

# INSPIRE CHARTER ACADEMY, INC.



Financial Statements as of and for the Year  
Ended June 30, 2018, and Independent  
Auditor's Reports

# INSPIRE CHARTER ACADEMY, INC.

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## Independent Auditor's Report

To the Board of Directors  
Inspire Charter Academy, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Inspire Charter Academy, Inc. (the "Academy"), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities and change in net assets and cash flows and the schedule of functional expenses 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.

To the Board of Directors  
Inspire Charter Academy, Inc.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inspire Charter Academy, Inc. as of June 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Information**

The schedule of compensation, benefits and other payments to agency head or chief executive officer is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing 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 schedule of compensation, benefits and other payments to agency head or chief executive officer 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 September 25, 2018 on our consideration of Inspire Charter Academy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Academy, Inc.'s internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

September 25, 2018

# INSPIRE CHARTER ACADEMY, INC.

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

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### ASSETS

#### CURRENT ASSETS:

Cash	\$	15,665
Due from governmental revenue sources		<u>720,895</u>

TOTAL	\$	<u><u>736,560</u></u>
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### LIABILITIES AND NET ASSETS

LIABILITIES - Contracted service fee payable	\$	720,899
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NET ASSETS - Unrestricted and undesignated		<u>15,661</u>
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TOTAL	\$	<u><u>736,560</u></u>
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See notes to financial statements.

# INSPIRE CHARTER ACADEMY, INC.

## STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS YEAR ENDED JUNE 30, 2018

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### REVENUES, GAINS AND OTHER SUPPORT:

State aid	\$	8,040,834
Federal sources		593,610
Private sources		<u>46,667</u>

Total revenues 8,681,111

### EXPENSES:

Contracted service fee	8,646,113
Expenses of the Board of Directors	<u>47,871</u>

Total expenses 8,693,984

CHANGE IN UNRESTRICTED NET ASSETS (12,873)

### NET ASSETS:

Beginning of year	<u>28,534</u>
End of year	<u>\$ 15,661</u>

See notes to financial statements.

# INSPIRE CHARTER ACADEMY, INC.

## STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2018

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CASH FLOWS FROM OPERATING ACTIVITIES:	
State aid	\$ 7,949,373
Federal sources	601,868
Private sources	46,667
Payments for services rendered	<u>(8,610,781)</u>
Net cash used in operating activities	<u>(12,873)</u>
NET DECREASE IN CASH	(12,873)
CASH - Beginning of Year	<u>28,538</u>
CASH - End of Year	<u>\$ 15,665</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH USED IN OPERATING ACTIVITIES:	
Change in net assets	\$ (12,873)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in due from governmental revenue sources	(83,203)
Change in contracted service fee payable	<u>83,203</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (12,873)</u>

See notes to financial statements.

**INSPIRE CHARTER ACADEMY, INC.**

**SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2018**

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	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Regular and Special</u>	<u>Management</u>	
	<u>Education</u>	<u>and General</u>	<u>Total</u>
Contracted service fee:			
Instruction:			
Regular education programs	\$ 3,251,519	\$ -	\$ 3,251,519
Special education programs	296,645	-	296,645
Other instructional programs	198,248	-	198,248
Support services:			
Pupil support services	117,989	68,130	186,119
Instructional staff services	515,079	325,706	840,785
General administration	63,525	354,395	417,920
School administration	346,271	271,530	617,801
Business services	-	225,937	225,937
Operations and maintenance	1,391,101	15,608	1,406,709
Central services	-	729,042	729,042
Other support services	-	23,055	23,055
Food services	452,333	-	452,333
	<hr/>	<hr/>	<hr/>
Total contracted service fee	6,632,710	2,013,403	8,646,113
Expenses of the Board of Directors	47,871	-	47,871
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 6,680,581</u>	<u>\$ 2,013,403</u>	<u>\$ 8,693,984</u>

See notes to financial statements.

# INSPIRE CHARTER ACADEMY, INC.

## NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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### 1. NATURE OF OPERATIONS

Inspire Charter Academy, Inc. (the "Academy") was incorporated on June 16, 2009 as a non-profit corporation under the laws of the State of Louisiana and began operations on July 1, 2010 as a public charter school as defined by the Charter School Demonstration Programs Law, LA. R.S. 17:3971 *et seq.* The Academy provides education based on rigorous teaching methods, parental involvement, student responsibility, and basic moral values. The Academy operates under a charter approved by the East Baton Rouge Parish School Board, which is responsible for oversight of the Academy's operations. The charter expires June 30, 2021. The Academy provides education, at no cost to the parent, to students in kindergarten through the eighth grade. Enrollment is open to all appropriately aged children without regard to gender, ethnic background, disability, and/or religious affiliation. The School has applied to the Internal Revenue Service for recognition of its exemption from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

The Academy's primary source of revenue is provided by the State of Louisiana through its Minimum Foundation Program and consists of an amount per student multiplied by weighted average student counts. The state revenue, which passes through the East Baton Rouge Parish School Board, is recognized ratably over the school year and is funded through payments from July 2017 through June 2018.

The Board of Directors of the Academy has entered into a services agreement (the "agreement") with National Heritage Academies, Inc. (NHA) which requires NHA to provide administration, strategic planning and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Academy operates. The agreement will continue until termination or expiration of the charter contract, unless at least 90 days written notice of intent to terminate or renegotiate is given by either the Academy or NHA.

Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** — The financial statements of the Academy are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

**Estimates** — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date

of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

**Cash** — Cash as of June 30, 2018 represents bank deposits which are covered by federal depository insurance.

**Financial Statements** — The financial statements are presented as follows:

Net assets and changes therein are classified and reported as follows:

- *Unrestricted Net Assets* — Net assets, which are not subject to donor, imposed or governmental stipulations. All net assets as of June 30, 2018 are considered to be unrestricted.

Revenues and contributions are reported as follows:

- Revenues, gains and other support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed or governmental restrictions. Expenses are reported as decreases in unrestricted net assets. Other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or governmental restriction. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purposes have been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. For the year ended June 30, 2018, all revenue sources were unrestricted.
- Revenue is recorded when earned, regardless of the timing of related cash flows. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Income Taxes** — The Academy operates as a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Academy has received notification from the Internal Revenue Service (IRS) that they are considered exempt from Federal income tax under Section 501(c)(3) of the internal revenue code. Accordingly, no provision for federal income taxes has been made.

**Recent Accounting Pronouncements** — The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* in August 2016. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow FASB not-for-profit rules, including changing from three classes of net assets to two classes, net assets with donor restrictions and net assets without donor restrictions. ASU 2016-14 will also require changes in the way certain information is aggregated and reported by the Academy, including required disclosures about the liquidity and availability of resources. The new standard is effective for organizations with year ending June 30, 2019 and thereafter and must be applied on a retrospective basis. The Academy believes the impact of this standard will not have a material effect on the financial statements.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition.

The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgements and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Academy's year ending June 30, 2020. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Academy has not yet determined which application method it will use. The Academy is in the process of evaluating potential effects of the new standard on the financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the Statement of Activities and Change in Net Assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the Statements of Activities and Change in Net Assets and Cash Flows will be general consistent with the current guidance. The new lease guidance will be effective for the Academy's year ending June 30, 2020 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have a significant effect on the Academy's financial statements as a result of the Academy's operating leases, as disclosed in Note 5, that will be reported on the balance sheet at adoption. Upon adoption, the Academy will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the results of operations are not expected to be significant as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

### **3. RISK MANAGEMENT**

The Academy is exposed to various risks of loss related to general liability. Commercial insurance policies to cover certain risks of loss have been obtained. There have been no significant reductions in insurance coverage during fiscal year 2018, and claims did not exceed coverage less retained risk deductible amounts in past fiscal year.

### **4. CONTINGENCIES**

The Academy has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

## **5. OPERATING LEASE**

The Academy has entered into a sublease agreement with NHA for a facility to house the Academy. The lease term is from July 1, 2015 through June 30, 2018. Annual rental payments required by the lease are \$1,044,960, payable in twelve monthly payments of \$87,080.

The Academy subsequently renewed the sublease with NHA for the period July 1, 2018 through June 30, 2019, at the same rental rate.

## **6. COMPENSATION OF BOARD OF DIRECTORS**

All members of the Board of Directors serve as volunteers without compensation. By resolution of the Board, Directors may be reimbursed for their reasonable expenses incident to their duties in accordance with applicable laws.

## **7. SUBSEQUENT EVENTS**

Events or transactions occurring after June 30, 2018 have been evaluated through September 25, 2018, the date the financial statements were available to be issued. The financial statements and notes thereto do not reflect events or transactions after this date.

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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*

Independent Auditor's Report

To Management and the Board of Directors  
Inspire Charter Academy, Inc.

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 Academy, Inc. (the "Academy"), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities and change in net assets and cash flows and the schedule of functional expenses for the year then ended, and the related notes to the financial statements and have issued our report thereon dated September 25, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Inspire Charter Academy, Inc.'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 the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy'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.

To Management and the Board of Directors  
Inspire Charter Academy, Inc.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Inspire Charter Academy, Inc.'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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Alente & Moran, PLLC*

September 25, 2018

**SUPPLEMENTAL INFORMATION**

# INSPIRE CHARTER ACADEMY, INC.

## SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER YEAR ENDED JUNE 30, 2018

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Agency Head Name: Cheria Lane-Mackey, Board President

Purpose	Amount
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-Other (describe)	-
Benefits-Other (describe)	-
Benefits-Other (describe)	-
Car allowance	-
Vehicle provided by government (enter amount reported on W-2)	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses (example: travel advances, etc.)	-
Special meals	-
Other	-

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
Inspire Charter Academy, Inc.  
3850 Broadmoor SE, Ste 201  
Grand Rapids, MI 49512

Dear Board Members:

We have performed the procedures included in the *Louisiana Governmental Audit Guide* enumerated below, which were agreed to by the management of Inspire Charter Academy, Inc. (the "Academy") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Inspire Charter Academy, Inc. and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). Management of Inspire Charter Academy, Inc. is responsible for its financial records and compliance with applicable laws. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

***General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)***

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues were classified correctly and were reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

Exception Noted: None

### ***Education Levels of Public School Staff (Schedule 2)***

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2017.

**Exception Noted:** None.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

**Exception Noted:** None.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2017 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

**Exception Noted:** Based on review of supporting documentation, for the 25 teachers selected for testing, there was one teacher identified with improperly categorized education level as of October 1, 2017.

### ***Number and Type of Public Schools (Schedule 3)***

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

**Exception Noted:** None.

### ***Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)***

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2017 and as reported on the schedule and traced the same sample used in Procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

**Exception Noted:** None.

### ***Public School Staff Data: Average Salaries (Schedule 5)***

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and the full-time equivalents were properly included on the schedule.

**Exception Noted:** None.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

**Exception Noted:** Based on review of supporting documentation, the average salaries was originally reported incorrectly on Schedule 5. Upon identification of the exception, management reviewed supporting documentation and a revised Schedule 5 has been included in the report.

#### ***Class Size Characteristics (Schedule 6)***

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in Procedure 5. We then traced a random sample of 10 classes to the October 1, 2017 roll books for those classes and determined if the class was properly classified on the schedule.

**Exception Noted:** We noted Schedule 6 incorrectly listed the amount of classes with student counts between 27 and 33. The original schedule provided listed 5 classes with student counts between 27 and 33, but per review of supporting data it appears 6 classes have student counts between 27 and 33. Upon identification of the exception, management reviewed supporting documentation and a revised Schedule 6 was included in the report.

#### ***Louisiana Educational Assessment Program (LEAP) (Schedule 7)***

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Inspire Charter Academy, Inc.

**Exception Noted:** None.

#### ***Graduation Exit Examination (GEE) (Schedule 8)***

11. The Graduation Exit Examination (GEE) is no longer administered. This schedule is no longer applicable.

#### ***iLEAP Tests (Schedule 9)***

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Inspire Charter Academy, Inc.

**Exception Noted:** None.

We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Inspire Charter Academy, Inc., the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the

procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Plante & Moran, PLLC*

September 25, 2018

**INSPIRE CHARTER ACADEMY, INC.**

**Schedules Required by Louisiana State Law**

**(R.S. 24:514 – Performance and Statistical Data)**

**As of and for the year ended June 30, 2018**

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**Schedule 1 – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 – Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's, Master's, Master's +30, Specialist in Education, and Ph.D. or Ed.D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 – Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary, and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 4 – Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers**

This schedule includes the number of years of experience in teaching for principals, assistant principals, and full time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 – Public School Staff Data**

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 – Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges 1-20, 21-26, 27-33, and 34+ students.

**Schedule 7 – Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 3, 4, 5, 6, 7 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

#### **Schedule 8 – Graduation Exit Exam**

The Graduation Exit Examination (GEE) is no longer administered. This schedule is no longer applicable.

#### **Schedules 9 – iLEAP Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 4, 5, 6, 7 and 8 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

INSPIRE CHARTER ACADEMY, INC.  
 BATON ROUGE, LOUISIANA  
 General Fund Instructional and Support Expenditures and Certain Local Revenue Sources  
 For the Year Ended June 30, 2018

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Total</u>	
<b>General Fund Instructional Expenditures</b>		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 1,869,549	
Other Instructional Staff Salaries	419,825	
Instructional Staff Employee Benefits	639,019	
Purchased Professional and Technical Services	83,832	
Instructional Materials and Supplies	321,296	
Instructional Equipment	<u>26,162</u>	
<b>Total Teacher and Student Interaction Activities</b>		\$ 3,359,683
<b>Other Instructional Activities</b>		101,880
<b>Pupil Support Services</b>	162,442	
Less: Equipment for Pupil Support Services	<u>-</u>	
<b>Net Pupil Support Services</b>		162,442
<b>Instructional Staff Services</b>	539,651	
Less: Equipment for Instructional Staff Services	<u>14,911</u>	
<b>Net Instructional Staff Services</b>		524,740
<b>School Administration</b>	778,341	
Less: Equipment for School Administration	<u>-</u>	
<b>Net School Administration</b>		<u>778,341</u>
<b>Total General Fund Instructional Expenditures</b>		<u>\$ 4,927,086</u>
<b>Total General Fund Equipment Expenditures</b>		<u>\$ 41,073</u>

See independent accountant's report on applying agreed upon procedures.

INSPIRE CHARTER ACADEMY, INC.  
 BATON ROUGE, LOUISIANA  
 Education Levels of Public School Staff  
 As of October 1, 2017

Schedule 2

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0%	-	-	-	0%	-	-
Bachelor's Degree	14	54%	11	-	-	0%	-	-
Master's Degree	11	42%	2	-	1	100%	-	100%
Master's Degree + 30	1	4%	-	-	-	0%	-	-
Specialist in Education	-	0%	-	-	-	0%	-	-
Ph. D. or Ed. D.	-	0%	-	-	-	0%	-	-
<b>Total</b>	<b>26</b>	<b>100%</b>	<b>13</b>	<b>-</b>	<b>1</b>	<b>100%</b>	<b>-</b>	<b>100%</b>

See independent accountant's report on applying agreed upon procedures.

**INSPIRE CHARTER ACADEMY, INC.**  
**BATON ROUGE, LOUISIANA**  
**Number and Type of Public Schools**  
**For the Year Ended June 30, 2018**

**Schedule 3**

<b>Type</b>	<b>Number</b>
Elementary	1
Middle/Jr. High	-
Secondary	-
Combination	-
<b>Total</b>	<b>1</b>

See independent accountant's report on applying agreed upon procedures.

**INSPIRE CHARTER ACADEMY, INC.**  
**BATON ROUGE, LOUISIANA**  
**Experience of Public Principals, Deans,**  
**and Full Time Classroom Teachers**  
**As of October 1, 2017**

**Schedule 4**

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals							1	1
Assistant Principals								0
Classroom Teachers	6	9	18	2	0	1	3	39
<b>Total</b>	<b>6</b>	<b>9</b>	<b>18</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>40</b>

See independent accountant's report on applying agreed upon procedures.

INSPIRE CHARTER ACADEMY, INC.  
 BATON ROUGE, LOUISIANA  
 Public School Staff Data  
 For the Period July 1, 2017 Through June 30, 2018

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$52,850.93	\$52,850.93
Average Classroom Teachers' Salary Excluding Extra Compensation	\$52,687.34	\$52,687.34
Number of Teacher Full Time Equivalents (FTEs) Used in Computation of Average Salaries	39	39

See independent accountant's report on applying agreed upon procedures.

INSPIRE CHARTER ACADEMY, INC.  
 BATON ROUGE, LOUISIANA  
 Class Size Characteristics  
 As of October 1, 2017

Schedule 6

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	92%	26	7%	2		0		0
Elementary Activity Classes								
Middle Jr. High								
Middle Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

See independent accountant's report on applying agreed upon procedures.

Louisiana Educational Assessment Program (LEAP)  
For the Year Ended June 30, 2018

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	0	0	1	0	0	8	10	5
Mastery	16	30	28	18	14	41	26	16
Basic	30	23	23	19	42	18	25	27
Approaching Basic	39	26	25	25	24	21	25	16
Unsatisfactory	15	21	23	38	20	12	14	36
Total	100	100	100	100	100	100	100	100

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	5	1	1	0	1	0	0
Mastery	24	22	15	19	12	22	11	15
Basic	29	22	38	36	32	17	27	32
Approaching Basic	25	28	23	23	32	38	40	27
Unsatisfactory	21	23	23	21	24	22	22	26
Total	100	100	100	100	100	100	100	100

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	1	1	0	1	1	0	0
Mastery	23	22	16	13	6	14	14	6
Basic	31	33	34	20	28	41	29	20
Approaching Basic	21	35	30	43	41	26	38	51
Unsatisfactory	24	9	19	24	24	18	19	23
Total	100	100	100	100	100	100	100	100

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	1	0	0	1	1	0	0
Mastery	17	12	11	23	16	7	13	9
Basic	34	30	33	38	41	23	15	31
Approaching Basic	33	43	36	31	31	33	47	53
Unsatisfactory	16	14	20	8	11	36	25	7
Total	101	100	100	100	100	100	100	100

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 7 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5	3	1	0	1	1	0	0
Mastery	27	10	16	13	6	10	6	7
Basic	19	24	34	36	42	19	33	36
Approaching Basic	35	45	30	40	40	51	51	39
Unsatisfactory	14	18	19	11	11	19	10	18
Total	100	100	100	100	100	100	100	100

**Louisiana Educational Assessment Program (LEAP) (Continued)  
For the Year Ended June 30, 2018**

District Achievement Level Results	English Language Arts				Mathematics			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 8 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3	3	0	0	1	2	0	2
Mastery	24	35	16	34	11	14	9	14
Basic	41	27	27	38	21	12	20	30
Approaching Basic	27	24	41	20	38	39	35	42
Unsatisfactory	5	11	16	8	29	33	36	12
Total	100	100	100	100	100	100	100	100

**INSPIRE CHARTER ACADEMY, INC.**  
**BATON ROUGE, LOUISIANA**  
**Graduation Exit Exam**  
**For the Year Ended June 30, 2018**

**Schedule 8**

**The Graduation Exit Examination is no longer administered. This schedule is no longer applicable.**

**iLEAP Test Results**  
**For the Year Ended June 30, 2018**

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	23	19	6	0	5	N/A	5
Mastery	N/A	27	19	12	4	16	N/A	16
Basic	N/A	21	22	22	23	23	N/A	35
Approaching Basic	N/A	15	28	42	30	28	N/A	22
Unsatisfactory	N/A	14	12	18	43	28	N/A	22
Total	N/A	100	100	100	100	100	N/A	100

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	2	1	0	0	2	N/A	0
Mastery	N/A	7	5	4	6	10	N/A	3
Basic	N/A	45	39	30	25	22	N/A	45
Approaching Basic	N/A	29	39	36	36	36	N/A	22
Unsatisfactory	N/A	17	16	30	33	30	N/A	30
Total	N/A	100	100	100	100	100	N/A	100

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	2	0	1	1	0	N/A	3
Mastery	N/A	6	5	1	8	4	N/A	4
Basic	N/A	33	41	26	17	18	N/A	25
Approaching Basic	N/A	32	32	31	29	33	N/A	35
Unsatisfactory	N/A	27	22	41	45	45	N/A	33
Total	N/A	100	100	100	100	100	N/A	100

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	0	0	0	2	0	N/A	12
Mastery	N/A	8	4	4	11	6	N/A	24
Basic	N/A	45	33	36	19	13	N/A	46
Approaching Basic	N/A	25	47	41	41	23	N/A	15
Unsatisfactory	N/A	22	16	19	27	58	N/A	3
Total	N/A	100	100	100	100	100	N/A	100

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 7 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	3	2	0	11	0	N/A	0
Mastery	N/A	14	12	24	24	4	N/A	18
Basic	N/A	24	38	38	27	23	N/A	59
Approaching Basic	N/A	43	33	31	11	26	N/A	17
Unsatisfactory	N/A	16	15	7	27	47	N/A	6
Total	N/A	100	100	100	100	100	N/A	100

**iLEAP Test Results**  
**For the Year Ended June 30, 2018**

District Achievement Level Results	Science				Social Studies			
	2018	2017	2016	2015	2018	2017	2016	2015
<b>Grade 8 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	N/A	1	1	0	3	6	N/A	1
Mastery	N/A	8	1	4	14	8	N/A	8
Basic	N/A	23	45	39	30	23	N/A	63
Approaching Basic	N/A	43	37	41	26	36	N/A	18
Unsatisfactory	N/A	25	16	16	27	27	N/A	10
Total	N/A	100	100	100	100	100	N/A	100