

DAVID Y. IGE  
GOVERNOR



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STATE OF HAWAII  
**STATE PUBLIC CHARTER SCHOOL COMMISSION**  
**(‘AHA KULA HO‘ĀMANA)**

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**INFORMATIONAL SUBMITTAL**

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SUBMITTAL DATE: August 8, 2016

MEETING DATE: August 11, 2016

TO: Catherine Payne, Chairperson

FROM: Yvonne Lau, Acting Executive Director

AGENDA ITEM: XIX. Update on Na Wai Ola Public Charter School’s June 2016 Monthly Financial Report

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I. DESCRIPTION

Update on Na Wai Ola Public Charter School’s (“Na Wai Ola”) June 2016 monthly financial report.

II. BACKGROUND

The Commission has required Na Wai Ola to submit information monthly regarding the status of the school’s finances until such time the Commission deems such additional financial monitoring no longer necessary.

At the Commission’s December 10, 2015 general business meeting, Commission staff reported that the school needed to cut expenditures in order to remain financially viable through the fiscal year.

At the Commission’s January 14, 2016, general business meeting, the staff reported that the school’s governing board had submitted its revised budget and cash flow forecast showing that it would be able to sustain operations through the end of the fiscal year and until its receipt of its July 20, 2016 first allocation of per-pupil funding.

On May 4, 2016, the Commission issued a Notice of Deficiency to Na Wai Ola due to non-compliance with the statutory provisions regarding the composition of its governing board. This Notice was preceded by a Notice of Concern that had been issued in late November 2015 for the same issue, the composition of governing board. As the board was in flux due to the sudden resignation of the board chair and numerous vacancies, the Commission looked to work with the school during this

time, in order to stabilize the board. Though the board has attempted to address this situation, as of August 8, 2016, the governing board composition still did not meet the statutory requirement to have no more than one-third of its members be employees or a vendor to the school. The current board consists of five members, including two members: one who is an employee of the school and one member who is considered a vendor to the school. The school has two prospective members who are not employees/vendors who are considering joining the governing board, replacing the two that are currently voting members and either an employee/vendor. The governing board is set to decide on this issue at their next governing board meeting in September of 2016.

### III. PRESENTATION

Commission staff has reviewed the most recent monthly financial reports submitted by the school. The financial statements will be made available to the Commissioners for their further review, if desired. Highlights of the information include:

#### **1. Operating Income of \$25,965**

The operating revenue for the month of June of \$146,022 included receipts of \$68,706 of per pupil funding, \$6,499 from Pre-K grant funds, and \$40,698 from the Nutrition program.

Expenses for the month totaled \$120,058. Personnel costs accounted for 87% of total expenses, or \$104,382, compared to \$97,366 recorded in April.

#### **2. Cash balance as of June 30, 2016: \$68,798**

The school's cash balance as of June 30, 2016 increased to \$68,798, compared to \$42,536 at the end of May, 2016. As presented in earlier discussions, the school has received approval from its various vendors to delay the payment of obligations. All schools received the last allocation of per pupil funds for this year in two increments. Na Wai Ola received \$68,706 on June 1.

#### **3. Loans to Employees**

The amount for this item included on the balance sheet is at zero. The school's business manager has confirmed all amounts due to the school has been received.

#### **4. Budget Forecast for FY 2015-2016**

The school's most recently revised budget and cash forecast as submitted to the Commission shows the school ending the year with operating income of \$6,931 and \$51,047 of cash forecasted for June 30, 2016. The combined budget and cash forecast is provided. (See **Exhibit 1**). The ending cash balance assumes all obligations of the school are paid on time. However, the school has secured approval from its various vendors to delay payments which will result in a higher year-end cash balance.

The school has hired its director, a former teacher and governing board member. This new director was provided training and orientation by Commission staff. Staff continues to remain engaged with the school and will continue to monitor the school's financial reports to ensure the school is able to sustain operations through the end of this new school year.

IV. RECOMMENDATION

None; for informational purposes only.

**Exhibit 1**

**Na Wai Ola Public Charter School's Combined Budget and Cash Forecast**

Description	Original Budget	Actual - July 2015	Actual - Aug 2015	Actual - Sept 2015	Actual - Oct 2015	Actual - Nov 2015	Actual - Dec 2015	Actual - Jan 2016	Actual - Feb 2016	Actual - Mar 2016	Actual - Apr 2016	Actual - May 2016	Actual - Jun 2016	Total Estimated Expenditures
<b>REVENUES</b>														
State Grants - Per Pupil (209 students)	1,434,800	723,720	-	-	-	-	564,012	-	-	-	-	71,541	68,706	1,427,979
Grants Federal - Title I SY-14,15	13,633	-	-	-	7,309	-	-	-	-	-	-	-	-	7,309
Grants Federal - Title I SY 15-16	46,925	-	-	-	-	-	4,499	-	-	16,112	-	-	-	20,611
Nutrition Funding- NSLP	150,000	-	-	-	10,657	38,939	8,308	9,718	7,962	-	-	17,482	40,698	133,765
Pre-K Grant	305,000	36,251	-	15,609	26,467	13,521	7,577	2,839	9,381	18,774	-	19,798	6,500	156,717
FFVP- resh Fruit and Vegetable reimb	9,000	-	-	-	-	-	-	-	-	-	-	-	-	-
SPED	250	-	-	-	-	-	-	-	-	250	-	-	-	250
Federal Impact aid	39,000	-	-	-	-	-	-	-	30,969	-	-	3,441	-	34,410
Fundraisers	15,000	307	1,340	-	20	-	-	-	-	1,861	1,150	4,118	154	8,950
Donations/school uniforms	13,000	737	50	1,725	619	200	40	230	1,353	628	154	300	1,170	7,206
Other Uncategorized/Reimbursements	-	8,680	194	673	5,233	3,582	674	320	744	-	436	651	25,156	46,343
collective bargaining	36,383	-	-	-	-	-	32,745	-	-	-	-	-	3,638	36,383
Title II	6,128	-	-	-	-	-	-	2,077	-	-	-	-	-	2,077
<b>Total Revenues</b>	<b>2,069,119</b>	<b>769,695</b>	<b>1,584</b>	<b>18,007</b>	<b>50,305</b>	<b>56,242</b>	<b>617,854</b>	<b>15,183</b>	<b>50,410</b>	<b>37,625</b>	<b>1,740</b>	<b>117,332</b>	<b>146,023</b>	<b>1,881,998</b>
<b>EXPENDITURES</b>														
<b>100 Administration</b>	<b>94,350</b>	<b>7,097</b>	<b>8,966</b>	<b>9,283</b>	<b>2,061</b>	<b>5,105</b>	<b>5,644</b>	<b>723</b>	<b>2,204</b>	<b>3,244</b>	<b>3,151</b>	<b>7,055</b>	<b>2,783</b>	<b>57,316</b>
Adjustment to agree to QBs	500	-	-	-	-	-	-	-	-	-	-	5,750	-	5,750
112 - LSB - Travel & Other Expenses	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-
110 - Local School Board - Other	100	-	-	-	-	-	-	-	-	-	-	-	-	-
132 - Contracted Svcs- Accounting	3,000	-	-	-	-	-	1,891	55	234	-	276	-	312	2,768
132.2 - Contracted Svcs-Ceridian Payroll	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-
132.3 - Contracted Svcs - Audit Fees	8,500	-	5,685	-	-	3,125	-	-	-	-	-	-	-	8,810
140 - Human Resources - Other	500	440	260	10	-	114	100	36	73	-	-	-	-	1,033
173 - Fundraising	3,000	-	-	-	-	-	-	21	65	2,330	-	796	270	3,481
180 - Other Admin	500	119	122	-	-	75	25	-	347	-	2,140	-	-	2,828
182 - Recruitment/Advertising	250	-	-	-	-	-	-	-	-	25	-	-	-	25
183 - Travel	5,000	780	431	801	-	-	-	-	-	234	-	-	1,019	3,265
184.1 - Staff uniforms	250	-	-	-	-	-	-	-	-	-	-	-	-	-
184.2 - staff refreshments	2,000	67	80	-	-	-	-	-	-	-	-	-	-	147
184 Supplies and materials/others	2,600	1,157	1,495	3,557	95	538	321	217	481	328	69	334	359	8,951
185.1 - Bank Fees & Bank Payroll Fees	2,000	520	368	606	278	664	772	292	349	327	666	175	435	5,452
185.10 - HCSN Dues	3,000	60	-	4,125	-	-	2,318	-	-	-	-	-	-	6,503
185.13 - Donation expense	200	-	-	-	150	200	-	-	-	-	-	-	21	371
185.14 - Professional Development	500	973	-	-	-	-	-	-	-	-	-	-	-	973
185.2 - Award/Recognition	1,000	-	-	-	1,538	-	-	-	600	-	-	-	123	2,261
185.4 - Postage/Freight	500	78	-	75	-	-	-	102	55	-	-	-	95	405
185.5 - Copying & Reproduction	3,600	-	-	-	-	389	-	-	-	-	-	-	-	389
185.6 - Finance Charges/Late Fees	150	-	-	-	-	-	20	-	-	-	-	-	150	170
185.8 - Registration Fees	500	-	525	109	-	-	198	-	-	-	-	-	-	832
185.9 - Staff Development	2,000	2,315	-	-	-	-	-	-	-	-	-	-	-	2,315
185 - Other Expenses - Other Pre-K cc	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-
190. tax expense	700	588	-	-	-	-	-	-	-	-	-	-	-	588
<b>200 Instructional Services</b>	<b>225,480</b>	<b>31,548</b>	<b>48,092</b>	<b>23,739</b>	<b>7,074</b>	<b>8,853</b>	<b>12,493</b>	<b>12,809</b>	<b>15,970</b>	<b>4,594</b>	<b>1,015</b>	<b>977</b>	<b>918</b>	<b>168,083</b>
215 - Travel and Other Expenses	15,000	2,874	2,145	2,324	200	87	111	774	562	409	62	-	-	9,550
234 - Contracted Services	9,000	-	300	700	600	-	-	-	-	-	-	-	-	1,600
240 - Professiona Development	3,000	2,468	650	-	157	96	-	1,310	-	201	-	-	-	4,882
261 - Textbooks & Related Media/Mat	34,000	18,924	2,062	8,985	1,261	38	-	9,212	-	117	-	-	-	40,599
263 - Copy Machine Lease	14,000	2,053	1,617	1,322	2,046	3,105	3,326	209	3,064	699	452	393	552	18,839
264 - General classroom supplies	121,000	5,229	37,581	6,920	2,158	1,376	1,094	1,304	12,344	3,168	501	584	366	72,624
266 - Classroom Instructional Tech	19,700	-	3,488	3,488	-	3,500	7,962	-	-	-	-	-	-	18,437
268 - Instructional Software	9,780	-	249	-	651	651	-	-	-	-	-	-	-	1,551
<b>300 Pupil Services</b>	<b>57,000</b>	<b>9,776</b>	<b>6,351</b>	<b>7,642</b>	<b>9,467</b>	<b>7,977</b>	<b>11,282</b>	<b>4,881</b>	<b>6,583</b>	<b>6,860</b>	<b>5,184</b>	<b>6,120</b>	<b>139</b>	<b>82,262</b>
320 - School Uniforms	5,000	3,483	-	1,650	-	1,182	-	-	-	443	-	-	-	6,758
350.2 - Supplies/Meals	50,000	3,793	4,351	4,092	7,467	5,295	8,026	4,881	6,583	6,316	5,179	5,219	139	61,342
370.01 - Student Recognition/Awards	250	-	-	-	-	-	-	-	-	101	5	-	-	106
350.6 - Contracted Services	-	2,500	2,000	1,900	2,000	1,500	3,000	-	-	-	-	901	-	13,801
370.05 - Equipment Rental	-	-	-	-	-	-	255	-	-	-	-	-	-	255
370.06 - Yearbook	750	-	-	-	-	-	-	-	-	-	-	-	-	-
370.07.May day	500	-	-	-	-	-	-	-	-	-	-	-	-	-
370.08. Grduation	500	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>400 Operations and Maintenance of</b>	<b>104,100</b>	<b>13,226</b>	<b>5,318</b>	<b>7,682</b>	<b>7,030</b>	<b>2,290</b>	<b>7,492</b>	<b>7,008</b>	<b>6,017</b>	<b>5,095</b>	<b>3,313</b>	<b>4,571</b>	<b>2,207</b>	<b>71,250</b>
420.1 - Electricity	8,500	782	962	79	1,075	101	771	930	796	790	766	971	622	8,646
420.2 - Telephone	1,500	2,001	247	78	509	26	28	30	57	54	179	385	38	3,633
420.3 - Cable TV/Internet	7,200	-	600	-	495	495	495	977	495	495	495	-	495	5,041
420.4 Water	900	(433)	-	-	-	49	-	47	-	50	-	47	-	(239)
420.5 Security/Alarm	2,000	-	-	438	-	-	438	-	78	298	-	-	298	1,550
420.6 2 way radio	500	-	-	-	-	-	-	111	-	-	-	-	-	111
430.2 - Repairs and Maintenance Supp	5,000	5,358	1,564	1,080	1,043	1,232	1,067	1,831	1,492	655	819	497	731	17,369
430.3 - Building Repair and Maintenan	40,000	5,006	79	1,676	1,058	-	585	40	-	-	-	74	-	8,518
430.6 - Contracted Svcs	-	-	-	-	-	-	744	-	-	-	-	-	-	744
440.0 - Vehicle - Fuel/Oil	25,000	513	1,686	1,932	1,822	386	2,924	1,771	1,653	1,340	-	20	23	14,069
440.1 - Vehicle Repairs & Maintenance	7,000	-	-	2,399	1,028	-	441	1,270	841	1,413	1,055	2,577	-	11,023
450.2. van payments	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-
470.1 - Permits and Fees	-	-	-	-	-	-	-	-	549	-	-	-	-	549
480.1 - Farm Supplies	500	-	180	-	-	-	-	-	56	-	-	-	-	236
<b>500 Benefits and Other Fixed Charge</b>	<b>102,590</b>	<b>5,400</b>	<b>6,334</b>	<b>2,285</b>	<b>8,220</b>	<b>11,287</b>	<b>5,220</b>	<b>5,486</b>	<b>7,989</b>	<b>7,708</b>	<b>7,649</b>	<b>3,163</b>	<b>7,657</b>	<b>78,398</b>
530.1 Lei Ho'olaha	7,000	-	-	-	-	-	-	-	-	-	-	-	-	-
530.2 property taxes	430	-	209	-	-	-	-	-	209	-	-	-	-	417
530.3 - Insurance - Auto&Safety Check	1,000	-	-	-	1,030	-	-	-	-	-	-	-	-	1,030
530.4 - Buses-Insurance, Regn, Safety	1,800	375	-	-	514	-	-	-	-	-	-	-	-	889
2060 : School bus liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2110.0 Grievance Liability	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Food truck loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
530 - Insurance-Liability (Building) - Ot	2,600	-	-	-	-	-	-	-	-	-	-	-	-	-
540 - Rental - St. Theresa	43,200	3,125	3,125	-	6,125	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	33,375
541 - Rental - Volcano Enterprises (Sc	18,000	1,650	3,000	1,500	-	1,500	1,500	1,500	1,500	1,500	1,500	-	1,500	16,650
542. modules	22,560	-	-	551	551	9,584	551	242	2,965	3,011	2,970</			