4,021,483	(1,329,776)
Professional/Consulting Services																	
5801	IT	225	225	225	225	225	225	225	225	225	225	225	225	-	2,700	-	(2,700)
5802	Audit & Taxes	-	-	-	6,800	-	-	-	2,667	2,667	2,667	-	-	-	14,800	8,000	(6,800)
5803	Legal	-	-	13,790	-	4,209	-	5,818	556	556	556	556	556	-	26,594	5,000	(21,594)
5804	Professional Development	807	28,875	452	97	(8,149)	248	4,540	3,000	3,000	3,000	3,000	3,000	-	41,870	30,000	(11,870)
5805	General Consulting	-	4,250	4,250	-	13,210	2,260	880	-	-	-	-	-	-	24,850	-	(24,850)
5810	Payroll Service Fee	-	4,740	5,453	3,370	2,852	2,885	2,044	2,870	2,870	2,870	2,870	2,870	-	35,691	33,000	(2,691)
5811	Management Fee	44,445	44,445	44,445	44,445	59,324	72,745	72,745	72,745	72,745	72,745	72,745	72,745	-	746,319	533,338	(212,981)
5812	District Oversight Fee	-	-	-	-	-	-	-	58,073	164,754	178,832	164,754	164,754	404,738	1,135,905	409,803	(726,102)
5814	SPED Encroachment	-	-	-	-	-	-	-	-	-	-	-	-	-	84,987	84,987	-
		45,477	82,535	68,615	54,937	71,671	78,363	86,251	140,135	246,816	260,893	244,149	244,149	404,738	2,028,729	1,104,129	(924,601)
Facilities, Repairs and Other Leases																	
5601	Rent	795	795	30,575	13,440	(4,710)	14,095	12,895	12,895	12,895	12,895	12,895	12,895	-	132,360	90,840	(41,520)
5602	Additional Rent	-	160	-	500	-	-	3,500	-	-	-	-	-	-	5,560	-	(5,560)
5610	Repairs and Maintenance	-	174	-	-	59	-	44	1,299	1,299	1,299	1,299	1,299	-	6,771	10,000	3,229
		795	1,129	30,575	13,940	(3,251)	14,095	16,439	14,194	14,194	14,194	14,194	14,194	-	144,691	100,840	(43,851)
Operations and Housekeeping																	
5201	Auto and Travel	3,188	1,301	5,848	2,921	13,853	3,448	4,430	1,370	1,370	1,370	1,370	1,370	-	41,837	20,000	(21,837)
5203	Business Meals	250	232	970	182	113	40	25	481	481	481	481	481	-	4,215	5,000	785
5300	Dues & Memberships	637	625	637	649	625	625	-	952	952	952	952	952	-	8,560	10,000	1,440
5400	Insurance	-	13,194	13,194	13,194	13,194	5,805	5,806	5,806	5,806	5,806	5,806	5,806	-	93,416	20,000	(73,416)
5501	Utilities	-	452	2,186	-	-	-	-	131	131	131	131	131	-	3,293	1,440	(1,853)
5502	Janitorial/Trash Removal	-	-	98	-	-	-	-	-	-	-	-	-	-	98	-	(98)
5510	Office Expense	10,087	4,452	6,137	5,198	8,261	1,216	4,007	2,727	2,727	2,727	2,727	2,727	-	52,994	30,000	(22,994)
5511	Postage and Shipping	1,168	184	8,687	732	1,052	1,504	2,169	3,889	3,889	3,889	3,889	3,889	-	34,940	35,000	60
5512	Printing	-	-	51	5,216	242	4	59	56	56	56	56	56	-	5,849	500	(5,349)
5513	Other taxes and fees	1,370	8,720	-	9,603	1,290	18,926	23,878	1,481	1,481	1,481	1,481	1,481	-	71,193	40,000	(31,193)
5514	Bank Charges	90	347	143	621	1,211	1,075	9,575	83	83	83	83	83	-	13,479	2,000	(11,479)
5515	Public Relations/Recruitment	270	5,869	659	-	-	-	12,496	778	778	778	778	778	-	23,182	7,000	(16,182)
5900	Communications	-	-	798	-	280	551	276	1,111	1,111	1,111	1,111	1,111	-	7,461	10,000	2,539
		17,059	35,375	39,408	38,315	40,120	33,193	62,720	18,865	18,865	18,865	18,865	18,865	-	360,518	180,940	(179,578)
Interest																	
7438	Interest Expense	92,367	222,118	176,598	263,911	223,461	250,482	315,078	-	278,607	98,000	147,000	147,000	-	2,214,622	1,197,000	(1,017,622)
		92,367	222,118	176,598	263,911	223,461	250,482	315,078	-	278,607	98,000	147,000	147,000	-	2,214,622	1,197,000	(1,017,622)
Total Expenses		1,751,485	2,231,386	3,058,387	3,137,291	3,483,027	3,093,695	3,178,376	4,690,101	4,699,704	3,861,392	3,532,794	2,223,928	516,013	39,457,579	28,679,810	(10,777,769)
Monthly Surplus (Deficit)		(1,702,615)	(1,378,934)	(2,133,298)	(1,536,637)	(1,957,223)	(1,530,415)	(1,269,498)	(2,394,113)	1,436,700	2,675,693	2,319,236	3,868,353	6,188,024	2,585,273	1,796,659	788,614

Inspire Charter School - Kern

Monthly Cash Flow/Forecast FY17-18

Revised 02/23/18

ADA = 4550.00



	Prior Year P2 and PENSEC Estimates							P-1				P-2		Annual Forecast	Original Budget Total	Favorable / (Unfav.)
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Year-End Accruals			
Cash Flow Adjustments																
Monthly Surplus (Deficit)	(1,702,615)	(1,378,934)	(2,133,298)	(1,536,637)	(1,957,223)	(1,530,415)	(1,269,498)	(2,394,113)	1,436,700	2,675,693	2,319,236	3,868,353	6,188,024	2,585,273		
Cash flows from operating activities																
Public Funding Receivables	-	-	(785,136)	785,136	-	(374,995)	374,995	-	-	-	-	-	(6,704,037)	(6,704,037)		
Grants and Contributions Rec.	1,475,449	(14,205)	6,991	97,923	(28,853)	384,995	(113,736)	-	-	-	-	-	-	1,808,563		
Due To/From Related Parties	393,741	(101,322)	1,345,209	(205,230)	(608,335)	727,992	(2,492,307)	-	-	-	-	-	-	(940,253)		
Prepaid Expenses	(492,027)	201,305	(456,246)	258,625	145,753	7,274	(47,924)	-	-	-	-	-	-	(383,241)		
Other Assets	-	(1,000)	-	-	-	-	-	-	-	-	-	-	-	(1,000)		
Accounts Payable	(140,430)	95,130	441,689	(81,006)	671,565	(623,904)	(250,949)	700,000	700,000	-	(700,000)	(1,018,000)	516,013	310,109		
Accrued Expenses	(209,678)	13,738	(273,968)	(71,009)	37,110	(274,301)	151,116	-	-	-	-	-	-	(626,992)		
Cash flows from financing activities																
Proceeds from Factoring	1,340,336	2,782,800	1,667,600	2,597,200	3,525,800	3,771,000	5,072,400	-	3,980,100	1,400,000	2,100,000	2,100,000	-	30,337,236		
Payments on Factoring	(1,556,858)	(985,944)	(145,345)	(2,029,809)	(1,285,194)	(1,315,106)	(1,466,800)	(1,377,000)	(4,737,100)	(5,310,200)	(4,894,000)	(4,802,600)	-	(29,905,956)		
Total Change in Cash	(892,083)	611,568	(332,505)	(184,807)	500,624	772,540	(42,703)	(3,071,113)	1,379,700	(1,234,507)	(1,174,764)	147,753				
Cash, Beginning of Month	600,721	(291,362)	320,206	(12,299)	(197,106)	303,518	1,076,058	1,033,354	(2,037,759)	(658,059)	(1,892,566)	(3,067,330)				
Cash, End of Month	(291,362)	320,206	(12,299)	(197,106)	303,518	1,076,058	1,033,354	(2,037,759)	(658,059)	(1,892,566)	(3,067,330)	(2,919,577)				

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Detail**

Charter School Name: Inspire Charter - Kern
 (continued)
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

This charter school uses the following basis of accounting:

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

Description	Object Code	Adopted Budget - July 1			Actuals thru 10/31			1st Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
A. REVENUES										
1. LCFF Sources										
State Aid - Current Year	8011	25,724,393		25,724,393.00	2,983,516.00		2,983,516.00	36,795,885.00		36,795,885.00
Education Protection Account State Aid - Current Year	8012	665,000.00		665,000.00	99,850.00		99,850.00	931,200.33		931,200.33
State Aid - Prior Years	8019			-			-			-
Transfers to Charter Schools in Lieu of Property Taxes	8096	930,834.00		930,834.00	79,931.00		79,931.00	716,791.20		716,791.20
Other LCFF Transfers	8091, 8097			-			-			-
Total, LCFF Sources		27,320,227.00		27,320,227.00	3,163,297.00		3,163,297.00	38,443,876.54		38,443,876.54
2. Federal Revenues										
Every Student Succeeds Act (Title I - V)	8290			-			-			-
Special Education - Federal	8181, 8182		415,625.00	415,625.00			-	582,000.00		582,000.00
Child Nutrition - Federal	8220			-			-			-
Donated Food Commodities	8221			-			-			-
Other Federal Revenues	8110, 8260-8299			-		(24,999.69)	(24,999.69)		(24,999.69)	(24,999.69)
Total, Federal Revenues			415,625.00	415,625.00		(24,999.69)	(24,999.69)	557,000.31		557,000.31
3. Other State Revenues										
Special Education - State	StateRevSE		1,709,050.00	1,709,050.00		273,672.00	273,672.00		2,393,184.00	2,393,184.00
All Other State Revenues	StateRevAO	905,882.00	125,685.00	1,031,567.00	15,095.28		15,095.28	1,064,917.63	180,652.80	1,245,570.43
Total, Other State Revenues		905,882.00	1,834,735.00	2,740,617.00	15,095.28	273,672.00	288,767.28	1,064,917.63	2,573,836.80	3,638,754.43
4. Other Local Revenues										
All Other Local Revenues	LocalRevAO			-			-			-
Total, Local Revenues				-			-			-
5. TOTAL REVENUES		28,226,109.00	2,250,360.00	30,476,469.00	3,178,392.28	248,672.31	3,427,064.59	39,508,794.17	3,130,837.11	42,639,631.28
B. EXPENDITURES										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	6,397,531.22	1,136,550.78	7,534,082.00	2,450,160.28	96,463.07	2,546,623.35	7,577,347.82	1,067,169.93	8,644,517.75
Certificated Pupil Support Salaries	1200	244,365.00		244,365.00	103,424.63		103,424.63	358,698.07		358,698.07
Certificated Supervisors' and Administrators' Salaries	1300	1,250,520.00		1,250,520.00	570,201.34		570,201.34	1,629,660.86		1,629,660.86
Other Certificated Salaries	1900			-			-			-
Total, Certificated Salaries		7,892,416.22	1,136,550.78	9,028,967.00	3,123,786.25	96,463.07	3,220,249.32	9,565,706.75	1,067,169.93	10,632,876.68
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	3,073,792.00		3,073,792.00	1,292,349.75		1,292,349.75	3,804,355.43		3,804,355.43
Non-certificated Support Salaries	2200	49,500.00		49,500.00			-			-
Non-certificated Supervisors' and Administrators' Sal	2300			-	13,342.40		13,342.40	13,342.40		13,342.40
Clerical and Office Salaries	2400	153,232.00		153,232.00	46,462.43		46,462.43	146,333.15		146,333.15
Other Non-certificated Salaries	2900			-			-			-
Total, Non-certificated Salaries		3,276,524.00		3,276,524.00	1,352,154.58		1,352,154.58	3,964,030.98		3,964,030.98
3. Employee Benefits										
STRS	3101-3102	1,138,875.71	164,004.29	1,302,880.00	428,413.69	13,229.49	441,643.18	1,359,604.98	151,680.33	1,511,285.31
PERS	3201-3202			-			-			-
OASDI / Medicare / Alternative	3301-3302	186,663.98	16,480.02	203,144.00	161,981.10	1,687.14	163,668.24	454,486.41	16,473.47	470,959.88
Health and Welfare Benefits	3401-3402	1,507,428.21	135,238.79	1,642,667.00	722,235.61	15,565.23	737,800.84	2,394,678.99	188,882.41	2,583,561.40
Unemployment Insurance	3501-3502	77,637.60	7,900.40	85,538.00	61,805.23	1,332.00	63,137.23	122,376.82	9,652.58	132,029.40
Workers' Compensation Insurance	3601-3602	156,365.28	15,911.72	172,277.00	54,694.75	1,178.75	55,873.50	181,871.29	14,345.26	196,216.55
OPEB, Allocated	3701-3702			-			-			-
OPEB, Active Employees	3751-3752			-			-			-
Other Employee Benefits	3901-3902			-	31,744.17		31,744.17	31,744.17		31,744.17
Total, Employee Benefits		3,066,970.78	339,535.22	3,406,506.00	1,460,874.55	32,992.61	1,493,867.16	4,544,762.66	381,034.05	4,925,796.71
4. Books and Supplies										
Approved Textbooks and Core Curricula Materials	4100	206,091.00	125,685.00	331,776.00	342,848.57		342,848.57	2,301,967.87	180,652.80	2,482,620.67
Books and Other Reference Materials	4200	591,549.00		591,549.00	273,105.30		273,105.30	1,084,395.58		1,084,395.58
Materials and Supplies	4300	3,858,043.00		3,858,043.00	1,017,294.06		1,017,294.06	4,639,680.74		4,639,680.74
Noncapitalized Equipment	4400	1,582,055.00		1,582,055.00	134,432.43	(24,999.69)	109,432.74	792,587.97	(24,999.69)	767,588.28
Food	4700			-			-			-
Total, Books and Supplies		6,237,738.00	125,685.00	6,363,423.00	1,767,680.36	(24,999.69)	1,742,680.67	8,818,632.16	155,653.11	8,974,285.27
5. Services and Other Operating Expenditures										
Subagreements for Services	5100	3,457,882.00	563,602.00	4,021,484.00	842,227.13	144,216.32	986,443.45	4,107,682.58	1,526,980.02	5,634,662.60
Travel and Conferences	5200	25,000.00		25,000.00	14,890.14		14,890.14	31,556.81		31,556.81
Dues and Memberships	5300	10,000.00		10,000.00	2,548.08		2,548.08	9,820.81		9,820.81
Insurance	5400	20,000.00		20,000.00	39,580.50		39,580.50	145,132.50		145,132.50
Operations and Housekeeping Services	5500	115,940.00		115,940.00	72,339.74		72,339.74	160,899.74		160,899.74
Rentals, Leases, Repairs, and Noncap. Improvements	5600	100,840.00		100,840.00	46,438.83		46,438.83	187,967.72		187,967.72
Transfers of Direct Costs	5700-5799			-			-			-
Professional/Consulting Services and Operating Expend.	5800	1,019,142.00	84,987.00	1,104,129.00	251,563.13		251,563.13	1,816,239.43		1,816,239.43
Communications	5900	10,000.00		10,000.00	798.38		798.38	9,000.38		9,000.38
Total, Services and Other Operating Expenditures		4,758,804.00	648,589.00	5,407,393.00	1,270,385.93	144,216.32	1,414,602.25	6,468,299.96	1,526,980.02	7,995,279.98

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Detail**

Charter School Name: Inspire Charter - Kern
(continued)
CDS #: 15 63628 0134312
Charter Approving Entity: Maricopa Unified
County: Kern
Charter #: 1816
Fiscal Year: 2017/18

This charter school uses the following basis of accounting:

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

Description	Object Code	Adopted Budget - July 1			Actuals thru 10/31			1st Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
6. Capital Outlay (Objects 6100-6170, 6200-6500 for modified accrual basis only)										
Land and Land Improvements	6100-6170			-			-			-
Buildings and Improvements of Buildings	6200			-			-			-
Books and Media for New School Libraries or Major Expansion of School Libraries	6300			-			-			-
Equipment	6400			-			-			-
Equipment Replacement	6500			-			-			-
Depreciation Expense (for accrual basis only)	6900			-			-			-
Total, Capital Outlay				-			-			-
7. Other Outgo										
Tuition to Other Schools	7110-7143			-			-			-
Transfers of Pass-through Revenues to Other LEAs	7211-7213			-			-			-
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE			-			-			-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO			-			-			-
All Other Transfers	7281-7299			-			-			-
Transfers of Indirect Costs	7300-7399			-			-			-
Debt Service:										
Interest	7438	1,197,000.00		1,197,000.00	754,994.00		754,994.00	2,482,540.92		2,482,540.92
Principal (for modified accrual basis only)	7439			-			-			-
Total, Other Outgo		1,197,000.00	-	1,197,000.00	754,994.00	-	754,994.00	2,482,540.92	-	2,482,540.92
8. TOTAL EXPENDITURES		26,429,453.00	2,250,360.00	28,679,813.00	9,729,875.67	248,672.31	9,978,547.98	35,843,973.43	3,130,837.11	38,974,810.54
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		1,796,656.00	-	1,796,656.00	(6,551,483.39)	-	(6,551,483.39)	3,664,820.73	0.00	3,664,820.73
D. OTHER FINANCING SOURCES / USES										
1. Other Sources	8930-8979			-			-			-
2. Less: Other Uses	7630-7699			-			-			-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999			-			-			-
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	-	-	-	-	-
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		1,796,656.00	-	1,796,656.00	(6,551,483.39)	-	(6,551,483.39)	3,664,820.73	0.00	3,664,820.73
F. FUND BALANCE, RESERVES										
1. Beginning Fund Balance										
a. As of July 1	9791	(6,106,857.71)		(6,106,857.71)	(6,106,857.71)		(6,106,857.71)	(6,106,857.71)		(6,106,857.71)
b. Adjustments to Beginning Balance	9793, 9795	(531,353.80)		(531,353.80)	(531,353.80)		(531,353.80)	(531,353.80)		(531,353.80)
c. Adjusted Beginning Balance		(6,638,211.51)	-	(6,638,211.51)	(6,638,211.51)	-	(6,638,211.51)	(6,638,211.51)	-	(6,638,211.51)
2. Ending Fund Balance, June 30 (E + F.1.c.)		(4,841,555.51)	-	(4,841,555.51)	(13,189,694.90)	-	(13,189,694.90)	(2,973,390.78)	0.00	(2,973,390.78)
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)	9711			-			-			-
Stores (equals object 9320)	9712			-			-			-
Prepaid Expenditures (equals object 9330)	9713			-			-			-
All Others	9719			-			-			-
b. Restricted	9740			-			-			-
c. Committed										
Stabilization Arrangements	9750			-			-			-
Other Commitments	9760			-			-			-
d. Assigned										
Other Assignments	9780			-			-			-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties	9789	1,433,990.65		1,433,990.65	498,927.40		498,927.40	1,948,740.53		1,948,740.53
Unassigned/Unappropriated Amount	9790	(6,275,546.16)	-	(6,275,546.16)	(13,688,622.30)	-	(13,688,622.30)	(4,922,131.31)	0.00	(4,922,131.31)

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary**

Charter School Name: Inspire Charter - Kern
 (continued)
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Budget Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
A. REVENUES						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	25,724,393.00	2,983,516.00	36,795,885.00	11,071,492.00	43.04%
Education Protection Account State Aid - Current Year	8012	665,000.00	99,850.00	931,200.33	266,200.33	40.03%
State Aid - Prior Years	8019	-	-	-	-	-
Transfers to Charter Schools Funding in Lieu of Property Taxes	8096	930,834.00	79,931.00	716,791.20	(214,042.80)	-22.99%
Other LCFF Transfers	8091, 8097	-	-	-	-	-
Total, LCFF Sources		27,320,227.00	3,163,297.00	38,443,876.54	11,123,649.54	40.72%
2. Federal Revenues						
Every Student Succeeds Act (Title I-V)	8290	-	-	-	-	-
Special Education - Federal	8181, 8182	415,625.00	-	582,000.00	166,375.00	40.03%
Child Nutrition - Federal	8220	-	-	-	-	-
Donated Food Commodities	8221	-	-	-	-	-
Other Federal Revenues	8110, 8260-8299	-	(24,999.69)	(24,999.69)	(24,999.69)	New
Total, Federal Revenues		415,625.00	(24,999.69)	557,000.31	141,375.31	34.02%
3. Other State Revenues						
Special Education - State	StateRevSE	1,709,050.00	273,672.00	2,393,184.00	684,134.00	40.03%
All Other State Revenues	StateRevAO	1,031,567.00	15,095.28	1,245,570.43	214,003.43	20.75%
Total, Other State Revenues		2,740,617.00	288,767.28	3,638,754.43	898,137.43	32.77%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	-	-	-	-	-
Total, Local Revenues		-	-	-	-	-
5. TOTAL REVENUES						
		30,476,469.00	3,427,064.59	42,639,631.28	12,163,162.28	39.91%
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	7,534,082.00	2,546,623.35	8,644,517.75	1,110,435.75	14.74%
Certificated Pupil Support Salaries	1200	244,365.00	103,424.63	358,698.07	114,333.07	46.79%
Certificated Supervisors' and Administrators' Salaries	1300	1,250,520.00	570,201.34	1,629,660.86	379,140.86	30.32%
Other Certificated Salaries	1900	-	-	-	-	-
Total, Certificated Salaries		9,028,967.00	3,220,249.32	10,632,876.68	1,603,909.68	17.76%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	3,073,792.00	1,292,349.75	3,804,355.43	730,563.43	23.77%
Non-certificated Support Salaries	2200	49,500.00	-	-	(49,500.00)	(100%)
Non-certificated Supervisors' and Administrators' Sal.	2300	-	13,342.40	13,342.40	13,342.40	New
Clerical and Office Salaries	2400	153,232.00	46,462.43	146,333.15	(6,898.85)	-4.50%
Other Non-certificated Salaries	2900	-	-	-	-	-
Total, Non-certificated Salaries		3,276,524.00	1,352,154.58	3,964,030.98	687,506.98	20.98%
3. Employee Benefits						
STRS	3101-3102	1,302,880.00	441,643.18	1,511,285.31	208,405.31	16.00%
PERS	3201-3202	-	-	-	-	-
OASDI / Medicare / Alternative	3301-3302	203,144.00	163,668.24	470,959.88	267,815.88	131.84%
Health and Welfare Benefits	3401-3402	1,642,667.00	737,800.84	2,583,561.40	940,894.40	57.28%
Unemployment Insurance	3501-3502	85,538.00	63,137.23	132,029.40	46,491.40	54.35%
Workers' Compensation Insurance	3601-3602	172,277.00	55,873.50	196,216.55	23,939.55	13.90%
OPEB, Allocated	3701-3702	-	-	-	-	-
OPEB, Active Employees	3751-3752	-	-	-	-	-
Other Employee Benefits	3901-3902	-	31,744.17	31,744.17	31,744.17	New
Total, Employee Benefits		3,406,506.00	1,493,867.16	4,925,796.71	1,519,290.72	44.60%

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary**

Charter School Name: Inspire Charter - Kern
 (continued)
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Budget Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	331,776.00	342,848.57	2,482,620.67	2,150,844.67	648.28%
Books and Other Reference Materials	4200	591,549.00	273,105.30	1,084,395.58	492,846.58	83.31%
Materials and Supplies	4300	3,858,043.00	1,017,294.06	4,639,680.74	781,637.74	20.26%
Noncapitalized Equipment	4400	1,582,055.00	109,432.74	767,588.28	(814,466.72)	-51.48%
Food	4700	-	-	-	-	
Total, Books and Supplies		6,363,423.00	1,742,680.67	8,974,285.27	2,610,862.27	41.03%
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	4,021,484.00	986,443.45	5,634,662.60	1,613,178.60	40.11%
Travel and Conferences	5200	25,000.00	14,890.14	31,556.81	6,556.81	26.23%
Dues and Memberships	5300	10,000.00	2,548.08	9,820.81	(179.19)	-1.79%
Insurance	5400	20,000.00	39,580.50	145,132.50	125,132.50	625.66%
Operations and Housekeeping Services	5500	115,940.00	72,339.74	160,899.74	44,959.74	38.78%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	100,840.00	46,438.83	187,967.72	87,127.72	86.40%
Transfers of Direct Costs	5700-5799	-	-	-	-	
Professional/Consulting Services and Operating Expend.	5800	1,104,129.00	251,563.13	1,816,239.43	712,110.43	64.50%
Communications	5900	10,000.00	798.38	9,000.38	(999.62)	-10.00%
Total, Services and Other Operating Expenditures		5,407,393.00	1,414,602.25	7,995,279.98	2,587,886.98	47.86%
6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis only)						
Land and Land Improvements	6100-6170	-	-	-	-	
Buildings and Improvements of Buildings	6200	-	-	-	-	
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	
Equipment	6400	-	-	-	-	
Equipment Replacement	6500	-	-	-	-	
Depreciation Expense (for accrual basis only)	6900	-	-	-	-	
Total, Capital Outlay		-	-	-	-	
7. Other Outgo						
Tuition to Other Schools	7110-7143	-	-	-	-	
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	
All Other Transfers	7281-7299	-	-	-	-	
Transfers of Indirect Costs	7300-7399	-	-	-	-	
Debt Service:						
Interest	7438	1,197,000.00	754,994.00	2,482,540.92	1,285,540.92	107.40%
Principal (for modified accrual basis only)	7439	-	-	-	-	
Total, Other Outgo		1,197,000.00	754,994.00	2,482,540.92	1,285,540.92	107.40%
8. TOTAL EXPENDITURES		28,679,813.00	9,978,547.98	38,974,810.54	10,294,997.54	35.90%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		1,796,656.00	(6,551,483.39)	3,664,820.73	1,868,164.73	103.98%

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary**

Charter School Name: Inspire Charter - Kern
 (continued) _____
 CDS #: 15 63628 0134312 _____
 Charter Approving Entity: Maricopa Unified _____
 County: Kern _____
 Charter #: 1816 _____
 Fiscal Year: 2017/18 _____

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Budget Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	-	-	-	-	
2. Less: Other Uses	7630-7699	-	-	-	-	
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	-	-	-	-	
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)						
		1,796,656.00	(6,551,483.39)	3,664,820.73	1,868,164.73	103.98%
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	(6,106,857.71)	(6,106,857.71)	(6,106,857.71)	-	0.00%
b. Adjustments/Restatements	9793, 9795	(531,353.80)	(531,353.80)	(531,353.80)	-	0.00%
c. Adjusted Beginning Fund Balance		(6,638,211.51)	(6,638,211.51)	(6,638,211.51)		
2. Ending Fund Balance, June 30 (E + F.1.c.)		(4,841,555.51)	(13,189,694.90)	(2,973,390.78)		
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted	9740	-	-	-	-	
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	1,433,990.65	498,927.40	1,948,740.53	514,749.88	35.90%
Unassigned/Unappropriated Amount	9790	(6,275,546.16)	(13,688,622.30)	(4,922,131.31)	1,353,414.85	-21.57%

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

Charter School Name: Inspire Charter - Kern
 (continued) _____
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

This charter school uses the following basis of accounting:

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

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
A. REVENUES						
1. LCFF Sources						
State Aid - Current Year	8011	36,795,885.00	0.00	36,795,885.00	37,649,462.77	38,610,487.44
Education Protection Account State Aid - Current Year	8012	931,200.33	0.00	931,200.33	931,200.33	931,200.33
State Aid - Prior Years	8019	0.00	0.00	0.00	0.00	0.00
Transfers of Charter Schools in Lieu of Property Taxes	8096	716,791.20	0.00	716,791.20	716,791.20	716,791.20
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00	0.00	0.00
Total, LCFF Sources		38,443,876.54	0.00	38,443,876.54	39,297,454.30	40,258,478.97
2. Federal Revenues						
Every Student Succeeds Act (Title I - V)	8290	0.00	0.00	0.00	0.00	0.00
Special Education - Federal	8181, 8182	0.00	582,000.00	582,000.00	582,000.00	582,000.00
Child Nutrition - Federal	8220	0.00	0.00	0.00	0.00	0.00
Donated Food Commodities	8221	0.00	0.00	0.00	0.00	0.00
Other Federal Revenues	8110, 8260-8299	0.00	(24,999.69)	(24,999.69)	(24,999.69)	(24,999.69)
Total, Federal Revenues		0.00	557,000.31	557,000.31	557,000.31	557,000.31
3. Other State Revenues						
Special Education - State	StateRevSE	0.00	2,393,184.00	2,393,184.00	2,393,184.00	2,393,184.00
All Other State Revenues	StateRevAO	1,064,917.63	180,652.80	1,245,570.43	996,823.00	996,823.00
Total, Other State Revenues		1,064,917.63	2,573,836.80	3,638,754.43	3,390,007.00	3,390,007.00
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	0.00	0.00	0.00	0.00	0.00
Total, Local Revenues		0.00	0.00	0.00	0.00	0.00
5. TOTAL REVENUES						
		39,508,794.17	3,130,837.11	42,639,631.28	43,244,461.60	44,205,486.28
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	7,577,347.82	1,067,169.93	8,644,517.75	8,817,408.11	8,993,756.27
Certificated Pupil Support Salaries	1200	358,698.07	0.00	358,698.07	365,872.03	373,189.47
Certificated Supervisors' and Administrators' Salaries	1300	1,629,660.86	0.00	1,629,660.86	1,662,254.08	1,695,499.16
Other Certificated Salaries	1900	0.00	0.00	0.00	0.00	0.00
Total, Certificated Salaries		9,565,706.75	1,067,169.93	10,632,876.68	10,845,534.21	11,062,444.90
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	3,804,355.43	0.00	3,804,355.43	3,880,442.54	3,958,051.39
Non-certificated Support Salaries	2200	0.00	0.00	0.00	0.00	0.00
Non-certificated Supervisors' and Administrators' Sal.	2300	13,342.40	0.00	13,342.40	13,609.25	13,881.43
Clerical and Office Salaries	2400	146,333.15	0.00	146,333.15	149,259.81	152,245.01
Other Non-certificated Salaries	2900	0.00	0.00	0.00	0.00	0.00
Total, Non-certificated Salaries		3,964,030.98	0.00	3,964,030.98	4,043,311.60	4,124,177.83

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

Charter School Name: Inspire Charter - Kern
 (continued) _____
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
3. Employee Benefits						
STRS	3101-3102	1,359,604.98	151,680.33	1,511,285.31	1,541,511.01	1,572,341.23
PERS	3201-3202	0.00	0.00	0.00	0.00	0.00
OASDI / Medicare / Alternative	3301-3302	454,486.41	16,473.47	470,959.88	480,379.08	489,986.66
Health and Welfare Benefits	3401-3402	2,394,678.99	188,882.41	2,583,561.40	2,635,232.63	2,687,937.28
Unemployment Insurance	3501-3502	122,376.82	9,652.58	132,029.40	134,669.99	137,363.39
Workers' Compensation Insurance	3601-3602	181,871.29	14,345.26	196,216.55	200,140.88	204,143.70
OPEB, Allocated	3701-3702	0.00	0.00	0.00	0.00	0.00
OPEB, Active Employees	3751-3752	0.00	0.00	0.00	0.00	0.00
Other Employee Benefits	3901-3902	31,744.17	0.00	31,744.17	32,379.05	33,026.63
Total, Employee Benefits		4,544,762.66	381,034.05	4,925,796.71	5,024,312.65	5,124,798.90
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	2,301,967.87	180,652.80	2,482,620.67	2,532,273.08	2,582,918.54
Books and Other Reference Materials	4200	1,084,395.58	0.00	1,084,395.58	1,106,083.49	1,128,205.16
Materials and Supplies	4300	4,639,680.74	0.00	4,639,680.74	4,732,474.35	4,827,123.84
Noncapitalized Equipment	4400	792,587.97	(24,999.69)	767,588.28	782,940.05	798,598.85
Food	4700	0.00	0.00	0.00		
Total, Books and Supplies		8,818,632.16	155,653.11	8,974,285.27	9,153,770.97	9,336,846.39
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	4,107,682.58	1,526,980.02	5,634,662.60	5,747,355.85	5,862,302.97
Travel and Conferences	5200	31,556.81	0.00	31,556.81	32,187.94	32,831.70
Dues and Memberships	5300	9,820.81	0.00	9,820.81	10,017.22	10,217.57
Insurance	5400	145,132.50	0.00	145,132.50	148,035.15	150,995.85
Operations and Housekeeping Services	5500	160,899.74	0.00	160,899.74	164,117.73	167,400.09
Rentals, Leases, Repairs, and Noncap. Improvements	5600	187,967.72	0.00	187,967.72	191,727.07	195,561.61
Transfers of Direct Costs	5700-5799	0.00	0.00	0.00	0.00	0.00
Professional/Consulting Services and Operating Expend.	5800	1,816,239.43	0.00	1,816,239.43	1,855,105.22	1,897,459.59
Communications	5900	9,000.38	0.00	9,000.38	9,180.39	9,364.00
Total, Services and Other Operating Expenditures		6,468,299.96	1,526,980.02	7,995,279.98	8,157,726.59	8,326,133.39
6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis only)						
Land and Land Improvements	6100-6170	0.00	0.00	0.00	0.00	0.00
Buildings and Improvements of Buildings	6200	0.00	0.00	0.00	0.00	0.00
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0.00	0.00	0.00	0.00	0.00
Equipment	6400	0.00	0.00	0.00	0.00	0.00
Equipment Replacement	6500	0.00	0.00	0.00	0.00	0.00
Depreciation Expense (for accrual basis only)	6900	0.00	0.00	0.00	0.00	0.00
Total, Capital Outlay		0.00	0.00	0.00	0.00	0.00
7. Other Outgo						
Tuition to Other Schools	7110-7143	0.00	0.00	0.00	0.00	0.00
Transfers of Pass-through Revenues to Other LEAs	7211-7213	0.00	0.00	0.00	0.00	0.00
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0.00	0.00	0.00	0.00	0.00
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00	0.00	0.00	0.00
All Other Transfers	7280-7299	0.00	0.00	0.00	0.00	0.00
Transfers of Indirect Costs	7300-7399	0.00	0.00	0.00	0.00	0.00
Debt Service:						
Interest	7438	2,482,540.92	0.00	2,482,540.92	0.00	0.00
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00	0.00	0.00
Total, Other Outgo		2,482,540.92	0.00	2,482,540.92	0.00	0.00
8. TOTAL EXPENDITURES		35,843,973.43	3,130,837.11	38,974,810.54	37,224,656.02	37,974,401.41
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		3,664,820.73	0.00	3,664,820.73	6,019,805.58	6,231,084.86

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

Charter School Name: Inspire Charter - Kern
 (continued) _____
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	0.00	0.00	0.00	0.00	0.00
2. Less: Other Uses	7630-7699	0.00	0.00	0.00	0.00	0.00
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0.00	0.00	0.00	0.00	0.00
4. TOTAL OTHER FINANCING SOURCES / USES		0.00	0.00	0.00	0.00	0.00
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		3,664,820.73	0.00	3,664,820.73	6,019,805.58	6,231,084.86
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	(6,106,857.71)	0.00	(6,106,857.71)	(2,973,390.78)	3,046,414.80
b. Adjustments/Restatements	9793, 9795	(531,353.80)	0.00	(531,353.80)	0.00	0.00
c. Adjusted Beginning Balance		(6,638,211.51)	0.00	(6,638,211.51)	(2,973,390.78)	3,046,414.80
2. Ending Fund Balance, June 30 (E + F.1.c.)		(2,973,390.78)	0.00	(2,973,390.78)	3,046,414.80	9,277,499.66
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00	0.00	0.00
Stores (equals object 9320)	9712	0.00	0.00	0.00	0.00	0.00
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00	0.00	0.00
All Others	9719	0.00	0.00	0.00	0.00	0.00
b. Restricted	9740		0.00	0.00	0.00	0.00
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00	0.00	0.00
Other Commitments	9760	0.00	0.00	0.00	0.00	0.00
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00	0.00	0.00
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	1,948,740.53	0.00	1,948,740.53	1,861,232.80	1,898,720.07
Unassigned/Unappropriated Amount	9790	(4,922,131.31)	0.00	(4,922,131.31)	1,185,182.00	7,378,779.59

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Detail**

Charter School Name: Inspire Charter - Kern
 (continued)
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

This charter school uses the following basis of accounting:

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

Description	Object Code	1st Interim Budget			Actuals thru 1/31			2nd Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
A. REVENUES										
1. LCFF Revenue Sources										
State Aid - Current Year	8011	36,795,885.00		36,795,885.00	7,223,248.00		7,223,248.00	35,462,478.13		35,462,478.13
Education Protection Account State Aid - Current Year	8012	931,200.33		931,200.33	199,699.00		199,699.00	910,001.00		910,001.00
State Aid - Prior Years	8019			-			-	(230,237.00)		(230,237.00)
Transfer of Charter Schools In Lieu of Property Taxes	8096	716,791.20		716,791.20	153,713.00		153,713.00	1,721,266.38		1,721,266.38
Other LCFF Transfers	8091, 8097			-			-			-
Total, LCFF Sources		38,443,876.53	-	38,443,876.53	7,576,660.00	-	7,576,660.00	37,863,508.51	-	37,863,508.51
2. Federal Revenues										
Every Student Succeeds Act (Title I-V)	8290			-			-			-
Special Education - Federal	8181, 8182		582,000.00	582,000.00			-	568,750.46		568,750.46
Child Nutrition - Federal	8220			-			-			-
Donated Food Commodities	8221			-			-			-
Other Federal Revenues	8110, 8260-8299		(24,999.69)	(24,999.69)		0.31	0.31		0.31	0.31
Total, Federal Revenues		-	557,000.31	557,000.31	-	0.31	0.31	-	568,750.77	568,750.77
3. Other State Revenues										
Special Education - State	StateRevSE		2,393,184.00	2,393,184.00		537,570.00	537,570.00		2,338,701.87	2,338,701.87
All Other State Revenues	StateRevAO	1,064,917.63	180,652.80	1,245,570.43	294,271.26	16,524.87	310,796.13	1,078,825.84	193,065.01	1,271,890.85
Total, Other State Revenues		1,064,917.63	2,573,836.80	3,639,754.43	294,271.26	554,094.87	848,366.13	1,078,825.84	2,531,766.88	3,610,592.72
4. Other Local Revenues										
All Other Local Revenues	LocalRevAO			-			-			-
Total, Local Revenues		-	-	-	-	-	-	-	-	-
5. TOTAL REVENUES										
		39,508,794.16	3,130,837.11	42,639,631.27	7,870,931.26	554,095.18	8,425,026.44	38,942,334.35	3,100,517.65	42,042,852.00
B. EXPENDITURES										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	7,577,347.82	1,067,169.93	8,644,517.75	5,259,532.13	85,801.62	5,345,333.75	8,506,434.66	1,170,083.09	9,676,517.75
Certificated Pupil Support Salaries	1200	358,698.07		358,698.07	199,152.17		199,152.17	358,698.07		358,698.07
Certificated Supervisors' and Administrators' Salaries	1300	1,629,660.86		1,629,660.86	967,498.66		967,498.66	1,629,660.86		1,629,660.86
Other Certificated Salaries	1900			-			-			-
Total, Certificated Salaries		9,565,706.75	1,067,169.93	10,632,876.68	6,426,182.96	85,801.62	6,511,984.58	10,494,793.59	1,170,083.09	11,664,876.68
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	3,804,355.43		3,804,355.43	2,234,351.88		2,234,351.88	3,804,355.43		3,804,355.43
Non-certificated Support Salaries	2200			-			-			-
Non-certificated Supervisors' and Administrators' Sal.	2300	13,342.40		13,342.40	13,342.40		13,342.40	13,342.40		13,342.40
Clerical and Office Salaries	2400	146,333.15		146,333.15	83,913.95		83,913.95	146,333.15		146,333.15
Other Non-certificated Salaries	2900			-			-			-
Total, Non-certificated Salaries		3,964,030.98	-	3,964,030.98	2,331,608.23	-	2,331,608.23	3,964,030.98	-	3,964,030.98
3. Employee Benefits										
STRS	3101-3102	1,359,604.98	151,680.33	1,511,285.31	876,083.22	11,697.36	887,780.58	1,467,705.80	163,637.11	1,631,342.91
PERS	3201-3202			-			-			-
OASDI / Medicare / Alternative	3301-3302	454,486.41	16,473.47	470,959.88	282,077.98	1,348.63	283,426.61	465,251.25	17,772.63	483,023.88
Health and Welfare Benefits	3401-3402	2,394,678.99	188,882.41	2,583,561.40	1,416,087.39	13,873.66	1,429,961.05	2,390,138.96	193,422.44	2,583,561.40
Unemployment Insurance	3501-3502	122,376.82	9,652.58	132,029.40	92,372.58	904.98	93,277.56	122,144.81	9,884.59	132,029.40
Workers' Compensation Insurance	3601-3602	181,871.29	14,345.26	196,216.55	111,775.06	1,095.08	112,870.14	192,302.44	15,562.11	207,864.55
OPEB, Allocated	3701-3702			-			-			-
OPEB, Active Employees	3751-3752			-			-			-
Other Employee Benefits	3901-3902	31,744.17		31,744.17	31,744.17		31,744.17	31,744.17		31,744.17
Total, Employee Benefits		4,544,762.66	381,034.05	4,925,796.71	2,810,140.40	28,919.71	2,839,060.11	4,669,287.43	400,278.88	5,069,566.31
4. Books and Supplies										
Approved Textbooks and Core Curricula Materials	4100	2,301,967.87	180,652.80	2,482,620.67	327,428.56	16,524.87	343,953.43	2,233,037.45	193,065.01	2,426,102.46
Books and Other Reference Materials	4200	1,084,395.58		1,084,395.58	495,431.25		495,431.25	1,059,708.73		1,059,708.73
Materials and Supplies	4300	4,639,680.74		4,639,680.74	1,927,532.62		1,927,532.62	4,530,302.00		4,530,302.00
Noncapitalized Equipment	4400	792,587.97	(24,999.69)	767,588.28	315,368.90		315,368.90	643,172.27		643,172.27
Food	4700			-			-			-
Total, Books and Supplies		8,818,632.16	155,653.11	8,974,285.27	3,065,761.33	16,524.87	3,082,286.20	8,466,220.45	193,065.01	8,659,285.46
5. Services and Other Operating Expenditures										
Subagreements for Services	5100	4,107,682.58	1,526,980.02	5,634,662.60	2,374,082.01	422,848.67	2,796,930.68	4,014,168.97	1,337,090.36	5,351,259.33
Travel and Conferences	5200	31,556.81		31,556.81	36,799.31	0.31	36,799.62	46,052.16	0.31	46,052.47
Dues and Memberships	5300	9,820.81		9,820.81	3,798.08		3,798.08	8,559.98		8,559.98
Insurance	5400	145,132.50		145,132.50	64,385.28		64,385.28	93,415.98		93,415.98
Operations and Housekeeping Services	5500	160,899.73		160,899.73	159,302.63		159,302.63	205,028.72		205,028.72
Rentals, Leases, Repairs, and Noncap. Improvements	5600	187,967.72		187,967.72	73,722.10		73,722.10	144,690.61		144,690.61
Transfers of Direct Costs	5700-5799			-			-			-
Professional/Consulting Services and Operating Expend.	5800	1,816,239.43		1,816,239.43	487,848.49		487,848.49	2,028,729.35		2,028,729.35
Communications	5900	9,000.38		9,000.38	1,905.42		1,905.42	7,460.98		7,460.98
Total, Services and Other Operating Expenditures		6,468,299.96	1,526,980.02	7,995,279.98	3,201,843.32	422,848.98	3,624,692.30	6,548,106.75	1,337,090.67	7,885,197.42

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Detail**

Charter School Name: Inspire Charter - Kern
(continued)
CDS #: 15 63628 0134312
Charter Approving Entity: Maricopa Unified
County: Kern
Charter #: 1816
Fiscal Year: 2017/18

This charter school uses the following basis of accounting:

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

Description	Object Code	1st Interim Budget			Actuals thru 1/31			2nd Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
6. Capital Outlay (Objects 6100-6170, 6200-6500 for modified accrual basis only)										
Land and Land Improvements	6100-6170			-			-			-
Buildings and Improvements of Buildings	6200			-			-			-
Books and Media for New School Libraries or Major Expansion of School Libraries	6300			-			-			-
Equipment	6400			-			-			-
Equipment Replacement	6500			-			-			-
Depreciation Expense (for accrual basis only)	6900			-			-			-
Total, Capital Outlay		-	-	-	-	-	-	-	-	-
7. Other Outgo										
Tuition to Other Schools	7110-7143			-			-			-
Transfers of Pass-through Revenues to Other LEAs	7211-7213			-			-			-
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE			-			-			-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO			-			-			-
All Other Transfers	7281-7299			-			-			-
Transfers of Indirect Costs	7300-7399			-			-			-
Debt Service:										
Interest	7438	2,482,540.92		2,482,540.92	1,544,015.00		1,544,015.00	2,214,622.00		2,214,622.00
Principal (for modified accrual basis only)	7439			-			-			-
Total, Other Outgo		2,482,540.92	-	2,482,540.92	1,544,015.00	-	1,544,015.00	2,214,622.00	-	2,214,622.00
8. TOTAL EXPENDITURES		35,843,973.43	3,130,837.11	38,974,810.54	19,379,551.24	554,095.18	19,933,646.42	36,357,061.20	3,100,517.65	39,457,578.85
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)										
		3,664,820.73	0.00	3,664,820.73	(11,508,619.98)	0.00	(11,508,619.98)	2,585,273.15	(0.00)	2,585,273.15
D. OTHER FINANCING SOURCES / USES										
1. Other Sources	8930-8979			-			-			-
2. Less: Other Uses	7630-7699			-			-			-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999			-			-			-
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	-	-	-	-	-
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)										
		3,664,820.73	0.00	3,664,820.73	(11,508,619.98)	0.00	(11,508,619.98)	2,585,273.15	(0.00)	2,585,273.15
F. FUND BALANCE, RESERVES										
1. Beginning Fund Balance										
a. As of July 1	9791	(6,106,857.71)		(6,106,857.71)	(6,106,857.71)		(6,106,857.71)	(6,106,857.71)		(6,106,857.71)
b. Adjustments to Beginning Balance	9793, 9795	(531,353.80)		(531,353.80)	(531,353.80)		(531,353.80)	(531,353.80)		(531,353.80)
c. Adjusted Beginning Balance		(6,638,211.51)	-	(6,638,211.51)	(6,638,211.51)	-	(6,638,211.51)	(6,638,211.51)	-	(6,638,211.51)
2. Ending Fund Balance, June 30 (E + F.1.c.)		(2,973,390.78)	0.00	(2,973,390.78)	(18,146,831.49)	0.00	(18,146,831.49)	(4,052,938.36)	(0.00)	(4,052,938.36)
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)	9711			-			-			-
Stores (equals object 9320)	9712			-			-			-
Prepaid Expenditures (equals object 9330)	9713			-			-			-
All Others	9719			-			-			-
b. Restricted	9740			-		0.00	0.00		(0.00)	(0.00)
c. Committed										
Stabilization Arrangements	9750			-			-			-
Other Commitments	9760			-			-			-
d. Assigned										
Other Assignments	9780			-			-			-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties	9789	1,948,740.53		1,948,740.53	996,682.32		996,682.32	1,972,878.94		1,972,878.94
Unassigned/Unappropriated Amount	9790	(4,922,131.31)	0.00	(4,922,131.31)	(19,143,513.81)	-	(19,143,513.81)	(6,025,817.30)	-	(6,025,817.30)

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Summary**

Charter School Name: Inspire Charter - Kern
 (continued)
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

Description	Object Code	1st Interim Budget (X)	Actuals thru 1/31 (Y)	2nd Interim Budget (Z)	2nd Interim vs. 1st Interim Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
A. REVENUES						
1. LCFF Revenue Sources						
State Aid - Current Year	8011	36,795,885.00	7,223,248.00	35,462,478.13	(1,333,406.87)	-3.62%
Education Protection Account State Aid - Current Year	8012	931,200.33	199,699.00	910,001.00	(21,199.33)	-2.28%
State Aid - Prior Years	8019	-	-	(230,237.00)	(230,237.00)	New
Transfer of Charter Schools In Lieu of Property Taxes	8096	716,791.20	153,713.00	1,721,266.38	1,004,475.18	140.13%
Other LCFF Transfers	8091, 8097	-	-	-	-	-
Total, LCFF Sources		38,443,876.53	7,576,660.00	37,863,508.51	(580,368.02)	-1.51%
2. Federal Revenues						
Every Student Succeeds Act (Title I - V)	8290	-	-	-	-	-
Special Education - Federal	8181, 8182	582,000.00	-	568,750.46	(13,249.54)	-2.28%
Child Nutrition - Federal	8220	-	-	-	-	-
Donated Food Commodities	8221	-	-	-	-	-
Other Federal Revenues	8110, 8260-8299	(24,999.69)	0.31	0.31	25,000.00	-100.00%
Total, Federal Revenues		557,000.31	0.31	568,750.77	11,750.46	2.11%
3. Other State Revenues						
Special Education - State	StateRevSE	2,393,184.00	537,570.00	2,338,701.87	(54,482.13)	-2.28%
All Other State Revenues	StateRevAO	1,245,570.43	310,796.13	1,271,890.85	26,320.42	2.11%
Total, Other State Revenues		3,638,754.43	848,366.13	3,610,592.72	(28,161.71)	-0.77%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	-	-	-	-	-
Total, Local Revenues		-	-	-	-	-
5. TOTAL REVENUES						
		42,639,631.27	8,425,026.44	42,042,852.00	(596,779.27)	-1.40%
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	8,644,517.75	5,345,333.75	9,676,517.75	1,032,000.00	11.94%
Certificated Pupil Support Salaries	1200	358,698.07	199,152.17	358,698.07	-	0.00%
Certificated Supervisors' and Administrators' Salaries	1300	1,629,660.86	967,498.66	1,629,660.86	-	0.00%
Other Certificated Salaries	1900	-	-	-	-	-
Total, Certificated Salaries		10,632,876.68	6,511,984.58	11,664,876.68	1,032,000.00	9.71%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	3,804,355.43	2,234,351.88	3,804,355.43	-	0.00%
Non-certificated Support Salaries	2200	-	-	-	-	-
Non-certificated Supervisors' and Administrators' Sal.	2300	13,342.40	13,342.40	13,342.40	-	0.00%
Clerical and Office Salaries	2400	146,333.15	83,913.95	146,333.15	-	0.00%
Other Non-certificated Salaries	2900	-	-	-	-	-
Total, Non-certificated Salaries		3,964,030.98	2,331,608.23	3,964,030.98	-	0.00%
3. Employee Benefits						
STRS	3101-3102	1,511,285.31	887,780.58	1,631,342.91	120,057.60	7.94%
PERS	3201-3202	-	-	-	-	-
OASDI / Medicare / Alternative	3301-3302	470,959.88	283,426.61	483,023.88	12,064.00	2.56%
Health and Welfare Benefits	3401-3402	2,583,561.40	1,429,961.05	2,583,561.40	-	0.00%
Unemployment Insurance	3501-3502	132,029.40	93,277.56	132,029.40	(0.00)	0.00%
Workers' Compensation Insurance	3601-3602	196,216.55	112,870.14	207,864.55	11,648.00	5.94%
OPEB, Allocated	3701-3702	-	-	-	-	-
OPEB, Active Employees	3751-3752	-	-	-	-	-
Other Employee Benefits	3901-3902	31,744.17	31,744.17	31,744.17	-	0.00%
Total, Employee Benefits		4,925,796.71	2,839,060.11	5,069,566.31	143,769.60	2.92%

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Summary**

Charter School Name: Inspire Charter - Kern
 (continued)
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

Description	Object Code	1st Interim Budget (X)	Actuals thru 1/31 (Y)	2nd Interim Budget (Z)	2nd Interim vs. 1st Interim Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	2,482,620.67	343,953.43	2,426,102.46	(56,518.21)	-2.28%
Books and Other Reference Materials	4200	1,084,395.58	495,431.25	1,059,708.73	(24,686.85)	-2.28%
Materials and Supplies	4300	4,639,680.74	1,927,532.62	4,530,302.00	(109,378.74)	-2.36%
Noncapitalized Equipment	4400	767,588.28	315,368.90	643,172.27	(124,416.01)	-16.21%
Food	4700	-	-	-	-	-
Total, Books and Supplies		8,974,285.27	3,082,286.20	8,659,285.46	(314,999.81)	-3.51%
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	5,634,662.60	2,796,930.68	5,351,259.33	(283,403.27)	-5.03%
Travel and Conferences	5200	31,556.81	36,799.62	46,052.47	14,495.66	45.94%
Dues and Memberships	5300	9,820.81	3,798.08	8,559.98	(1,260.83)	-12.84%
Insurance	5400	145,132.50	64,385.28	93,415.98	(51,716.52)	-35.63%
Operations and Housekeeping Services	5500	160,899.73	159,302.63	205,028.72	44,128.99	27.43%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	187,967.72	73,722.10	144,690.61	(43,277.11)	-23.02%
Transfers of Direct Costs	5700-5799	-	-	-	-	-
Professional/Consulting Services and Operating Expend.	5800	1,816,239.43	487,848.49	2,028,729.35	212,489.92	11.70%
Communications	5900	9,000.38	1,905.42	7,460.98	(1,539.40)	-17.10%
Total, Services and Other Operating Expenditures		7,995,279.98	3,624,692.30	7,885,197.42	(110,082.56)	-1.38%
6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis only)						
Land and Land Improvements	6100-6170	-	-	-	-	-
Buildings and Improvements of Buildings	6200	-	-	-	-	-
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	-
Equipment	6400	-	-	-	-	-
Equipment Replacement	6500	-	-	-	-	-
Depreciation Expense (for accrual basis only)	6900	-	-	-	-	-
Total, Capital Outlay		-	-	-	-	-
7. Other Outgo						
Tuition to Other Schools	7110-7143	-	-	-	-	-
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	-
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	-
All Other Transfers	7281-7299	-	-	-	-	-
Transfers of Indirect Costs	7300-7399	-	-	-	-	-
Debt Service:						
Interest	7438	2,482,540.92	1,544,015.00	2,214,622.00	(267,918.92)	-10.79%
Principal (for modified accrual basis only)	7439	-	-	-	-	-
Total, Other Outgo		2,482,540.92	1,544,015.00	2,214,622.00	(267,918.92)	-10.79%
8. TOTAL EXPENDITURES		38,974,810.54	19,933,646.42	39,457,578.85	482,768.31	1.24%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		3,664,820.73	(11,508,619.98)	2,585,273.15	(1,079,547.58)	-29.46%

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
Second Interim Report - Summary**

Charter School Name: Inspire Charter - Kern
 (continued)
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

Description	Object Code	1st Interim Budget (X)	Actuals thru 1/31 (Y)	2nd Interim Budget (Z)	2nd Interim vs. 1st Interim Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	-	-	-	-	
2. Less: Other Uses	7630-7699	-	-	-	-	
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	-	-	-	-	
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)						
		3,664,820.73	(11,508,619.98)	2,585,273.15	(1,079,547.58)	-29.46%
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	(6,106,857.71)	(6,106,857.71)	(6,106,857.71)	-	0.00%
b. Adjustments to Beginning Balance	9793, 9795	(531,353.80)	(531,353.80)	(531,353.80)	-	0.00%
c. Adjusted Beginning Balance		(6,638,211.51)	(6,638,211.51)	(6,638,211.51)		
2. Ending Fund Balance, June 30 (E + F.1.c.)		(2,973,390.78)	(18,146,831.49)	(4,052,938.36)		
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted	9740	-	0.00	(0.00)	(0.00)	New
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	1,948,740.53	996,682.32	1,972,878.94	24,138.42	1.24%
Unassigned/Unappropriated Amount	9790	(4,922,131.31)	(19,143,513.81)	(6,025,817.30)	(1,103,685.99)	22.42%

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

Charter School Name: Inspire Charter - Kern
 (continued) _____
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

This charter school uses the following basis of accounting:

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

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
A. REVENUES						
1. LCFF Revenue Sources						
State Aid - Current Year	8011	35,462,478.13	0.00	35,462,478.13	36,535,523.60	37,641,918.57
Education Protection Account State Aid - Current Year	8012	910,001.00	0.00	910,001.00	910,001.00	910,001.00
State Aid - Prior Years	8019	(230,237.00)	0.00	(230,237.00)		
Transfers of Charter Schools In Lieu of Property Taxes	8096	1,721,266.38	0.00	1,721,266.38	1,721,266.38	1,721,266.38
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00		
Total, LCFF Sources		37,863,508.51	0.00	37,863,508.51	39,166,790.98	40,273,185.95
2. Federal Revenues						
Every Student Succeeds Act (Title I - V)	8290	0.00	0.00	0.00		
Special Education - Federal	8181, 8182	0.00	568,750.46	568,750.46	568,750.46	568,750.46
Child Nutrition - Federal	8220	0.00	0.00	0.00		
Donated Food Commodities	8221	0.00	0.00	0.00		
Other Federal Revenues	8110, 8260-8299	0.00	0.31	0.31		
Total, Federal Revenues		0.00	568,750.77	568,750.77	568,750.46	568,750.46
3. Other State Revenues						
Special Education - State	StateRevSE	0.00	2,338,701.87	2,338,701.87	2,338,701.87	2,338,701.87
All Other State Revenues	StateRevAO	1,078,825.84	193,065.01	1,271,890.85	1,016,895.72	1,016,895.72
Total, Other State Revenues		1,078,825.84	2,531,766.88	3,610,592.72	3,355,597.59	3,355,597.59
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	0.00	0.00	0.00		
Total, Local Revenues		0.00	0.00	0.00	0.00	0.00
5. TOTAL REVENUES						
		38,942,334.35	3,100,517.65	42,042,852.00	43,091,139.03	44,197,534.00
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	8,506,434.66	1,170,083.09	9,676,517.75	9,870,048.11	10,067,449.07
Certificated Pupil Support Salaries	1200	358,698.07	0.00	358,698.07	365,872.03	373,189.47
Certificated Supervisors' and Administrators' Salaries	1300	1,629,660.86	0.00	1,629,660.86	1,662,254.08	1,695,499.16
Other Certificated Salaries	1900	0.00	0.00	0.00		
Total, Certificated Salaries		10,494,793.59	1,170,083.09	11,664,876.68	11,898,174.22	12,136,137.70
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	3,804,355.43	0.00	3,804,355.43	3,880,442.54	3,958,051.39
Non-certificated Support Salaries	2200	0.00	0.00	0.00		
Non-certificated Supervisors' and Administrators' Sal.	2300	13,342.40	0.00	13,342.40	13,609.25	13,881.43
Clerical and Office Salaries	2400	146,333.15	0.00	146,333.15	149,259.81	152,245.01
Other Non-certificated Salaries	2900	0.00	0.00	0.00		
Total, Non-certificated Salaries		3,964,030.98	0.00	3,964,030.98	4,043,311.60	4,124,177.83

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

Charter School Name: Inspire Charter - Kern
 (continued) _____
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
3. Employee Benefits						
STRS	3101-3102	1,467,705.80	163,637.11	1,631,342.91	1,663,969.77	1,697,249.16
PERS	3201-3202	0.00	0.00	0.00		
OASDI / Medicare / Alternative	3301-3302	465,251.25	17,772.63	483,023.88	492,684.36	502,538.05
Health and Welfare Benefits	3401-3402	2,390,138.96	193,422.44	2,583,561.40	2,635,232.63	2,687,937.28
Unemployment Insurance	3501-3502	122,144.81	9,884.59	132,029.40	134,669.99	137,363.39
Workers' Compensation Insurance	3601-3602	192,302.44	15,562.11	207,864.55	212,021.84	216,262.28
OPEB, Allocated	3701-3702	0.00	0.00	0.00		
OPEB, Active Employees	3751-3752	0.00	0.00	0.00		
Other Employee Benefits	3901-3902	31,744.17	0.00	31,744.17	32,379.05	33,026.63
Total, Employee Benefits		4,669,287.43	400,278.88	5,069,566.31	5,170,957.64	5,274,376.79
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	2,233,037.45	193,065.01	2,426,102.46	2,474,624.51	2,524,117.00
Books and Other Reference Materials	4200	1,059,708.73	0.00	1,059,708.73	1,080,902.90	1,102,520.96
Materials and Supplies	4300	4,530,302.00	0.00	4,530,302.00	4,620,908.04	4,713,326.21
Noncapitalized Equipment	4400	643,172.27	0.00	643,172.27	656,035.72	669,156.43
Food	4700	0.00	0.00	0.00		
Total, Books and Supplies		8,466,220.45	193,065.01	8,659,285.46	8,832,471.17	9,009,120.60
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	4,014,168.97	1,337,090.36	5,351,259.33	5,458,284.51	5,567,450.20
Travel and Conferences	5200	46,052.16	0.31	46,052.47	46,973.52	47,912.99
Dues and Memberships	5300	8,559.98	0.00	8,559.98	8,731.18	8,905.81
Insurance	5400	93,415.98	0.00	93,415.98	95,284.30	97,189.99
Operations and Housekeeping Services	5500	205,028.72	0.00	205,028.72	209,129.30	213,311.88
Rentals, Leases, Repairs, and Noncap. Improvements	5600	144,690.61	0.00	144,690.61	147,584.42	150,536.11
Transfers of Direct Costs	5700-5799	0.00	0.00	0.00		
Professional/Consulting Services and Operating Expend.	5800	2,028,729.35	0.00	2,028,729.35	2,085,684.31	2,137,089.77
Communications	5900	7,460.98	0.00	7,460.98	7,610.20	7,762.40
Total, Services and Other Operating Expenditures		6,548,106.75	1,337,090.67	7,885,197.42	8,059,281.74	8,230,159.15
6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis only)						
Land and Land Improvements	6100-6170	0.00	0.00	0.00		
Buildings and Improvements of Buildings	6200	0.00	0.00	0.00		
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0.00	0.00	0.00		
Equipment	6400	0.00	0.00	0.00		
Equipment Replacement	6500	0.00	0.00	0.00		
Depreciation Expense (for accrual basis only)	6900	0.00	0.00	0.00		
Total, Capital Outlay		0.00	0.00	0.00	0.00	0.00
7. Other Outgo						
Tuition to Other Schools	7110-7143	0.00	0.00	0.00		
Transfers of Pass-through Revenues to Other LEAs	7211-7213	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00	0.00		
All Other Transfers	7280-7299	0.00	0.00	0.00		
Transfers of Indirect Costs	7300-7399	0.00	0.00	0.00		
Debt Service:						
Interest	7438	2,214,622.00	0.00	2,214,622.00		
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00		
Total, Other Outgo		2,214,622.00	0.00	2,214,622.00	0.00	0.00
8. TOTAL EXPENDITURES		36,357,061.20	3,100,517.65	39,457,578.85	38,004,196.37	38,773,972.07
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		2,585,273.15	(0.00)	2,585,273.15	5,086,942.66	5,423,561.93

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

Charter School Name: Inspire Charter - Kern
 (continued) _____
 CDS #: 15 63628 0134312
 Charter Approving Entity: Maricopa Unified
 County: Kern
 Charter #: 1816
 Fiscal Year: 2017/18

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	0.00	0.00	0.00		
2. Less: Other Uses	7630-7699	0.00	0.00	0.00		
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0.00	0.00	0.00		
4. TOTAL OTHER FINANCING SOURCES / USES		0.00	0.00	0.00	0.00	0.00
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		2,585,273.15	(0.00)	2,585,273.15	5,086,942.66	5,423,561.93
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	(6,106,857.71)	0.00	(6,106,857.71)	(4,052,938.36)	1,034,004.30
b. Adjustments to Beginning Balance	9793, 9795	(531,353.80)	0.00	(531,353.80)		
c. Adjusted Beginning Balance		(6,638,211.51)	0.00	(6,638,211.51)	(4,052,938.36)	1,034,004.30
2. Ending Fund Balance, June 30 (E + F.1.c.)		(4,052,938.36)	(0.00)	(4,052,938.36)	1,034,004.30	6,457,566.23
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00		
Stores (equals object 9320)	9712	0.00	0.00	0.00		
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00		
All Others	9719	0.00	0.00	0.00		
b. Restricted	9740	0.00	(0.00)	(0.00)		
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00		
Other Commitments	9760	0.00	0.00	0.00		
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00		
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	1,972,878.94	0.00	1,972,878.94	1,900,209.82	1,938,698.60
Unassigned/Unappropriated Amount	9790	(6,025,817.30)	0.00	(6,025,817.30)	(866,205.52)	4,518,867.63

INSPIRE CHARTER SCHOOL KERN
KERN COUNTY
BAKERSFIELD, CALIFORNIA
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2017

INSPIRE CHARTER SCHOOL KERN
Financial Statements and Supplemental Information
Year Ended June 30, 2017

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Independent Auditor's Report

To the Board of Trustees of
Inspire Charter School Kern

Report on the Financial Statements

We have audited the accompanying financial statements of Inspire Charter School Kern (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 financial position of Inspire Charter School Kern as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that Inspire Charter School Kern will continue as a going concern. As discussed in Note K to the financial statements, Inspire Charter School Kern has suffered recurring increases in expenditures and has a net deficiency in net assets that raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note K. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as required by the *2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017, on our consideration of Inspire Charter School Kern'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 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 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 Inspire Charter School Kern's internal control over financial reporting and compliance.

Wilkinson Hadley King + LLP

El Cajon, California
December 14, 2017

Financial Statements

INSPIRE CHARTER SCHOOL KERN

Statement of Financial Position

June 30, 2017

ASSETS

Current Assets

Cash and cash equivalents	\$ 600,721
Accounts receivable	1,961,450
Prepaid expenditures	<u>7,245</u>
Total Current Assets	<u><u>2,569,416</u></u>

Noncurrent Assets

Deposits	<u>750</u>
Total Noncurrent Assets	<u><u>750</u></u>

TOTAL ASSETS \$ 2,570,166

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 279,038
Accrued expenses	1,343,187
Accounts payable related entity	1,630,333
Short term loan	<u>5,955,820</u>
Total Current Liabilities	<u><u>9,208,378</u></u>

Total Liabilities 9,208,378

Net Assets

Unrestricted	<u>(6,638,212)</u>
Total Net Assets	<u><u>(6,638,212)</u></u>

TOTAL LIABILITIES AND NET ASSETS \$ 2,570,166

The accompanying notes are an integral part of this statement.

INSPIRE CHARTER SCHOOL KERN

Statement of Activities
Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Revenue			
LCFF state aid, current year	\$ 15,450,655	\$ -	\$ 15,450,655
Education protection account funds	399,398	-	399,398
Payments in lieu of property taxes	307,437	-	307,437
Federal revenue	-	250,000	250,000
Other state revenue	<u>376,620</u>	<u>961,850</u>	<u>1,338,470</u>
Total Revenues	<u>16,534,110</u>	<u>1,211,850</u>	<u>17,745,960</u>
Net assets released from restrictions:			
Grant restrictions satisfied	<u>1,211,850</u>	<u>(1,211,850)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>17,745,960</u>	<u>-</u>	<u>17,745,960</u>
EXPENSES			
Certificated salaries	9,278,685	-	9,278,685
Classified salaries	3,434,274	-	3,434,274
Taxes and employee benefits	2,916,882	-	2,916,882
Books and supplies	3,125,438	-	3,125,438
Rentals, leases and repairs	55,284	-	55,284
Other operating expenditures	3,677,226	-	3,677,226
Debt service interest	<u>1,307,121</u>	<u>-</u>	<u>1,307,121</u>
TOTAL EXPENSES	<u>23,794,910</u>	<u>-</u>	<u>23,794,910</u>
CHANGE IN NET ASSETS	(6,048,950)	-	(6,048,950)
NET ASSETS, BEGINNING OF YEAR	<u>(589,262)</u>	<u>-</u>	<u>(589,262)</u>
NET ASSETS, END OF YEAR	<u><u>\$ (6,638,212)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (6,638,212)</u></u>

The accompanying notes are an integral part of this statement.

INSPIRE CHARTER SCHOOL KERN

Statement of Cash Flows

Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets \$(6,048,950)

Adjustments to reconcile change in net assets
to net cash provided by operating activities:

(Increase) Decrease resulting from changes in assets:

Accounts receivable (1,961,450)

Prepaid expenses (7,245)

Increase (Decrease) resulting from changes in liabilities:

Accounts payable (310,224)

Accrued expenses 1,343,187

Accounts payable related entity 1,630,333

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES (5,354,349)

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in deposits (750)

NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES (750)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from loan payable 5,955,820

NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES 5,955,820

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 600,721

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR -

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 600,721

The accompanying notes are an integral part of this statement.

INSPIRE CHARTER SCHOOL KERN

Notes to the Financial Statements

Year Ended June 30, 2017

A. Organization and Summary of Significant Accounting Policies

Organization

Inspire Charter School - Kern (the School) was formed on April 14, 2016 as a charter school pursuant to California Education Code §47600 under a charter agreement with Maricopa Unified School District (the District). The School became a nonprofit public benefit corporation in 2016. The charter agreement was approved by Westside School District and submitted to the California Board of Education in September 2016. The School began operations on September 1, 2016.

Inspire Charter School - Kern is a tuition-free, K-12 independent study charter school. The School offers both online and offline based curricula, academically accelerated instructional program with thematic units, project-based learning, and enriched to support students who have the desire to work ahead or work deeper in their studies.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958, the School is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor or grant restrictions.
- Temporarily restricted net assets consist of contributed funds or grants subject to donor or grant imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the School may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The School had no permanently restricted net assets during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the School considers all highly liquid debt equity instruments purchased with an original maturity of three months or less to be cash equivalents.

INSPIRE CHARTER SCHOOL KERN
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

Investments

The School's method of accounting for investments, in accordance with generally accepted accounting principles, is the fair value method. Fair value is determined by published quotes. Changes in fair value of investments results in increases or decreases in unrealized fair values of equity investments. Adjustments to fair values are reflected as unrealized gain/loss on investments in the accompanying statement of activities. The School's policy is to follow the fair value measurement and reporting requirements contained in FASB ASC 820. At June 30, 2017 the School did not have any investments.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary as management believes that all amounts are collectible.

Capital Assets

Property and equipment are recorded at cost, or estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the School's earnings. Management has elected to capitalize and depreciate all assets costing \$5,000 or more; all other assets are charged to expense in the year incurred. The School's policy is to evaluate the remaining lives and recoverability in light of the current conditions. It is reasonably possible that the School's estimate to recover the carrying amount of the property and equipment will change. Estimated useful lives range from three to fifty years depending on the asset.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition or when resources are received by the School prior to the School meeting the requirements for legal claim to the resources.

In subsequent periods, when both revenue recognition criteria are met or when the School has legal claim to the resources, the liability for unearned revenue is removed from the statement of financial position and revenue is recognized.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any restrictions.

All donor or grant restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

INSPIRE CHARTER SCHOOL KERN
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

Contributed Materials and Services

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The School receives services donated by volunteers in carrying out the School's operations. The services do not meet the criteria as contributions and are, therefore, not recognized in the financial statements.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The School reclassifies temporarily restricted net assets to unrestricted net assets at that time.

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 School's 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 91% of the school's revenue. The School is not at risk of losing these funding sources, as long as the school maintains a steady level of ADA, as these funding sources are mandated by the California State Constitution to fund schools.

Advertising

Advertising costs are expensed when incurred.

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, 2017, 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, 2017.

INSPIRE CHARTER SCHOOL KERN
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

The School files informational and income tax returns in the United States and in the state of California. The federal income tax and informational returns are subject to examination by the Internal Revenue Service for three years after the returns are filed. State and local jurisdictions have statutes of limitation that generally range from three to five years.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through December 14, 2017, the date the financial statements were available to be issued.

B. Cash and Cash Equivalents

Cash in Bank

The remainder of the School's cash (\$600,721 as of June 30, 2017) is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. As of June 30, 2017, the School did have any cash that was exposed to uninsured deposit risk in the amount of \$514,440.

C. Accounts Receivable

As of June 30, 2017 accounts receivable consisted of:

	Accounts Receivable
Federal Government:	
Federal Grants	\$ 97,923
State Government:	
LCFF Revenue	1,473,458
Lottery Revenue	374,995
Local Sources:	
Other Local Sources	15,074
Total Accounts Receivable	\$ 1,961,450

INSPIRE CHARTER SCHOOL KERN
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

D. Accounts Payable

As of June 30, 2017 accounts payable consisted of:

	Accounts Payable	Accrued Expenses	Accounts Payable Related Entity
Vendors payable	\$ 279,038	\$ 937,139	\$ -
Accrued payroll liabilities	-	406,048	-
Accounts payable Inspire South	-	-	1,630,333
Total Accounts Payable	\$ 279,038	\$ 1,343,187	\$ 1,630,333

E. Short Term Loan

During the 2016-17 year the School entered into agreements with Charter School Capital (CSC), whereby CSC provided discounted cash up front secured by future accounts receivables. The receivables get collected by the School following which a payment is made to CSC. The total face value and discount of receivables is shown below.

Date of Agreement	Face Value of Receivable	Discount of Receivable	Cash Received	Effective Interest Rate
7/26/2016	\$ 2,089,000	\$ 87,922	\$ 2,001,078	16.53%
8/22/2016	1,124,800	40,133	1,084,667	19.29%
9/13/2016	150,500	13,335	137,165	15.73%
9/26/2016	2,555,400	134,367	2,421,033	15.95%
10/11/2016	401,000	35,840	365,160	35.91%
10/20/2016	1,980,800	120,078	1,860,722	19.34%
11/4/2016	493,200	36,779	456,421	16.81%
12/9/2016	1,253,800	66,216	1,187,584	18.17%
12/20/2016	114,500	5,756	108,744	19.13%
1/6/2017	2,507,600	148,267	2,359,333	17.83%
2/7/2017	1,485,700	105,371	1,380,329	19.49%
3/8/2017	587,500	21,996	565,504	22.16%
4/7/2017	726,000	26,388	699,612	23.66%
4/21/2017	1,291,800	76,263	1,215,537	19.83%
5/8/2017	562,700	39,998	522,702	15.63%
5/24/2017	1,247,500	77,567	1,169,933	18.76%
6/22/2017	1,181,900	74,076	1,107,824	18.63%
Total	\$ 19,753,700	\$ 1,110,352	\$ 18,643,348	

The amount of the short term loan that is outstanding as of June 30, 2017 is as follows:

	Beginning Balance	New Agreements	Amounts Paid	Ending Balance
2016-17 Short Term Loans	\$ -	\$ 19,753,700	\$ 13,797,880	\$ 5,955,820

The School will be repaying 100% of the short term loans outstanding as of June 30, 2017 within one year.

INSPIRE CHARTER SCHOOL KERN
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

F. Operating Lease

On May 1, 2016 the School entered into a lease agreement with ATA Properties, LLC for use of facilities. The agreement does not contain a purchase option and does not meet the requirements for capitalization. As such, the lease has not been recorded on the statement of financial position. The agreement provides for monthly payments of \$795 for a period of 24 months. The agreement contains a termination clause providing for cancellation after a specified number of days written notice to the lessor, but it is unlikely that the School will cancel the agreement prior to the expiration date. Future minimum lease payments under the agreement are as follows:

Year Ended June 30,	Lease Payments
2018	\$ 7,950
Total	\$ 7,950

G. Functional Expenses

As of June 30, 2017 functional expenses consisted of:

	Program Services	Management and General	Total
Salaries and wages	\$ 11,477,522	\$ 1,235,438	\$ 12,712,960
Pension plan accruals and contributions	731,000	78,685	809,685
Other employee benefits	1,564,798	168,434	1,733,232
Payroll taxes	337,621	36,342	373,963
Fees for services (non-employees):			
Management	-	313,556	313,556
Legal	-	53,989	53,989
Accounting	-	2,500	2,500
Consulting	1,917,760	16,396	1,934,156
Payroll service fee	-	25,501	25,501
Other	-	49,321	49,321
Advertising and promotion	-	8,056	8,056
Office expenses	97,558	-	97,558
Information technology	6,114	-	6,114
Occupancy	54,824	-	54,824
Travel	-	29,681	29,681
Conferences, conventions and meetings	29,644	-	29,644
Interest	-	1,307,121	1,307,121
Insurance	-	59,309	59,309
All other expenses: Books and supplies	3,221,006	-	3,221,006
All other expenses: Student activities	469,585	-	469,585
All other expenses: District oversight	-	494,710	494,710
All other expenses: Miscellaneous	1,903	6,536	8,439
	\$ 19,909,335	\$ 3,885,575	\$ 23,794,910

INSPIRE CHARTER SCHOOL KERN
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

H. Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

The School has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement will not be material. As a result, no liability has been accrued.

Sick Leave

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulate sick leave. Employees, therefore, are never paid for any sick leave balance at termination of employment or any other time. Therefore, it is not appropriate to accrue the value of the accumulated sick leave.

I. Employee Retirement System

Qualified employees are covered under multiple-employer defined benefit pension plans by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (CalSTRS). The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

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

The School's participation in these plans for the fiscal year ended June 30, 2017, 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 2017, 2016 and 2015 is for the plan's year-end at June 30, 2017, 2016 and 2015, 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. Finally, the began operations in the 2017 year affecting the period-to-period comparability of the contributions for years 2016 and 2017.

INSPIRE CHARTER SCHOOL KERN
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status Year Ended June 30			FIP/RP Status Pending/ Implemented
		2017	2016	2015	
CalSTRS	15048	Yellow	Yellow	Yellow	No
		Contributions of School			
Pension Fund	2017	2016	2015	Number of Employees	Surcharge Imposed
CalSTRS	803,365	N/A	N/A	154	No

CalSTRS:

The School contributes to the 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 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, 2017, active plan members were required to contribute between 9.20% and 10.25% of their salary, depending on their hire date. The employer contribution rate was 12.58% 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.

J. Subsequent Events

In January 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-02 *Not-for-Profit Entities – Consolidation (Subtopic 958-810)*. FASB issued this update to amend the consolidation guidance in Subtopic 958-810 to clarify when a not-for-profit entity that is a general partner or a limited partner should consolidate a for-profit limited partnership or similar legal entity. ASU 2017-02 becomes effective for years that begin after December 15, 2016. The Charter School has adopted the provisions of this FASB update for the 2017-18 fiscal year.

In December 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-19 *Technical Corrections and Improvements*. FASB issued this update to clarify the Accounting Standards Codification and correct unintended application of guidance that is not expected to have significant effect on current accounting practice or create a significant administrative cost to most entities. The amendments include items raised to FASB through Accounting Standards Codification's feedback mechanism. ASU 2016-19 becomes effective for years that begin after December 15, 2016. The Charter School has adopted the provisions of this FASB update for the 2017-18 fiscal year.

In October 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-17 *Consolidation (Topic 810)*. FASB issued this update to amend the consolidation guidance on how a reporting entity that is a single decision maker of a Variable Interest Entity (VIE) should treat indirect interests in the entity held through related parties that are under common control with the reporting entity when determining whether it is the primary beneficiary of that VIE. ASU 2016-17 becomes effective for years that begin after December 15, 2016. The Charter School has adopted the provisions of this FASB update for the 2017-18 fiscal year.

INSPIRE CHARTER SCHOOL KERN
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

In March 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-07 *Investments – Equity Method and Joint Ventures (Topic 323)*. FASB issued this update as a part of their Simplification Initiative by eliminating a requirement to retroactively adopt the equity method of accounting given that there is no clear benefit to users of financial statements. ASU 2016-07 becomes effective for years that begin after December 15, 2016. The Charter School has adopted the provisions of this FASB update for the 2017-18 fiscal year.

In September 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-16 *Business Combinations (Topic 805)*. FASB issued this update as part of their Simplification Initiative by amending the presentation of business combinations disclosing the effect on earnings of changes in depreciation, amortization, or other income effects, if any. The amendments in this Update require an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous recognition reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. ASU 2015-16 becomes effective for years that begin after December 15, 2016. The Charter School has adopted the provisions of this FASB update for the 2017-18 fiscal year.

In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-11 *Inventory*. FASB issued this update as part of their Simplification Initiative by eliminating unnecessarily complex measurement of inventory at the lower of cost or market given that there were several potential outcomes. Under the new guidance inventory should be measured at the lower of cost and net realizable value. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This measure is in effect for all forms of inventory valuation except Last In First Out (LIFO). ASU 2015-11 becomes effective for the years that begin after December 15, 2016. The Charter School has adopted the provisions of this FASB update for the 2017-18 fiscal year.

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2015-09 *Financial Services – Insurance (Topic 944)*. FASB issued this update to provide guidance on note disclosure requirements for short-duration insurance contracts to increase transparency of significant estimates made in measuring liabilities associated with short-duration insurance contracts. ASU 2015-09 becomes effective for the years that begin after December 15, 2016. The Charter School has adopted the provisions of this FASB update for the 2017-18 fiscal year.

In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2015-04 *Compensation – Retirement Benefits (Topic 715)*.

In February 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2015-02 *Consolidation (Topic 810)*. FASB issued this update to change the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. ASU 2015-02 becomes effective for years that begin after December 15, 2016. The Charter School has adopted the provisions of this FASB update for the 2017-18 fiscal year.

INSPIRE CHARTER SCHOOL KERN
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

In August 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2014-15 *Presentation of Financial Statements – Going Concern (Subtopic 205-40)*. FASB issued this update to provide guidance regarding management’s responsibility to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 becomes effective for years that begin after December 15, 2016. The Charter School has adopted the provisions of this FASB update for the 2017-18 fiscal year.

K. Going Concern

The School’s deficit spending in 2016-17 has resulted in doubt about the School’s ability to continue as a going concern. The following issues indicate that the school may not be able to meet their financial obligations:

1. The School filed alternative forms in 2016-17 with negative net assets of \$6,106,857. However, after corrections the net assets are negative \$6,638,212.
2. The School’s 2017-18 budgeted numbers show a decrease in the negative fund balance, but not enough to bring the school into a positive fund balance.

In response to these issues, the School’s authorizing district, Maricopa Unified School District, has contacted the School to ensure that there is a proper plan in place to control spending and bring the school’s net assets from negative to positive.

The School provided several reasons for the continued negative fund balance and solutions to resolve these in the future.

1. Enrollment was closed late into the year. This caused an increase between P2 and Annual attendance reports of over 65 ADA. Beginning in the 2017-18 year the enrollment will now be closed earlier in the year. This will ensure that students ADA will count towards the school’s overall P2 funding.
2. Students who enroll later in the year will have a prorated amount of funding available based on the proportion of days left in the school year. In previous years all students were allotted the same funding no matter when they enrolled in the School.

Supplementary Information

INSPIRE CHARTER SCHOOL KERN

Organization Structure
Year Ended June 30, 2017

Inspire Charter School Kern began operations in the 2016-17 school year (#1816) and was authorized by Maricopa Unified School District.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Jeff Pray	President	Two Year Term Expires June 30, 2019
Nancy Green	Treasurer	Two Year Term Expires June 30, 2019
Jennifer Woodward	Secretary	Two Year Term Expires June 30, 2019
Jeffrey Cooley	Member	Two Year Term Expires June 30, 2019
Talia Bridgman	Member	Two Year Term Expires June 30, 2019

ADMINISTRATION

Courtney McCorkle
Senior Director

Chantelle Crespo
Senior Director

See accompanying notes to supplementary information

INSPIRE CHARTER SCHOOL KERN

Schedule of Average Daily Attendance

Year Ended June 30, 2017

	<u>Second Period Report</u>		<u>Annual Report</u>	
	<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>
Non-Classroom Based Attendance:				
Grades K-3	913.07	N/A	961.51	N/A
Grades 4-6	553.60	N/A	571.28	N/A
Grades 7-8	307.39	N/A	314.62	N/A
Grades 9-12	199.07	N/A	193.78	N/A
Total Non-Classroom Based Attendance	<u>1,973.13</u>	<u>N/A</u>	<u>2,041.19</u>	<u>N/A</u>
 Total Attendance	 <u>1,973.13</u>	 <u>N/A</u>	 <u>2,041.19</u>	 <u>N/A</u>

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

INSPIRE CHARTER SCHOOL KERN

Schedule of Instructional Time

Year Ended June 30, 2017

<u>Track</u>	<u>Minutes Requirement</u>	<u>2016-17 Actual Minutes</u>	<u>Number of Multi-track Days</u>	<u>Status</u>
Track A	N/A	N/A	180	N/A
Track B	N/A	N/A	181	N/A
Track C	N/A	N/A	175	N/A
Track D	N/A	N/A	175	N/A

N/A – This information is not applicable as Inspire Charter School Kern is an independent study-based charter school.

See accompanying notes to supplementary information

INSPIRE CHARTER SCHOOL KERN

Schedule of Financial Trends and Analysis

Year Ended June 30, 2017

	Budget		
	2018	2017	2016
Revenues	<u>\$42,639,631</u>	<u>\$17,745,960</u>	<u>\$ -</u>
Expenses	<u>38,974,811</u>	<u>23,794,910</u>	<u>589,262</u>
Change in Net Assets	<u>3,664,820</u>	<u>(6,048,950)</u>	<u>(589,262)</u>
Ending Net Assets	<u><u>\$ (2,973,392)</u></u>	<u><u>\$ (6,638,212)</u></u>	<u><u>\$ (589,262)</u></u>
Unrestricted Net Assets	<u><u>\$ (2,973,392)</u></u>	<u><u>\$ (6,638,212)</u></u>	<u><u>\$ (589,262)</u></u>
Unrestricted net assets as a percentage of total expenses	<u><u>-8%</u></u>	<u><u>-28%</u></u>	<u><u>0%</u></u>
Total Long Term Debt	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Average Daily Attendance at P2	<u><u>4,656</u></u>	<u><u>1,973</u></u>	<u><u>N/A</u></u>

See accompanying notes to supplementary information

INSPIRE CHARTER SCHOOL KERN

Reconciliation of Unaudited Financial Report Alternative Form with Audited Financial Statements Year Ended June 30, 2017

June 30, 2017 annual financial alternative form net assets	<u>\$ (6,106,857)</u>
Adjustments and reclassifications:	
Overstatement of cash accounts	(43,282)
Understatement of accounts receivable	1,648,548
Overstatement of unearned revenue	4,303,800
Understatement of accounts payable	(484,601)
Understatement of short term loans	<u>(5,955,820)</u>
Total adjustments and reclassifications	<u>(531,355)</u>
June 30, 2017 audited financial statement net assets	<u><u>\$ (6,638,212)</u></u>

See accompanying notes to supplementary information

INSPIRE CHARTER SCHOOL KERN

Notes to the Supplementary Information
Year Ended June 30, 2017

A. Purpose of Schedules

Organization Structure

This schedule provides information about the School's charter number, district of authorization, members of the governing board, and members of administration.

Schedule of Average Daily Attendance

Average daily attendance (ADA) is a measure of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

The School receives incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the School and whether they complied with the provisions of Education Code Sections 46200 through 46206. Charter schools must maintain their instructional minutes at the 1986-87 requirements as adjusted by Education Code sections later adopted. The School neither met nor exceeded its LCFE target.

Schedule of Financial Trends and Analysis

Budget information for 2018 is presented for analysis purposes only and is based on estimates of the 2017-18 fiscal year. The information has not been subject to audit.

This schedule discloses the School's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the School's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Unaudited Financial Report Alternative Form with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance as reported on the Unaudited Financial Report Alternative Form to the net assets reported in the audited financial statements.

Other Independent Auditors' 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 Trustees of
Inspire Charter School Kern

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 Inspire Charter School Kern (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Inspire Charter School Kern's internal control over financial reporting (internal control) to determine 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 Inspire Charter School Kern's internal control. Accordingly, we do not express an opinion on the effectiveness of Inspire Charter School Kern'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 Inspire Charter School Kern'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 determination of financial statement amounts. 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 organization’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 organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King + LLP

El Cajon, California
December 14, 2017

Independent Auditor's Report on State Compliance

To the Board of Trustees of
Inspire Charter School Kern

Report on State Compliance

We have audited the School's compliance with the types of compliance requirements described in the *2016-17 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, 2017.

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 State's audit Guide *2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance*, 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 State's audit guide *2016-17 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 the 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 the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies Other Than Charter Schools	
Attendance.....	N/A
Teacher Certification and Misassignments	N/A
Kindergarten Continuance.....	N/A
Independent Study.....	N/A
Continuation Education.....	N/A
Instructional Time	N/A
Instructional Materials.....	N/A
Ratio of Administrative Employees to Teachers.....	N/A
Classroom Teacher Salaries	N/A
Early Retirement Incentive.....	N/A
Gann Limit Calculation.....	N/A
School Accountability Report Card.....	N/A
Juvenile Court Schools.....	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	N/A
Transportation Maintenance of Effort.....	N/A
Mental Health Expenditures	N/A
School Districts, County Offices of Education and Charter Schools	
Educator Effectiveness.....	N/A
California Clean Energy Jobs Act.....	N/A
After School Education and Safety Program.....	N/A
Proper Expenditure of Education Protection Account Funds.....	Yes
Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based.....	N/A
Immunizations	N/A
Charter Schools	
Attendance.....	Yes
Mode of Instruction	Yes
Nonclassroom Based Instruction/Independent Study.....	Yes
Determination of Funding for Nonclassroom Based Instruction.....	Yes
Annual Instructional Minutes – Classroom Based	N/A
Charter School Facility Grant Program.....	N/A

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, Inspire Charter School Kern 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, 2017.

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 *2016-17 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 + LLP

El Cajon, California
December 14, 2017

Auditor's Results, Findings & Recommendations

INSPIRE CHARTER SCHOOL KERN

Schedule of Auditor's Results

Year Ended June 30, 2017

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified? Yes X No

One or more significant deficiencies identified that are
not considered material weakness(es)? Yes X No

Noncompliance material to financial statements noted? Yes X No

STATE AWARDS

Any audit findings disclosed that are required to be reported
in accordance with *2016-17 Guide for Annual Audits
of California K-12 Local Education Agencies ?* Yes X No

Type of auditor's report issued on compliance for state programs: Unmodified

INSPIRE CHARTER SCHOOL KERN

Schedule of Findings and Questioned Costs

Year Ended June 30, 2017

The following 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*, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The findings have been coded 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
50000	Federal Compliance
60000	Miscellaneous
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

A. Financial Statement Findings

None

B. State Award Findings

None

INSPIRE CHARTER SCHOOL KERN

Schedule of Prior Year Audit Findings

Year Ended June 30, 2017

Finding/Recommendation	Status	Explanation if Not Implemented
The School was not operational in the 2015-16 year. Therefore, there were no findings reported in the prior year audit.	N/A	N/A

Credit/Debit Card Policies and Procedures

With the increasing use of internet purchasing, Inspire Charter School – Kern’s (INSPK) Executive Director is authorized to augment purchasing procedures by opening and maintaining credit/debit card accounts for use by the administration and various business departments.

The Executive Director or designee will maintain appropriate fiscal controls for all accounts to ensure that public monies are not disbursed in amounts in excess of the budgeted appropriations.

No changes to requirements listed herein may take place without approval of the Board of Directors.

Purpose

The purpose of this policy is to communicate eligibility, usage and payment of expenditure requirements for all school credit/debit cards.

Policies

1. INSPK will issue a credit/debit card to eligible employees or departments only for job-related expenses.
2. Employees shall use their credit/debit cards to charge business-related expenses. Expenses must be for approved budget items only. Any items not budgeted must be authorized by the Executive Director.
3. Personal purchases of any type are strictly prohibited.
4. Employees may NOT take cash advances on credit cards.
5. The employee is responsible for all charges made to the card. The employee will be held liable for any unauthorized items appearing on the card statement.
6. Individuals who do not adhere to these policies and procedures risk revocation of their card privileges and/or disciplinary action.

Procedures

1. The Executive Director or his/her designee is responsible for authorizing the use of cards and assigning the card limit, if applicable.
2. Before any purchase is made, the employee should verify that the funds are available in his or her budget to cover the expense.
3. The employee must obtain a receipt for the purchase and include a brief description of the business purpose or the budget account code on the receipt. In the case of meals, each receipt should include the names of all persons involved in the purchase, in accordance with Internal Revenue Service regulations.

4. The receipt is to be submitted to Accounting within 30 days of card use with an expense report, if applicable.
5. Upon receipt of the card statement, Accounting will match the receipts to the individual items and assign the appropriate accounting code. The statement along with a summary will be submitted to a Supervisor for approval. Any items that do not have a receipt will be the personal responsibility of the cardholder (unless the expense is an authorized monthly deduction).
6. The employee must notify their Supervisor immediately in the event a card is lost or stolen.
7. The card is the property of INSPK. An employee leaving the employment of INSPK must surrender the card to the Business Office who will then notify the issuing authority to cancel the employee's account.

RESOLUTION

Inspire Charter School – Kern

Number 2018-3

Resolution to Withdraw Membership

From CharterSAFE for 2018/2019

The undersigned, on behalf of Inspire Charter School – Kern a California nonprofit public benefit corporation (the “Company”), hereby certifies that the resolutions set forth below were adopted by the Board of Directors (the “Board”) of the Company, in accordance with Section 5211 (a) of the California Nonprofit Corporation Law and Art. III of the Bylaws, at a duly noticed meeting held on March 8, 2018 at 8:00 am., Pacific Time at 2131 Saturn Ct. Bakersfield, CA 93308. A quorum of the Board was present at the meeting.

WHEREAS, Inspire Charter School – Kern has the intent to withdraw its membership from CharterSAFE for the 2018/19 policy year effective July 1, 2018

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED by THE INSPIRE CHARTER SCHOOL – KERN BOARD OF DIRECTORS AS FOLLOWS:

1. Inspire Charter School – Kern will withdraw its membership from CharterSAFE effective July 1, 2018.

* * *

[certification page follows]

CERTIFICATION OF ADOPTION

I hereby certify that the foregoing resolutions were passed and adopted by the Board of Directors of Inspire Charter School – Kern a meeting thereof duly held on the 10th day of March 2018, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

The undersigned certifies further that the foregoing Resolutions has not been modified, amended or rescinded and is in full force and effect as of the date hereof.

By: _____

Name: _____

Title: _____

Inspire Charter School – Kern

March 2, 2018

Board of Directors and Management
Inspire Charter School Kern
1740 E Huntington Dr #205
Duarte, CA 91010

We are pleased to confirm our understanding of the services we are to provide for Inspire Charter School Kern for the year ended June 30, 2018.

We will audit the financial statements of Inspire Charter School Kern, which comprise the statement(s) of financial position as of year ended June 30, 2018, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements (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) Local Education Agency Organization Structure
- 2) Schedule of Average Daily Attendance
- 3) Schedule of Instructional Time
- 4) Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
- 5) Any other items identified in the emergency supplement of *Audits of California K-12 Local Education Agencies Audit Guide*, published by the Education Audit Appeals Panel

We will also prepare the organization's federal and state information returns for the year ended June 30, 2018.

Audit Objective

The objective of our audit is the expression of opinions as to 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 reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- An opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each program identified by and in accordance with *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in *Title 5, California Code of Regulations, Section 19810*.

The *Government Auditing Standards* report on internal control over financial reporting 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 or 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 Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the governing board of Inspire Charter School Kern. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories. 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 the financial statements and related matters.

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 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. 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, any fraudulent financial reporting, or misappropriation of assets that comes 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. 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.

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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional 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, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Inspire Charter School Kern’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*.

As part of the audit we are also required to report on State Compliance. Our procedures will consist of tests of transactions and other applicable procedures described in the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in *Title 5, California Code of Regulations, Section 19810*. The purpose of these procedures will be to express an opinion on Inspire Charter School Kern’s compliance with requirements applicable to each of its applicable programs in our report on compliance issued pursuant to the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in *Title 5, California Code of Regulations, Section 19810*.

Other Services

We will prepare the Organization’s federal and state information returns for the year ended June 30, 2018 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 of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you.

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

You are responsible for designing, implementing, and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are 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 confirming to us in the management 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 the Organization complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information 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.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the 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.

Kevin Sproul 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 are closed and to issue our report no later than December 15, 2018. Information returns will be completed by the extended due date of the returns.

Our fees for these services will be:	<u>2018</u>
Inspire Charter School Kern	\$8,500
Federal and State Tax Returns:	\$1,200

The fee 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. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to be of service to you 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 Inspire Charter School Kern.

Management signature:

Title:

Date:

Governance signature:

Title:

Date:
