



**INSPIRE CHARTER SCHOOLS**

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**Regular Board Meeting  
Clarksville Charter School  
October 1, 2017 – 9:30 am- 10:00 am  
3411 Lake Tahoe Blvd  
South Lake Tahoe, CA 96150**

**AGENDA**

1. Call to Order
2. Public Comment
3. Election of Officers
4. Adoption of Bylaws
5. Approval of the CSC Acknowledgement Resolutions for the Sale of Receivables
6. Approval of Fiscal Policy and Procedures
7. Approval of Interschool Loan Policy
8. Accept the Year-End 16/17 Financials
9. Current Financial Forecasts- Informational
10. 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))

# Election of Officers

	President	Treasurer	Secretary
Clarksville Charter School	Emily Allen	Mollie Haycock	Katie Burwell

**BYLAWS**  
**OF**  
**CLARKSVILLE CHARTER SCHOOL**

a California Nonprofit Public Benefit Corporation

**ARTICLE I**

**OFFICES**

Section 1. PRINCIPAL OFFICE. The board of directors shall fix the location of the principal executive office of the corporation at any place within or outside the State of California. If the principal executive office is located outside the State of California, and the corporation has one or more offices in the State of California, the board of directors shall likewise fix and designate a principal office in the State of California.

Section 2. OTHER OFFICES. The corporation may also establish offices at such other places, both within and outside the State of California, as the board of directors may from time to time determine or the activities of the corporation may require.

**ARTICLE II**

**OBJECTIVES AND PURPOSES**

The specific objectives and purposes of this corporation shall be to operate one or more California public charter schools.

**ARTICLE III**

**NONPARTISAN ACTIVITIES**

The corporation has been formed under the California Nonprofit Public Benefit Corporation Law (the "Law") for the public, nonprofit, nonpartisan, and charitable purposes described in its articles of incorporation. Notwithstanding any other provision in these bylaws, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall

not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("IRC"), or (b) by a corporation contributions to which are deductible under IRC Section 170(c)(2).

## **ARTICLE IV**

### **DEDICATION OF ASSETS**

The properties and assets of this corporation are irrevocably dedicated to the charitable purposes described in Article III above and in the articles of incorporation of this corporation. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of its directors or officers, or to any individual. On liquidation or dissolution of this corporation, all remaining assets of this corporation, after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed and paid over to an organization dedicated to charitable purposes that is exempt from federal income tax under IRC Section 501(c)(3) and that is exempt from California income tax under Section 23701d of the California Revenue and Taxation Code.

## **ARTICLE V**

### **MEMBERS**

Section 1. SOLE MEMBER. Inspire Charter Schools, a California Nonprofit Public Benefit Corporation exempt from federal income tax under IRC Section 501(c)(3) (the "Sole Member"), shall be the sole member of this corporation as the term "member" is defined in Section 5056 of the California Corporations Code (the "Code"). The Sole Member shall have all the rights granted to members by Section 5056 of the Code.

## **ARTICLE VI**

### **DIRECTORS**

Section 1. POWERS. Subject to the provisions of the Law and any limitations in the articles of incorporation and these bylaws, the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the board of directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the board of directors shall have the following powers in addition to the other powers enumerated in these bylaws:

(a) To select and remove all of the other officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the articles of incorporation, and with these bylaws; fix their compensation; and require from them security for faithful service.

(b) To conduct, manage, and control the affairs and activities of the corporation and to make such rules and regulations that are consistent with law, the articles of incorporation, and these bylaws, as they deem to be appropriate and in the best interests of the corporation.

(c) To adopt, make, and use a corporate seal; and to alter the form of such seal.

(d) To borrow money and to incur indebtedness on behalf of the corporation, and to cause to be executed and delivered for the purposes of the corporation, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities.

(e) To change the principal executive office or the principal office in the State of California from one location to another; to cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country and conduct its activities within or outside the State of California; and to designate any place within or outside the State of California for the holding of any board of directors meeting or meetings.

(f) To make donations for the public welfare or for community funds, hospital, charitable, educational, scientific, civic, religious, or similar purposes.

(g) To act as a trustee under any trust incidental to the principal objects of the corporation, and to receive, to hold, to administer, to exchange, and to expend funds and property subject to such trust.

(h) To receive endowments, devises, bequests, gifts, and donations of all kinds of property for its own use, or in trust, in order to carry out or to assist in carrying out, the objects and purposes of the corporation and to do all things and acts necessary or proper to carry out each and all of the purposes and provisions of such endowments, devises, bequests, gifts, and donations with full power to mortgage, sell, lease, or otherwise to deal with or dispose of the same in accordance with the terms thereof.

(i) To sell any property, real, personal, or mixed, owned by the corporation at any time, and from time to time upon such terms as the board of directors may deem advisable, at public or private sale, for cash or upon credit.

(j) To retain sums received by the corporation uninvested, if, in the discretion of the board of trustees, such sums cannot be invested advantageously.

(k) To retain all or any part of any securities or property acquired by the corporation in whatever manner, and to invest and reinvest any funds held by the corporation, according to the judgment of the board of directors without being restricted to the class of investments that the board of directors is or may hereafter be permitted by law to make or any similar restriction; provided, however, that no action shall be taken by or on behalf of the corporation if such action is a prohibited transaction or would result in the denial of the tax exemption under IRC Section 501 or Section 23701 of the California Revenue and Taxation Code.

(l) To invest funds received by the corporation in stocks, bonds, mortgages, loans, whether secured or unsecured, or other investments as the board of directors shall deem advisable.

Section 2. NUMBER AND QUALIFICATION. The authorized number of directors shall be no less than three (3) and no more than eleven (11), unless changed by amendments to these bylaws. All directors are to be designated by the Sole Member. The board of directors shall consist of at least three (3) directors unless changed by an amendment to these bylaws.

Section 3. RESTRICTION ON INTERESTED PERSONS AS DIRECTORS. No more than 49 percent of the persons serving on the board of directors may be interested persons (as defined in this Section 3). An "interested person" is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full- or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation, if any, paid to a director as director; or (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 4. TERM OF OFFICE; EVENTS CAUSING VACANCIES ON BOARD. Each director shall hold office for one (1) year. A director may serve multiple terms of service, subject to approval by the Sole Member. A vacancy or vacancies on the board of directors shall occur in the event of (a) the death, resignation, or removal of any director; (b) the declaration by resolution of the board of directors of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under the Law, Chapter 2, Article 3; (c) the increase of the authorized number of directors; and (d) the failure of the Sole Member, at any meeting of the Sole Member at which any director or

directors are to be designated, to designate the number of directors required to be designated at such meeting.

Section 5. RESIGNATION OF DIRECTORS. Except as provided below, any director may resign by giving written notice to the chairman of the board, if any, or to the president, or the secretary, or to the board of directors. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Sole Member may designate a successor to take office as of the date when the resignation becomes effective. Except upon notice to the Attorney General of California, no director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs.

Section 6. REMOVAL OF DIRECTORS. A director may be removed by the Sole Member. The Sole Member, in its sole discretion, may remove a director at any time for any reason, with or without cause or advance notice.

Section 7. VACANCIES. Vacancies on the board of directors shall be filled solely by the Sole Member.

Section 8. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE. Any meeting of the board of directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the board or in the notice of the meeting. In the absence of such designation, meetings shall be held at the principal executive office of the corporation. Any meeting, annual, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such telephonic meeting. Prior written notice of any and all such meetings of the board of directors shall be provided to the Sole Member at least forty-eight (48) hours prior to the time of the holding of the meeting.

Section 9. ANNUAL AND REGULAR MEETINGS. The annual meeting of the board of directors shall be held each year on the date and time as may be fixed by the board of directors. At such annual meeting, officers shall be elected and any other proper business may be transacted. Other regular meetings of the board of directors shall be held at such time as shall from time to time be fixed by the board of directors. Notice of regular meetings shall not be required if the time and place of such meeting is fixed by these bylaws or by the board of directors.

Section 10. SPECIAL MEETINGS. Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairman of the board, the president, any vice president, the secretary, or any two directors.

Notice of the time and place of special meetings shall be delivered to each director personally or by telephone or sent by first-class mail, postage prepaid, or telegram, charges prepaid, addressed to each director at his or her address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days prior to the time of the holding of the meeting. In case such notice is delivered personally or by telephone or telegraph, it shall be delivered personally or by telephone or to the telegraph company at least forty-eight (48) hours prior to the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to the person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive office of the corporation.

Section 11. QUORUM. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 below. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, subject to the provisions of Section 5212 of the Code (appointment of committees), Section 5233 of the Code (approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 5234 of the Code (approval of certain transactions between corporations having common directorships), Section 5235 (compensation of directors or officers), and Section 5238(e) of the Code (indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting, or such greater number as is required by the articles of incorporation, these bylaws, or the Law.

Section 12. WAIVER OF NOTICE; CONSENT. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of meeting shall also be deemed given to any director who attends the meeting without protesting, before or at the commencement of the meeting, the lack of notice to that director.

Section 13. ADJOURNMENT. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of such time and place shall be given prior to the time of the adjourned meeting, in the manner specified in Section 10 of this Article VI, to the directors who were not present at the time of the adjournment.

Section 14. ACTION WITHOUT MEETING. Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all directors shall individually or collectively consent in writing to such action. Such action by written consent shall have the same force and effect as a unanimous vote of the board of directors. The written consent or consents shall be filed with the minutes of the proceedings of the board.

Section 15. FEES AND COMPENSATION. Directors and members of committees shall receive no compensation for their services; provided however, that directors and members of committees may receive reimbursement of out-of-pocket expenses, as determined by resolution of the board of directors. Nothing contained herein shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation for such services if compensation is awarded by the board of directors.

Section 16. RESTRICTION ON BOARD AUTHORITY. The board of directors shall not, without the prior written approval of the Sole Member, make material revisions to the charter that created the charter school that operates as, or is operated by, this corporation.

## **ARTICLE VII**

### **COMMITTEES**

Section 1. COMMITTEES OF DIRECTORS. The board of directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Appointments to such committees shall be by a majority vote of the directors then in office. The board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the board, may have all the authority of the board, except with respect to:

- (a) undertaking any final action on any matter that, under the Law, also requires approval of the Sole Member or board of directors;
- (b) the filling of vacancies on the board of directors or in any committee;
- (c) the amendment or repeal of bylaws or the adoption of new bylaws;
- (d) the amendment or repeal of any resolution of the board of directors that by its express terms is not so amendable or repealable;
- (e) the appointment of any other committees of the board of directors or the members thereof;

(f) the expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or

(g) the approval of any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the Code.

Section 2. MEETINGS AND ACTION. Meetings and action of committees of the board shall be governed by, and held and taken in accordance with, the provisions of Article VI of these bylaws, Sections 8 (place of meetings and meetings by telephone), 9 (annual and regular meetings), 10 (special meetings), 11 (quorum), 12 (waiver of notice), 13 (adjournment) and 14 (action without meeting), with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members, except for the following: (a) the time of regular and annual meetings of committees may be determined by resolution of the board of directors as well as the committee; (b) special meetings of committees may also be called by resolution of the board of directors; and (c) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. Minutes of each meeting of any committee shall be kept and filed with the corporate records. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

## **ARTICLE VIII**

### **OFFICERS**

Section 1. OFFICERS. The officers of the corporation shall be a president, a secretary, and a chief financial officer. The corporation may also have, at the discretion of the board of directors, a chairman of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article VIII. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as the president or the chairman of the board.

Section 2. ELECTION. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article VIII, shall be chosen by the board of directors, and each shall serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. OTHER OFFICERS. The board of directors may appoint, and may empower the president to appoint, such other officers as the activities of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the bylaws or as the board of directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION. Subject to the rights, if any, of any officer under any contract of employment, any officer may be removed, either with or without cause, by the board of directors or, except in case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any such resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 5. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to such office.

Section 6. CHAIRMAN OF THE BOARD. The chairman of the board, if such an officer be elected, shall, if present, preside at meetings of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the board of directors or prescribed by the bylaws. If there is no president, the chairman of the board will in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article VIII.

Section 7. PRESIDENT. Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, have general supervision, direction, and control of the activities and the officers of the corporation. He or she shall preside, in the absence of the chairman of the board, or if there be none, at all meetings of the board of directors. He or she shall have the general powers and duties of management usually vested in the office of president of the corporation and shall have such other powers and duties as may be prescribed by the board of directors or the bylaws.

Section 8. VICE PRESIDENTS. In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to

time may be prescribed for them respectively by the board of directors or the bylaws and the president or the chairman of the board.

Section 9. SECRETARY. The secretary shall keep, or cause to be kept, at the principal executive office or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors, and committees of directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at directors and committee meetings, and the proceedings thereof.

The secretary shall give, or cause to be given, notice of all meetings of the board of directors required by the bylaws or by law to be given, and he or she shall keep the seal of the corporation, if one be adopted, in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the board of directors. He or she shall distribute, or cause to be disbursed, the funds of the corporation as may be ordered by the board of directors, shall render to the president and directors, whenever they request it, an account of all financial transactions and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

If required by the board of directors, the chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of his or her office and for restoration to the corporation of all of its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on the death, resignation, retirement, or removal from office of the chief financial officer.

## **ARTICLE IX**

## **INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES**

Section 1. DEFINITIONS. For the purposes of this Article IX, the definition of the terms "agent", "proceeding", and "expenses" shall be governed by Section 5238 of the Code.

Section 2. INDEMNIFICATION IN ACTIONS BY THIRD PARTIES. The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under Section 5233 of the Code, or an action brought by the Attorney General of California or a person granted relator status by the Attorney General of California for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. INDEMNIFICATION IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the corporation, or brought under Section 5233 of the Code, or brought by the Attorney General of California or a person granted relator status by the Attorney General of California for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3 for any of the following:

(a) Any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such action was brought shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General of California.

Section 4. INDEMNIFICATION AGAINST EXPENSES. To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Sections 2 or 3 of this Article IX or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. REQUIRED DETERMINATIONS. Except as provided in Section 4 of this Article IX, any indemnification under this Article shall be made by the corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article IX by:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the corporation.

Section 6. ADVANCE OF EXPENSES. Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article IX.

Section 7. OTHER INDEMNIFICATION. No provision made by the corporation to indemnify its directors or officers for the defense of any proceeding, whether contained in the articles of incorporation, bylaws, a resolution of directors, an agreement, or otherwise, shall be valid unless consistent with this Article IX. Nothing contained in this Article IX shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 8. FORMS OF INDEMNIFICATION NOT PERMITTED. No indemnification or advance shall be made under this Article IX, except as provided in Section 4 or Section 5(b), in any circumstance if it appears that:

(a) It would be inconsistent with a provision of the articles of incorporation, bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) It would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. INSURANCE. The corporation shall have the power to purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of this Article IX; provided, however, that the corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the corporation for a violation of Section 5233 of the Code.

## **ARTICLE X**

### **RECORDS AND REPORTS**

Section 1. MAINTENANCE OF CORPORATE RECORDS. The corporation shall keep (a) adequate and correct books and records of account kept either in written form or in any other form capable of being converted into written form and (b) minutes, in written form, of the proceedings of the board of directors and committees of the board, which shall be promptly provided to the Sole Member. All such records shall be kept at the corporation's principal executive office, or if its principal executive office is outside the State of California, at its principal office in this state.

Section 2. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal office in this state, the original or a copy of its articles of incorporation and bylaws, as amended to date, that shall be open to inspection by the Sole Member or the directors at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal office in this state, the Secretary shall, upon the written request of the Sole Member or any director, furnish to such director a copy of the articles of incorporation or bylaws, as amended to date.

Section 3. INSPECTION. The Sole Member and every director shall have the absolute right at any reasonable time, and from time to time, to inspect all books, records, and documents of every kind and the physical properties of the corporation. Such inspection by the Sole Member

or a director may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

Section 4. ANNUAL REPORTS. The board of directors shall cause an annual report to be sent to the directors and the Sole Member within 120 days of the corporation's fiscal year end. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes;
- (d) The expenses or disbursements of the corporation for both general and restricted purposes; and
- (e) Any information required by Section 5 of this Article X.

The annual report shall be accompanied by any report thereon of independent accountants or, if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

Section 5. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to the Sole Member and all directors, the corporation shall annually prepare and mail or deliver to the Sole Member and each director within 120 days after the corporation's fiscal year end, a statement (described below) of any transaction or indemnification (i) in which the corporation was a party and (ii) in which an "interested person" had a direct or indirect material financial interest. For this purpose, an "interested person" is any director or officer of the corporation.

The statement shall include the following information:

- (a) A brief description of any transaction during the previous fiscal year that involved more than \$50,000, or was one of a number of transactions in which the same interested person had a direct or indirect material financial interest involving, in the aggregate, more than \$50,000;

(b) The names of interested persons involved in such transactions described in the preceding paragraph (a), their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest; provided, however, that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated; and

(c) A brief description of the amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Article IX of these bylaws, unless that indemnification already has been approved by the directors under Section 5238(e)(2) of the Code.

## **ARTICLE XI**

### **GENERAL MATTERS**

Section 1. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the board of directors.

Section 2. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED. Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and, unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 3. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The chairman of the board, the president, or any vice president, or any other person authorized by resolution of the board of directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to said officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any such officer in person or by any person authorized to do so by a proxy duly executed by said officer.

Section 4. CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Law shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the singular number

includes the plural, the plural number includes the singular, the masculine gender includes the feminine and neuter, and the term "person" includes both a corporation and a natural person. All references in these bylaws to the Law, the Law, or to the Code shall be deemed to be those in effect from time to time.

## **ARTICLE XII**

### **AMENDMENTS**

New bylaws may be adopted or these bylaws may be amended or repealed by solely the written consent of the Sole Member; provided, however, that if the articles of incorporation of the corporation set forth the number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the articles of incorporation.

**CERTIFICATE OF SECRETARY**

The undersigned, being the duly elected and acting Secretary of Clarksville Charter School, a California nonprofit public benefit corporation, does hereby certify that the foregoing Bylaws constitute the Bylaws of this corporation as duly adopted at the meeting of the Sole Member on May 20, 2017.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this \_\_\_ day of May, 2017.

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**CLARKSVILLE CHARTER SCHOOL  
ACKNOWLEDGEMENT RESOLUTIONS**

The undersigned, on behalf of Clarksville Charter School, a California nonprofit 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 the Bylaws of the Company, at a duly noticed meeting held on October 1, 2017 at 9:30 a.m., Pacific Time at 3411 Lake Tahoe Blvd., South Lake Tahoe, California. A quorum of the Board was present at the meeting. Capitalized terms used herein and not otherwise defined have the meanings given to them in the Receivables Purchase Agreement.

Sale of Receivables

WHEREAS, the Company receives and owns and will receive and own from time to time certain receivables or payments due from the State of California, El Dorado County, the El Dorado County Office of Education, the El Dorado County Superintendent of Schools, Buckeye Union School District, the Special Education Local Plan Area (“SELPA”), and/or the United States federal government (in each case, the “Payor”).

WHEREAS, the Company instructs the Payor, pursuant to the Payor’s policies and procedures, as to the location and manner of payment of the Company’s receivables.

RESOLVED: That the Board deems it to be in the best interests of the Company to authorize the Company to sell receivables and payments (the “Receivables”) to Charter School Capital, Inc. (“CSC”) at a discount to face value in an amount not to exceed the lesser of (i) \$8,000,000.00 of gross receivables value and (ii) \$6,800,000.00 of initial purchase (face value).

RESOLVED FURTHER: That the Company is authorized and directed to sell the Receivables to CSC from time to time pursuant to one or more Receivables Purchase Agreements and related Terms Letters between the Company and CSC, substantially in the form reviewed by the Board, with such changes thereto consistent with these resolutions as an Authorized Officer of the Company shall approve, and including any amendments, supplements or modifications to the foregoing consistent with these resolutions as an Authorized Officer of the Company shall approve from time to time.

RESOLVED FURTHER: That each of Nick Nichols, as Executive Director; Emily Allen, as Chief Executive Officer; and Mollie Haycock, as Chief Financial Officer (such persons and their duly elected and qualified successors, the “Authorized Officers”) is authorized and directed to execute and deliver, on behalf of the Company, the Receivables Purchase Agreements, the Terms Letters, the Paying Agency Agreements and/or Account Control Agreements, and subject to the limitations set forth herein, such other agreements and other documents and instruments as may be necessary or desirable to effectuate the sale of Receivables

contemplated hereby, including, without limitation, agreements or documents as may be necessary to facilitate the sale of Receivables by CSC to an affiliate or third party to finance its purchase of the Receivables, and further including, without limitation, such amendments, supplements or other modifications to any or all of the documents described in this paragraph and consistent with these resolutions as an Authorized Officer of the Company shall approve from time to time.

RESOLVED FURTHER: That the Board of the Company deems it to be in the best interests of the Company to instruct the Payor, in the form provided by CSC, to make the payment of all revenues of the Company administered and paid by the Payor in the manner described in the applicable Receivables Purchase Agreement, the Terms Letter, Paying Agency Agreement and/or Account Control Agreements.

RESOLVED FURTHER: That any two Authorized Officers will execute instructions to the Payor, in the form provided by CSC, directing the payment of all revenues of the Company in the manner described in the Receivables Purchase Agreement, the Terms Letter, the Paying Agency Agreement and/or Account Control Agreements.

RESOLVED FURTHER: That the instructions described in the immediately preceding paragraph will not be altered in any manner nor any other instructions substituted in their place without the prior written approval of the two Authorized Officers and without the express written consent of CSC and that the Payor is to disregard any change in disbursement instructions that are not counter-signed by such two Authorized Officers and CSC.

RESOLVED FURTHER: That the Authorized Officers are, and each of them is, hereby authorized and directed, on behalf and in the name of the Company and subject to the limitations set forth herein, to make all such arrangements, to do and perform all such acts and things, and to execute and deliver all such instruments, certificates and other documents as he or she may deem necessary or appropriate in order to effectuate fully the purpose of each and all of the foregoing resolutions and the transactions contemplated thereby (hereby ratifying and confirming any and all actions taken heretofore and hereafter by such officers to accomplish such purposes).

The foregoing resolutions were passed by a vote of the Board of Directors and adopted at the meeting of the Board of Directors of the Company on the date referred to above, by the following vote:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Abstain: \_\_\_\_\_

\* \* \*

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

**CLARKSVILLE CHARTER SCHOOL**

By: \_\_\_\_\_

Name:

Title:

Date: October \_\_\_\_, 2017

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# FISCAL POLICIES AND PROCEDURES MANUAL

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Clarksville Charter School (1891)  
1740 Huntington Drive #205, Duarte, CA 91010

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Approved: October 1, 2017

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**LEGAL STRUCTURE**

Clarksville Charter School ("CLCS") is a California Corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Charter Name	Charter Number	Authorizer	Start Date of Charter	Expiration Date of Charter
Clarksville Charter School	1891	Buckeye Union Elementary	7/1/2017	6/30/2022

**METHOD OF ACCOUNTING**

The books and records of CLCS are prepared using the accrual method of accounting. Under this method, revenues are recognized when earned; expenses are recognized when incurred. However, during the year revenues are recorded as received; an accrual is recorded at year-end when all revenues are known and verifiable.

**ACCOUNTING SYSTEM**

Effective 07/1/17, CLCS uses Abila Fund Accounting for maintaining its general ledger activities and has contracted with Charter Impact, a third-party back-office service provider, to ensure accurate and timely processing of accounting transactions, payroll, budgets, cash flow projections, financial reporting and compliance. CLCS follows a customized chart of accounts modeled after the Standardized Account Code Structure (SACS) and utilizes Resources to track restricted activities.

**CASH ACCOUNTS**

CLCS obtains board approval before opening or closing any bank or investment accounts.

CLCS currently maintains the following bank accounts:

- **City National Bank** – ending in #4097

The bank account is reconciled on a monthly basis by Charter Impact and all accounting records are kept in a secured location.

**AUTHORIZED CHECK SIGNERS**

The following parties are authorized to sign checks:

CEO/Executive Director:	Dr. Nick Nichols
Principal/Director of School Support:	Cristino Alcala
Director of Academic Program:	Diane Beran

There is currently no dual signature requirement on checks; checks will be written at the school site and only in the case of an emergency.

Reimbursements to any authorized member must be approved by a different authorized individual.

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Following is general information on the major accounting and transaction areas.

### ***PURCHASES AND CASH DISBURSEMENTS***

Designated staff are authorized to make purchases on behalf of CLCS, after ascertaining pre-approval by the Executive Director, Director of School Support, or Senior Operating Director.

At least one of the following must accompany all cash disbursement transactions:

- Purchase Order with proper authorization
- Check Request/Employee Reimbursement Request
- Travel Reimbursement Form

All purchases require approval by the Executive Director, Director of School Support, or Senior Operating Director.

Accounts Payable Checks are processed weekly by Charter Impact.

Bill Pay Process:

1. Charter Impact receives invoices for payment each week.
2. Each invoice is reviewed for accuracy, proper authorization, and completeness. Invoices must be accompanied by a Check Request/Employee Reimbursement Request, Purchase Order and/or Packing Slip, if applicable.
3. An AP batch header is prepared or reviewed by the Office Manager, including vendor name, invoice, date and amount of all bills to be entered, evidence that each bill either properly includes sales tax or is subject to use tax (in which case a copy of the bill is filed in a binder for year-end use tax preparation), and a hash total of all bills in the batch.
4. The bills and batch header are delivered to the Accounting Clerk for review and entered into Sage. Each bill is stamped "Entered" when entered into Abila.
5. Once all bills have been entered, a report of Unposted AP Transactions is printed from Abila and submitted to the Manager for review, along with the bills and AP Batch Header.
6. Manager notates any changes and returns the reviewed AP package to the Accounting clerk for revision and posting.
7. Accounts Payable Aging and available cash balances are reviewed and invoices are selected for payment.
8. Checks are printed and matched to invoices.
9. CEO of Charter Impact reviews and signs checks or approves use of facsimile signature stamp.

**ATTENDANCE AND STUDENT DATA REPORTING**

CLCS utilizes PowerSchool to track student data and attendance and to compile data for required reporting to the District and State. Charter Impact is responsible for completing the monthly attendance reports as well as the P1, P2 and annual attendance reports. CLCS also contracts with Charter Impact to ensure accurate and timely reporting of CALPADS data.

**CASH MANAGEMENT**

At times, cash balances may get very low due to revenue cycles. Due to this, Charter Impact performs detailed procedures to ensure knowledge of cash balances at all times and forecast cash flow needs for the future. Each week, a cash position report that reconciles the general ledger cash balances to the bank balances for the school accounts is created. A 30-Day look ahead is also updated, reflecting the total forecasted cash balances for the foreseeable future. This report is used to determine which bills to pay each week. Any forecasted cash shortages are communicated to management immediately.

**TRAVEL EXPENSE REIMBURSEMENT POLICY**

In general, employees will be reimbursed for any actual expenses incurred – up to the limit of the prevailing Federal Per Diem rate – while on school-related travel. These expenses must be submitted on to the Executive Director, Director of School Support, or Senior Operating Director for approval. If the Executive Director is requesting reimbursement, another authorized party must approve the form.

Mileage is also reimbursable for necessary business travel that takes an employee further from their home than their usual commute to work or that requires an employee to travel to an additional location beyond their normal work location. Mileage will be reimbursed at the prevailing Federal mileage reimbursement rate (currently 53.5 cents per mile as of 1/1/2017).

Overnight hotel stays are only approved in cases where an employee is attending a conference or an event that is outside of the greater Los Angeles area. Any overnight travel must be approved in advance by the Executive Director, Director of School Support, or Senior Operating Director.

Advances for travel will not be provided prior to travel.

Reimbursement requests must be submitted within 60 days of travel for payment to be honored. Any reimbursement requests that are not submitted in a timely manner may not be paid. If travel occurs in June, reimbursement requests must be received no later than July 31<sup>st</sup> in order to be included in the proper fiscal year.

**PAYROLL**

A personnel file will be maintained for each employee by the Office Manager and will be kept in a locked file cabinet or other secure location in the Executive Director's office.

Payroll is processed by Charter Impact for CLCS via ACH processing. Payroll registers and all other required reports are maintained by Charter Impact.

Pay dates are as follows:

<u>Pay Date</u>	=	<u>Pay Period Covered</u>
15 <sup>th</sup>	=	1 <sup>st</sup> to 15 <sup>th</sup> of current month
30 <sup>th</sup>	=	16 <sup>th</sup> to 31 <sup>st</sup> of current month

A-Basis (12 Months) and B-Basis (11 Months) Salaried employees, including teachers, are paid on a 12-month cycle paid July – June. C-Basis (10 Months) salaried employees are paid on a 12-month cycle paid July – June. Hourly employees are paid based on hours worked as submitted on recalculated and approved time cards. The Executive Director or CFO reviews and approves entered time prior to submitting for processing. All overtime is to be approved by the Executive Director or CFO prior to being incurred.

The hours from the time sheets are logged on a Master Payroll Schedule. This schedule is reviewed by the Executive Director prior to being submitted to Charter Impact for processing. The Master Payroll Schedule includes all employees to be paid, hourly time, stipends, and time off. The Master Payroll Schedule is submitted each pay period in accordance with the payroll calendar delivered to CLCS at the beginning of each year.

An Employee Handbook will outline other policies related to hours worked, vacation and sick time.

For certificated employees, a log of credential expiration dates will be maintained by the Office Manager and will be monitored on a monthly basis to ensure valid status at all times.

#### *State Teachers' Retirement System*

All employees in credentialed positions are required to participate in the State Teachers' Retirement System (STRS) for retirement benefits. STRS reporting must be done through the proper county or state agency, and reports and payments are due by the 1<sup>st</sup> business day of each month for the prior month's contributions.

#### **CONTRACTS, LOANS, and AGREEMENTS**

Contracts, Agreements, and Leases entered into by CLCS, which obligate CLCS to more than \$50,000, must be approved by the Board of Directors. Loans of less than \$100,000 for cash flow purposes, may be approved by the Executive Director or Director of School Support, prior to funds being accepted by the school. All loans will have a payment schedule and interest rate.

The Office Manager understands the rules regarding independent contractors, and it is CLCS's practice to obtain a completed W9 Form for all service contracts in excess of \$600 in any calendar year prior to releasing payment to the vendor. Forms 1099 for applicable service providers will be prepared and filed by Charter Impact each year in accordance with IRS deadlines.

#### **CAPITAL ASSETS**

Individual assets purchased or acquired with an original cost of \$5,000 or more and a useful life exceeding one year are capitalized and reported at historical cost or estimated historical cost. This includes new or replacement items such as computers, furniture, equipment, fixtures, etc. Additions, improvements and

other capital outlays that significantly extend the useful life of an asset are also capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the various estimated useful lives ranging from 3 to 39 years.

A physical inventory is maintained on all capital assets by the Director of School Support and the Senior Operating Director at CLCS.

### ***NON-CASH DONATIONS***

All non-cash donations of equipment, books, or other supplies received by CLCS shall be recorded at their fair market value at the time of donation.

### ***RECORD RETENTION POLICY***

CLCS maintains a policy of retaining all accounting records for a minimum of 7 years. Accounting documents include:

- Cancelled checks (where applicable) and supporting documentation for all check requests
- Deposits
- Bank reconciliations and supporting documentation
- Journal entries
- Payroll registers and pay records, including quarterly and annual tax filings
- Capital additions schedules and supporting documentation
- Depreciation schedules
- Grants and other pertinent financial correspondence from third parties
- Year-end work papers and audit correspondence
- IRS correspondence

### ***FISCAL REVIEW AND BUDGET PROCESS***

#### ***Fiscal Review Process***

The Executive Director and President of CLCS and Account Manager of Charter Impact review financial reports together each month prior to Charter Impact presenting to the Board of Directors. Monthly financial reports consist of:

- Balance Sheet
- Budget vs. Actual – Year to Date - compares budget to actual activities
- Month-by-month cash flow report that is re-forecasted each month.
- Check Register for the Month
- Financial Summary highlighting key financial indicators and variances

Any material variances between budget and actual/forecasted amounts are reviewed and discussed and actions are proposed as needed to keep the school within budget overall.

#### ***Budget Process***

The budget process begins in March-April of each year for the following year. During initial budget discussions, the current year forecast is reviewed in detail, and key assumptions are discussed and gathered.

The Account Manager of Charter Impact works with the Executive Director and President to develop initial draft. The draft is then presented to the Board for approval.

In the fall of each year, generally mid-November, a revised budget is drafted (when material assumptions have changed) with the newest assumptions and latest enrollment info. The same process is followed and a revised budget is approved, generally by November 30<sup>th</sup>.

In January, when the Governor's budget review is conducted, the budget is again reviewed and revisions are made only if budget changes are material.

### ***MONTHLY AND YEAR-END FINANCIAL PROCEDURES***

At the end of each month, the following procedures are completed by Charter Impact:

- Reconcile all bank accounts
- Reconcile all balance sheet accounts
- Review all revenue and expense activities for accuracy
- Review loans and verify timely payments have been made in accordance with current agreements
- Review revenues and expenses against current year budget and research large variances
- Prepare financial statements and distribute to Executive Director and President

Financial statements will be prepared and presented to the Board each month by the 30<sup>th</sup> of the month following the month-end.

At the end of each fiscal year, all balance sheet accounts are reconciled. Accounts receivable is determined and accrued based on those revenues for the current year that have been apportioned but not received as of June 30<sup>th</sup>. Charter Impact communicates directly with the auditors on financial matters affecting the audit.

**CLARKSVILLE CHARTER SCHOOL**  
**INTERSCHOOL TRANSFER AND LOAN POLICY**  
**FISCAL YEAR 2017-18**

**Background:**

The use of intercompany transfers or loans from one charter school to another charter school operated by the same nonprofit charter school management organization has been deemed appropriate by various charter school authorizers, reviewed by the IRS and the California State Controller's Office. Furthermore, according to the legal counsel for the California State Auditor's Office, "a nonprofit public-benefit corporation that operates multiple charter schools may temporarily loan state apportionment funds between schools, so long as the loan does not adversely affect the public school purposes of the charter school that loans the funds."

The Board of Directors of Clarksville Charter School have established a policy that permits schools that it operates to obtain temporary working capital. This is accomplished by transferring reserve funds from one or more schools with a surplus to a school with a financial need. In addition, due to the nature of operating related schools, transactions such as payroll, taxes, split invoices, etc. will need to be paid from a single bank, while the expenses belong to multiple schools/business segments. Such transactions create intercompany receivables and liabilities.

These interschool loans, receivables and liabilities will be subject to Board approval on an annual basis and will not be allowed unless the lending school has sufficient capital to lend without having an adverse impact on the educational program. The borrowing school must demonstrate a specific need and shall repay the entire loan in a timely manner. A monthly update on any and all outstanding interschool loans and balances shall be provided to the Board of Directors that shall include an update on each school's financial position, amount that has been repaid, amount outstanding and anticipated repayment date.

**Now, therefore be it resolved:**

For the 2017-18 fiscal year, the Board of Directors hereby approves total interschool loan/account balances up to \$4,500,000 at any one point in time.

PASSED AND ADOPTED by the Board of Director's meeting held on October 1st, 2017.

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Secretary's Signature

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Date

# Inspire Charter Schools

*Summary Financial Package*

June 30, 2017

*Presented by:*



# Inspire Charter Schools

## Combining Statement of Activities



For the Year Ended June 30, 2017

	Inspire Charter School - LA	Inspire Charter School - South	Inspire Charter School - North	Inspire Charter School - Kern	Inspire Charter School - Winship	Inspire Charter School - Central	Combined Inspire Charter Schools, Inc.
<b>Revenue</b>							
State Aid	\$ 16,708,726	\$ 25,519,262	\$ 6,482,749	\$ 16,157,490	\$ 3,178,463	\$ 332,185	\$ 68,378,875
Federal Revenue	106,172	304,264	250,000	253,472	-	-	913,908
State Revenue	1,909,430	2,608,616	516,593	1,338,470	257,103	26,744	6,656,956
Other Local Revenue	28,337	21,515	30,933	-	50	-	80,835
<b>Total Revenue</b>	<b>18,752,665</b>	<b>28,453,657</b>	<b>7,280,275</b>	<b>17,749,432</b>	<b>3,435,616</b>	<b>358,929</b>	<b>76,030,574</b>
<b>Expenses</b>							
Certificated Salaries	5,505,354	9,941,746	3,535,069	9,278,810	867,165	188,721	29,316,865
Classified Salaries	1,525,456	2,160,071	904,976	3,434,275	210,131	44,371	8,279,280
Benefits	1,890,763	2,391,690	1,124,923	2,916,881	477,761	77,954	8,879,972
Books & Supplies	3,031,588	3,134,666	1,428,266	3,125,438	919,563	44,930	11,684,451
Subagreement Services	5,532,121	7,170,855	1,738,393	2,482,986	335,266	96,613	17,356,234
Professional & Consulting Services	1,415,430	1,461,134	430,120	452,104	129,513	32,076	3,920,377
Facilities, Repairs & Other Leases	416,764	247,244	158,540	55,284	134,071	970	1,012,873
Operations & Housekeeping	788,369	462,747	238,964	214,130	65,228	44,237	1,813,675
Depreciation	48,715	12,643	12,701	-	-	-	74,059
Interest	1,213,116	1,837,722	513,823	1,307,121	250,809	-	5,122,591
<b>Total Expenses</b>	<b>21,367,676</b>	<b>28,820,518</b>	<b>10,085,775</b>	<b>23,267,029</b>	<b>3,389,507</b>	<b>529,872</b>	<b>87,460,377</b>
<b>Surplus (Deficit)</b>	<b>\$ (2,615,011)</b>	<b>\$ (366,861)</b>	<b>\$ (2,805,500)</b>	<b>\$ (5,517,597)</b>	<b>\$ 46,109</b>	<b>\$ (170,943)</b>	<b>\$ (11,429,803)</b>

# Inspire Charter Schools



## Prior Projection (March 2017) vs. Year-End Actual

For the Year Ended June 30, 2017

	Projected Year-End (March 2017)	Year-End Actual	Variance Favorable/(Unfavorable)		
<b>Revenue</b>					
State Aid	\$ 68,334,793	\$ 68,378,875	\$ 44,082	0.1%	
Federal Revenue	1,251,132	913,908	(337,224)	-27.0%	
State Revenue	6,343,114	6,656,956	313,842	4.9%	
Other Local Revenue	42,604	80,835	38,231	89.7%	
<b>Total Revenue</b>	<b>75,971,643</b>	<b>76,030,574</b>	<b>58,931</b>	<b>0.1%</b>	<b>A</b>
<b>Expenses</b>					
Certificated Salaries	27,795,292	29,316,865	(1,521,573)	-5.5%	} <b>B</b>
Classified Salaries	8,139,937	8,279,280	(139,343)	-1.7%	
Benefits	8,232,859	8,879,972	(647,113)	-7.9%	
Books & Supplies	11,224,890	11,684,451	(459,561)	-4.1%	} <b>C</b>
Subagreement Services	13,140,726	17,356,234	(4,215,508)	-32.1%	
Professional & Consulting Services	3,738,629	3,920,377	(181,748)	-4.9%	
Facilities, Repairs & Other Leases	912,470	1,012,873	(100,403)	-11.0%	
Operations & Housekeeping	1,503,729	1,813,675	(309,946)	-20.6%	
Depreciation	73,998	74,059	(61)	-0.1%	
Interest	4,025,772	5,122,591	(1,096,819)	-27.2%	<b>D</b>
<b>Total Expenses</b>	<b>78,788,302</b>	<b>87,460,377</b>	<b>(8,672,075)</b>	<b>-11.0%</b>	
<b>Surplus (Deficit)</b>	<b>\$ (2,816,659)</b>	<b>\$ (11,429,803)</b>	<b>\$ (8,613,144)</b>		

### Footnotes

**A** Revenue projection as a whole was right on target. Variance between State and Federal was a reallocation of special education funding.

**B** The increase in salary and benefits was primarily caused by (1) early hiring of new staff in preparation for the opening of the new charters and (2) a lower than projected student teacher ratio. This issue is being addressed in the current year in 2 ways: (1) adding incentives to regional leaders to maintain a higher student teacher ratio closer to 35:1 and (2) strategic growth through the addition of new students to charters whose teachers have capacity prior to adding staff in other charters.

**C** The increase in both books and supplies and subagreement services (which includes enrichment services) was caused by an over-allotment of student funds. The over-allotment was due to a full year allotment being given to students who started mid-year (i.e. the school received partial revenue but paid the full expenses). An internal audit of the program and procedures has been conducted and all of the above issues have been corrected in the current year.

**D** The increased interest cost was the result of increased borrowing to cover the additional cash outflow from the personnel and student costs noted in B and C above.

# Inspire Charter Schools

## Combining Statement of Financial Position



June 30, 2017

	Inspire Charter School - LA	Inspire Charter School - South	Inspire Charter School - North	Inspire Charter School - Kern	Inspire Charter School - Winship	Inspire Charter School - Central	Combined Inspire Charter Schools, Inc.
<b>Assets</b>							
<b>Current Assets:</b>							
Cash & Cash Equivalents	\$ 725,520	\$ 5,052,251	\$ (42,992)	\$ 600,721	\$ 24,646	\$ 71,564	\$ 6,431,709
Accounts Receivable	3,312,135	519,720	1,569,310	1,964,922	136,065	1,221,640	8,723,792
Accounts Receivable - Factoring	(2,258,900)	(4,491,100)	(1,136,800)	(1,652,020)	-	(1,025,100)	(10,563,920)
Due To/From	(961,635)	4,248,211	(2,032,294)	(1,630,333)	(309,998)	686,048	-
Prepaid Expenses	62,817	112,737	31,259	7,245	-	11,765	225,821
<b>Total Current Assets</b>	<b>879,937</b>	<b>5,441,818</b>	<b>(1,611,516)</b>	<b>(709,465)</b>	<b>(149,287)</b>	<b>965,916</b>	<b>4,817,402</b>
Property & Equipment Net	240,554	34,514	39,344	-	-	-	314,412
Deposits	42,915	19,291	11,410	750	-	12,157	86,523
<b>Total Assets</b>	<b>\$ 1,163,406</b>	<b>\$ 5,495,623</b>	<b>\$ (1,560,763)</b>	<b>\$ (708,715)</b>	<b>\$ (149,287)</b>	<b>\$ 978,073</b>	<b>\$ 5,218,337</b>
<b>Liabilities and Net Assets</b>							
<b>Current Liabilities:</b>							
Accounts Payable	\$ 699,570	\$ 550,128	\$ 156,173	\$ 279,037	\$ 113	\$ 28,614	\$ 1,713,634
Accrued Liabilities	1,195,917	1,534,232	286,413	858,462	21,401	109,824	4,006,249
Deferred Revenue	4,247,600	6,034,800	1,286,900	4,303,800	-	841,400	16,714,500
Notes Payable - Current Portion	215,002	105,000	-	-	-	-	320,002
<b>Total Current Liabilities</b>	<b>6,358,088</b>	<b>8,224,159</b>	<b>1,729,486</b>	<b>5,441,299</b>	<b>21,514</b>	<b>979,838</b>	<b>22,754,385</b>
<b>Total Liabilities</b>	<b>6,358,088</b>	<b>8,224,159</b>	<b>1,729,486</b>	<b>5,441,299</b>	<b>21,514</b>	<b>979,838</b>	<b>22,754,385</b>
<b>Total Net Assets</b>	<b>(5,194,682)</b>	<b>(2,728,536)</b>	<b>(3,290,249)</b>	<b>(6,150,015)</b>	<b>(170,801)</b>	<b>(1,766)</b>	<b>(17,536,048)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,163,406</b>	<b>\$ 5,495,623</b>	<b>\$ (1,560,763)</b>	<b>\$ (708,715)</b>	<b>\$ (149,287)</b>	<b>\$ 978,073</b>	<b>\$ 5,218,337</b>

# Inspire Charter Schools

*Current Projections - 9/29/17*

Fiscal Year 2017-18

*Presented by:*



# Inspire Charter Schools

## Consolidated Projected Income Statement



For the Year Ending June 30, 2018

	Inspire Charter School - LA	Inspire Charter School - South	Inspire Charter School - North	Inspire Charter School - Kern	Inspire Charter School - Winship	Inspire Charter School - Central	Clarksville Charter School	Learning Latitudes Charter School	Combined Inspire Charter Schools, Inc.
<i>Projected ADA</i>	<i>3,011.17</i>	<i>4,202.24</i>	<i>1,578.39</i>	<i>4,029.45</i>	<i>47.50</i>	<i>981.40</i>	<i>1,060.43</i>	<i>1,009.93</i>	<i>15,920.51</i>
<b>Revenue</b>									
State Aid	24,710,431	34,446,103	13,534,936	33,108,412	401,093	8,285,741	7,074,209	8,218,482	129,779,407
Federal Revenue	376,396	525,280	197,298	503,681	5,938	122,674	-	-	1,731,267
State Revenue	2,207,324	3,527,831	1,236,043	3,159,914	39,824	752,183	745,483	709,984	12,378,587
Other Local Revenue	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 27,294,151</b>	<b>\$ 38,499,213</b>	<b>\$ 14,968,277</b>	<b>\$ 36,772,007</b>	<b>\$ 446,855</b>	<b>\$ 9,160,598</b>	<b>\$ 7,819,692</b>	<b>\$ 8,928,467</b>	<b>\$ 143,889,260</b>
<b>Expenses</b>									
Certificated Salaries	8,556,237	11,363,483	4,284,414	10,971,697	134,293	2,558,145	2,487,515	2,613,281	42,969,066
Classified Salaries	1,565,075	2,441,362	1,064,905	4,031,913	31,653	318,245	228,050	235,442	9,916,645
Benefits	2,729,348	3,698,307	1,491,725	4,118,278	60,056	791,410	771,243	812,212	14,472,579
Books & Supplies	4,704,511	6,246,914	2,909,568	8,451,303	43,125	2,424,080	1,962,068	1,868,636	28,610,205
Subagreement Services	5,906,227	8,593,402	2,063,463	4,926,637	122,865	937,957	1,496,940	1,457,503	25,504,995
Professional & Consulting Services	1,758,714	1,953,333	770,364	1,810,718	31,607	468,740	398,873	451,567	7,643,917
Facilities, Repairs & Other Leases	438,055	314,370	180,036	100,840	5,000	22,000	73,400	73,400	1,207,101
Operations & Housekeeping	664,909	422,022	233,784	201,234	23,375	67,214	68,304	67,799	1,748,642
Depreciation	54,228	12,648	-	-	-	-	-	-	66,876
Interest	914,706	1,106,375	509,383	1,192,553	-	222,877	68,525	140,626	4,155,044
<b>Total Expenses</b>	<b>\$ 27,292,010</b>	<b>\$ 36,152,217</b>	<b>\$ 13,507,641</b>	<b>\$ 35,805,173</b>	<b>\$ 451,976</b>	<b>\$ 7,810,669</b>	<b>\$ 7,554,919</b>	<b>\$ 7,720,466</b>	<b>\$ 136,295,071</b>
<b>Surplus (Deficit)</b>	<b>\$ 2,142</b>	<b>\$ 2,346,996</b>	<b>\$ 1,460,635</b>	<b>\$ 966,834</b>	<b>\$ (5,121)</b>	<b>\$ 1,349,929</b>	<b>\$ 264,773</b>	<b>\$ 1,208,000</b>	<b>\$ 7,594,189</b>
<b>Prior Year 2017 Fund Balance</b>	<b>\$ (5,194,682)</b>	<b>\$ (2,728,536)</b>	<b>\$ (3,290,249)</b>	<b>\$ (6,150,015)</b>	<b>\$ (170,801)</b>	<b>\$ (1,766)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (17,536,048)</b>
<b>Projected 2018 Fund Balance</b>	<b>\$ (5,192,540)</b>	<b>\$ (381,540)</b>	<b>\$ (1,829,614)</b>	<b>\$ (5,183,181)</b>	<b>\$ (175,922)</b>	<b>\$ 1,348,164</b>	<b>\$ 264,773</b>	<b>\$ 1,208,000</b>	<b>\$ (9,941,859)</b>

# Inspire Charter School - Consolidated



## Monthly Cash Flow/Budget FY17-18

Revised 9/28/17

ADA = 15,921

		Prior Year P2 and PENSEC Estimates						P-1				P-2		Annual Budget	
		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
<b>Revenues</b>															
<b>State Aid - Revenue Limit</b>															
8011	LCFF State Aid	-	3,253,884	3,253,884	7,316,956	5,856,990	5,856,990	10,961,807	5,856,990	15,332,365	15,332,365	15,332,365	15,332,365	15,332,365	119,019,325
8012	Education Protection Account	-	-	-	584,886	-	-	584,886	-	-	1,175,061	-	-	781,611	3,126,443
8096	In Lieu of Property Taxes	158,718	317,437	989,364	450,929	450,929	450,929	450,929	1,454,801	727,401	727,401	727,401	727,401	-	7,633,638
		158,718	3,571,320	4,243,247	8,352,771	6,307,919	6,307,919	11,997,622	7,311,792	16,059,765	17,234,826	16,059,765	16,059,765	16,113,975	129,779,407
<b>Federal Revenue</b>															
8181	Special Education - Entitlement	-	-	-	-	-	-	-	-	865,633	-	-	432,817	432,817	1,731,267
		-	-	-	-	-	-	-	-	865,633	-	-	432,817	432,817	1,731,267
<b>Other State Revenue</b>															
8311	State Special Education	216,181	216,181	665,810	474,260	474,260	474,260	474,260	1,037,585	1,037,585	1,037,585	1,037,585	1,037,585	(0)	8,183,138
8550	Mandated Cost	-	-	-	-	-	148,168	-	-	-	-	-	932,706	-	1,080,874
8560	State Lottery	-	-	-	-	-	-	397,454	-	-	397,454	-	-	2,214,066	3,008,975
8599	Other State Revenue	-	-	-	-	-	-	-	105,600	-	-	-	-	-	105,600
		216,181	216,181	665,810	474,260	474,260	622,428	871,714	1,143,185	1,037,585	1,435,039	1,037,585	1,970,291	2,214,066	12,378,587
<b>Total Revenue</b>		<b>374,900</b>	<b>3,787,502</b>	<b>4,909,058</b>	<b>8,827,031</b>	<b>6,782,179</b>	<b>6,930,347</b>	<b>12,869,336</b>	<b>8,454,976</b>	<b>17,962,984</b>	<b>18,669,865</b>	<b>17,097,350</b>	<b>18,462,873</b>	<b>18,760,858</b>	<b>143,889,260</b>
<b>Expenses</b>															
<b>Certificated Salaries</b>															
1100	Teachers' Salaries	2,476,655	2,863,208	2,920,292	2,978,517	3,037,907	3,098,484	3,160,273	3,223,298	3,287,584	3,272,651	3,287,584	3,287,584	-	36,894,037
1175	Teachers' Extra Duty/Stipends	41,504	51,168	52,191	53,235	54,300	55,386	56,493	57,623	58,776	58,402	58,776	58,776	-	656,630
1200	Pupil Support Salaries	11,375	81,948	81,948	81,948	81,948	81,948	81,948	81,948	81,948	81,948	81,948	81,948	-	912,799
1300	Administrators' Salaries	375,467	375,467	375,467	375,467	375,467	375,467	375,467	375,467	375,467	375,467	375,467	375,467	-	4,505,600
		2,905,001	3,371,790	3,429,897	3,489,166	3,549,621	3,611,284	3,674,181	3,738,336	3,803,774	3,788,467	3,803,774	3,803,774	-	42,969,066
<b>Classified Salaries</b>															
2100	Instructional Salaries	688,458	727,114	741,608	756,392	771,471	786,853	802,541	818,544	834,867	833,373	834,867	834,867	-	9,430,954
2200	Support Salaries	-	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	-	93,500
2400	Clerical and Office Staff Salaries	12,769	34,493	34,493	34,493	34,493	34,493	34,493	34,493	34,493	34,493	34,493	34,493	-	392,191
		701,228	770,106	784,600	799,384	814,464	829,845	845,534	861,537	877,860	876,366	877,860	877,860	-	9,916,645
<b>Benefits</b>															
3101	STRS	419,192	486,549	494,934	503,487	512,210	521,108	530,184	539,442	548,885	546,676	548,885	548,885	-	6,200,436
3301	OASDI	43,476	47,747	48,645	49,562	50,497	51,450	52,423	53,415	54,427	54,335	54,427	54,427	-	614,832
3311	Medicare	52,290	60,058	61,110	62,184	63,279	64,396	65,536	66,698	67,884	67,640	67,884	67,884	-	766,843
3401	Health and Welfare	386,090	444,771	452,554	460,492	468,589	476,848	485,272	493,865	502,629	500,781	502,629	502,629	-	5,677,148
3501	State Unemployment	23,646	23,646	23,646	23,646	23,646	23,646	23,646	23,646	23,646	23,646	23,646	23,646	-	472,920
3601	Workers' Compensation	50,487	57,987	59,003	60,040	61,097	62,176	63,276	64,398	65,543	65,308	65,543	65,543	-	740,400
		975,181	1,120,757	1,139,892	1,159,410	1,179,318	1,199,625	1,314,921	1,312,402	1,286,660	1,258,385	1,263,014	1,263,014	-	14,472,579
<b>Books and Supplies</b>															
4100	Textbooks and Core Materials	87,151	99,601	112,051	99,601	136,952	112,051	87,151	136,952	124,502	87,151	87,151	62,251	12,450	1,245,016
4200	Books and Reference Materials	148,151	169,315	190,479	169,315	232,808	190,479	148,151	232,808	211,644	148,151	148,151	105,822	21,164	2,116,439
4302	School Supplies	540,681	617,921	695,161	617,921	849,641	695,161	540,681	849,641	772,401	540,681	540,681	386,201	77,240	7,724,013
4303	Special Activities/Field Trips	174,745	199,709	224,673	199,709	274,600	224,673	174,745	274,600	249,636	174,745	174,745	124,818	24,964	2,496,361
4305	Software	716,578	818,946	921,315	818,946	1,126,051	921,315	716,578	1,126,051	1,023,683	716,578	716,578	511,841	102,368	10,236,829
4400	Noncapitalized Equipment	335,408	383,324	431,239	383,324	527,070	431,239	335,408	527,070	479,155	335,408	335,408	239,577	47,915	4,791,547
		2,002,714	2,288,816	2,574,918	2,288,816	3,147,123	2,574,918	2,002,714	3,147,123	2,861,021	2,002,714	2,002,714	1,430,510	286,102	28,610,205

# Inspire Charter School - Consolidated



## Monthly Cash Flow/Budget FY17-18

Revised 9/28/17

ADA = 15,921

		Prior Year P2 and PENSEC Estimates						P-1				P-2	Annual Budget		
		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
<b>Subagreement Services</b>															
5102	Special Education	24,299	66,531	94,269	315,136	622,591	465,950	702,453	654,948	689,360	569,743	544,454	237,359	155,822	5,142,915
5105	Security	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	-	17,580
5106	Other Educational Consultants	1,275,971	1,127,869	1,370,890	1,799,773	1,979,997	1,964,667	2,006,312	2,139,926	3,099,196	2,446,516	751,664	381,718	-	20,344,500
		<b>1,301,735</b>	<b>1,195,864</b>	<b>1,466,624</b>	<b>2,116,375</b>	<b>2,604,053</b>	<b>2,432,083</b>	<b>2,710,231</b>	<b>2,796,339</b>	<b>3,790,020</b>	<b>3,017,724</b>	<b>1,297,583</b>	<b>620,542</b>	<b>155,822</b>	<b>25,504,995</b>
<b>Professional/Consulting Services</b>															
5801	IT	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005	-	36,058
5802	Audit & Taxes	417	417	417	417	417	417	417	20,083	20,083	20,083	417	417	-	64,000
5803	Legal	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	-	90,000
5804	Professional Development	-	-	30,200	30,200	30,200	30,200	30,200	30,200	30,200	30,200	30,200	30,200	-	302,000
5805	General Consulting	-	-	7,900	7,900	7,900	7,900	7,900	7,900	7,900	7,900	7,900	7,900	-	79,000
5810	Payroll Service Fee	12,050	12,050	12,050	12,050	12,050	12,050	12,050	12,050	12,050	12,050	12,050	12,050	-	144,600
5811	Management Fee	209,839	209,839	209,839	209,839	209,839	209,839	209,839	209,839	209,839	209,839	209,839	209,839	-	2,518,062
5812	District Oversight Fee	5,030	111,590	131,568	258,499	196,639	196,639	367,845	227,705	496,643	533,123	496,643	496,643	498,368	4,016,934
5813	County Fees	-	-	-	3,500	-	-	3,500	-	-	3,500	-	-	3,500	14,000
5814	SPED Encroachment	8,647	8,647	26,632	18,970	18,970	18,970	18,970	41,503	76,129	41,503	41,503	58,816	-	379,264
		<b>246,487</b>	<b>353,047</b>	<b>429,111</b>	<b>551,880</b>	<b>486,519</b>	<b>486,519</b>	<b>661,225</b>	<b>559,785</b>	<b>863,348</b>	<b>868,703</b>	<b>809,056</b>	<b>826,369</b>	<b>501,868</b>	<b>7,643,917</b>
<b>Facilities, Repairs and Other Leases</b>															
5601	Rent	87,883	87,883	87,883	87,883	87,883	87,883	87,883	87,883	87,883	87,883	87,883	87,883	-	1,054,593
5602	Additional Rent	167	167	167	167	167	167	167	167	167	167	167	167	-	2,000
5603	Equipment Leases	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	-	25,508
5604	Other Leases	250	250	250	250	250	250	250	250	250	250	250	250	-	3,000
5605	Real/Personal Property Taxes	167	167	167	167	167	167	167	167	167	167	167	167	-	2,000
5610	Repairs and Maintenance	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	-	120,000
		<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>100,592</b>	<b>-</b>	<b>1,207,101</b>
<b>Operations and Housekeeping</b>															
5201	Auto and Travel	25,458	25,458	25,458	25,458	25,458	25,458	26,708	26,708	26,708	26,708	25,458	25,458	-	310,500
5203	Business Meals	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	-	77,100
5300	Dues & Memberships	6,158	6,158	6,158	6,158	6,158	6,158	6,158	6,158	6,158	6,158	6,158	6,158	-	73,900
5400	Insurance	13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	13,267	-	159,205
5501	Utilities	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	-	51,837
5502	Janitorial/Trash Removal	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958	-	35,500
5510	Office Expense	26,750	26,750	26,750	26,750	26,750	26,750	26,750	26,750	26,750	26,750	26,750	26,750	-	321,000
5511	Postage and Shipping	-	-	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	-	161,000
5512	Printing	-	-	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	-	24,800
5513	Other taxes and fees	-	-	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	-	168,000
5514	Bank Charges	-	-	4,130	4,130	4,130	4,130	4,130	4,130	4,130	4,130	4,130	4,130	-	41,300
5515	Public Relations/Recruitment	-	-	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	11,150	-	111,500
5900	Communications	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	17,750	-	213,000
		<b>103,087</b>	<b>103,087</b>	<b>153,747</b>	<b>153,747</b>	<b>153,747</b>	<b>153,747</b>	<b>154,997</b>	<b>154,997</b>	<b>154,997</b>	<b>154,997</b>	<b>153,747</b>	<b>153,747</b>	<b>-</b>	<b>1,748,642</b>
<b>Depreciation</b>															
6900	Depreciation Expense	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	-	66,876
		<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>5,573</b>	<b>-</b>	<b>66,876</b>
<b>Interest</b>															
7438	Interest Expense	398,788	276,572	191,912	350,415	185,640	483,438	483,438	483,438	442,702	442,702	416,000	-	-	4,155,044
		<b>398,788</b>	<b>276,572</b>	<b>191,912</b>	<b>350,415</b>	<b>185,640</b>	<b>483,438</b>	<b>483,438</b>	<b>483,438</b>	<b>442,702</b>	<b>442,702</b>	<b>416,000</b>	<b>-</b>	<b>-</b>	<b>4,155,044</b>
<b>Total Expenses</b>		<b>8,740,386</b>	<b>9,586,205</b>	<b>10,276,866</b>	<b>11,015,358</b>	<b>12,226,650</b>	<b>11,877,625</b>	<b>11,953,407</b>	<b>13,160,121</b>	<b>14,186,545</b>	<b>12,516,224</b>	<b>10,729,912</b>	<b>9,081,980</b>	<b>943,792</b>	<b>136,295,071</b>
<b>Monthly Surplus (Deficit)</b>		<b>(8,365,486)</b>	<b>(5,798,703)</b>	<b>(5,367,808)</b>	<b>(2,188,327)</b>	<b>(5,444,471)</b>	<b>(4,947,277)</b>	<b>915,930</b>	<b>(4,705,144)</b>	<b>3,776,438</b>	<b>6,153,641</b>	<b>6,367,438</b>	<b>9,380,893</b>	<b>17,817,066</b>	<b>7,594,189</b>

# Inspire Charter School - Consolidated



## Monthly Cash Flow/Budget FY17-18

Revised 9/28/17

ADA = 15,921

	Prior Year P2 and PENSEC Estimates						P-1				P-2		Annual Budget	
	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
<b>Cash Flow Adjustments</b>														
Monthly Surplus (Deficit)	(8,365,486)	(5,798,703)	(5,367,808)	(2,188,327)	(5,444,471)	(4,947,277)	915,930	(4,705,144)	3,776,438	6,153,641	6,367,438	9,380,893	17,817,066	7,594,189
Cash flows from operating activities														
Depreciation/Amortization	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	5,573	-	66,876
Public Funding Receivables	7,135,583	-	-	1,273,305	-	-	-	-	-	-	-	-	(18,760,858)	(10,351,971)
Accounts Payable	690,434	2,455,110	3,543,580	2,375,152	1,757,862	(100,000)	(576,361)	(1,233,310)	(421,815)	(1,636,359)	(4,179,399)	(2,013,134)	943,792	1,605,550
Cash flows from financing activities														
CSC receivable sales	5,230,400	6,914,300	4,797,800	8,760,366	4,641,000	12,085,943	12,085,943	12,085,943	11,067,554	11,067,554	10,400,000	-	-	99,136,804
CSC receivable sales redemptions	(10,962,400)	(2,972,000)	(3,004,000)	(5,486,100)	(5,651,400)	(5,371,400)	(9,846,366)	(5,042,500)	(14,095,343)	(13,942,343)	(13,942,343)	(12,923,954)	(12,923,954)	(116,164,104)
<b>Total Change in Cash</b>	<b>(6,265,897)</b>	<b>604,279</b>	<b>(24,855)</b>	<b>4,739,969</b>	<b>(4,691,436)</b>	<b>1,672,839</b>	<b>2,584,719</b>	<b>1,110,562</b>	<b>332,406</b>	<b>1,648,066</b>	<b>(1,348,732)</b>	<b>(5,550,622)</b>		
Cash, Beginning of Month	6,432,259	166,363	770,642	745,787	5,485,756	794,320	2,467,159	5,051,878	6,162,440	6,494,846	8,142,912	6,794,180		
<b>Cash, End of Month</b>	<b>166,363</b>	<b>770,642</b>	<b>745,787</b>	<b>5,485,756</b>	<b>794,320</b>	<b>2,467,159</b>	<b>5,051,878</b>	<b>6,162,440</b>	<b>6,494,846</b>	<b>8,142,912</b>	<b>6,794,180</b>	<b>1,243,558</b>		