



***INSPIRE CHARTER SCHOOLS***

43517 Ridge Park Drive #100, Temecula, California 92590

Phone (951) 395-8940 \* Fax (951) 395-8941

**Regular Board Meeting  
Inspire Charter School - South March  
10, 2018 - 10:30 am - 12:30 pm  
43517 Ridge Park Dr. # 100  
Temecula, CA 92590**

**AGENDA**

**Through Teleconference**

**Jamie Mapstead-Searles  
1111 Otero  
San Clemente, CA 92673**

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

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

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



***INSPIRE CHARTER SCHOOLS***

43517 Ridge Park Drive #100, Temecula, California 92590

Phone (951) 395-8940 \* Fax (951) 395-8941

Regular Scheduled Board Meeting - Inspire Charter School - South

December 16, 2017- 10:30 am - 12:00 pm

43517 Ridge Park Drive # 100

Temecula, CA 92590

Attendance: Jodi Erickson, Sarah Fitzpatrick and Jamie Mapstead Searles

Absent: None

Also Present: Nick Nichols, Kimmi Buzzard, Shari Erlendson, Erika Vanderspek, Bryanna Brossman, Chris Williams and Edward Robillard.

**Call to Order:**

Jodi Erickson called the meeting to order at 10:48 am.

**Public Comments:**

None

**Approval of Minutes:**

Sarah Fitzpatrick moved to approve the minutes. Jamie Mapstead Searles seconded.

-Unanimous.

**Instructional Funds Policy- Educational Travel:**

Sarah Fitzpatrick moved to approve the Instructional Funds Policy. Jamie Mapstead Searles seconded.

-Unanimous

**Review of July-October Financials:**

Jamie Mapstead Searles moved to approve the July - October Financials. Sarah Fitzpatrick seconded.

-Unanimous

**Selpa Resolution and Participation Agreement:**

Sarah Fitzpatrick moved to approve the Board Resolution Approval of El Dorado Charter Selpa Participation Agreement. Jamie Mapstead Searles seconded.

-Unanimous

**Adjournment:**

Jodi Erickson motioned to adjourn the meeting at 11:11 am. Sarah Fitzpatrick seconded.

-Unanimous

Prepared By:

Bryanna Brossman

Noted By:

Jamie Mapstead Searles

Board Secretary



***INSPIRE CHARTER SCHOOLS***

43517 Ridge Park Drive #100, Temecula, California 92590

Phone (951) 395-8940 \* Fax (951) 395-8941

Special Board Meeting - Inspire Charter School - South

January 11, 2018 - 5:00pm- 5:20pm

43517 Ridge Park Drive # 100

Temecula, CA 92590

Attendance: Jodi Erickson, Sarah Fitzpatrick and Jamie Mapstead Searles- Teleconference.

Absent: None

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

**Call to Order:**

Jodi Erickson called the meeting to order at 5:09 pm.

**Public Comments:**

None

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

Jamie Mapstead Searles moved to approve the Board Resolution. Sarah Fitzpatrick seconded.

-Unanimous

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

Jodi Erickson moved to approve the Board Resolution. Jamie Mapstead Searles seconded.

-Unanimous

**Adjournment:**

Sarah Fitzpatrick motioned to adjourn the meeting at 5:20pm. Jamie Mapstead Searles seconded.

-Unanimous

Prepared By:

Bryanna Brossman

Noted By:

Jamie Mapstead Searles

Board Secretary

Fund Balance Progress - Inspire Charter School - South

P2 of 4,500	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
State Aid - Revenue Limit	3,069,677	3,069,677	3,069,677	3,069,677	3,069,677	3,069,677	3,069,677	3,069,677	3,069,677	3,069,677	3,069,677	3,069,677	36,836,127
Federal Revenue	46,875	46,875	46,875	46,875	46,875	46,875	46,875	46,875	46,875	46,875	46,875	46,875	562,500
Other State Revenue	322,460	322,460	322,460	322,460	322,460	322,460	322,460	322,460	322,460	322,460	322,460	322,460	3,869,515
<b>Total Revenue:</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>3,439,012</b>	<b>41,268,141</b>
Actual/Expected	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Expected	Expected	Expected	Expected	Expected	Expected
<b>Certificated Salaries</b>	<b>1,002,925</b>	<b>1,129,358</b>	<b>1,190,836</b>	<b>1,201,704</b>	<b>1,289,678</b>	<b>1,310,852</b>	<b>1,315,205</b>	<b>1,308,885</b>	<b>1,308,885</b>	<b>1,308,885</b>	<b>1,308,885</b>	<b>1,308,885</b>	<b>14,984,984</b>
<b>Classified Salaries</b>	<b>106,230</b>	<b>111,019</b>	<b>109,676</b>	<b>116,191</b>	<b>116,191</b>	<b>116,191</b>	<b>116,191</b>	<b>116,191</b>	<b>116,191</b>	<b>116,191</b>	<b>116,191</b>	<b>116,191</b>	<b>1,372,648</b>
<b>Benefits</b>	<b>215,970</b>	<b>232,682</b>	<b>249,873</b>	<b>311,431</b>	<b>310,791</b>	<b>315,536</b>	<b>337,666</b>	<b>319,326</b>	<b>319,326</b>	<b>319,326</b>	<b>319,326</b>	<b>319,326</b>	<b>3,570,578</b>
<b>Books and Supplies</b>	<b>459,650</b>	<b>529,882</b>	<b>481,706</b>	<b>538,877</b>	<b>476,307</b>	<b>514,636</b>	<b>551,462</b>	<b>371,303</b>	<b>371,303</b>	<b>371,303</b>	<b>371,303</b>	<b>371,303</b>	<b>5,409,036</b>
<b>Subagreement Services</b>	<b>290,072</b>	<b>244,747</b>	<b>297,558</b>	<b>487,171</b>	<b>384,085</b>	<b>683,410</b>	<b>548,596</b>	<b>1,264,236</b>	<b>1,264,236</b>	<b>1,264,236</b>	<b>1,264,236</b>	<b>1,264,236</b>	<b>9,256,818</b>
Professional/Consulting Services	49,407	162,837	98,618	123,022	145,715	137,601	140,149	209,498	208,525	219,087	205,859	295,300	1,995,617
Facilities, Repairs and Other Leases	16,882	25,111	23,779	28,395	26,135	26,011	28,203	28,062	28,062	28,062	28,062	28,062	314,824
Operations and Housekeeping	21,797	45,152	31,323	44,667	40,775	22,560	84,913	42,237	42,237	42,237	42,237	42,237	502,373
Depreciation	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	12,645
Interest	132,823	306,577	64,966	137,525	171,314	196,407	54,607	379,556	373,660	-	315,000	-	2,132,432
<b>Total Expenses:</b>	<b>2,296,810</b>	<b>2,788,419</b>	<b>2,549,388</b>	<b>2,990,037</b>	<b>2,962,044</b>	<b>3,324,257</b>	<b>3,178,045</b>	<b>4,040,348</b>	<b>4,033,479</b>	<b>3,670,381</b>	<b>3,972,153</b>	<b>3,746,594</b>	<b>39,551,954</b>
Surplus/Deficit	1,142,202	650,593	889,624	448,975	476,968	114,755	260,967	(601,336)	(594,468)	(231,369)	(533,141)	(307,582)	1,716,187
<b>Cumulative Fund Balance</b>	<b>1,142,202</b>	<b>1,792,795</b>	<b>2,682,419</b>	<b>3,131,394</b>	<b>3,608,361</b>	<b>3,723,116</b>	<b>3,984,083</b>	<b>3,382,747</b>	<b>2,788,279</b>	<b>2,556,910</b>	<b>2,023,769</b>	<b>1,716,187</b>	
Beginning Fund Balance	(2,728,536)	(1,586,334)	(935,741)	(46,117)	402,858	879,825	994,580	1,255,547	654,211	59,743	(171,626)	(704,767)	
Ending Fund Balance	(1,586,334)	(935,741)	(46,117)	402,858	879,825	994,580	1,255,547	654,211	59,743	(171,626)	(704,767)	(1,012,349)	

# Inspire Charter School - South

## Monthly Cash Flow/Forecast FY17-18

Revised 02/23/18

ADA = 4500.00



Revised 02/23/18

ADA = 4500.00

		Prior Year P2 and PENSEC Estimates						P-1				P-2					
		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	Annual Forecast	Original Budget Total	Favorable / (Unfav.)
Revenues															ADA = 3657.50		
State Aid - Revenue Limit																	
8011	LCFF State Aid	1,241,091	1,241,091	2,233,964	2,233,964	2,233,964	2,233,964	2,233,964	4,144,596	4,144,596	4,144,596	4,144,596	5,392,025	-	35,622,411	28,767,521	6,854,891
8012	Education Protection Account	-	-	157,897	-	-	157,896	-	-	-	335,386	-	-	251,191	902,370	731,500	170,870
8019	State Aid - Prior Year	-	-	-	-	-	-	-	(21,629)	(21,629)	(21,629)	(21,629)	(21,629)	-	(108,145)	-	(108,145)
8096	In Lieu of Property Taxes	-	26,998	53,997	35,998	35,998	35,998	35,998	64,834	32,417	32,417	32,417	32,417	-	419,490	490,946	(71,457)
		1,241,091	1,268,089	2,445,858	2,269,962	2,269,962	2,427,858	2,269,962	4,187,801	4,155,384	4,490,770	4,155,384	5,402,814	251,191	36,836,127	29,989,967	6,846,159
Federal Revenue																	
8181	Special Education - Entitlement	-	-	-	-	-	-	-	-	281,250	-	-	140,625	140,625	562,500	457,188	105,312
		-	-	-	-	-	-	-	-	281,250	-	-	140,625	140,625	562,500	457,188	105,312
Other State Revenue																	
8311	State Special Education	77,164	77,164	138,895	138,895	138,895	138,895	138,895	292,839	292,839	292,839	292,839	292,839	0	2,312,998	1,879,955	433,043
8550	Mandated Cost	-	-	-	-	62,705	155,076	-	-	-	155,076	-	155,074	-	527,931	593,491	(65,559)
8560	State Lottery	-	-	-	-	-	-	182,679	-	-	182,679	-	-	507,640	872,999	691,268	181,732
8598	Prior Year Revenue	-	-	115	(331,043)	-	-	386,895	-	-	-	-	-	-	55,967	-	55,967
8599	Other State Revenue	-	-	-	-	-	-	-	52,800	-	-	-	-	-	52,800	44,500	8,300
		77,164	77,164	139,010	(192,148)	201,600	293,971	708,469	345,639	292,839	630,594	292,839	447,913	507,640	3,822,696	3,209,213	613,483
Other Local Revenue																	
8650	Lease and Rental Income	-	1,920	3,637	3,937	1,963	1,620	3,050	2,507	2,507	2,507	2,507	2,507	-	28,659	-	28,659
8660	Interest Revenue	4,303	321	-	2,165	962	-	1,636	-	-	-	-	-	-	9,387	-	9,387
8699	School Fundraising	4,598	-	-	-	-	4,031	144	-	-	-	-	-	-	8,774	-	8,774
		8,902	2,241	3,637	6,102	2,924	5,651	4,831	2,507	2,507	2,507	2,507	2,507	-	46,820	-	46,820
Total Revenue		1,327,157	1,347,494	2,588,505	2,083,916	2,474,486	2,727,480	2,983,262	4,535,947	4,731,979	5,123,871	4,450,730	5,993,858	899,457	41,268,141	33,656,368	7,611,774
Expenses																	
Certificated Salaries																	
1100	Teachers' Salaries	797,453	961,769	951,562	899,403	1,058,517	1,058,517	1,058,517	1,058,517	1,058,517	1,058,517	1,058,517	1,058,517	-	12,078,323	9,167,500	(2,910,823)
1175	Teachers' Extra Duty/Stipends	34,933	22,722	92,983	140,119	85,275	106,126	110,507	100,636	105,756	105,633	104,008	105,132	-	1,113,831	122,882	(990,949)
1200	Pupil Support Salaries	13,009	10,512	11,886	12,044	11,480	11,803	11,776	11,687	11,755	11,739	11,727	11,741	-	141,160	287,734	146,574
1300	Administrators' Salaries	157,531	134,355	134,405	150,137	134,405	134,405	134,405	134,405	134,405	134,405	134,405	134,405	-	1,651,671	1,156,480	(495,191)
		1,002,925	1,129,358	1,190,836	1,201,704	1,289,678	1,310,852	1,315,205	1,305,245	1,310,434	1,310,295	1,308,658	1,309,795	-	14,984,984	10,734,596	(4,250,388)
Classified Salaries																	
2100	Instructional Salaries	94,397	95,186	93,426	99,941	99,941	99,941	99,941	99,941	99,941	99,941	99,941	99,941	-	1,182,481	3,208,625	2,026,144
2200	Support Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,750	13,750
2300	Classified Administrators' Salaries	3,958	7,917	7,917	7,917	7,917	7,917	7,917	7,917	7,917	7,917	7,917	7,917	-	91,042	-	(91,042)
2400	Clerical and Office Staff Salaries	7,875	7,917	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	-	99,125	170,209	71,084
		106,230	111,019	109,676	116,191	116,191	116,191	116,191	116,191	116,191	116,191	116,191	116,191	-	1,372,648	3,392,584	2,019,936
Benefits																	
3101	STRS	134,604	160,424	169,692	171,215	186,101	189,156	189,784	188,347	189,096	189,076	188,839	189,003	-	2,145,336	1,549,002	(596,334)
3301	OASDI	6,507	6,806	6,707	7,110	7,204	7,204	7,204	7,204	7,204	7,204	7,204	7,204	-	84,760	210,340	125,580
3311	Medicare	12,934	12,706	13,580	13,836	20,385	20,692	20,755	20,611	20,686	20,684	20,660	20,677	-	218,207	204,844	(13,363)
3401	Health and Welfare	41,379	42,017	54,091	67,617	72,130	73,217	73,440	72,929	73,195	73,188	73,104	73,162	-	789,469	815,455	25,986
3501	State Unemployment	20,546	5,887	961	505	5,289	5,289	26,443	21,155	10,577	5,289	5,289	5,289	-	112,518	132,780	20,262
3601	Workers' Compensation	-	4,842	4,842	4,842	19,682	19,979	20,040	19,900	19,973	19,971	19,948	19,964	-	173,983	197,781	23,798
3901	Other Benefits	-	-	-	46,305	-	-	-	-	-	-	-	-	-	46,305	-	(46,305)
		215,970	232,682	249,873	311,431	310,791	315,536	337,666	330,145	320,731	315,411	315,044	315,299	-	3,570,578	3,110,202	(460,376)
Books and Supplies																	
4100	Textbooks and Core Materials	10,160	29,228	95,891	5,889	-	-	305	39,838	34,147	28,456	11,382	-	-	255,296	274,669	19,374
4200	Books and Reference Materials	75,089	120,909	60,039	96,830	46,749	59,830	49,299	(22,424)	(19,220)	(16,017)	(6,407)	-	-	444,678	439,171	(5,507)
4302	School Supplies	285,531	240,938	201,192	191,237	205,673	226,149	277,751	153,228	131,338	109,449	43,779	-	-	2,066,266	1,973,576	(92,690)
4303	Special Activities/Field Trips	37,630	69,203	50,376	94,576	82,783	52,782	89,600	16,052	13,759	11,466	4,586	-	-	522,814	514,289	(8,524)
4305	Software	44,332	41,311	45,671	98,557	104,192	144,658	6,383	393,714	337,469	281,224	112,490	-	-	1,610,000	757,566	(852,434)
4400	Noncapitalized Equipment	6,908	28,293	28,538	51,787	36,910	31,216	124,761	69,372	59,462	49,552	19,821	-	-	506,619	498,172	(8,447)
4700	Food Services	-	-	-	-	-	-	3,363	-	-	-	-	-	-	3,363	-	(3,363)
		459,650	529,882	481,706	538,877	476,307	514,636	551,462	649,780	556,955	464,129	185,652	-	-	5,409,036	4,457,444	(951,592)

# Inspire Charter School - South

## Monthly Cash Flow/Forecast FY17-18

Revised 02/23/18

ADA = 4500.00



Prior Year P2 and PENSEC Estimates								P-1				P-2		Annual Forecast	Original Budget Total	Favorable / (Unfav.)
Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18		Feb-18	Mar-18	Apr-18	May-18	Jun-18	Year-End Accruals			
<b>Subagreement Services</b>																
5102 Special Education	2,010	17,886	37,361	53,093	126,877	191,530	148,839	533,740	457,492	381,243	152,497	-	-	2,102,568	1,564,213	(538,355)
5105 Security	90	90	-	90	90	-	-	108	108	108	108	108	-	900	1,080	180
5106 Other Educational Consultants	287,972	226,770	260,197	433,988	257,119	491,881	399,757	1,678,483	1,438,700	1,198,916	479,567	-	-	7,153,351	6,418,378	(734,973)
	290,072	244,747	297,558	487,171	384,085	683,410	548,596	2,212,331	1,896,300	1,580,268	632,172	108	-	9,256,818	7,983,671	(1,273,147)
<b>Professional/Consulting Services</b>																
5801 IT	-	-	-	-	-	372	-	1,843	1,843	1,843	1,843	1,843	-	9,587	11,058	1,471
5802 Audit & Taxes	-	-	-	7,550	-	-	-	2,667	2,667	2,667	-	-	-	15,550	8,000	(7,550)
5803 Legal	-	-	3,585	-	4,209	1,832	4,191	278	278	278	278	278	-	15,206	5,000	(10,206)
5804 Professional Development	150	10,458	769	30	2,535	3,098	6,371	8,889	8,889	8,889	8,889	8,889	-	67,854	80,000	12,146
5805 General Consulting	65	1,105	1,105	4,000	16,210	2,510	880	1,000	1,000	1,000	1,000	1,000	-	30,875	10,000	(20,875)
5810 Payroll Service Fee	-	7,075	1,526	1,162	1,665	2,060	976	2,545	2,545	2,545	2,545	2,545	-	27,192	28,000	808
5811 Management Fee	49,192	98,384	-	49,192	60,008	66,642	66,642	66,642	66,642	66,642	66,642	66,642	-	723,270	588,986	(134,284)
5812 District Oversight Fee	-	45,816	91,632	61,088	61,088	61,088	61,088	125,634	124,662	134,723	124,662	162,084	51,518	1,105,084	449,850	(655,234)
5813 County Fees	-	-	-	-	-	-	-	-	-	500	-	500	-	1,000	2,000	1,000
5814 SPED Encroachment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93,486	93,486
	49,407	162,837	98,618	123,022	145,715	137,601	140,149	209,498	208,525	219,087	205,859	243,781	51,518	1,995,617	1,276,379	(719,238)
<b>Facilities, Repairs and Other Leases</b>																
5601 Rent	15,795	21,286	20,747	25,544	25,544	25,434	25,194	25,194	25,194	25,194	25,194	25,194	-	285,514	292,370	6,856
5602 Additional Rent	612	887	1,377	-	-	-	-	-	-	-	-	-	-	2,876	-	(2,876)
5603 Equipment Leases	475	1,836	1,570	1,599	170	449	951	951	951	951	951	951	-	11,804	5,000	(6,804)
5605 Real/Personal Property Taxes	-	-	-	902	206	-	2,058	250	250	250	250	250	-	4,417	2,000	(2,417)
5610 Repairs and Maintenance	-	1,102	85	350	215	128	-	1,667	1,667	1,667	1,667	1,667	-	10,213	15,000	4,787
	16,882	25,111	23,779	28,395	26,135	26,011	28,203	28,062	28,062	28,062	28,062	28,062	-	314,824	314,370	(453)
<b>Operations and Housekeeping</b>																
5201 Auto and Travel	8,717	4,209	9,590	20,235	15,427	5,018	4,706	12,000	12,000	12,000	12,000	12,000	-	127,902	120,000	(7,902)
5203 Business Meals	1,435	1,545	272	-	-	-	-	3,125	3,125	3,125	3,125	3,125	-	18,877	25,000	6,123
5300 Dues & Memberships	906	5,177	375	624	430	375	9,972	2,000	2,000	2,000	2,000	2,000	-	27,858	20,000	(7,858)
5400 Insurance	-	3,430	3,430	3,430	3,430	5,805	5,805	3,462	3,462	3,462	3,462	3,462	-	42,639	15,000	(27,639)
5501 Utilities	81	1,946	719	2,568	578	982	893	833	833	833	833	833	-	11,934	10,000	(1,934)
5502 Janitorial/Trash Removal	392	342	342	342	342	733	502	250	250	250	250	250	-	4,245	3,500	(745)
5510 Office Expense	6,853	8,817	12,142	8,116	9,119	2,492	3,436	6,818	6,818	6,818	6,818	6,818	-	85,065	75,000	(10,065)
5511 Postage and Shipping	410	1,291	2,207	725	4,244	1,644	3,985	2,200	2,200	2,200	2,200	2,200	-	25,507	22,000	(3,507)
5512 Printing	190	209	58	1,558	21	50	29	278	278	278	278	278	-	3,503	2,500	(1,003)
5513 Other taxes and fees	1,828	13,413	(1,573)	2,719	1,339	2,142	34,339	3,000	3,000	3,000	3,000	3,000	-	69,207	30,000	(39,207)
5514 Bank Charges	110	1,544	2,775	2,695	4,131	2,709	7,730	2,500	2,500	2,500	2,500	2,500	-	34,196	25,000	(9,196)
5515 Public Relations/Recruitment	-	1,341	171	-	-	-	13,209	3,571	3,571	3,571	3,571	3,571	-	32,578	25,000	(7,578)
5900 Communications	875	1,888	814	1,655	1,713	610	307	2,200	2,200	2,200	2,200	2,200	-	18,862	22,000	3,138
	21,797	45,152	31,323	44,667	40,775	22,560	84,913	42,237	42,237	42,237	42,237	42,237	-	502,373	395,000	(107,373)
<b>Depreciation</b>																
6900 Depreciation Expense	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	-	12,645	12,648	3
	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	-	12,645	12,648	3
<b>Interest</b>																
7438 Interest Expense	132,823	306,577	64,966	137,525	171,314	196,407	54,607	379,556	373,660	-	315,000	-	-	2,132,432	624,000	(1,508,432)
	132,823	306,577	64,966	137,525	171,314	196,407	54,607	379,556	373,660	-	315,000	-	-	2,132,432	624,000	(1,508,432)
<b>Total Expenses</b>	<b>2,296,810</b>	<b>2,788,419</b>	<b>2,549,388</b>	<b>2,990,037</b>	<b>2,962,044</b>	<b>3,324,257</b>	<b>3,178,045</b>	<b>5,274,100</b>	<b>4,854,148</b>	<b>4,076,733</b>	<b>3,149,928</b>	<b>2,056,528</b>	<b>51,518</b>	<b>39,551,954</b>	<b>32,300,894</b>	<b>(7,251,060)</b>
<b>Monthly Surplus (Deficit)</b>	<b>(969,653)</b>	<b>(1,440,924)</b>	<b>39,117</b>	<b>(906,121)</b>	<b>(487,558)</b>	<b>(596,777)</b>	<b>(194,783)</b>	<b>(738,153)</b>	<b>(122,169)</b>	<b>1,047,138</b>	<b>1,300,802</b>	<b>3,937,330</b>	<b>847,939</b>	<b>1,716,187</b>	<b>1,355,474</b>	<b>360,713</b>



## Inspire Charter School - South

### Monthly Cash Flow/Forecast FY17-18

Revised 02/23/18

ADA = 4500.00



	Prior Year P2 and PENSEC Estimates							P-1				P-2		Annual Forecast	Original Budget Total	Favorable / (Unfav.)
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Year-End Accruals			
<b>Cash Flow Adjustments</b>														4%		
Monthly Surplus (Deficit)	(969,653)	(1,440,924)	39,117	(906,121)	(487,558)	(596,777)	(194,783)	(738,153)	(122,169)	1,047,138	1,300,802	3,937,330	847,939	1,716,187		
Cash flows from operating activities																
Depreciation/Amortization	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	1,054	-	12,645		
Public Funding Receivables	-	-	(14,795)	14,795	-	(6,324)	6,324	-	-	-	-	-	(899,457)	(899,457)		
Grants and Contributions Rec.	66,884	(4,186)	27,621	400,684	(90,384)	6,324	(19,037)	3,718	3,718	3,718	3,718	3,718	-	406,495		
Due To/From Related Parties	497,190	(382,213)	299,862	848,389	306,554	(624,298)	2,217,491	-	-	-	-	-	-	3,162,975		
Prepaid Expenses	(52,316)	25,913	(134,259)	87,407	(41,366)	10,531	(31,855)	-	-	-	-	-	-	(135,945)		
Other Assets	(1,300)	(500)	(800)	-	-	-	-	35,061	-	-	-	-	-	32,461		
Accounts Payable	(44,041)	207,892	923,318	(130,574)	(87,238)	(216,429)	(504,199)	900,000	-	-	-	(3,300,000)	51,518	(2,199,752)		
Accrued Expenses	(859,789)	(142,380)	(162,143)	89,644	39,576	(191,457)	140,957	-	-	-	-	-	-	(1,085,593)		
Cash flows from financing activities																
Proceeds from Factoring	1,710,100	3,802,800	597,800	1,335,200	2,682,300	2,838,000	954,400	5,912,100	5,338,000	-	4,500,000	-	-	29,670,700		
Payments on Factoring	(4,376,000)	(1,303,100)	(972,500)	(1,942,200)	(1,808,000)	(1,834,200)	(1,840,200)	(1,962,600)	(3,289,400)	(3,730,200)	(3,445,100)	(3,209,000)	-	(29,712,500)		
Total Change in Cash	(4,027,872)	764,356	604,274	(201,723)	514,938	(613,577)	730,151	4,151,181	1,931,203	(2,678,290)	2,360,474	(2,566,898)				
Cash, Beginning of Month	5,052,251	1,024,378	1,788,734	2,393,008	2,191,285	2,706,223	2,092,646	2,822,797	6,973,978	8,905,181	6,226,891	8,587,365				
Cash, End of Month	1,024,378	1,788,734	2,393,008	2,191,285	2,706,223	2,092,646	2,822,797	6,973,978	8,905,181	6,226,891	8,587,365	6,020,467				

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

Charter School Name: Inspire Charter School - South  
(continued)  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
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
<b>A. REVENUES</b>											
1. LCFF Sources											
State Aid - Current Year		8011	28,767,521.00		28,767,521.00	6,950,110.00		6,950,110.00	35,713,113.00		35,713,113.00
Education Protection Account State Aid - Current Year		8012	731,500.00		731,500.00	157,897.00		157,897.00	911,200.00		911,200.00
State Aid - Prior Years		8019			-			-			-
Transfers to Charter Schools in Lieu of Property Taxes		8096	490,946.00		490,946.00	116,993.00		116,993.00	649,184.00		649,184.00
Other LCFF Transfers		8091, 8097			-			-			-
Total, LCFF Sources			29,989,967.00	-	29,989,967.00	7,225,000.00	-	7,225,000.00	37,273,497.00	-	37,273,497.00
2. Federal Revenues											
Every Student Succeeds Act (Title I - V)		8290			-			-			-
Special Education - Federal		8181, 8182		457,188.00	457,188.00			-	-	569,500.00	569,500.00
Child Nutrition - Federal		8220			-			-			-
Donated Food Commodities		8221			-			-			-
Other Federal Revenues		8110, 8260-8299			-			-			-
Total, Federal Revenues			-	457,188.00	457,188.00	-	-	-	-	569,500.00	569,500.00
3. Other State Revenues											
Special Education - State		StateRevSE	-	1,879,955.00	1,879,955.00		432,118.00	432,118.00		2,394,584.00	2,394,584.00
All Other State Revenues		StateRevAO	1,191,005.40	138,253.60	1,329,259.00	(255,708.04)	(75,219.65)	(330,927.69)	954,017.16	96,997.15	1,051,014.31
Total, Other State Revenues			1,191,005.40	2,018,208.60	3,209,214.00	(255,708.04)	356,898.35	101,190.31	954,017.16	2,491,581.15	3,445,598.31
4. Other Local Revenues											
All Other Local Revenues		LocalRevAO			-	20,881.00		20,881.00	40,933.00		40,933.00
Total, Local Revenues			-	-	-	20,881.00	-	20,881.00	40,933.00	-	40,933.00
<b>5. TOTAL REVENUES</b>			<b>31,180,972.40</b>	<b>2,475,396.60</b>	<b>33,656,369.00</b>	<b>6,990,172.96</b>	<b>356,898.35</b>	<b>7,347,071.31</b>	<b>38,268,447.16</b>	<b>3,061,081.15</b>	<b>41,329,528.31</b>
<b>B. EXPENDITURES</b>											
1. Certificated Salaries											
Certificated Teachers' Salaries		1100	8,742,408.52	547,973.48	9,290,382.00	3,633,038.89	267,906.11	3,900,945.00	12,495,834.13	675,564.87	13,171,399.00
Certificated Pupil Support Salaries		1200	287,734.00		287,734.00	47,451.00		47,451.00	141,160.00		141,160.00
Certificated Supervisors' and Administrators' Salaries		1300	1,156,480.00		1,156,480.00	576,428.00		576,428.00	1,651,671.00		1,651,671.00
Other Certificated Salaries		1900			-	-		-			-
Total, Certificated Salaries			10,186,622.52	547,973.48	10,734,596.00	4,256,917.89	267,906.11	4,524,824.00	14,288,665.13	675,564.87	14,964,230.00
2. Non-certificated Salaries											
Non-certificated Instructional Aides' Salaries		2100	3,208,625.00		3,208,625.00	382,950.00		382,950.00	1,182,481.00		1,182,481.00
Non-certificated Support Salaries		2200	13,750.00		13,750.00	-		-	-		-
Non-certificated Supervisors' and Administrators' Sal.		2300			-	27,708.00		27,708.00	91,042.00		91,042.00
Clerical and Office Salaries		2400	170,209.00		170,209.00	32,458.00		32,458.00	99,125.00		99,125.00
Other Non-certificated Salaries		2900			-	-		-			-
Total, Non-certificated Salaries			3,392,584.00	-	3,392,584.00	443,116.00	-	443,116.00	1,372,648.00	-	1,372,648.00
3. Employee Benefits											
STRS		3101-3102	1,469,929.44	79,072.56	1,549,002.00	598,282.51	37,652.49	635,935.00	2,045,624.34	96,716.66	2,142,341.00
PERS		3201-3202			-			-			-
OASDI / Medicare / Alternative		3301-3302	407,238.39	7,945.61	415,184.00	77,323.90	2,861.10	80,185.00	293,655.12	9,010.88	302,666.00
Health and Welfare Benefits		3401-3402	783,824.65	31,630.35	815,455.00	194,043.56	11,060.44	205,104.00	755,801.81	32,602.19	788,404.00
Unemployment Insurance		3501-3502	127,629.65	5,150.35	132,780.00	26,394.52	1,504.48	27,899.00	107,865.14	4,652.86	112,518.00
Workers' Compensation Insurance		3601-3602	190,109.35	7,671.65	197,781.00	13,743.62	783.38	14,527.00	166,509.46	7,182.54	173,692.00
OPEB, Allocated		3701-3702			-	-		-			-
OPEB, Active Employees		3751-3752			-	-		-			-
Other Employee Benefits		3901-3902			-	46,305.00		46,305.00	46,305.00		46,305.00
Total, Employee Benefits			2,978,731.48	131,470.52	3,110,202.00	956,093.11	53,861.89	1,009,955.00	3,415,760.87	150,165.13	3,565,926.00
4. Books and Supplies											
Approved Textbooks and Core Curricula Materials		4100	136,415.40	138,253.60	274,669.00	141,168.00		141,168.00	258,473.00		258,473.00
Books and Other Reference Materials		4200	439,171.00		439,171.00	352,867.00		352,867.00	450,212.00		450,212.00
Materials and Supplies		4300	3,245,431.00		3,245,431.00	1,475,776.65	(75,219.65)	1,400,557.00	4,221,833.85	96,997.15	4,318,831.00
Noncapitalized Equipment		4400	498,172.00		498,172.00	115,526.00		115,526.00	512,924.00		512,924.00
Food		4700			-			-			-
Total, Books and Supplies			4,319,189.40	138,253.60	4,457,443.00	2,085,337.65	(75,219.65)	2,010,118.00	5,443,442.85	96,997.15	5,540,440.00
5. Services and Other Operating Expenditures											
Subagreements for Services		5100	6,419,458.00	1,564,213.00	7,983,671.00	1,209,199.00	110,350.00	1,319,549.00	7,243,367.00	2,138,354.00	9,381,721.00
Travel and Conferences		5200	145,000.00		145,000.00	46,003.00		46,003.00	154,801.00		154,801.00
Dues and Memberships		5300	20,000.00		20,000.00	7,081.00		7,081.00	20,415.00		20,415.00
Insurance		5400	15,000.00		15,000.00	10,291.00		10,291.00	40,664.00		40,664.00
Operations and Housekeeping Services		5500	193,000.00		193,000.00	74,331.00		74,331.00	221,931.00		221,931.00
Rentals, Leases, Repairs, and Noncap. Improvements		5600	314,370.00		314,370.00	94,167.00		94,167.00	326,422.00		326,422.00
Transfers of Direct Costs		5700-5799			-	-		-			-
Professional/Consulting Services and Operating Expend.		5800	1,182,893.00	93,486.00	1,276,379.00	433,884.00		433,884.00	1,862,813.00		1,862,813.00
Communications		5900	22,000.00		22,000.00	5,232.00		5,232.00	21,232.00		21,232.00
Total, Services and Other Operating Expenditures			8,311,721.00	1,657,699.00	9,969,420.00	1,880,188.00	110,350.00	1,990,538.00	9,891,645.00	2,138,354.00	12,029,999.00

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

Charter School Name: Inspire Charter School - South  
(continued)  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
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
<b>6. Capital Outlay</b> (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	12,648.00		12,648.00	4,214.00		4,214.00	12,646.00		12,646.00
Total, Capital Outlay		12,648.00	-	12,648.00	4,214.00	-	4,214.00	12,646.00	-	12,646.00
<b>7. Other Outgo</b>										
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			-	641,889.00		641,889.00			-
Debt Service:										
Interest	7438	624,000.00		624,000.00			-	1,888,799.00		1,888,799.00
Principal (for modified accrual basis only)	7439			-			-			-
Total, Other Outgo		624,000.00	-	624,000.00	641,889.00	-	641,889.00	1,888,799.00	-	1,888,799.00
<b>8. TOTAL EXPENDITURES</b>										
		29,825,496.40	2,475,396.60	32,300,893.00	10,267,755.65	356,898.35	10,624,654.00	36,313,606.85	3,061,081.15	39,374,688.00
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		1,355,476.00	-	1,355,476.00	(3,277,582.69)	-	(3,277,582.69)	1,954,840.31	-	1,954,840.31
<b>D. OTHER FINANCING SOURCES / USES</b>										
1. Other Sources	8930-8979			-			-			-
2. Less: Other Uses	7630-7699			-			-			-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999			-			-			-
<b>4. TOTAL OTHER FINANCING SOURCES / USES</b>		-	-	-	-	-	-	-	-	-
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		1,355,476.00	-	1,355,476.00	(3,277,582.69)	-	(3,277,582.69)	1,954,840.31	-	1,954,840.31
<b>F. FUND BALANCE, RESERVES</b>										
1. Beginning Fund Balance										
a. As of July 1	9791	(2,728,536.16)		(2,728,536.16)	(2,728,536.16)		(2,728,536.16)	(2,728,536.16)		(2,728,536.16)
b. Adjustments to Beginning Balance	9793, 9795	(7,522.42)		(7,522.42)	(7,522.42)		(7,522.42)	(7,522.42)		(7,522.42)
c. Adjusted Beginning Balance		(2,736,058.58)	-	(2,736,058.58)	(2,736,058.58)	-	(2,736,058.58)	(2,736,058.58)	-	(2,736,058.58)
2. Ending Fund Balance, June 30 (E + F.1.c.)		(1,380,582.58)	-	(1,380,582.58)	(6,013,641.27)	-	(6,013,641.27)	(781,218.27)	-	(781,218.27)
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)	9711			-			-			-
Stores (equals object 9320)	9712			-			-			-
Prepaid Expenditures (equals object 9330)	9713			-			-			-
All Others	9719			-			-			-
b. Restricted	9740			-			-			-
c. Committed										
Stabilization Arrangements	9750			-			-			-
Other Commitments	9760			-			-			-
d. Assigned										
Other Assignments	9780			-			-			-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties	9789	1,615,044.65		1,615,044.65	531,232.70		531,232.70	1,968,734.40		1,968,734.40
Unassigned/Unappropriated Amount	9790	(2,995,627.23)	-	(2,995,627.23)	(6,544,873.97)	-	(6,544,873.97)	(2,749,952.67)	-	(2,749,952.67)

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

Charter School Name: Inspire Charter School - South  
(continued)  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

					1st Interim vs. Adopted Budget Increase, (Decrease)	
Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
<b>A. REVENUES</b>						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	28,767,521.00	6,950,110.00	35,713,113.00	6,945,592.00	24.14%
Education Protection Account State Aid - Current Year	8012	731,500.00	157,897.00	911,200.00	179,700.00	24.57%
State Aid - Prior Years	8019	-	-	-	-	
Transfers to Charter Schools Funding in Lieu of Property Taxes	8096	490,946.00	116,993.00	649,184.00	158,238.00	32.23%
Other LCFF Transfers	8091, 8097	-	-	-	-	
Total, LCFF Sources		29,989,967.00	7,225,000.00	37,273,497.00	7,283,530.00	24.29%
2. Federal Revenues						
Every Student Succeeds Act (Title I-V)	8290	-	-	-	-	
Special Education - Federal	8181, 8182	457,188.00	-	569,500.00	112,312.00	24.57%
Child Nutrition - Federal	8220	-	-	-	-	
Donated Food Commodities	8221	-	-	-	-	
Other Federal Revenues	8110, 8260-8299	-	-	-	-	
Total, Federal Revenues		457,188.00	-	569,500.00	112,312.00	24.57%
3. Other State Revenues						
Special Education - State	StateRevSE	1,879,955.00	432,118.00	2,394,584.00	514,629.00	27.37%
All Other State Revenues	StateRevAO	1,329,259.00	(330,927.69)	1,051,014.31	(278,244.69)	-20.93%
Total, Other State Revenues		3,209,214.00	101,190.31	3,445,598.31	236,384.31	7.37%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	-	20,881.00	40,933.00	40,933.00	New
Total, Local Revenues		-	20,881.00	40,933.00	40,933.00	New
5. TOTAL REVENUES		33,656,369.00	7,347,071.31	41,329,528.31	7,673,159.31	22.80%
<b>B. EXPENDITURES</b>						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	9,290,382.00	3,900,945.00	13,171,399.00	3,881,017.00	41.77%
Certificated Pupil Support Salaries	1200	287,734.00	47,451.00	141,160.00	(146,574.00)	-50.94%
Certificated Supervisors' and Administrators' Salaries	1300	1,156,480.00	576,428.00	1,651,671.00	495,191.00	42.82%
Other Certificated Salaries	1900	-	-	-	-	
Total, Certificated Salaries		10,734,596.00	4,524,824.00	14,964,230.00	4,229,634.00	39.40%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	3,208,625.00	382,950.00	1,182,481.00	(2,026,144.00)	-63.15%
Non-certificated Support Salaries	2200	13,750.00	-	-	(13,750.00)	(100%)
Non-certificated Supervisors' and Administrators' Sal.	2300	-	27,708.00	91,042.00	91,042.00	New
Clerical and Office Salaries	2400	170,209.00	32,458.00	99,125.00	(71,084.00)	-41.76%
Other Non-certificated Salaries	2900	-	-	-	-	
Total, Non-certificated Salaries		3,392,584.00	443,116.00	1,372,648.00	(2,019,936.00)	-59.54%
3. Employee Benefits						
STRS	3101-3102	1,549,002.00	635,935.00	2,142,341.00	593,339.00	38.30%
PERS	3201-3202	-	-	-	-	
OASDI / Medicare / Alternative	3301-3302	415,184.00	80,185.00	302,666.00	(112,518.00)	-27.10%
Health and Welfare Benefits	3401-3402	815,455.00	205,104.00	788,404.00	(27,051.00)	-3.32%
Unemployment Insurance	3501-3502	132,780.00	27,899.00	112,518.00	(20,262.00)	-15.26%
Workers' Compensation Insurance	3601-3602	197,781.00	14,527.00	173,692.00	(24,089.00)	-12.18%
OPEB, Allocated	3701-3702	-	-	-	-	
OPEB, Active Employees	3751-3752	-	-	-	-	
Other Employee Benefits	3901-3902	-	46,305.00	46,305.00	46,305.00	New
Total, Employee Benefits		3,110,202.00	1,009,955.00	3,565,926.00	455,724.00	14.65%

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

Charter School Name: Inspire Charter School - South  
(continued)  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

					1st Interim vs. Adopted Budget Increase, (Decrease)	
Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	274,669.00	141,168.00	258,473.00	(16,196.00)	-5.90%
Books and Other Reference Materials	4200	439,171.00	352,867.00	450,212.00	11,041.00	2.51%
Materials and Supplies	4300	3,245,431.00	1,400,557.00	4,318,831.00	1,073,400.00	33.07%
Noncapitalized Equipment	4400	498,172.00	115,526.00	512,924.00	14,752.00	2.96%
Food	4700	-	-	-	-	
Total, Books and Supplies		4,457,443.00	2,010,118.00	5,540,440.00	1,082,997.00	24.30%
<b>5. Services and Other Operating Expenditures</b>						
Subagreements for Services	5100	7,983,671.00	1,319,549.00	9,381,721.00	1,398,050.00	17.51%
Travel and Conferences	5200	145,000.00	46,003.00	154,801.00	9,801.00	6.76%
Dues and Memberships	5300	20,000.00	7,081.00	20,415.00	415.00	2.08%
Insurance	5400	15,000.00	10,291.00	40,664.00	25,664.00	171.09%
Operations and Housekeeping Services	5500	193,000.00	74,331.00	221,931.00	28,931.00	14.99%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	314,370.00	94,167.00	326,422.00	12,052.00	3.83%
Transfers of Direct Costs	5700-5799	-	-	-	-	
Professional/Consulting Services and Operating Expend.	5800	1,276,379.00	433,884.00	1,862,813.00	586,434.00	45.95%
Communications	5900	22,000.00	5,232.00	21,232.00	(768.00)	-3.49%
Total, Services and Other Operating Expenditures		9,969,420.00	1,990,538.00	12,029,999.00	2,060,579.00	20.67%
<b>6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis only)</b>						
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	12,648.00	4,214.00	12,646.00	(2.00)	-0.02%
Total, Capital Outlay		12,648.00	4,214.00	12,646.00	(2.00)	-0.02%
<b>7. Other Outgo</b>						
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	-	641,889.00	-	-	
Debt Service:						
Interest	7438	624,000.00	-	1,888,799.00	1,264,799.00	202.69%
Principal (for modified accrual basis only)	7439	-	-	-	-	
Total, Other Outgo		624,000.00	-	1,888,799.00	1,264,799.00	202.69%
<b>8. TOTAL EXPENDITURES</b>		32,300,893.00	9,982,765.00	39,374,688.00	7,073,795.00	21.90%
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		1,355,476.00	(2,635,693.69)	1,954,840.31	599,364.31	44.22%

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

Charter School Name: Inspire Charter School - South  
(continued)  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

					1st Interim vs. Adopted Budget Increase, (Decrease)	
Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
<b>D. OTHER FINANCING SOURCES / USES</b>						
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		-	-	-	-	
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		1,355,476.00	(2,635,693.69)	1,954,840.31	599,364.31	44.22%
<b>F. FUND BALANCE, RESERVES</b>						
1. Beginning Fund Balance						
a. As of July 1	9791	(2,728,536.16)	(2,728,536.16)	(2,728,536.16)	-	0.00%
b. Adjustments/Restatements	9793, 9795	(7,522.42)	(7,522.42)	(7,522.42)	-	0.00%
c. Adjusted Beginning Fund Balance		(2,736,058.58)	(2,736,058.58)	(2,736,058.58)		
2. Ending Fund Balance, June 30 (E + F.1.c.)		(1,380,582.58)	(5,371,752.27)	(781,218.27)		
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted	9740	-	-	-	-	
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	1,615,044.65	531,232.70	1,968,734.40	353,689.75	21.90%
Unassigned/Unappropriated Amount	9790	(2,995,627.23)	(6,544,873.97)	(2,749,952.67)	245,674.56	-8.20%

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

Charter School Name: Inspire Charter School - South  
(continued) \_\_\_\_\_  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
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		
<b>A. REVENUES</b>						
1. LCFF Sources						
State Aid - Current Year	8011	35,713,113.00	0.00	35,713,113.00	36,582,581.00	37,426,311.00
Education Protection Account State Aid - Current Year	8012	911,200.00	0.00	911,200.00	911,200.00	911,200.00
State Aid - Prior Years	8019	0.00	0.00	0.00		
Transfers of Charter Schools in Lieu of Property Taxes	8096	649,184.00	0.00	649,184.00	649,184.00	649,184.00
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00		
Total, LCFF Sources		37,273,497.00	0.00	37,273,497.00	38,142,965.00	38,986,695.00
2. Federal Revenues						
Every Student Succeeds Act (Title I - V)	8290	0.00	0.00	0.00		
Special Education - Federal	8181, 8182	0.00	569,500.00	569,500.00	569,500.00	569,500.00
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	569,500.00	569,500.00	569,500.00	569,500.00
3. Other State Revenues						
Special Education - State	StateRevSE	0.00	2,394,584.00	2,394,584.00	2,341,784.00	2,341,784.00
All Other State Revenues	StateRevAO	954,017.16	96,997.15	1,051,014.31	664,675.00	664,675.00
Total, Other State Revenues		954,017.16	2,491,581.15	3,445,598.31	3,006,459.00	3,006,459.00
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	40,933.00	0.00	40,933.00	40,933.00	40,933.00
Total, Local Revenues		40,933.00	0.00	40,933.00	40,933.00	40,933.00
5. TOTAL REVENUES		38,268,447.16	3,061,081.15	41,329,528.31	41,759,857.00	42,603,587.00
<b>B. EXPENDITURES</b>						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	12,495,834.13	675,564.87	13,171,399.00	13,434,826.00	13,703,523.00
Certificated Pupil Support Salaries	1200	141,160.00	0.00	141,160.00	143,983.00	146,863.00
Certificated Supervisors' and Administrators' Salaries	1300	1,651,671.00	0.00	1,651,671.00	1,684,705.00	1,718,399.00
Other Certificated Salaries	1900	0.00	0.00	0.00		
Total, Certificated Salaries		14,288,665.13	675,564.87	14,964,230.00	15,263,514.00	15,568,785.00
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	1,182,481.00	0.00	1,182,481.00	1,206,131.00	1,230,253.00
Non-certificated Support Salaries	2200	0.00	0.00	0.00		
Non-certificated Supervisors' and Administrators' Sal.	2300	91,042.00	0.00	91,042.00	92,862.00	94,720.00
Clerical and Office Salaries	2400	99,125.00	0.00	99,125.00	101,108.00	103,130.00
Other Non-certificated Salaries	2900	0.00	0.00	0.00		
Total, Non-certificated Salaries		1,372,648.00	0.00	1,372,648.00	1,400,101.00	1,428,103.00

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

Charter School Name: Inspire Charter School - South  
(continued)  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
<b>3. Employee Benefits</b>						
STRS	3101-3102	2,045,624.34	96,716.66	2,142,341.00	2,185,188.00	2,228,892.00
PERS	3201-3202	0.00	0.00	0.00		
OASDI / Medicare / Alternative	3301-3302	293,655.12	9,010.88	302,666.00	308,719.00	314,893.00
Health and Welfare Benefits	3401-3402	755,801.81	32,602.19	788,404.00	804,172.00	820,255.00
Unemployment Insurance	3501-3502	107,865.14	4,652.86	112,518.00	114,768.00	117,063.00
Workers' Compensation Insurance	3601-3602	166,509.46	7,182.54	173,692.00	177,166.00	180,709.00
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	46,305.00	0.00	46,305.00	47,231.00	48,176.00
Total, Employee Benefits		3,415,760.87	150,165.13	3,565,926.00	3,637,244.00	3,709,988.00
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	258,473.00	0.00	258,473.00	263,642.00	268,915.00
Books and Other Reference Materials	4200	450,212.00	0.00	450,212.00	459,216.00	468,400.00
Materials and Supplies	4300	4,221,833.85	96,997.15	4,318,831.00	4,405,208.00	4,493,312.00
Noncapitalized Equipment	4400	512,924.00	0.00	512,924.00	523,182.00	533,646.00
Food	4700	0.00	0.00	0.00		
Total, Books and Supplies		5,443,442.85	96,997.15	5,540,440.00	5,651,248.00	5,764,273.00
<b>5. Services and Other Operating Expenditures</b>						
Subagreements for Services	5100	7,243,367.00	2,138,354.00	9,381,721.00	9,569,355.00	9,760,742.00
Travel and Conferences	5200	154,801.00	0.00	154,801.00	157,897.00	161,055.00
Dues and Memberships	5300	20,415.00	0.00	20,415.00	20,823.00	21,240.00
Insurance	5400	40,664.00	0.00	40,664.00	41,478.00	42,307.00
Operations and Housekeeping Services	5500	221,931.00	0.00	221,931.00	226,369.00	230,897.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	326,422.00	0.00	326,422.00	332,951.00	339,610.00
Transfers of Direct Costs	5700-5799	0.00	0.00	0.00	0.00	0.00
Professional/Consulting Services and Operating Expend.	5800	1,862,813.00	0.00	1,862,813.00	1,903,789.00	1,944,291.00
Communications	5900	21,232.00	0.00	21,232.00	21,656.00	22,090.00
Total, Services and Other Operating Expenditures		9,891,645.00	2,138,354.00	12,029,999.00	12,274,318.00	12,522,232.00
<b>6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis only)</b>						
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	12,646.00	0.00	12,646.00	12,899.00	12,646.00
Total, Capital Outlay		12,646.00	0.00	12,646.00	12,899.00	12,646.00
<b>7. Other Outgo</b>						
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	1,888,799.00	0.00	1,888,799.00		
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00		
Total, Other Outgo		1,888,799.00	0.00	1,888,799.00	0.00	0.00
<b>8. TOTAL EXPENDITURES</b>		36,313,606.85	3,061,081.15	39,374,688.00	38,239,324.00	39,006,027.00
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		1,954,840.31	0.00	1,954,840.31	3,520,533.00	3,597,560.00



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

Charter School Name: Inspire Charter School - South  
(continued) \_\_\_\_\_  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
<b>D. OTHER FINANCING SOURCES / USES</b>						
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
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		1,954,840.31	0.00	1,954,840.31	3,520,533.00	3,597,560.00
<b>F. FUND BALANCE, RESERVES</b>						
1. Beginning Fund Balance						
a. As of July 1	9791	(2,728,536.16)	0.00	(2,728,536.16)	(781,218.27)	2,739,314.73
b. Adjustments/Restatements	9793, 9795	(7,522.42)	0.00	(7,522.42)		
c. Adjusted Beginning Balance		(2,736,058.58)	0.00	(2,736,058.58)	(781,218.27)	2,739,314.73
2. Ending Fund Balance, June 30 (E + F.1.c.)		(781,218.27)	0.00	(781,218.27)	2,739,314.73	6,336,874.73
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	1,968,734.40	0.00	1,968,734.40	1,911,966.20	1,950,301.35
Unassigned/Unappropriated Amount	9790	(2,749,952.67)	0.00	(2,749,952.67)	827,348.53	4,386,573.38

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

Charter School Name: Inspire Charter School - South  
(continued) \_\_\_\_\_  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

To the entity that approved the charter school:  
(   x   ) 2017/18 CHARTER SCHOOL SECOND INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 47604.33.

Signed: \_\_\_\_\_ Date: 2/27/2018  
Charter School Official  
(Original signature required)

Print Name: Dr. Herbert Nichols Title: Executive Director

To the County Superintendent of Schools:  
(   x   ) 2017/18 CHARTER SCHOOL SECOND INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 47604.33.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Authorized Representative of  
Charter Approving Entity  
(Original signature required)

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

For additional information on the Second Interim Report, please contact:

For Approving Entity:

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Accounting Manager  
Title  
\_\_\_\_\_  
Phone  
\_\_\_\_\_  
E-mail

For Charter School:

\_\_\_\_\_  
Spencer Styles  
Name  
\_\_\_\_\_  
Charter Impact, Inc.  
Title  
\_\_\_\_\_  
888-474-0322  
Phone  
\_\_\_\_\_  
[sstyles@charterimpact.com](mailto:sstyles@charterimpact.com)  
E-mail

This report has been verified for mathematical accuracy by the County Superintendent of Schools, pursuant to *Education Code* Section 47604.33.

\_\_\_\_\_  
Date

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

Charter School Name: Inspire Charter School - South  
(continued)  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

This charter school uses the following basis of accounting:

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

Description		Object Code	1st Interim Budget			Actuals thru 1/31			2nd Interim Budget		
			Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>A. REVENUES</b>											
1. LCFF Revenue Sources											
State Aid - Current Year	8011		35,713,113.00		35,713,113.00	13,652,002.00		13,652,002.00	35,624,840.00		35,624,840.00
Education Protection Account State Aid - Current Year	8012		911,200.00		911,200.00	315,793.00		315,793.00	900,000.00		900,000.00
State Aid - Prior Years	8019		-		-			-	(108,145.00)		(108,145.00)
Transfer of Charter Schools In Lieu of Property Taxes	8096		649,184.00		649,184.00	224,986.50		224,986.50	419,489.63		419,489.63
Other LCFF Transfers	8091, 8097				-			-			-
Total, LCFF Sources			37,273,497.00	-	37,273,497.00	14,192,781.50	-	14,192,781.50	36,836,184.63	-	36,836,184.63
2. Federal Revenues											
Every Student Succeeds Act (Title I-V)	8290				-			-			-
Special Education - Federal	8181, 8182		-	569,500.00	569,500.00			-		562,499.50	562,499.50
Child Nutrition - Federal	8220				-			-			-
Donated Food Commodities	8221				-			-			-
Other Federal Revenues	8110, 8260-8299				-			-			-
Total, Federal Revenues			-	569,500.00	569,500.00	-	-	-	-	562,499.50	562,499.50
3. Other State Revenues											
Special Education - State	StateRevSE			2,394,584.00	2,394,584.00		848,803.00	848,803.00		2,312,997.94	2,312,997.94
All Other State Revenues	StateRevAO		954,017.16	96,997.15	1,051,014.31	433,429.92	22,997.82	456,427.74	1,259,300.12	250,397.66	1,509,697.78
Total, Other State Revenues			954,017.16	2,491,581.15	3,445,598.31	433,429.92	871,800.82	1,305,230.74	1,259,300.12	2,563,395.60	3,822,695.72
4. Other Local Revenues											
All Other Local Revenues	LocalRevAO		40,933.00		40,933.00	34,287.03		34,287.03	46,819.53		46,819.53
Total, Local Revenues			40,933.00	-	40,933.00	34,287.03	-	34,287.03	46,819.53	-	46,819.53
5. TOTAL REVENUES											
			38,268,447.16	3,061,081.15	41,329,528.31	14,660,498.45	871,800.82	15,532,299.27	38,142,304.28	3,125,895.10	41,268,199.38
<b>B. EXPENDITURES</b>											
1. Certificated Salaries											
Certificated Teachers' Salaries	1100		12,495,834.13	675,564.87	13,171,399.00	7,155,318.25	223,084.75	7,378,403.00	12,516,590.09	675,563.41	13,192,153.50
Certificated Pupil Support Salaries	1200		141,160.00		141,160.00	82,510.49		82,510.49	141,159.69		141,159.69
Certificated Supervisors' and Administrators' Salaries	1300		1,651,671.00		1,651,671.00	979,644.48		979,644.48	1,651,671.28		1,651,671.28
Other Certificated Salaries	1900				-			-			-
Total, Certificated Salaries			14,288,665.13	675,564.87	14,964,230.00	8,217,473.22	223,084.75	8,440,557.97	14,309,421.06	675,563.41	14,984,984.47
2. Non-certificated Salaries											
Non-certificated Instructional Aides' Salaries	2100		1,182,481.00		1,182,481.00	682,774.20		682,774.20	1,182,481.10		1,182,481.10
Non-certificated Support Salaries	2200				-			-			-
Non-certificated Supervisors' and Administrators' Sal.	2300		91,042.00		91,042.00	51,458.29		51,458.29	91,041.59		91,041.59
Clerical and Office Salaries	2400		99,125.00		99,125.00	57,458.37		57,458.37	99,125.07		99,125.07
Other Non-certificated Salaries	2900				-			-			-
Total, Non-certificated Salaries			1,372,648.00	-	1,372,648.00	791,690.86	-	791,690.86	1,372,647.76	-	1,372,647.76
3. Employee Benefits											
STRS	3101-3102		2,045,624.34	96,716.66	2,142,341.00	1,169,233.56	31,741.89	1,200,975.45	2,048,618.66	96,717.53	2,145,336.19
PERS	3201-3202				-			-			-
OASDI / Medicare / Alternative	3301-3302		293,655.12	9,010.88	302,666.00	160,853.62	2,776.13	163,629.75	293,955.27	9,011.86	302,967.13
Health and Welfare Benefits	3401-3402		755,801.81	32,602.19	788,404.00	413,647.67	10,242.74	423,890.41	756,864.08	32,604.73	789,468.81
Unemployment Insurance	3501-3502		107,865.14	4,652.86	112,518.00	63,351.10	1,568.70	64,919.80	107,870.73	4,646.93	112,517.66
Workers' Compensation Insurance	3601-3602		166,509.46	7,182.54	173,692.00	72,433.83	1,793.60	74,227.43	166,797.38	7,185.42	173,982.80
OPEB, Allocated	3701-3702				-			-			-
OPEB, Active Employees	3751-3752				-			-			-
Other Employee Benefits	3901-3902		46,305.00		46,305.00	46,305.20		46,305.20	46,305.20		46,305.20
Total, Employee Benefits			3,415,760.87	150,165.13	3,565,926.00	1,925,824.98	48,123.06	1,973,948.04	3,420,411.32	150,166.47	3,570,577.79
4. Books and Supplies											
Approved Textbooks and Core Curricula Materials	4100		258,473.00		258,473.00	141,472.58		141,472.58	255,295.56		255,295.56
Books and Other Reference Materials	4200		450,212.00		450,212.00	508,745.15		508,745.15	554,168.00		554,168.00
Materials and Supplies	4300		4,221,833.85	96,997.15	4,318,831.00	2,567,528.71	22,997.82	2,590,526.53	3,891,992.20	197,597.66	4,089,589.86
Noncapitalized Equipment	4400		512,924.00		512,924.00	308,412.73		308,412.73	506,618.87		506,618.87
Food	4700				-	3,363.33		3,363.33	3,363.33		3,363.33
Total, Books and Supplies			5,443,442.85	96,997.15	5,540,440.00	3,529,522.50	22,997.82	3,552,520.32	5,211,437.96	197,597.66	5,409,035.62
5. Services and Other Operating Expenditures											
Subagreements for Services	5100		7,243,367.00	2,138,354.00	9,381,721.00	2,358,044.68	577,595.19	2,935,639.87	7,154,250.66	2,102,567.56	9,256,818.22
Travel and Conferences	5200		154,801.00		154,801.00	71,153.89		71,153.89	146,778.89		146,778.89
Dues and Memberships	5300		20,415.00		20,415.00	17,858.33		17,858.33	27,858.33		27,858.33
Insurance	5400		40,664.00		40,664.00	25,331.52		25,331.52	42,639.20		42,639.20
Operations and Housekeeping Services	5500		221,931.00		221,931.00	168,980.90		168,980.90	266,234.51		266,234.51
Rentals, Leases, Repairs, and Noncap. Improvements	5600		326,422.00		326,422.00	174,515.73		174,515.73	314,823.56		314,823.56
Transfers of Direct Costs	5700-5799				-			-			-
Professional/Consulting Services and Operating Expend.	5800		1,862,813.00		1,862,813.00	857,349.53		857,349.53	1,995,619.21		1,995,619.21
Communications	5900		21,232.00		21,232.00	7,861.67		7,861.67	18,861.67		18,861.67
Total, Services and Other Operating Expenditures			9,891,645.00	2,138,354.00	12,029,999.00	3,681,096.25	577,595.19	4,258,691.44	9,967,066.03	2,102,567.56	12,069,633.59

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

Charter School Name: Inspire Charter School - South  
(continued)  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

This charter school uses the following basis of accounting:

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

Description	Object Code	1st Interim Budget			Actuals thru 1/31			2nd Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>6. Capital Outlay</b> (Objects 6100-6170, 6200-6500 for modified accrual basis of accounting)										
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	12,646.00		12,646.00	7,374.99		7,374.99	12,644.99		12,644.99
Total, Capital Outlay		12,646.00	-	12,646.00	7,374.99	-	7,374.99	12,644.99	-	12,644.99
<b>7. Other Outgo</b>										
Tuition to Other Schools	7110-7143			-			-			-
Transfers of Pass-through Revenues to Other LEAs	7211-7213			-			-			-
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE			-			-			-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO			-			-			-
All Other Transfers	7281-7299			-			-			-
Transfers of Indirect Costs	7300-7399			-			-			-
Debt Service:										
Interest	7438	1,888,799.00		1,888,799.00	1,064,215.50		1,064,215.50	2,132,431.50		2,132,431.50
Principal (for modified accrual basis only)	7439			-			-			-
Total, Other Outgo		1,888,799.00	-	1,888,799.00	1,064,215.50	-	1,064,215.50	2,132,431.50	-	2,132,431.50
<b>8. TOTAL EXPENDITURES</b>		36,313,606.85	3,061,081.15	39,374,688.00	19,217,198.30	871,800.82	20,088,999.12	36,426,060.62	3,125,895.10	39,551,955.72
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		1,954,840.31	-	1,954,840.31	(4,556,699.85)	0.00	(4,556,699.85)	1,716,243.66	-	1,716,243.66
<b>D. OTHER FINANCING SOURCES / USES</b>										
1. Other Sources	8930-8979			-			-			-
2. Less: Other Uses	7630-7699			-			-			-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999			-			-			-
<b>4. TOTAL OTHER FINANCING SOURCES / USES</b>		-	-	-	-	-	-	-	-	-
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		1,954,840.31	-	1,954,840.31	(4,556,699.85)	0.00	(4,556,699.85)	1,716,243.66	-	1,716,243.66
<b>F. FUND BALANCE, RESERVES</b>										
1. Beginning Fund Balance										
a. As of July 1	9791	(2,728,536.16)		(2,728,536.16)	(2,728,536.16)		(2,728,536.16)	(2,728,536.16)		(2,728,536.16)
b. Adjustments to Beginning Balance	9793, 9795	(7,522.42)		(7,522.42)	(7,522.42)		(7,522.42)	(7,522.42)		(7,522.42)
c. Adjusted Beginning Balance		(2,736,058.58)	-	(2,736,058.58)	(2,736,058.58)	-	(2,736,058.58)	(2,736,058.58)	-	(2,736,058.58)
2. Ending Fund Balance, June 30 (E + F.1.c.)		(781,218.27)	-	(781,218.27)	(7,292,758.43)	0.00	(7,292,758.43)	(1,019,814.92)	-	(1,019,814.92)
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)	9711			-			-			-
Stores (equals object 9320)	9712			-			-			-
Prepaid Expenditures (equals object 9330)	9713			-			-			-
All Others	9719			-			-			-
b. Restricted	9740			-		0.00	0.00		-	-
c. Committed										
Stabilization Arrangements	9750			-			-			-
Other Commitments	9760			-			-			-
d. Assigned										
Other Assignments	9780			-			-			-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties	9789	1,968,734.40		1,968,734.40	1,004,449.96		1,004,449.96	1,977,597.79		1,977,597.79
Unassigned/Unappropriated Amount	9790	(2,749,952.67)	-	(2,749,952.67)	(8,297,208.39)	-	(8,297,208.39)	(2,997,412.71)	-	(2,997,412.71)

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

Charter School Name: Inspire Charter School - South  
(continued) \_\_\_\_\_  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

					2nd Interim vs. 1st Interim Increase, (Decrease)	
Description	Object Code	1st Interim Budget (X)	Actuals thru 1/31 (Y)	2nd Interim Budget (Z)	\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
<b>A. REVENUES</b>						
<b>1. LCFF Revenue Sources</b>						
State Aid - Current Year	8011	35,713,113.00	13,652,002.00	35,624,840.00	(88,273.00)	-0.25%
Education Protection Account State Aid - Current Year	8012	911,200.00	315,793.00	900,000.00	(11,200.00)	-1.23%
State Aid - Prior Years	8019	-	-	(108,145.00)	(108,145.00)	New
Transfer of Charter Schools In Lieu of Property Taxes	8096	649,184.00	224,986.50	419,489.63	(229,694.37)	-35.38%
Other LCFF Transfers	8091, 8097	-	-	-	-	
Total, LCFF Sources		37,273,497.00	14,192,781.50	36,836,184.63	(437,312.37)	-1.17%
<b>2. Federal Revenues</b>						
Every Student Succeeds Act (Title I - V)	8290	-	-	-	-	
Special Education - Federal	8181, 8182	569,500.00	-	562,499.50	(7,000.50)	-1.23%
Child Nutrition - Federal	8220	-	-	-	-	
Donated Food Commodities	8221	-	-	-	-	
Other Federal Revenues	8110, 8260-8299	-	-	-	-	
Total, Federal Revenues		569,500.00	-	562,499.50	(7,000.50)	-1.23%
<b>3. Other State Revenues</b>						
Special Education - State	StateRevSE	2,394,584.00	848,803.00	2,312,997.94	(81,586.06)	-3.41%
All Other State Revenues	StateRevAO	1,051,014.31	456,427.74	1,509,697.78	458,683.47	43.64%
Total, Other State Revenues		3,445,598.31	1,305,230.74	3,822,695.72	377,097.41	10.94%
<b>4. Other Local Revenues</b>						
All Other Local Revenues	LocalRevAO	40,933.00	34,287.03	46,819.53	5,886.53	14.38%
Total, Local Revenues		40,933.00	34,287.03	46,819.53	5,886.53	14.38%
<b>5. TOTAL REVENUES</b>						
		41,329,528.31	15,532,299.27	41,268,199.38	(61,328.93)	-0.15%
<b>B. EXPENDITURES</b>						
<b>1. Certificated Salaries</b>						
Certificated Teachers' Salaries	1100	13,171,399.00	7,378,403.00	13,192,153.50	20,754.50	0.16%
Certificated Pupil Support Salaries	1200	141,160.00	82,510.49	141,159.69	(0.31)	0.00%
Certificated Supervisors' and Administrators' Salaries	1300	1,651,671.00	979,644.48	1,651,671.28	0.28	0.00%
Other Certificated Salaries	1900	-	-	-	-	
Total, Certificated Salaries		14,964,230.00	8,440,557.97	14,984,984.47	20,754.47	0.14%
<b>2. Non-certificated Salaries</b>						
Non-certificated Instructional Aides' Salaries	2100	1,182,481.00	682,774.20	1,182,481.10	0.10	0.00%
Non-certificated Support Salaries	2200	-	-	-	-	
Non-certificated Supervisors' and Administrators' Sal.	2300	91,042.00	51,458.29	91,041.59	(0.41)	0.00%
Clerical and Office Salaries	2400	99,125.00	57,458.37	99,125.07	0.07	0.00%
Other Non-certificated Salaries	2900	-	-	-	-	
Total, Non-certificated Salaries		1,372,648.00	791,690.86	1,372,647.76	(0.24)	0.00%
<b>3. Employee Benefits</b>						
STRS	3101-3102	2,142,341.00	1,200,975.45	2,145,336.19	2,995.19	0.14%
PERS	3201-3202	-	-	-	-	
OASDI / Medicare / Alternative	3301-3302	302,666.00	163,629.75	302,967.13	301.13	0.10%
Health and Welfare Benefits	3401-3402	788,404.00	423,890.41	789,468.81	1,064.81	0.14%
Unemployment Insurance	3501-3502	112,518.00	64,919.80	112,517.66	(0.34)	0.00%
Workers' Compensation Insurance	3601-3602	173,692.00	74,227.43	173,982.80	290.80	0.17%
OPEB, Allocated	3701-3702	-	-	-	-	
OPEB, Active Employees	3751-3752	-	-	-	-	
Other Employee Benefits	3901-3902	46,305.00	46,305.20	46,305.20	0.20	0.00%
Total, Employee Benefits		3,565,926.00	1,973,948.04	3,570,577.79	4,651.79	0.13%

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

Charter School Name: Inspire Charter School - South  
(continued) \_\_\_\_\_  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

Description	Object Code	1st Interim Budget (X)	Actuals thru 1/31 (Y)	2nd Interim Budget (Z)	2nd Interim vs. 1st Interim Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	258,473.00	141,472.58	255,295.56	(3,177.44)	-1.23%
Books and Other Reference Materials	4200	450,212.00	508,745.15	554,168.00	103,956.00	23.09%
Materials and Supplies	4300	4,318,831.00	2,590,526.53	4,089,589.86	(229,241.14)	-5.31%
Noncapitalized Equipment	4400	512,924.00	308,412.73	506,618.87	(6,305.13)	-1.23%
Food	4700	-	3,363.33	3,363.33	3,363.33	New
Total, Books and Supplies		5,540,440.00	3,552,520.32	5,409,035.62	(131,404.38)	-2.37%
<b>5. Services and Other Operating Expenditures</b>						
Subagreements for Services	5100	9,381,721.00	2,935,639.87	9,256,818.22	(124,902.78)	-1.33%
Travel and Conferences	5200	154,801.00	71,153.89	146,778.89	(8,022.11)	-5.18%
Dues and Memberships	5300	20,415.00	17,858.33	27,858.33	7,443.33	36.46%
Insurance	5400	40,664.00	25,331.52	42,639.20	1,975.20	4.86%
Operations and Housekeeping Services	5500	221,931.00	168,980.90	266,234.51	44,303.51	19.96%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	326,422.00	174,515.73	314,823.56	(11,598.44)	-3.55%
Transfers of Direct Costs	5700-5799	-	-	-	-	
Professional/Consulting Services and Operating Expend. Communications	5800	1,862,813.00	857,349.53	1,995,619.21	132,806.21	7.13%
	5900	21,232.00	7,861.67	18,861.67	(2,370.33)	-11.16%
Total, Services and Other Operating Expenditures		12,029,999.00	4,258,691.44	12,069,633.59	39,634.59	0.33%
<b>6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis only)</b>						
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	12,646.00	7,374.99	12,644.99	(1.01)	-0.01%
Total, Capital Outlay		12,646.00	7,374.99	12,644.99	(1.01)	-0.01%
<b>7. Other Outgo</b>						
Tuition to Other Schools	7110-7143	-	-	-	-	
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	
All Other Transfers	7281-7299	-	-	-	-	
Transfers of Indirect Costs	7300-7399	-	-	-	-	
Debt Service:						
Interest	7438	1,888,799.00	1,064,215.50	2,132,431.50	243,632.50	12.90%
Principal (for modified accrual basis only)	7439	-	-	-	-	
Total, Other Outgo		1,888,799.00	1,064,215.50	2,132,431.50	243,632.50	12.90%
<b>8. TOTAL EXPENDITURES</b>		39,374,688.00	20,088,999.12	39,551,955.72	177,267.72	0.45%
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		1,954,840.31	(4,556,699.85)	1,716,243.66	(238,596.65)	-12.21%

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

Charter School Name: Inspire Charter School - South  
(continued) \_\_\_\_\_  
CDS #: 37-68049-0132506  
Charter Approving Entity: Dehesa Elementary  
County: San Diego County  
Charter #: 1748  
Fiscal Year: 2017/18

Description	Object Code	1st Interim Budget (X)	Actuals thru 1/31 (Y)	2nd Interim Budget (Z)	2nd Interim vs. 1st Interim Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
<b>D. OTHER FINANCING SOURCES / USES</b>						
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		-	-	-	-	
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		1,954,840.31	(4,556,699.85)	1,716,243.66	(238,596.65)	-12.21%
<b>F. FUND BALANCE, RESERVES</b>						
1. Beginning Fund Balance						
a. As of July 1	9791	(2,728,536.16)	(2,728,536.16)	(2,728,536.16)	-	0.00%
b. Adjustments to Beginning Balance	9793, 9795	(7,522.42)	(7,522.42)	(7,522.42)	-	0.00%
c. Adjusted Beginning Balance		(2,736,058.58)	(2,736,058.58)	(2,736,058.58)		
2. Ending Fund Balance, June 30 (E + F.1.c.)		(781,218.27)	(7,292,758.43)	(1,019,814.92)		
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted	9740	-	0.00	-	-	
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	1,968,734.40	1,004,449.96	1,977,597.79	8,863.39	0.45%
Unassigned/Unappropriated Amount	9790	(2,749,952.67)	(8,297,208.39)	(2,997,412.71)	(247,460.04)	9.00%

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

**Charter School Name:** Inspire Charter School - South

**(continued)** \_\_\_\_\_

**CDS #:** 37-68049-0132506

**Charter Approving Entity:** Dehesa Elementary

**County:** San Diego County

**Charter #:** 1748

**Fiscal Year:** 2017/18

*This charter school uses the following basis of accounting:*

☒ **Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)

☐ **Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
A. REVENUES						
1. LCFF Revenue Sources						
State Aid - Current Year	8011	35,624,840.00	0.00	35,624,840.00	37,408,968.38	38,443,540.20
Education Protection Account State Aid - Current Year	8012	900,000.00	0.00	900,000.00	900,000.00	900,000.00
State Aid - Prior Years	8019	(108,145.00)	0.00	(108,145.00)		
Transfers of Charter Schools In Lieu of Property Taxes	8096	419,489.63	0.00	419,489.63	419,489.63	419,489.63
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00		
Total, LCFF Sources		36,836,184.63	0.00	36,836,184.63	38,728,458.01	39,763,029.83
2. Federal Revenues						
Every Student Succeeds Act (Title I - V)	8290	0.00	0.00	0.00		
Special Education - Federal	8181, 8182	0.00	562,499.50	562,499.50	562,500.00	562,500.00
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	562,499.50	562,499.50	562,500.00	562,500.00
3. Other State Revenues						
Special Education - State	StateRevSE	0.00	2,312,997.94	2,312,997.94	2,313,000.00	2,313,000.00
All Other State Revenues	StateRevAO	1,259,300.12	250,397.66	1,509,697.78	1,071,119.63	1,071,119.87
Total, Other State Revenues		1,259,300.12	2,563,395.60	3,822,695.72	3,384,119.63	3,384,119.87
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	46,819.53	0.00	46,819.53	46,819.53	46,819.53
Total, Local Revenues		46,819.53	0.00	46,819.53	46,819.53	46,819.53
5. TOTAL REVENUES						
		38,142,304.28	3,125,895.10	41,268,199.38	42,721,897.17	43,756,469.23
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	12,516,590.09	675,563.41	13,192,153.50	13,455,996.57	13,725,116.50
Certificated Pupil Support Salaries	1200	141,159.69	0.00	141,159.69	143,982.88	146,862.54
Certificated Supervisors' and Administrators' Salaries	1300	1,651,671.28	0.00	1,651,671.28	1,684,704.71	1,718,398.80
Other Certificated Salaries	1900	0.00	0.00	0.00		
Total, Certificated Salaries		14,309,421.06	675,563.41	14,984,984.47	15,284,684.16	15,590,377.84
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	1,182,481.10	0.00	1,182,481.10	1,206,130.72	1,230,253.34
Non-certificated Support Salaries	2200	0.00	0.00	0.00		
Non-certificated Supervisors' and Administrators' Sal.	2300	91,041.59	0.00	91,041.59	92,862.42	94,719.67
Clerical and Office Salaries	2400	99,125.07	0.00	99,125.07	101,107.57	103,129.72
Other Non-certificated Salaries	2900	0.00	0.00	0.00		
Total, Non-certificated Salaries		1,372,647.76	0.00	1,372,647.76	1,400,100.71	1,428,102.73



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

Charter School Name: Inspire Charter School - South

(continued)

CDS #: 37-68049-0132506

Charter Approving Entity: Dehesa Elementary

County: San Diego County

Charter #: 1748

Fiscal Year: 2017/18

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
<b>3. Employee Benefits</b>						
STRS	3101-3102	2,048,618.66	96,717.53	2,145,336.19	2,188,242.92	2,232,007.77
PERS	3201-3202	0.00	0.00	0.00		
OASDI / Medicare / Alternative	3301-3302	293,955.27	9,011.86	302,967.13	309,026.47	315,207.01
Health and Welfare Benefits	3401-3402	756,864.08	32,604.73	789,468.81	805,258.18	821,363.35
Unemployment Insurance	3501-3502	107,870.73	4,646.93	112,517.66	114,768.01	117,063.37
Workers' Compensation Insurance	3601-3602	166,797.38	7,185.42	173,982.80	177,462.46	181,011.70
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	46,305.20	0.00	46,305.20	47,231.30	48,175.93
Total, Employee Benefits		3,420,411.32	150,166.47	3,570,577.79	3,641,989.34	3,714,829.13
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	255,295.56	0.00	255,295.56	260,401.47	265,609.50
Books and Other Reference Materials	4200	554,168.00	0.00	554,168.00	565,251.36	576,556.39
Materials and Supplies	4300	3,891,992.20	197,597.66	4,089,589.86	4,171,381.66	4,254,809.29
Noncapitalized Equipment	4400	506,618.87	0.00	506,618.87	516,751.25	527,086.28
Food	4700	3,363.33	0.00	3,363.33	3,430.60	3,499.21
Total, Books and Supplies		5,211,437.96	197,597.66	5,409,035.62	5,517,216.34	5,627,560.67
<b>5. Services and Other Operating Expenditures</b>						
Subagreements for Services	5100	7,154,250.66	2,102,567.56	9,256,818.22	9,441,954.58	9,630,793.68
Travel and Conferences	5200	146,778.89	0.00	146,778.89	149,714.47	152,708.75
Dues and Memberships	5300	27,858.33	0.00	27,858.33	28,415.50	28,983.81
Insurance	5400	42,639.20	0.00	42,639.20	43,491.98	44,361.82
Operations and Housekeeping Services	5500	266,234.51	0.00	266,234.51	271,559.20	276,990.38
Rentals, Leases, Repairs, and Noncap. Improvements	5600	314,823.56	0.00	314,823.56	321,120.03	327,542.44
Transfers of Direct Costs	5700-5799	0.00	0.00	0.00		
Professional/Consulting Services and Operating Expend.	5800	1,995,619.21	0.00	1,995,619.21	2,070,198.08	2,119,402.12
Communications	5900	18,861.67	0.00	18,861.67	19,238.90	19,623.68
Total, Services and Other Operating Expenditures		9,967,066.03	2,102,567.56	12,069,633.59	12,345,692.74	12,600,406.68
<b>6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis only)</b>						
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	12,644.99	0.00	12,644.99	12,897.89	12,644.99
Total, Capital Outlay		12,644.99	0.00	12,644.99	12,897.89	12,644.99
<b>7. Other Outgo</b>						
Tuition to Other Schools	7110-7143	0.00	0.00	0.00		
Transfers of Pass-through Revenues to Other LEAs	7211-7213	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00	0.00		
All Other Transfers	7280-7299	0.00	0.00	0.00		
Transfers of Indirect Costs	7300-7399	0.00	0.00	0.00		
Debt Service:						
Interest	7438	2,132,431.50	0.00	2,132,431.50		
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00		
Total, Other Outgo		2,132,431.50	0.00	2,132,431.50	0.00	0.00
<b>8. TOTAL EXPENDITURES</b>		36,426,060.62	3,125,895.10	39,551,955.72	38,202,581.18	38,973,922.04
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		1,716,243.66	0.00	1,716,243.66	4,519,315.99	4,782,547.19

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

Charter School Name: Inspire Charter School - South

(continued) \_\_\_\_\_

CDS #: 37-68049-0132506

Charter Approving Entity: Dehesa Elementary

County: San Diego County

Charter #: 1748

Fiscal Year: 2017/18

Description	Object Code	FY 2017/18			Totals for 2018/19	Totals for 2019/20
		Unrestricted	Restricted	Total		
<b>D. OTHER FINANCING SOURCES / USES</b>						
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
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		1,716,243.66	0.00	1,716,243.66	4,519,315.99	4,782,547.19
<b>F. FUND BALANCE, RESERVES</b>						
1. Beginning Fund Balance						
a. As of July 1	9791	(2,728,536.16)	0.00	(2,728,536.16)	(1,019,814.92)	3,499,501.07
b. Adjustments to Beginning Balance	9793, 9795	(7,522.42)	0.00	(7,522.42)		
c. Adjusted Beginning Balance		(2,736,058.58)	0.00	(2,736,058.58)	(1,019,814.92)	3,499,501.07
2. Ending Fund Balance, June 30 (E + F.1.c.)		(1,019,814.92)	0.00	(1,019,814.92)	3,499,501.07	8,282,048.26
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00		
Stores (equals object 9320)	9712	0.00	0.00	0.00		
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00		
All Others	9719	0.00	0.00	0.00		
b. Restricted	9740	0.00	0.00	0.00		
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00		
Other Commitments	9760	0.00	0.00	0.00		
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00		
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	1,977,597.79	0.00	1,977,597.79	1,910,129.06	1,948,696.10
Unassigned/Unappropriated Amount	9790	(2,997,412.71)	0.00	(2,997,412.71)	1,589,372.01	6,333,352.16

INSPIRE CHARTER SCHOOL SOUTH

SAN DIEGO COUNTY

SAN DIEGO, CALIFORNIA

FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2017

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

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P. Robert Wilkinson, CPA  
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## Independent Auditor's Report

To the Board of Trustees of  
Inspire Charter School South

### Report on the Financial Statements

We have audited the accompanying financial statements of Inspire Charter School South (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 South 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 South will continue as a going concern. As discussed in Note M to the financial statements, Inspire Charter School South 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 M. 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 South'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 South's internal control over financial reporting and compliance.

*Wilkinson Hadley King + Co LLP*

El Cajon, California

December 14, 2017

## Financial Statements

**INSPIRE CHARTER SCHOOL SOUTH**

## Statement of Financial Position

June 30, 2017

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**ASSETS****Current Assets**

Cash and cash equivalents	\$ 5,052,251
Accounts receivable	512,197
Accounts receivable related entity	4,934,260
Prepaid expenditures	112,737
<b>Total Current Assets</b>	<u>10,611,445</u>

**Noncurrent Assets**

Capital assets, net	34,514
Deposits	19,291
<b>Total Noncurrent Assets</b>	<u>53,805</u>

<b>TOTAL ASSETS</b>	<u><u>\$ 10,665,250</u></u>
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**LIABILITIES AND NET ASSETS****Current Liabilities**

Accounts payable	\$ 550,132
Accrued expenses	1,534,231
Accounts payable related entity	686,048
Short term loan	10,525,900
Loan payable, current portion	105,000
<b>Total Current Liabilities</b>	<u>13,401,311</u>

<b>Total Liabilities</b>	<u>13,401,311</u>
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**Net Assets**

Unrestricted	(2,736,061)
<b>Total Net Assets</b>	<u>(2,736,061)</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 10,665,250</u></u>
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The accompanying notes are an integral part of this statement.



# INSPIRE CHARTER SCHOOL SOUTH

Statement of Activities  
Year Ended June 30, 2017

## REVENUE AND SUPPORT

### Revenue

LCFF state aid, current year	\$ 24,481,361	\$ -	\$ 24,481,361
LCFF state aid, prior year	(14,479)	-	(14,479)
Education protection account funds	631,586	-	631,586
Payments in lieu of property taxes	420,794	-	420,794
Federal revenue	-	296,742	296,742
Other state revenue	1,059,134	1,549,482	2,608,616
Interest	5,732	-	5,732
Other local revenue	15,783	-	15,783
<b>Total Revenues</b>	<u>26,599,911</u>	<u>1,846,224</u>	<u>28,446,135</u>

Net assets released from restrictions:

Grant restrictions satisfied	<u>1,846,224</u>	<u>(1,846,224)</u>	<u>-</u>
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## TOTAL REVENUE AND SUPPORT

<u>28,446,135</u>	<u>-</u>	<u>28,446,135</u>
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## EXPENSES

Certificated salaries	9,941,646	-	9,941,646
Classified salaries	2,160,072	-	2,160,072
Taxes and employee benefits	2,391,789	-	2,391,789
Books and supplies	3,134,666	-	3,134,666
Rentals, leases and repairs	247,244	-	247,244
Other operating expenditures	9,094,736	-	9,094,736
Debt service interest	1,837,722	-	1,837,722
Depreciation expense	12,643	-	12,643

## TOTAL EXPENSES

<u>28,820,518</u>	<u>-</u>	<u>28,820,518</u>
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## CHANGE IN NET ASSETS

(374,383)	-	(374,383)
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## NET ASSETS, BEGINNING OF YEAR

<u>(2,361,678)</u>	<u>-</u>	<u>(2,361,678)</u>
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## NET ASSETS, END OF YEAR

<u><u>\$ (2,736,061)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,736,061)</u></u>
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The accompanying notes are an integral part of this statement.

**INSPIRE CHARTER SCHOOL SOUTH**Statement of Cash Flows  
Year Ended June 30, 2017

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (374,383)
Depreciation	12,643
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) Decrease resulting from changes in assets:	
Accounts receivable	(48,948)
Accounts receivable related entity	(4,051,758)
Prepaid expenses	(89,385)
Increase (Decrease) resulting from changes in liabilities:	
Accounts payable	(861,465)
Accrued expenses	830,651
Accounts payable related entity	452,989
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>(4,129,656)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of capital assets	(17,550)
Increase in deposits	(15,841)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>(33,391)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from loan payable	10,525,900
Principal payments on loan payable	(3,416,200)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<u>7,109,700</u>

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** 2,946,653

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 2,105,598

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 5,052,251

The accompanying notes are an integral part of this statement.

## INSPIRE CHARTER SCHOOL SOUTH

### Notes to the Financial Statements

Year Ended June 30, 2017

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#### A. Organization and Summary of Significant Accounting Policies

##### *Organization*

Inspire Charter School South (the School) was formed in April 2015 as a charter school pursuant to California Education Code §47600 under a charter agreement with Dehesa Elementary School District (the District). The School became a nonprofit public benefit corporation on in 2015. The charter agreement was approved by Dehesa Elementary School District and submitted to the California Board of Education in April 2015. The school began operations on July 1, 2015.

Inspire Charter School South is a tuition-free, K-12 independent study charter school. The School offers an online and offline based curriculum, 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 SOUTH**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2017

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*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 SOUTH**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2017

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*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 90% 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 SOUTH**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2017

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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 15, 2017, the date the financial statements were available to be issued.

**B. Cash and Cash Equivalents**

*Cash in County Treasury*

The School is a voluntary participant and therefore maintains a portion of its cash in the San Diego County Treasury as part of the common investment pool (\$4,976,225 as of June 30, 2017). The County Treasury is restricted by Government Code §53635 pursuant to §53601 to invest in time deposits, U.S. Government Securities, state registered warrants, notes or bonds, State Treasurer's investment pool, banker's acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse agreements.

The fair value of the School's investment in this pool is reported in the accompanying financial statements at amounts based upon the School's pro-rata share of the fair value provided by the County Treasury for the entire County Treasury portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasury, which are recorded on an amortized cost basis.

*Cash in Bank*

The remainder of the School's cash (\$76,026 as of June 30, 2017) is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. As of June 30, 2017, the School did have any cash that was exposed to uninsured deposit risk in the amount of \$292,018.

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

**C. Accounts Receivable**

As of June 30, 2017 accounts receivable consisted of:

	Accounts Receivable	Accounts Receivable Related Entity
Federal Government:		
Federal Grants	\$ 6,324	\$ -
State Government:		
Lottery Revenue	467,567	-
Mental Health	27,621	-
Local Sources:		
Other Local Sources	10,685	-
Accounts receivable - Los Angeles	-	961,635
Accounts receivable - North	-	2,032,294
Accounts receivable - Kern	-	1,630,333
Accounts receivable - Winship	-	309,998
Total Accounts Receivable	<u>\$ 512,197</u>	<u>\$ 4,934,260</u>

**D. Capital Assets**

As of June 30, 2017 capital assets consisted of:

	Beginning Balance	Increases	Decreases	Ending Balance
Furniture	\$ 2,679	\$ -	\$ -	\$ 2,679
Equipment	29,574	17,550	-	47,124
Total capital assets	32,253	17,550	-	49,803
Less accumulated depreciation	(2,646)	(12,643)	-	(15,289)
Capital assets, net	<u>\$ 29,607</u>	<u>\$ 4,907</u>	<u>\$ -</u>	<u>\$ 34,514</u>

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

**E. Accounts Payable**

As of June 30, 2017 accounts payable consisted of:

	Accounts Payable	Accrued Expenses	Accounts Payable Related Entity
Vendors payable	\$ 550,132	\$ 670,268	\$ -
Accrued payroll liabilities	-	863,963	-
Accounts payable - Inspire Central	-	-	686,048
<b>Total Accounts Payable</b>	<u><u>\$ 550,132</u></u>	<u><u>\$ 1,534,231</u></u>	<u><u>\$ 686,048</u></u>

**F. Related Party Loan Payable**

Beginning during the 2014-15 fiscal year the School entered into a loan agreement with Herbert Nichols, the school's CEO, to supplement cash flows during implementation years. The agreement provided for the entire loan amount plus accrued interest to be paid within a one year period. Payments included interest at a rate of 10%. As of June 30, 2017 the School was obligated for the following remaining payments:

Year Ended June 30,	Principal	Interest	Total
2018	<u>\$ 105,000</u>	<u>\$ 10,500</u>	<u>\$ 115,500</u>
Total	<u><u>\$ 105,000</u></u>	<u><u>\$ 10,500</u></u>	<u><u>\$ 115,500</u></u>



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

**G. 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	Affective Interest Rate
8/4/2016	\$ 703,500	\$ 38,125	\$ 665,375	17.72%
8/29/2016	1,139,100	67,140	1,071,960	16.79%
9/13/2016	686,500	49,861	636,639	22.59%
10/11/2016	1,382,800	110,280	1,272,520	14.40%
11/4/2016	1,934,600	144,090	1,790,510	15.21%
11/22/2016	2,168,900	107,521	2,061,379	19.43%
12/9/2016	2,371,000	125,218	2,245,782	18.17%
12/20/2016	256,600	12,899	243,701	19.13%
1/6/2017	2,371,000	131,470	2,239,530	18.80%
2/7/2017	4,835,800	308,275	4,527,525	19.41%
3/8/2017	1,841,800	102,372	1,739,428	22.16%
4/7/2017	192,800	6,760	186,040	37.26%
4/21/2017	1,038,000	57,243	980,757	21.09%
5/8/2017	2,504,600	93,251	2,411,349	15.43%
5/24/2017	1,391,400	86,514	1,304,886	18.76%
6/22/2017	1,683,900	105,540	1,578,360	18.63%
Total	<u>\$ 26,502,300</u>	<u>\$ 1,546,559</u>	<u>\$ 24,955,741</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	\$ 3,416,200	\$ 26,502,300	\$ 19,392,600	\$ 10,525,900

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

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

**H. Operating Lease**

On August 1, 2017 the School entered into a lease agreement with S&L Glass Revocable Trust for use of facilities. The agreement does not contain a purchase option and does not meet the requirements for capitalization. As such, the lease has not been recorded on the statement of financial position. The agreement provides for monthly payments of \$1,120 for a period of 12 months. The agreement contains a termination clause providing for cancellation after a specified number of days written notice to the lessor, but it is unlikely that the School will cancel the agreement prior to the expiration date. Future minimum lease payments under the agreement are as follows:

Year Ended June 30,	Lease Payments
2018	\$ 12,320
2019	<u>1,120</u>
Total	<u>\$ 13,440</u>

On May 1, 2015 the School entered into a lease agreement with Rose M. Romero Trust for use of facilities. The agreement does not contain a purchase option and does not meet the requirements for capitalization. As such, the lease has not been recorded on the statement of financial position. The agreement provides for monthly payments of \$879 for a period of 36 months. The agreement contains a termination clause providing for cancellation after a specified number of days written notice to the lessor, but it is unlikely that the School will cancel the agreement prior to the expiration date. All future minimum lease payments due by June 30, 2018, they are \$8,790.

On November 1, 2016 the School entered into a lease agreement with AEP Charter Inspire, LLC for use of facilities. The agreement does not contain a purchase option and does not meet the requirements for capitalization. As such, the lease has not been recorded on the statement of financial position. The agreement provides for annual payments varying from 9.9-11.9% of project cost \$1,070,000 for a period of 20 years. The agreement contains a termination clause providing for cancellation after a specified number of days written notice to the lessor, but it is unlikely that the School will cancel the agreement prior to the expiration date. Future minimum lease payments under the agreement are as follows:

Year Ended June 30,	Lease Payments
2018	\$ 105,930
2019	120,197
2020	127,330
2021	127,330
2022	127,330
2023-2027	636,650
2028-2032	636,650
2033-2037	<u>551,763</u>
Total	<u>\$ 2,433,180</u>

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

**I. Functional Expenses**

As of June 30, 2017 functional expenses consisted of:

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 10,883,374	\$ 1,218,444	\$ 12,101,818
Pension plan accruals and contributions	1,078,691	120,764	1,199,455
Other employee benefits	793,593	88,846	882,439
Payroll taxes	278,604	31,191	309,795
Fees for services (non-employees):			
Management	-	497,456	497,456
Legal	-	22,392	22,392
Accounting	-	1,600	1,600
Consulting	5,855,847	15,594	5,871,441
Payroll service fee	-	23,022	23,022
Other	-	56,355	56,355
Advertising and promotion	-	22,644	22,644
Office expenses	139,693	-	139,693
Information technology	33,945	-	33,945
Occupancy	238,522	-	238,522
Travel	-	166,342	166,342
Conferences, conventions and meetings	128,470	-	128,470
Interest	-	1,837,722	1,837,722
Depreciation	12,643	-	12,643
Insurance	-	24,712	24,712
All other expenses: Books and supplies	2,744,341	-	2,744,341
All other expenses: Student activities	390,323	-	390,323
All other expenses: Special education	1,313,929	-	1,313,929
All other expenses: Dues and memberships	-	25,350	25,350
All other expenses: District oversight	-	755,217	755,217
All other expenses: Miscellaneous	20,892	-	20,892
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenses	<u>\$ 23,912,867</u>	<u>\$ 4,907,651</u>	<u>\$ 28,820,518</u>

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

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**J. 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.

**K. 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 number of employees covered by the School's multiemployer plans increased by 66% from 2016 to 2017, affecting the period-to-period comparability of the contributions for years 2016 and 2017. The significant increase in covered employees corresponded to an increase in overall business. The School began operations during 2016 which affects the comparability of the 2015 and 2016 contributions.

**INSPIRE CHARTER SCHOOL SOUTH**  
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	37010	Yellow	Yellow	Yellow	No

  

Pension Fund	Contributions of School			Number of Employees	Surcharge Imposed
	2017	2016	2015		
CalSTRS	1,186,878	418,594	N/A	185	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.

**L. 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 SOUTH**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2017

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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 SOUTH**  
Notes to the Financial Statements (Continued)  
Year Ended June 30, 2017

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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.

**M. Going Concern**

The School's deficit spending in 2015-16 and 2016-17 have 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 \$2,728,536. However, after corrections the net assets are negative \$2,736,061.
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, Dehesa 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 20 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 SOUTH**

Organization Structure  
Year Ended June 30, 2017

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Inspire Charter School South (Charter #1748) was established in 2015. The authorizing entity is Dehesa Elementary School District.

### **GOVERNING BOARD**

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<b>Name</b>	<b>Office</b>	<b>Term and Term Expiration</b>
Jodi Erickson	President	Two Year Term Expires June 30, 2019
Sarah Fitzpatrick	Treasurer	Two Year Term Expires June 30, 2019
Jamie Mapstead Searles	Secretary	Two Year Term Expires June 30, 2019

### **ADMINISTRATION**

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Krystin Demofonte  
Senior Director

Carolyn Claire  
Senior Director

Amy Davis  
Senior Director

See accompanying notes to supplementary information

**INSPIRE CHARTER SCHOOL SOUTH**

## Schedule of Average Daily Attendance

Year Ended June 30, 2017

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	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
Non-Classroom Based Attendance:				
Grades K-3	1,485.13	N/A	1,529.50	N/A
Grades 4-6	766.75	N/A	761.64	N/A
Grades 7-8	453.11	N/A	451.73	N/A
Grades 9-12	442.70	N/A	423.76	N/A
Total Non-Classroom Based Attendance	3,147.69	N/A	3,166.63	N/A
 Total Attendance	 3,147.69	 N/A	 3,166.63	 N/A

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

**INSPIRE CHARTER SCHOOL SOUTH**

Schedule of Instructional Time  
Year Ended June 30, 2017

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<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 South is an independent study-based charter school.

See accompanying notes to supplementary information

# INSPIRE CHARTER SCHOOL SOUTH

## Schedule of Financial Trends and Analysis

Year Ended June 30, 2017

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	Budget			
	2018	2017	2016	2015
Revenues	\$ 33,656,368	\$ 28,446,135	\$ 10,283,922	\$ -
Expenses	32,300,894	28,820,518	12,319,828	325,772
Change in Net Assets	<u>1,355,474</u>	<u>(374,383)</u>	<u>(2,035,906)</u>	<u>(325,772)</u>
Ending Net Assets	<u>\$ (1,380,587)</u>	<u>\$ (2,736,061)</u>	<u>\$ (2,361,678)</u>	<u>\$ (325,772)</u>
Unrestricted Net Assets	<u>\$ (1,380,587)</u>	<u>\$ (2,736,061)</u>	<u>\$ (2,361,678)</u>	<u>\$ (325,772)</u>
Unrestricted net assets as a percentage of total expenses	<u>-4%</u>	<u>-9%</u>	<u>-19%</u>	<u>0%</u>
Total Long Term Debt	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 105,000</u>	<u>\$ 453,000</u>
Average Daily Attendance at P2	<u>3,658</u>	<u>3,148</u>	<u>1,181</u>	<u>N/A</u>

See accompanying notes to supplementary information

## INSPIRE CHARTER SCHOOL SOUTH

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

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June 30, 2017 annual financial alternative form net assets	<u>\$ (2,728,536)</u>
Adjustments and reclassifications:	
Understatement of accounts receivable	5,169,626
Understatement of accounts payable	(686,052)
Overstatement of unearned revenue	6,034,800
Understatement of short term loans	(10,525,900)
Rounding	<u>1</u>
Total adjustments and reclassifications	<u>(7,525)</u>
June 30, 2017 audited financial statement net assets	<u><u>\$ (2,736,061)</u></u>

See accompanying notes to supplementary information

## INSPIRE CHARTER SCHOOL SOUTH

Notes to the Supplementary Information  
Year Ended June 30, 2017

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### 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 LCFF 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 South

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

### **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>
<b>Local Education Agencies Other Than Charter Schools</b>	
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
<b>School Districts, County Offices of Education and Charter Schools</b>	
Educator Effectiveness .....	N/A
California Clean Energy Jobs Act .....	Yes
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
<b>Charter Schools</b>	
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 South complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2017.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing. This report is an integral part of an audit performed in accordance with *2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Accordingly, this report is not suitable for any other purpose.

*Wilkinson Hadley King + LLP*

El Cajon, California  
December 14, 2017

## Auditor's Results, Findings & Recommendations

**INSPIRE CHARTER SCHOOL SOUTH**

Schedule of Auditor's Results

Year Ended June 30, 2017

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**FINANCIAL STATEMENTS**

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

**STATE AWARDS**

Any audit findings disclosed that are required to be reported in accordance with <i>2016-17 Guide for Annual Audits of California K-12 Local Education Agencies</i> ?	<u>      </u> Yes	<u>  X  </u> No	
Type of auditor's report issued on compliance for state programs:	<u>Unmodified</u>		

# INSPIRE CHARTER SCHOOL SOUTH

## 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:

Five Digit Code	AB 3627 Finding Type
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 SOUTH**

## Schedule of Prior Year Audit Findings

Year Ended June 30, 2017

Finding/Recommendation	Status	Explanation if Not Implemented
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 – South's (INSPS) 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. INSPS 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 INSPS. An employee leaving the employment of INSPS 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 – South

Number 2018-3

Resolution to Withdraw Membership

From CharterSAFE for 2018/2019

The undersigned, on behalf of Inspire Charter School – South 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 10, 2018 at 10:30 am., Pacific Time at 43517 Ridge Park Dr. #100, Temecula, CA 92590. A quorum of the Board was present at the meeting.

WHEREAS, Inspire Charter School – South 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 – SOUTH BOARD OF DIRECTORS AS FOLLOWS:

1. Inspire Charter School – South 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 – South a meeting thereof duly held on the 10<sup>th</sup> 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 – South

March 2, 2018

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

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

We will audit the financial statements of Inspire Charter School South, which comprise the statement(s) of financial position as of year ended June 30, 2018, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements (the financial statements). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Local Education Agency Organization Structure
- 2) Schedule of Average Daily Attendance
- 3) Schedule of Instructional Time
- 4) Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
- 5) Any other items identified in the emergency supplement of *Audits of California K-12 Local Education Agencies Audit Guide*, published by the Education Audit Appeals Panel

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

#### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

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

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

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

#### **Audit Procedures**

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

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

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Inspire Charter School South's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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

### **Other Services**

We will prepare the Organization's federal and state information returns for the year ended June 30, 2018 for the Internal Revenue Service and the California Franchise Tax Board based on information provided by you. We will also assist in preparing the financial statements of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

### **Management Responsibilities**

You are responsible for designing, implementing, and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the Organization complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

**Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Wilkinson Hadley King & Co LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to oversight agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Wilkinson Hadley King & Co LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the oversight agencies. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Kevin Sproul is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit after the books are closed and to issue our report no later than December 15, 2018. Information returns will be completed by the extended due date of the returns.

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

The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.



We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Wilkinson Hadley King & Co LLP*

Wilkinson Hadley King & Co LLP

RESPONSE:

This letter correctly sets forth the understanding of Inspire Charter School South.

Management signature:

\_\_\_\_\_  
Title:

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

\_\_\_\_\_  
Governance signature:

\_\_\_\_\_  
Title:

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