



INSPIRE CHARTER SCHOOLS
3840 Rosin Court #200, Sacramento CA 95834
Phone (916) 568-9959 * Fax (916) 664-3995

Regular Board Meeting
Inspire Charter School - North
March 3, 2018 - 9:30 am - 10:30 am
3840 Rosin Court # 200
Sacramento, CA 95834

AGENDA

Through Teleconference

Faith Ford
2668 Westville Trail
Cool, CA 95614

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. Approval of the 2016-2017 Audit
7. Fiscal Policy and Procedures Update
8. Board Resolution To Give Notice To CharterSAFE
9. 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

3840 Rosin Court #200, Sacramento CA 95834

Phone (916) 568-9959 * Fax (916) 664-3995

Regular Scheduled Board Meeting- Inspire Charter School - North

December 9, 2017 - 8:00 am - 10:00 am

3840 Rosin Court # 200

Sacramento, CA 95834

Attendance: Suzanne Nunnink, Faith Ford and Christina Mulford.

Absent: None

Also Present: Nick Nichols, Kimmi Buzzard, Shari Erlendson, Bryanna Brossman, Chris Williams and Darcy Belleza.

Call to Order:

Suzanne Nunnink called the meeting to order at 8:16 am.

Public Comments:

None

Approval of Minutes:

Faith Ford moved to approve the minutes. Christina Mulford seconded.

-Unanimous.

Instructional Funds Policy- Educational Travel

Faith Ford moved to approve the Instructional Funds Policy. Christina Mulford seconded.

-Unanimous

Review of July-October Financials

Faith Ford moved to approve the July- October Financials. Christina Mulford seconded.

-Unanimous

SELPA Resolution and Participation Agreement:

Faith Ford moved to approve the Board Resolution Approval of El Dorado Charter SELPA

Participation Agreement. Christina Mulford seconded.

-Unanimous



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Adjournment:

Faith Ford motioned to adjourn the meeting at 9:08 am. Christina Mulford seconded.

-Unanimous

Prepared By:

Bryanna Brossman

Noted By:

Christina Mulford

Board Secretary



INSPIRE CHARTER SCHOOLS
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Special Board Meeting - Inspire Charter School - North
January 10, 2018 - 5:00 pm - 5:20 pm
3840 Rosin Court # 200
Sacramento, CA 95834

Attendance: Suzanne Nunnink, Faith Ford and Christina Mulford- Teleconference.

Absent: None

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

Call to Order:

Suzanne Nunnink called the meeting to order at 5:04pm.

Public Comments:

None.

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

Suzanne Nunnink moved to approve the Board Resolution. Faith Ford seconded.

-Unanimous

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

Suzanne Nunnink moved to approve the Board Resolution. Faith Ford seconded.

-Unanimous

Adjournment:

Suzanne Nunnink motioned to adjourn the meeting at 5:25pm. Faith Ford seconded.

-Unanimous

Prepared By:

Bryanna Brossman



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Noted By:

Christina Mulford

Board Secretary

Fund Balance Progress - Inspire Charter School - North

P2 of 1,686	July	August	September	October	November	December	January	February	March	April	May	June
State Aid - Revenue Limit	1,188,505	1,188,505	1,188,505	1,188,505	1,188,505	1,188,505	1,188,505	1,188,505	1,188,505	1,188,505	1,188,505	1,188,505
Federal Revenue	17,566	17,566	17,566	17,566	17,566	17,566	17,566	17,566	17,566	17,566	17,566	17,566
Other State Revenue	112,498	112,498	112,498	112,498	112,498	112,498	112,498	112,498	112,498	112,498	112,498	112,498
Total Revenue:	1,318,569											
Actual/Expected	Actual	Expected	Expected	Expected	Expected	Expected						
Certificated Salaries	369,926	311,903	432,311	412,980	377,926	377,926	377,926	377,926	377,926	377,926	377,926	377,926
Classified Salaries	109,264	135,643	131,222	(160,148)	56,179	56,179	56,179	56,179	56,179	56,179	56,179	56,179
Benefits	131,203	118,040	143,900	138,767	97,322	97,322	110,052	99,868	99,868	99,868	99,868	99,868
Books and Supplies	216,124	289,602	368,778	216,445	178,881	147,722	148,124	332,780	332,780	332,780	332,780	332,780
Subagreement Services	90,055	54,772	205,947	233,956	374,559	363,041	204,295	60,002	60,002	60,002	60,002	60,002
Professional/Consulting Services	33,719	42,439	38,562	34,374	22,625	21,230	63,748	136,285	29,320	136,285	26,653	199,187
Facilities, Repairs and Other Leases	14,345	53,230	36,186	27,983	33,785	27,418	136,217	25,702	25,702	25,702	25,702	25,702
Operations and Housekeeping	17,144	43,836	29,700	20,827	23,268	33,138	40,426	22,353	22,353	22,353	22,353	22,353
Depreciation	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299
Interest	65,787	90,092	75,599	103,098	81,562	91,924	127,512	21,132	98,455	120,297	77,000	-
Total Expenses:	1,048,866	1,140,855	1,463,503	1,029,581	1,247,406	1,217,200	1,265,780	1,133,527	1,103,884	1,232,692	1,079,763	1,175,296
Surplus/Deficit	269,703	177,713	(144,935)	288,987	71,162	101,369	52,789	185,042	214,684	85,877	238,806	143,272
Cumulative Fund Balance	269,703	447,416	302,481	591,469	662,631	764,000	816,789	1,001,831	1,216,515	1,302,392	1,541,198	1,684,470
Beginning Fund Balance	(3,290,299)	(3,020,596)	(2,842,883)	(2,987,817)	(2,698,830)	(2,627,667)	(2,526,299)	(2,473,509)	(2,288,468)	(2,073,784)	(1,987,907)	(1,749,101)
Ending Fund Balance	(3,020,596)	(2,842,883)	(2,987,817)	(2,698,830)	(2,627,667)	(2,526,299)	(2,473,509)	(2,288,468)	(2,073,784)	(1,987,907)	(1,749,101)	(1,605,828)

Inspire Charter School - North

Monthly Cash Flow/Forecast FY17-18

Revised 02/23/18

ADA = 1686.31



	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																
State Aid - Revenue Limit																
8011 LCFF State Aid	-	294,224	294,224	529,604	529,604	529,604	529,604	529,604	2,021,696	2,021,696	2,021,696	2,021,696	2,021,793	13,345,045	15,990,421	(2,645,376)
8012 Education Protection Account	-	-	-	38,387	-	-	38,387	-	-	175,032	-	-	85,456	337,262	418,000	(80,738)
8019 State Aid - Prior Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8096 In Lieu of Property Taxes	-	36,596	73,191	48,794	48,794	48,794	48,794	48,794	45,798	45,798	45,798	45,798	42,803	579,757	1,513,683	(933,925)
	-	330,820	367,415	616,785	578,398	578,398	616,785	578,398	2,067,494	2,242,526	2,067,494	2,067,494	2,150,052	14,262,064	17,922,103	(3,660,039)
Federal Revenue																
8181 Special Education - Entitlement	-	-	-	-	-	-	-	-	105,394	-	-	52,697	52,697	210,789	261,250	(50,461)
	-	-	-	-	-	-	-	-	105,394	-	-	52,697	52,697	210,789	261,250	(50,461)
Other State Revenue																
8311 State Special Education	18,798	18,798	33,837	33,837	33,837	33,837	33,837	131,996	131,996	131,996	131,996	131,996	-	866,763	1,074,260	(207,497)
8550 Mandated Cost	-	-	-	-	-	15,052	37,701	-	-	37,701	-	37,701	-	128,155	144,095	(15,939)
8560 State Lottery	-	-	-	-	-	-	46,553	-	-	46,553	-	-	234,037	327,144	395,010	(67,866)
8598 Prior Year Revenue	-	-	-	2,556	-	-	20,885	-	-	-	-	-	-	23,441	-	23,441
8599 Other State Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,600	(6,600)
	18,798	18,798	33,837	36,393	33,837	48,889	138,976	131,996	131,996	216,251	131,996	169,698	234,037	1,345,504	1,619,965	(274,461)
Other Local Revenue																
8699 School Fundraising	-	-	-	-	-	3,503	965	-	-	-	-	-	-	4,468	-	4,468
	-	-	-	-	-	3,503	965	-	-	-	-	-	-	4,468	-	4,468
Total Revenue	18,798	349,618	401,252	653,178	612,235	630,790	756,726	710,394	2,304,885	2,458,777	2,199,491	2,289,890	2,436,786	15,822,824	19,803,318	(3,980,494)
Expenses																
Certificated Salaries																
1100 Teachers' Salaries	290,249	233,737	342,025	283,427	291,076	291,076	291,076	291,076	291,076	291,076	291,076	291,076	-	3,478,047	4,428,494	950,447
1175 Teachers' Extra Duty/Stipends	11,753	16,108	52,772	83,545	26,878	26,878	26,878	26,878	26,878	26,878	26,878	26,878	-	379,199	123,659	(255,539)
1200 Pupil Support Salaries	22,628	19,455	250	125	22,709	22,709	22,709	22,709	22,709	22,709	22,709	22,709	-	224,129	244,200	20,071
1300 Administrators' Salaries	45,296	42,603	37,264	45,883	37,264	37,264	37,264	37,264	37,264	37,264	37,264	37,264	-	469,154	266,110	(203,044)
	369,926	311,903	432,311	412,980	377,926	377,926	377,926	377,926	377,926	377,926	377,926	377,926	-	4,550,528	5,062,462	511,935
Classified Salaries																
2100 Instructional Salaries	97,033	124,580	120,159	(171,211)	45,117	45,117	45,117	45,117	45,117	45,117	45,117	45,117	-	531,496	1,212,052	680,556
2200 Support Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,500	5,500
2300 Classified Administrators' Salaries	2,344	2,344	-	-	-	-	-	-	-	-	-	-	-	4,688	-	(4,688)
2400 Clerical and Office Staff Salaries	9,888	8,719	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	11,063	-	129,231	68,750	(60,481)
	109,264	135,643	131,222	(160,148)	56,179	56,179	56,179	56,179	56,179	56,179	56,179	56,179	-	665,414	1,286,302	620,888
Benefits																
3101 STRS	46,125	43,951	61,211	53,533	54,535	54,535	54,535	54,535	54,535	54,535	54,535	54,535	-	641,098	730,513	89,415
3301 OASDI	6,661	8,297	8,023	(9,892)	3,483	3,483	3,483	3,483	3,483	3,483	3,483	3,483	-	40,954	79,751	38,797
3311 Medicare	8,681	9,631	11,273	6,786	6,295	6,295	6,295	6,295	6,295	6,295	6,295	6,295	-	86,727	92,057	5,330
3401 Health and Welfare	53,673	40,212	52,935	68,031	23,750	23,750	23,750	23,750	23,750	23,750	23,750	23,750	-	404,848	549,428	144,581
3501 State Unemployment	16,063	9,616	4,125	(2,033)	3,182	3,182	15,912	12,730	6,365	3,182	3,182	3,182	-	78,690	71,506	(7,183)
3601 Workers' Compensation	-	6,332	6,332	6,332	6,077	6,077	6,077	6,077	6,077	6,077	6,077	6,077	-	67,617	88,883	21,266
3901 Other Benefits	-	-	-	16,009	-	-	-	-	-	-	-	-	-	16,009	-	(16,009)
	131,203	118,040	143,900	138,767	97,322	97,322	110,052	106,869	100,504	97,322	97,322	97,322	-	1,335,943	1,612,138	276,195
Books and Supplies																
4100 Textbooks and Core Materials	2,391	14,659	114,507	4,765	4,042	-	-	128,350	110,014	73,343	55,007	-	-	507,077	189,130	(317,947)
4200 Books and Reference Materials	58,206	36,200	103,283	58,897	48,981	15,017	11,118	150,596	129,082	86,055	64,541	-	-	761,974	401,554	(360,420)
4302 School Supplies	89,223	100,657	78,422	59,196	47,630	62,883	52,714	46,682	40,013	26,676	20,007	-	-	624,102	1,126,629	502,527
4303 Special Activities/Field Trips	8,637	37,266	16,638	21,013	8,915	13,982	6,464	44,851	38,444	25,629	19,222	-	-	241,061	316,791	75,730
4304 Uniforms	-	-	-	-	220	-	-	-	-	-	-	-	-	220	-	(220)
4305 Software	38,821	18,781	25,814	56,634	36,195	42,436	6,595	127,726	109,480	72,986	54,740	-	-	590,209	686,212	96,004
4400 Noncapitalized Equipment	18,848	82,040	30,113	15,940	32,897	13,404	71,233	84,160	72,137	48,092	36,069	-	-	504,934	945,897	440,963
	216,124	289,602	368,778	216,445	178,881	147,722	148,124	582,365	499,170	332,780	249,585	-	-	3,229,577	3,666,213	436,636

Inspire Charter School - North

Monthly Cash Flow/Forecast FY17-18

Revised 02/23/18

ADA = 1686.31



		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	56,077	15,113	6,651	17,807	58,777	44,373	53,227	21,629	24,383	21,667	22,560	22,870	-	365,133	504,146	139,014
5105	Security	-	-	192	-	-	-	-	-	-	-	-	-	-	192	-	(192)
5106	Other Educational Consultants	33,978	39,659	199,104	216,149	315,782	318,668	151,068	65,416	56,070	37,380	28,035	-	-	1,461,311	2,797,935	1,336,624
		90,055	54,772	205,947	233,956	374,559	363,041	204,295	87,045	80,454	59,047	50,595	22,870	-	1,826,636	3,302,081	1,475,445
Professional/Consulting Services																	
5801	IT	-	-	-	-	-	-	-	125	125	125	125	125	-	625	1,000	375
5802	Audit & Taxes	-	-	-	3,350	-	-	-	2,667	2,667	2,667	-	-	-	11,350	8,000	(3,350)
5803	Legal	-	-	4,689	-	957	-	(269)	556	556	556	556	556	-	8,154	5,000	(3,154)
5804	Professional Development	4,839	9,889	-	-	(3,369)	311	1,032	1,667	1,667	1,667	1,667	1,667	-	21,035	15,000	(6,035)
5805	General Consulting	-	1,445	1,445	-	3,568	1,150	200	1,445	1,445	1,445	1,445	1,445	-	15,033	10,000	(5,033)
5810	Payroll Service Fee	-	2,225	3,548	2,144	1,109	1,787	1,027	2,500	2,500	2,500	2,500	2,500	-	24,339	25,000	661
5811	Management Fee	28,880	28,880	28,880	28,880	20,361	17,982	20,361	20,361	20,361	20,361	20,361	20,361	-	276,029	346,558	70,529
5812	District Oversight Fee	-	-	-	-	-	-	41,398	106,965	-	106,965	-	-	172,533	427,862	268,832	(159,030)
5814	SPED Encroachment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,420	53,420
		33,719	42,439	38,562	34,374	22,625	21,230	63,748	136,285	29,320	136,285	26,653	26,653	172,533	784,427	732,810	(51,617)
Facilities, Repairs and Other Leases																	
5601	Rent	13,910	25,454	21,149	24,554	27,167	27,067	129,103	24,453	24,453	24,453	24,453	24,453	-	390,667	166,920	(223,747)
5603	Equipment Leases	290	320	501	1,418	753	351	415	249	249	249	249	249	-	5,293	3,116	(2,178)
5610	Repairs and Maintenance	145	27,457	14,537	2,011	5,865	-	6,700	1,000	1,000	1,000	1,000	1,000	-	61,715	10,000	(51,715)
		14,345	53,230	36,186	27,983	33,785	27,418	136,217	25,702	25,702	25,702	25,702	25,702	-	457,676	180,036	(277,640)
Operations and Housekeeping																	
5201	Auto and Travel	9,948	21,138	11,283	4,220	6,641	22,435	1,536	4,040	4,040	4,040	4,040	4,040	-	97,402	80,000	(17,402)
5203	Business Meals	543	2,230	673	315	753	2,292	51	200	200	200	200	200	-	7,857	6,000	(1,857)
5300	Dues & Memberships	1,203	407	494	292	221	938	1,041	333	333	333	333	333	-	6,262	5,000	(1,262)
5400	Insurance	-	4,486	4,486	4,486	4,486	1,862	1,319	4,894	4,894	4,894	4,894	4,894	-	45,594	6,000	(39,594)
5501	Utilities	-	-	-	-	-	-	-	125	125	125	125	125	-	625	1,000	375
5502	Janitorial/Trash Removal	75	-	-	-	-	100	-	-	-	-	-	-	-	175	-	(175)
5510	Office Expense	3,369	6,078	7,431	2,971	4,839	2,340	3,494	5,455	5,455	5,455	5,455	5,455	-	57,796	60,000	2,204
5511	Postage and Shipping	1,187	1,709	3,088	1,376	2,176	929	2,040	1,667	1,667	1,667	1,667	1,667	-	20,838	15,000	(5,838)
5512	Printing	-	712	-	1,592	8	812	-	-	-	-	-	-	-	3,123	-	(3,123)
5513	Other taxes and fees	-	4,945	60	3,265	323	1,009	16,090	2,444	2,444	2,444	2,444	2,444	-	37,915	22,000	(15,915)
5514	Bank Charges	17	288	159	656	1,268	420	3,538	83	83	83	83	83	-	6,763	1,000	(5,763)
5515	Public Relations/Recruitment	-	1,753	224	-	-	-	6,555	333	333	333	333	333	-	10,199	3,000	(7,199)
5900	Communications	802	90	1,803	1,654	2,554	-	4,762	2,778	2,778	2,778	2,778	2,778	-	25,553	25,000	(553)
		17,144	43,836	29,700	20,827	23,268	33,138	40,426	22,353	22,353	22,353	22,353	22,353	-	320,103	224,000	(96,103)
Depreciation																	
6900	Depreciation Expense	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	-	15,591	-	(15,591)
		1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	-	15,591	-	(15,591)
Interest																	
7438	Interest Expense	65,787	90,092	75,599	103,098	81,562	91,924	127,512	21,132	98,455	120,297	77,000	-	-	952,458	834,000	(118,458)
		65,787	90,092	75,599	103,098	81,562	91,924	127,512	21,132	98,455	120,297	77,000	-	-	952,458	834,000	(118,458)
Total Expenses		1,048,866	1,140,855	1,463,503	1,029,581	1,247,406	1,217,200	1,265,780	1,417,156	1,291,363	1,229,191	984,615	630,304	172,533	14,138,354	16,900,043	2,761,689
Monthly Surplus (Deficit)		(1,030,068)	(791,237)	(1,062,251)	(376,403)	(635,171)	(586,410)	(509,053)	(706,762)	1,013,523	1,229,587	1,214,876	1,659,585	2,264,253	1,684,470	2,903,275	(1,218,805)

Inspire Charter School - North

Monthly Cash Flow/Forecast FY17-18

Revised 02/23/18

ADA = 1686.31



	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																	12%
Monthly Surplus (Deficit)	(1,030,068)	(791,237)	(1,062,251)	(376,403)	(635,171)	(586,410)	(509,053)	(706,762)	1,013,523	1,229,587	1,214,876	1,659,585	2,264,253	1,684,466			
Cash flows from operating activities																	
Depreciation/Amortization	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	-	15,591			
Public Funding Receivables	-	(36,596)	(73,191)	109,787	(48,794)	(233,011)	(91,233)	373,038	-	-	-	-	(2,436,786)	(2,436,786)			
Grants and Contributions Rec.	1,221,817	(2,098)	2,098	54,636	64,448	139,065	(50,989)	2,125	2,125	2,125	2,125	2,125	-	1,439,600			
Due To/From Related Parties	(81,602)	183,809	628,872	(127,713)	(206,559)	(366,738)	(31,653)	-	-	-	-	-	-	(1,585)			
Prepaid Expenses	(101,016)	31,969	(145,645)	94,700	82,455	(19,845)	6,032	-	-	-	-	-	-	(51,351)			
Other Assets	-	-	-	(1,000)	-	-	(24,210)	-	-	-	-	-	-	(25,210)			
Accounts Payable	(62,374)	31,595	184,312	25,516	159,276	(108,808)	(225,573)	100,000	300,000	-	-	(629,516)	172,533	(53,039)			
Accrued Expenses	138,945	(1,015)	(160,818)	(30,593)	66,540	(109,351)	44,072	-	-	-	-	-	-	(52,220)			
Cash flows from financing activities																	
Proceeds from Factoring	998,048	1,137,500	713,900	1,014,600	1,286,900	1,337,200	2,111,200	317,100	1,406,500	1,718,524	1,100,000	-	-	13,141,472			
Payments on Factoring	(1,115,300)	(310,924)	(362,524)	(634,800)	(480,200)	(450,100)	(543,000)	(632,300)	(1,960,100)	(2,034,500)	(1,885,500)	(1,954,800)	-	(12,364,048)			
Total Change in Cash	(30,250)	244,301	(273,949)	130,028	290,194	(396,699)	686,892	(545,500)	763,346	917,034	432,800	(921,307)					
Cash, Beginning of Month	(42,992)	(73,242)	171,059	(102,890)	27,139	317,332	(79,367)	607,525	62,025	825,372	1,742,406	2,175,206					
Cash, End of Month	(73,242)	171,059	(102,890)	27,139	317,332	(79,367)	607,525	62,025	825,372	1,742,406	2,175,206	1,253,899					

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

Charter School Name: Inspire Charter School - North
 (continued)
 CDS #: 51-71456-0133934
 Charter Approving Entity: Winship-Robbins
 County: Sutter
 Charter #: 1801
 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	15,990,421.00		15,990,421.00	1,118,052.00		1,118,052.00	12,687,703.77		12,687,703.77
Education Protection Account State Aid - Current Year	8012	418,000.00		418,000.00	38,387.00		38,387.00	339,999.73		339,999.73
State Aid - Prior Years	8019			-			-			-
Transfers to Charter Schools in Lieu of Property Taxes	8096	1,513,683.00		1,513,683.00	158,581.00		158,581.00	1,208,670.00		1,208,670.00
Other LCFF Transfers	8091, 8097			-			-			-
Total, LCFF Sources		17,922,104.00		17,922,104.00	1,315,020.00		1,315,020.00	14,236,373.50		14,236,373.50
2. Federal Revenues										
Every Student Succeeds Act (Title I - V)	8290			-			-			-
Special Education - Federal	8181, 8182		261,250.00	261,250.00			-	212,500.00		212,500.00
Child Nutrition - Federal	8220			-			-			-
Donated Food Commodities	8221			-			-			-
Other Federal Revenues	8110, 8260-8299			-			-			-
Total, Federal Revenues			261,250.00	261,250.00			-	212,500.00		212,500.00
3. Other State Revenues										
Special Education - State	StateRevSE		1,074,260.00	1,074,260.00		105,270.00	105,270.00		873,800.00	873,800.00
All Other State Revenues	StateRevAO	466,703.00	79,002.00	545,705.00	2,556.05		2,556.05	386,032.71		400,292.71
Total, Other State Revenues		466,703.00	1,153,262.00	1,619,965.00	2,556.05	105,270.00	107,826.05	386,032.71	938,060.00	1,324,092.71
4. Other Local Revenues										
All Other Local Revenues	LocalRevAO			-			-			-
Total, Local Revenues				-			-			-
5. TOTAL REVENUES		18,388,807.00	1,414,512.00	19,803,319.00	1,317,576.05	105,270.00	1,422,846.05	14,622,406.21	1,150,560.00	15,772,966.21
B. EXPENDITURES										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	3,897,846.78	654,306.22	4,552,153.00	1,306,242.81	7,373.53	1,313,616.34	3,221,108.62	630,429.14	3,851,537.76
Certificated Pupil Support Salaries	1200	244,200.00		244,200.00	42,457.78		42,457.78	224,128.66		224,128.66
Certificated Supervisors' and Administrators' Salaries	1300	266,110.00		266,110.00	171,045.47		171,045.47	469,153.95		469,153.95
Other Certificated Salaries	1900			-			-			-
Total, Certificated Salaries		4,408,156.78	654,306.22	5,062,463.00	1,519,746.06	7,373.53	1,527,119.59	3,914,391.23	630,429.14	4,544,820.37
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	1,212,052.00		1,212,052.00	170,561.37		170,561.37	530,610.97		530,610.97
Non-certificated Support Salaries	2200	5,500.00		5,500.00			-			-
Non-certificated Supervisors' and Administrators' Sal.	2300			-	4,687.50		4,687.50	4,687.50		4,687.50
Clerical and Office Salaries	2400	68,750.00		68,750.00	40,731.27		40,731.27	129,231.27		129,231.27
Other Non-certificated Salaries	2900			-			-			-
Total, Non-certificated Salaries		1,286,302.00		1,286,302.00	215,980.14		215,980.14	664,529.74		664,529.74
3. Employee Benefits										
STRS	3101-3102	636,096.67	94,416.33	730,513.00	203,831.61	988.95	204,820.56	551,459.85	88,814.93	640,274.78
PERS	3201-3202			-			-			-
OASDI / Medicare / Alternative	3301-3302	162,320.57	9,487.43	171,808.00	49,306.64	153.85	49,460.49	117,047.12	10,484.08	127,531.20
Health and Welfare Benefits	3401-3402	492,803.73	56,624.27	549,428.00	213,941.81	908.84	214,850.65	358,106.60	49,304.38	407,410.98
Unemployment Insurance	3501-3502	64,136.56	7,369.44	71,506.00	27,653.29	117.47	27,770.76	69,166.72	9,522.92	78,689.64
Workers' Compensation Insurance	3601-3602	79,722.68	9,160.32	88,883.00	18,916.63	80.36	18,996.99	59,352.77	8,171.73	67,524.50
OPEB, Allocated	3701-3702			-			-			-
OPEB, Active Employees	3751-3752			-			-			-
Other Employee Benefits	3901-3902			-	16,009.48		16,009.48	16,009.48		16,009.48
Total, Employee Benefits		1,435,080.21	177,057.78	1,612,137.99	529,659.46	2,249.47	531,908.93	1,171,142.54	166,298.04	1,337,440.58
4. Books and Supplies										
Approved Textbooks and Core Curricula Materials	4100	189,130.00		189,130.00	136,321.62		136,321.62	511,133.96		511,133.96
Books and Other Reference Materials	4200	322,552.00	79,002.00	401,554.00	256,584.56		256,584.56	703,811.16	64,260.00	768,071.16
Materials and Supplies	4300	2,129,632.00		2,129,632.00	551,101.68		551,101.68	1,880,412.85		1,880,412.85
Noncapitalized Equipment	4400	945,897.00		945,897.00	146,940.74		146,940.74	508,973.79		508,973.79
Food	4700			-			-			-
Total, Books and Supplies		3,587,211.00	79,002.00	3,666,213.00	1,090,948.60		1,090,948.60	3,604,331.75	64,260.00	3,668,591.75
5. Services and Other Operating Expenditures										
Subagreements for Services	5100	2,797,935.00	504,146.00	3,302,081.00	489,083.61	95,647.00	584,730.61	1,059,868.89	289,572.82	1,349,441.71
Travel and Conferences	5200	86,000.00		86,000.00	50,349.24		50,349.24	107,682.57		107,682.57
Dues and Memberships	5300	5,000.00		5,000.00	2,395.17		2,395.17	5,728.50		5,728.50
Insurance	5400	6,000.00		6,000.00	13,457.37		13,457.37	49,345.37		49,345.37
Operations and Housekeeping Services	5500	102,000.00		102,000.00	40,956.76		40,956.76	114,645.65		114,645.65
Rentals, Leases, Repairs, and Noncap. Improvements	5600	180,036.00		180,036.00	131,744.33		131,744.33	296,116.68		296,116.68
Transfers of Direct Costs	5700-5799			-			-			-
Professional/Consulting Services and Operating Expend.	5800	732,810.00		732,810.00	149,093.90		149,093.90	860,361.66		860,361.66
Communications	5900	25,000.00		25,000.00	4,348.40		4,348.40	24,153.40		24,153.40
Total, Services and Other Operating Expenditures		3,934,781.00	504,146.00	4,438,927.00	881,428.78	95,647.00	977,075.78	2,517,902.72	289,572.82	2,807,475.54

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

Charter School Name: Inspire Charter School - North
 (continued)
 CDS #: 51-71456-0133934
 Charter Approving Entity: Winship-Robbins
 County: Sutter
 Charter #: 1801
 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			-	5,196.90		5,196.90	15,591.30		15,591.30
Total, Capital Outlay				-	5,196.90		5,196.90	15,591.30		15,591.30
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	834,000.00		834,000.00	334,576.00		334,576.00	879,085.12		879,085.12
Principal (for modified accrual basis only)	7439			-			-			-
Total, Other Outgo		834,000.00		834,000.00	334,576.00		334,576.00	879,085.12		879,085.12
8. TOTAL EXPENDITURES		15,485,530.99	1,414,512.00	16,900,042.99	4,577,535.94	105,270.00	4,682,805.94	12,766,974.40	1,150,560.00	13,917,534.40
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		2,903,276.01	(0.00)	2,903,276.01	(3,259,959.89)	-	(3,259,959.89)	1,855,431.81	(0.00)	1,855,431.81
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)		2,903,276.01	(0.00)	2,903,276.01	(3,259,959.89)	-	(3,259,959.89)	1,855,431.81	(0.00)	1,855,431.81
F. FUND BALANCE, RESERVES										
1. Beginning Fund Balance										
a. As of July 1	9791	(3,313,008.94)		(3,313,008.94)	(3,313,008.94)		(3,313,008.94)	(3,313,008.94)		(3,313,008.94)
b. Adjustments to Beginning Balance	9793, 9795	22,710.28		22,710.28	22,710.28		22,710.28	22,710.28		22,710.28
c. Adjusted Beginning Balance		(3,290,298.66)		(3,290,298.66)	(3,290,298.66)		(3,290,298.66)	(3,290,298.66)		(3,290,298.66)
2. Ending Fund Balance, June 30 (E + F.1.c.)		(387,022.65)	(0.00)	(387,022.65)	(6,550,258.55)		(6,550,258.55)	(1,434,866.85)	(0.00)	(1,434,866.85)
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			-	234,140.30		234,140.30	695,876.72		695,876.72
Unassigned/Unappropriated Amount	9790	(387,022.65)	(0.00)	(387,022.65)	(6,784,398.85)		(6,784,398.85)	(2,130,743.57)	(0.00)	(2,130,743.57)

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

Charter School Name: Inspire Charter School - North
 (continued) _____
 CDS #: 51-71456-0133934
 Charter Approving Entity: Winship-Robbins
 County: Sutter
 Charter #: 1801
 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	15,990,421.00	1,118,052.00	12,687,703.77	(3,302,717.23)	-20.65%
Education Protection Account State Aid - Current Year	8012	418,000.00	38,387.00	339,999.73	(78,000.27)	-18.66%
State Aid - Prior Years	8019	-	-	-	-	
Transfers to Charter Schools Funding in Lieu of Property Taxes	8096	1,513,683.00	158,581.00	1,208,670.00	(305,013.00)	-20.15%
Other LCFF Transfers	8091, 8097	-	-	-	-	
Total, LCFF Sources		17,922,104.00	1,315,020.00	14,236,373.50	(3,685,730.50)	-20.57%
2. Federal Revenues						
Every Student Succeeds Act (Title I-V)	8290	-	-	-	-	
Special Education - Federal	8181, 8182	261,250.00	-	212,500.00	(48,750.00)	-18.66%
Child Nutrition - Federal	8220	-	-	-	-	
Donated Food Commodities	8221	-	-	-	-	
Other Federal Revenues	8110, 8260-8299	-	-	-	-	
Total, Federal Revenues		261,250.00	-	212,500.00	(48,750.00)	-18.66%
3. Other State Revenues						
Special Education - State	StateRevSE	1,074,260.00	105,270.00	873,800.00	(200,460.00)	-18.66%
All Other State Revenues	StateRevAO	545,705.00	2,556.05	450,292.71	(95,412.29)	-17.48%
Total, Other State Revenues		1,619,965.00	107,826.05	1,324,092.71	(295,872.29)	-18.26%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	-	-	-	-	
Total, Local Revenues		-	-	-	-	
5. TOTAL REVENUES						
		19,803,319.00	1,422,846.05	15,772,966.21	(4,030,352.79)	-20.35%
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	4,552,153.00	1,313,616.34	3,851,537.76	(700,615.24)	-15.39%
Certificated Pupil Support Salaries	1200	244,200.00	42,457.78	224,128.66	(20,071.34)	-8.22%
Certificated Supervisors' and Administrators' Salaries	1300	266,110.00	171,045.47	469,153.95	203,043.95	76.30%
Other Certificated Salaries	1900	-	-	-	-	
Total, Certificated Salaries		5,062,463.00	1,527,119.59	4,544,820.37	(517,642.63)	-10.23%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	1,212,052.00	170,561.37	530,610.97	(681,441.03)	-56.22%
Non-certificated Support Salaries	2200	5,500.00	-	-	(5,500.00)	(100%)
Non-certificated Supervisors' and Administrators' Sal.	2300	-	4,687.50	4,687.50	4,687.50	New
Clerical and Office Salaries	2400	68,750.00	40,731.27	129,231.27	60,481.27	87.97%
Other Non-certificated Salaries	2900	-	-	-	-	
Total, Non-certificated Salaries		1,286,302.00	215,980.14	664,529.74	(621,772.26)	-48.34%
3. Employee Benefits						
STRS	3101-3102	730,513.00	204,820.56	640,274.78	(90,238.22)	-12.35%
PERS	3201-3202	-	-	-	-	
OASDI / Medicare / Alternative	3301-3302	171,808.00	49,460.49	127,531.20	(44,276.80)	-25.77%
Health and Welfare Benefits	3401-3402	549,428.00	214,850.65	407,410.98	(142,017.01)	-25.85%
Unemployment Insurance	3501-3502	71,506.00	27,770.76	78,689.64	7,183.65	10.05%
Workers' Compensation Insurance	3601-3602	88,883.00	18,996.99	67,524.50	(21,358.50)	-24.03%
OPEB, Allocated	3701-3702	-	-	-	-	
OPEB, Active Employees	3751-3752	-	-	-	-	
Other Employee Benefits	3901-3902	-	16,009.48	16,009.48	16,009.48	New
Total, Employee Benefits		1,612,137.99	531,908.93	1,337,440.58	(274,697.41)	-17.04%

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

Charter School Name: Inspire Charter School - North
 (continued) _____
 CDS #: 51-71456-0133934 _____
 Charter Approving Entity: Winship-Robbins _____
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 Charter #: 1801 _____
 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	189,130.00	136,321.62	511,133.96	322,003.96	170.26%
Books and Other Reference Materials	4200	401,554.00	256,584.56	768,071.16	366,517.16	91.27%
Materials and Supplies	4300	2,129,632.00	551,101.68	1,880,412.85	(249,219.15)	-11.70%
Noncapitalized Equipment	4400	945,897.00	146,940.74	508,973.79	(436,923.21)	-46.19%
Food	4700	-	-	-	-	-
Total, Books and Supplies		3,666,213.00	1,090,948.60	3,668,591.75	2,378.75	0.06%
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	3,302,081.00	584,730.61	1,349,441.71	(1,952,639.29)	-59.13%
Travel and Conferences	5200	86,000.00	50,349.24	107,682.57	21,682.57	25.21%
Dues and Memberships	5300	5,000.00	2,395.17	5,728.50	728.50	14.57%
Insurance	5400	6,000.00	13,457.37	49,345.37	43,345.37	722.42%
Operations and Housekeeping Services	5500	102,000.00	40,956.76	114,645.65	12,645.65	12.40%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	180,036.00	131,744.33	296,116.68	116,080.68	64.48%
Transfers of Direct Costs	5700-5799	-	-	-	-	-
Professional/Consulting Services and Operating Expend.	5800	732,810.00	149,093.90	860,361.66	127,551.66	17.41%
Communications	5900	25,000.00	4,348.40	24,153.40	(846.60)	-3.39%
Total, Services and Other Operating Expenditures		4,438,927.00	977,075.78	2,807,475.54	(1,631,451.46)	-36.75%
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	-	5,196.90	15,591.30	15,591.30	New
Total, Capital Outlay		-	5,196.90	15,591.30	15,591.30	New
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	834,000.00	334,576.00	879,085.12	45,085.12	5.41%
Principal (for modified accrual basis only)	7439	-	-	-	-	-
Total, Other Outgo		834,000.00	334,576.00	879,085.12	45,085.12	5.41%
8. TOTAL EXPENDITURES						
		16,900,042.99	4,682,805.94	13,917,534.40	(2,982,508.59)	-17.65%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)						
		2,903,276.01	(3,259,959.89)	1,855,431.81	(1,047,844.20)	-36.09%

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

Charter School Name: Inspire Charter School - North
 (continued) _____
 CDS #: 51-71456-0133934 _____
 Charter Approving Entity: Winship-Robbins _____
 County: Sutter _____
 Charter #: 1801 _____
 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)						
		2,903,276.01	(3,259,959.89)	1,855,431.81	(1,047,844.20)	-36.09%
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	(3,313,008.94)	(3,313,008.94)	(3,313,008.94)	-	0.00%
b. Adjustments/Restatements	9793, 9795	22,710.28	22,710.28	22,710.28	-	0.00%
c. Adjusted Beginning Fund Balance		(3,290,298.66)	(3,290,298.66)	(3,290,298.66)		
2. Ending Fund Balance, June 30 (E + F.1.c.)		(387,022.65)	(6,550,258.55)	(1,434,866.85)		
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	-	234,140.30	695,876.72	695,876.72	New
Unassigned/Unappropriated Amount	9790	(387,022.65)	(6,784,398.85)	(2,130,743.57)	(1,743,720.92)	450.55%

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

Charter School Name: Inspire Charter School - North
 (continued) _____
 CDS #: 51-71456-0133934
 Charter Approving Entity: Winship-Robbins
 County: Sutter
 Charter #: 1801
 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	12,687,703.77	0.00	12,687,703.77	12,944,079.34	13,216,906.00
Education Protection Account State Aid - Current Year	8012	339,999.73	0.00	339,999.73	339,999.73	339,999.73
State Aid - Prior Years	8019	0.00	0.00	0.00		
Transfers of Charter Schools in Lieu of Property Taxes	8096	1,208,670.00	0.00	1,208,670.00	1,208,670.00	1,208,670.00
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00		
Total, LCFF Sources		14,236,373.50	0.00	14,236,373.50	14,492,749.07	14,765,575.73
2. Federal Revenues						
Every Student Succeeds Act (Title I - V)	8290	0.00	0.00	0.00		
Special Education - Federal	8181, 8182	0.00	212,500.00	212,500.00	212,500.00	212,500.00
Child Nutrition - Federal	8220	0.00	0.00	0.00		
Donated Food Commodities	8221	0.00	0.00	0.00		
Other Federal Revenues	8110, 8260-8299	0.00	0.00	0.00		
Total, Federal Revenues		0.00	212,500.00	212,500.00	212,500.00	212,500.00
3. Other State Revenues						
Special Education - State	StateRevSE	0.00	873,800.00	873,800.00	873,800.00	873,800.00
All Other State Revenues	StateRevAO	386,032.71	64,260.00	450,292.71	353,923.65	353,923.65
Total, Other State Revenues		386,032.71	938,060.00	1,324,092.71	1,227,723.65	1,227,723.65
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		14,622,406.21	1,150,560.00	15,772,966.21	15,932,972.71	16,205,799.38
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	3,221,108.62	630,429.14	3,851,537.76	3,928,568.51	4,007,139.88
Certificated Pupil Support Salaries	1200	224,128.66	0.00	224,128.66	228,611.23	233,183.46
Certificated Supervisors' and Administrators' Salaries	1300	469,153.95	0.00	469,153.95	478,537.03	488,107.77
Other Certificated Salaries	1900	0.00	0.00	0.00		
Total, Certificated Salaries		3,914,391.23	630,429.14	4,544,820.37	4,635,716.77	4,728,431.11
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	530,610.97	0.00	530,610.97	541,223.19	552,047.65
Non-certificated Support Salaries	2200	0.00	0.00	0.00	0.00	0.00
Non-certificated Supervisors' and Administrators' Sal.	2300	4,687.50	0.00	4,687.50	4,781.25	4,876.88
Clerical and Office Salaries	2400	129,231.27	0.00	129,231.27	131,815.90	134,452.21
Other Non-certificated Salaries	2900	0.00	0.00	0.00		
Total, Non-certificated Salaries		664,529.74	0.00	664,529.74	677,820.33	691,376.74

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

Charter School Name: Inspire Charter School - North
 (continued) _____
 CDS #: 51-71456-0133934
 Charter Approving Entity: Winship-Robbins
 County: Sutter
 Charter #: 1801
 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	551,459.85	88,814.93	640,274.78	653,080.28	666,141.88
PERS	3201-3202	0.00	0.00	0.00		
OASDI / Medicare / Alternative	3301-3302	117,047.12	10,484.08	127,531.20	130,081.82	132,683.46
Health and Welfare Benefits	3401-3402	358,106.60	49,304.38	407,410.98	415,559.20	423,870.39
Unemployment Insurance	3501-3502	69,166.72	9,522.92	78,689.64	80,263.44	81,868.70
Workers' Compensation Insurance	3601-3602	59,352.77	8,171.73	67,524.50	68,874.99	70,252.48
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	16,009.48	0.00	16,009.48	16,329.67	16,656.26
Total, Employee Benefits		1,171,142.54	166,298.04	1,337,440.58	1,364,189.39	1,391,473.18
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	511,133.96	0.00	511,133.96	521,356.64	531,783.77
Books and Other Reference Materials	4200	703,811.16	64,260.00	768,071.16	783,432.58	799,101.23
Materials and Supplies	4300	1,880,412.85	0.00	1,880,412.85	1,918,021.11	1,956,381.53
Noncapitalized Equipment	4400	508,973.79	0.00	508,973.79	519,153.26	529,536.33
Food	4700	0.00	0.00	0.00		
Total, Books and Supplies		3,604,331.75	64,260.00	3,668,591.75	3,741,963.59	3,816,802.86
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	1,059,868.89	289,572.82	1,349,441.71	1,376,430.54	1,403,959.15
Travel and Conferences	5200	107,682.57	0.00	107,682.57	109,836.22	112,032.95
Dues and Memberships	5300	5,728.50	0.00	5,728.50	5,843.07	5,959.93
Insurance	5400	49,345.37	0.00	49,345.37	50,332.28	51,338.92
Operations and Housekeeping Services	5500	114,645.65	0.00	114,645.65	116,938.56	119,277.33
Rentals, Leases, Repairs, and Noncap. Improvements	5600	296,116.68	0.00	296,116.68	302,039.01	308,079.79
Transfers of Direct Costs	5700-5799	0.00	0.00	0.00		
Professional/Consulting Services and Operating Expend.	5800	860,361.66	0.00	860,361.66	876,718.34	893,741.86
Communications	5900	24,153.40	0.00	24,153.40	24,636.47	25,129.20
Total, Services and Other Operating Expenditures		2,517,902.72	289,572.82	2,807,475.54	2,862,774.49	2,919,519.13
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	15,591.30	0.00	15,591.30	15,903.13	15,591.30
Total, Capital Outlay		15,591.30	0.00	15,591.30	15,903.13	15,591.30
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	879,085.12	0.00	879,085.12		
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00		
Total, Other Outgo		879,085.12	0.00	879,085.12	0.00	0.00
8. TOTAL EXPENDITURES		12,766,974.40	1,150,560.00	13,917,534.40	13,298,367.70	13,563,194.32
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		1,855,431.81	(0.00)	1,855,431.81	2,634,605.01	2,642,605.06

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

Charter School Name: Inspire Charter School - North
 (continued) _____
 CDS #: 51-71456-0133934
 Charter Approving Entity: Winship-Robbins
 County: Sutter
 Charter #: 1801
 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)		1,855,431.81	(0.00)	1,855,431.81	2,634,605.01	2,642,605.06
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	(3,313,008.94)	0.00	(3,313,008.94)	(1,434,866.85)	1,199,738.16
b. Adjustments/Restatements	9793, 9795	22,710.28	0.00	22,710.28		
c. Adjusted Beginning Balance		(3,290,298.66)	0.00	(3,290,298.66)	(1,434,866.85)	1,199,738.16
2. Ending Fund Balance, June 30 (E + F.1.c.)		(1,434,866.85)	(0.00)	(1,434,866.85)	1,199,738.16	3,842,343.21
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00		
Stores (equals object 9320)	9712	0.00	0.00	0.00		
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00		
All Others	9719	0.00	0.00	0.00		
b. Restricted	9740		0.00	0.00		
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00		
Other Commitments	9760	0.00	0.00	0.00		
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00		
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	695,876.72	0.00	695,876.72	664,918.39	678,159.72
Unassigned/Unappropriated Amount	9790	(2,130,743.57)	(0.00)	(2,130,743.57)	534,819.77	3,164,183.50

INSPIRE CHARTER SCHOOL NORTH
SUTTER COUNTY
SACRAMENTO, CALIFORNIA
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2017

INSPIRE CHARTER SCHOOL NORTH
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 North

Report on the Financial Statements

We have audited the accompanying financial statements of Inspire Charter School North (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 North 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 North will continue as a going concern. As discussed in Note L to the financial statements, Inspire Charter School North 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 L. 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 14, 2017, on our consideration of Inspire Charter School North'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 North's internal control over financial reporting and compliance.

Wilkinson Hadley King + LLP

El Cajon, California
December 14, 2017

Financial Statements

INSPIRE CHARTER SCHOOL NORTH

Statement of Financial Position

June 30, 2017

ASSETS

Current Assets

Cash and cash equivalents	\$	200
Accounts receivable		1,569,310
Prepaid expenditures		31,259
Total Current Assets		<u>1,600,769</u>

Noncurrent Assets

Capital assets, net		39,344
Other noncurrent assets		11,410
Total Noncurrent Assets		<u>50,754</u>

TOTAL ASSETS \$ 1,651,523

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	199,366
Accrued expenses		286,461
Accounts payable related entity		2,032,294
Short term loan		2,423,700
Total Current Liabilities		<u>4,941,821</u>

Total Liabilities 4,941,821

Net Assets

Unrestricted		(3,290,298)
Total Net Assets		<u>(3,290,298)</u>

TOTAL LIABILITIES AND NET ASSETS \$ 1,651,523

The accompanying notes are an integral part of this statement.

INSPIRE CHARTER SCHOOL NORTH

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	\$ 5,783,353	\$ -	\$ 5,783,353
LCFF state aid, prior year	-	-	-
Education protection account funds	153,548	-	153,548
Payments in lieu of property taxes	545,848	-	545,848
Federal revenue	-	250,000	250,000
Other state revenue	145,311	371,282	516,593
Interest	-	-	-
Other local revenue	30,933	-	30,933
Total Revenues	<u>6,658,993</u>	<u>621,282</u>	<u>7,280,275</u>
Net assets released from restrictions:			
Grant restrictions satisfied	<u>621,282</u>	<u>(621,282)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>7,280,275</u>	<u>-</u>	<u>7,280,275</u>
EXPENSES			
Certificated salaries	3,535,068	-	3,535,068
Classified salaries	904,975	-	904,975
Taxes and employee benefits	1,124,974	-	1,124,974
Books and supplies	1,416,282	-	1,416,282
Rentals, leases and repairs	158,540	-	158,540
Other operating expenditures	2,396,701	-	2,396,701
Debt service interest	513,823	-	513,823
Depreciation expense	12,701	-	12,701
TOTAL EXPENSES	<u>10,063,064</u>	<u>-</u>	<u>10,063,064</u>
CHANGE IN NET ASSETS	<u>(2,782,789)</u>	<u>-</u>	<u>(2,782,789)</u>
NET ASSETS, BEGINNING OF YEAR	<u>(507,509)</u>	<u>-</u>	<u>(507,509)</u>
NET ASSETS, END OF YEAR	<u><u>\$ (3,290,298)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (3,290,298)</u></u>

The accompanying notes are an integral part of this statement.

INSPIRE CHARTER SCHOOL NORTH

Statement of Cash Flows

Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$(2,782,789)
Depreciation	12,701
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) Decrease resulting from changes in assets:	
Accounts receivable	(1,569,310)
Prepaid expenses	(31,259)
Increase (Decrease) resulting from changes in liabilities:	
Accounts payable	(313,189)
Accrued expenses	286,461
Accounts payable related entity	2,032,294
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(2,365,091)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of capital assets	(46,999)
Increase in deposits	(11,410)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(58,409)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from loan payable	2,423,700
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>2,423,700</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 200

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR -

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 200

The accompanying notes are an integral part of this statement.

INSPIRE CHARTER SCHOOL NORTH

Notes to the Financial Statements

Year Ended June 30, 2017

A. Organization and Summary of Significant Accounting Policies

Organization

Inspire Charter School - North (the School) was formed on January 13, 2016 as a charter school pursuant to California Education Code §47600 under a charter agreement with Winship-Robbins Elementary School District (the District). The School became a nonprofit public benefit corporation in 2016. The charter agreement was approved by Winship-Robbins Elementary School District and submitted to the California Board of Education in March of 2016. The School began operations on July 1, 2016.

Inspire Charter School - North 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 NORTH
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 NORTH
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 89% 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 NORTH
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 (\$62,200 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 not have any cash that was exposed to uninsured deposit risk.

C. Accounts Receivable

As of June 30, 2017 accounts receivable consisted of:

	Accounts Receivable
Federal Government:	
Federal Grants	\$ 93,716
State Government:	
LCFF Revenue	1,175,152
Education Protection Account	46,665
Lottery Revenue	144,166
Local Sources:	
In Lieu of Property Taxes	55,296
Other Local Sources	54,315
Total Accounts Receivable	\$ 1,569,310

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

D. Capital Assets

As of June 30, 2017 capital assets consisted of:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Furniture	\$ -	\$ 7,735	\$ -	\$ 7,735
Equipment	<u>5,190</u>	<u>39,264</u>	<u>-</u>	<u>44,454</u>
Total capital assets	5,190	46,999	-	52,189
Less accumulated depreciation	<u>(144)</u>	<u>(12,701)</u>	<u>-</u>	<u>(12,845)</u>
Capital assets, net	<u>\$ 5,046</u>	<u>\$ 34,298</u>	<u>\$ -</u>	<u>\$ 39,344</u>

E. Accounts Payable

As of June 30, 2017 accounts payable consisted of:

	<u>Accounts Payable</u>	<u>Accrued Expenses</u>	<u>Accounts Payable Related Entity</u>
Vendors payable	\$ 156,174	\$ 144,968	\$ -
Negative book bank balance	43,192	-	-
Accrued payroll liabilities	-	141,493	-
Accounts payable Inspire South	<u>-</u>	<u>-</u>	<u>2,032,294</u>
Total Accounts Payable	<u>\$ 199,366</u>	<u>\$ 286,461</u>	<u>\$ 2,032,294</u>

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

F. 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
7/13/2016	\$ 988,000	\$ 44,602	\$ 943,398	15.69%
9/13/2016	150,500	13,335	137,165	15.73%
9/26/2016	746,900	39,273	707,627	15.95%
10/11/2016	137,600	12,300	125,300	31.12%
10/20/2016	1,137,300	61,099	1,076,201	19.34%
11/4/2016	296,314	21,712	274,602	26.66%
12/9/2016	427,000	22,551	404,449	18.17%
12/20/2016	470,000	26,574	443,426	18.01%
1/6/2017	427,000	26,818	400,182	16.87%
2/7/2017	614,700	43,597	571,103	19.49%
3/8/2017	488,100	28,728	459,372	22.14%
4/7/2017	490,600	18,109	472,491	23.52%
4/21/2017	490,600	28,963	461,637	19.83%
5/8/2017	314,400	20,601	293,799	14.50%
5/24/2017	32,600	2,027	30,573	18.76%
6/8/2017	449,300	26,250	423,050	19.87%
Total	<u>\$ 7,660,914</u>	<u>\$ 436,539</u>	<u>\$ 7,224,375</u>	

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	\$ -	\$ 7,660,914	\$ 5,237,214	\$ 2,423,700

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

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

G. Operating Lease

On January 4, 2016 the School entered into a lease agreement with BC Properties 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 from \$7,553 to \$12,322 for a period of 60 months. Future minimum lease payments under the agreement are as follows:

Year Ended June 30,	Lease Payments
2018	\$ 132,764
2019	140,321
2020	145,085
2021	86,254
Total	\$ 504,424

H. Functional Expenses

As of June 30, 2017 functional expenses consisted of:

	Program Services	Management and General	Total
Other salaries and wages	4,028,059	411,984	4,440,043
Pension plan accruals and contributions	386,297	39,529	425,826
Other employee benefits	522,700	53,488	576,188
Payroll taxes	111,549	11,409	122,958
Fees for services (non-employees):			
Management	-	128,195	128,195
Legal	-	21,481	21,481
Accounting	-	850	850
Consultants	1,405,526	16,437	1,421,963
Payroll service fee	-	12,124	12,124
Other	-	19,432	19,432
Advertising and promotion	-	2,553	2,553
Office expenses	57,429	-	57,429
Information technology	21,745	-	21,745
Occupancy	149,358	-	149,358
Travel	-	100,471	100,471
Conferences, conventions and meetings	19,555	-	19,555
Interest	-	513,823	513,823
Depreciation	12,701	-	12,701
Insurance	-	23,355	23,355
All other expenses: Books and supplies	1,282,449	-	1,282,449
All other expenses: Student activities	133,834	-	133,834
All other expenses: Special education	332,868	-	332,868
All other expenses: District oversight	-	230,735	230,735
All other expenses: Miscellaneous	9,425	3,703	13,128
Total expenses	\$ 8,473,495	\$ 1,589,569	\$ 10,063,064

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

I. 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.

J. 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 School began operations in the 2016-17 year affecting the period-to-period comparability of the contributions for years 2016 and 2017.

INSPIRE CHARTER SCHOOL NORTH
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	51024	Yellow	Yellow	Yellow	No

Pension Fund	Contributions of School			Number of Employees	Surcharge Imposed
	2017	2016	2015		
CalSTRS	423,572	N/A	N/A	80	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.

K. 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 NORTH
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 NORTH
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.

L. 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 \$3,313,009. However, after corrections the net assets are negative \$3,290,298.
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, Winship-Robbins Elementary 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 40 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 NORTH

Organization Structure
Year Ended June 30, 2017

Inspire Charter School – North (Charter #1801) was established in 2016. The authorizing entity is Winship-Robbins Elementary School District.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Suzanne Nunnink	President	Two Year Term Expires June 30, 2019
Faith Ford	Treasurer	Two Year Term Expires June 30, 2019
Elizabeth Pratt	Secretary	Two Year Term Expires June 30, 2019

ADMINISTRATION

Julie Haycock
Senior Director - Operations

Shannon Carpenter
Senior Director - Instruction

See accompanying notes to supplementary information

INSPIRE CHARTER SCHOOL NORTH

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	331.51	N/A	360.64	N/A
Grades 4-6	218.07	N/A	228.99	N/A
Grades 7-8	110.36	N/A	115.39	N/A
Grades 9-12	101.09	N/A	102.08	N/A
Total Non-Classroom Based Attendance	<u>761.03</u>	<u>N/A</u>	<u>807.10</u>	<u>N/A</u>
Total Attendance	<u><u>761.03</u></u>	<u><u>N/A</u></u>	<u><u>807.10</u></u>	<u><u>N/A</u></u>

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

INSPIRE CHARTER SCHOOL NORTH

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 North is an independent study-based charter school.

See accompanying notes to supplementary information

INSPIRE CHARTER SCHOOL NORTH

Schedule of Financial Trends and Analysis

Year Ended June 30, 2017

	Budget		
	2018	2017	2016
Revenues	<u>\$ 15,772,966</u>	<u>\$ 7,280,275</u>	<u>\$ -</u>
Expenses	<u>13,917,534</u>	<u>10,063,064</u>	<u>507,509</u>
Change in Net Assets	<u>1,855,432</u>	<u>(2,782,789)</u>	<u>(507,509)</u>
Ending Net Assets	<u><u>\$ (1,434,866)</u></u>	<u><u>\$ (3,290,298)</u></u>	<u><u>\$ (507,509)</u></u>
Unrestricted Net Assets	<u><u>\$ (1,434,866)</u></u>	<u><u>\$ (3,290,298)</u></u>	<u><u>\$ (507,509)</u></u>
Unrestricted net assets as a percentage of total expenses	<u><u>-10%</u></u>	<u><u>-33%</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>1,700</u></u>	<u><u>761</u></u>	<u><u>N/A</u></u>

See accompanying notes to supplementary information

INSPIRE CHARTER SCHOOL NORTH

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>\$ (3,313,009)</u>
Adjustments and reclassifications:	
Understatement of cash	53,968
Understatement of accounts receivable	1,136,800
Understatement of accounts payable	(31,257)
Overstatement of unearned revenue	1,286,900
Understatement of short term loans	<u>(2,423,700)</u>
Total adjustments and reclassifications	<u>22,711</u>
June 30, 2017 audited financial statement net assets	<u><u>\$ (3,290,298)</u></u>

See accompanying notes to supplementary information

INSPIRE CHARTER SCHOOL NORTH

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 North

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 North (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 North'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 North's internal control. Accordingly, we do not express an opinion on the effectiveness of Inspire Charter School North'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 North'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 North

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 North 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 + Collier

El Cajon, California
December 14, 2017

Auditor's Results, Findings & Recommendations

INSPIRE CHARTER SCHOOL NORTH

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 NORTH

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 NORTH

Schedule of Prior Year Audit Findings

Year Ended June 30, 2017

Finding/Recommendation	Status	Explanation if Not Implemented
The School was not operational during 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 – North’s (INSPN) 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. INSPN 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 INSPN. An employee leaving the employment of INSPN 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 – North

Number 2018-3

Resolution to Withdraw Membership

From CharterSAFE for 2018/2019

The undersigned, on behalf of Inspire Charter School – North, 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 3, 2018 at 8:00 am., Pacific Time at 3840 Rosin Court #200, Sacramento, CA 95834. A quorum of the Board was present at the meeting.

WHEREAS, Inspire Charter School – North 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 – NORTH BOARD OF DIRECTORS AS FOLLOWS:

1. Inspire Charter School – North 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- North, at a meeting thereof duly held on the 3rd 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 – North