

SUBJECT

Heritage Community Charter School Update and High School Pilot Program Report

APPLICABLE STATUTE, RULE, OR POLICY

I.C. § 33-5209(2)

I.C. § 33-119

I.C. § 33-357

IDAPA 08.02.02.026

BACKGROUND

Heritage Community Charter School (HCCS) is a public charter school authorized by the Public Charter School Commission (PCSC). Located in Caldwell, HCCS opened in Fall 2011 and serves students in grades K-12 using a bi-lingual (English/Spanish), classical education model.

Upon approval of the charter, the PCSC and HCCS agreed that the school's high school program was to be operated as a one-year pilot, after which an evaluation of the high school would be presented by the school for the PCSC's consideration.

DISCUSSION

HCCS will provide an update regarding the status of the school. PCSC staff has visited the school and reviewed the submitted materials, and has identified the following areas of concern:

1. HCCS Board of Directors:

- Although formal board training has occurred, it appears that board members continue to struggle with understanding and fulfillment of their governance role.
- The board has not kept records of which individuals on the board fill particular seats described in the bylaws. This raises questions regarding who is up for reelection or replacement, as well as which seats should be filled by appointment and which by election.
- The board lacks adequate knowledge and/or understanding of the school's financial situation. Until a recent conversation with PCSC staff, it appears the board believed the school to be in a much more stable fiscal situation than appears to be the case.
- The board and personnel appear to lack understanding of certification requirements for school administrators. A newly hired employee is serving in an administrative capacity without the proper certification.
- Data for purposes of evaluating the high school pilot program has not been collected or analyzed by the board or school personnel, despite numerous references to such requirements in the approved charter.

- Organized board meeting materials are not provided to the board. Also, board members state that they are unaware of stakeholder discontent and the lack of communication among school personnel, the board, and stakeholders. These and other concerns have been expressed to PCSC and SDE staff by numerous stakeholders.

2. School Administration:

- HCCS's administrator went on medical leave in December, at which time the Special Education Director assumed the position of interim administrator while continuing her special education duties. This spring, the board voted to place the regular administrator on paid leave for the remainder of the year and seek new administration for next year.
- Two new administrators have been hired for next year. The first has experience in classical education, started work at HCCS in mid-May, and has been handling schoolwide student discipline. Because this assignment goes beyond the duties typically assigned to classroom teachers, it requires an administrative certificate that Mr. Buck does not currently possess.

The second administrator, hired to serve as executive director of the school, will start in July and has a dual language background. He will also need to obtain Idaho certification. PCSC staff has recommended that HCCS contact the SDE immediately regarding the process and requirements for certification.

3. Fiscal Status:

- HCCS replaced the full-time business manager in February. These duties are now filled by an experienced individual working on a short term, contract basis. The contractor has worked to correct accounting errors made from the beginning of the school year.
- A new IT staff member was also hired in February. His efforts have focused on correcting ISEE reporting errors and submitting correct reports. One outstanding error from the first week in August has resulted in the May payment being held by the SDE.
- Student attrition during the year has been approximately 20%. However, spring 2012 lottery results indicate all grades are full for next year with waiting lists.
- HCCS's facility lease payment will increase by about \$94,000 in year two, and will continue to increase at a slower rate every year thereafter. Additional space is needed to accommodate the student population. The addition of modular units is planned, but budget projections fail to account for related expenses.

Furthermore, plans to purchase the facility are likely no longer viable, as reserves are inadequate to accumulate a down payment and secure a loan for the purchase of the facility.

- There is significant variance between the budgets submitted in May and those reviewed by the PCSC in February. It is unclear at this time whether the school will finish the year in deficit or with a small reserve.

Current year budget projections indicate the school will finish FY12 with a \$201,000 operating loss and a small reserve of \$7,000. However, additional expenses have been incurred and the \$208,000 Albertson's grant carryover is depleted.

As of mid-May, the board was unaware of this situation, although the business manager reports that board members received the same budgets as did PCSC staff.

- Required, monthly updates to HCCS's expenditures website have not been made as required by I.C. 33-357.
- FY13 budget projections anticipate an operating income, but the projections should be adjusted to account for the addition of modular units.

4. High School Pilot Program:

- Other than ISAT results, it appears that HCCS has not collected data to evaluate the effectiveness of the high school program.
- Provisional accreditation has not been received due to failure to file paperwork and schedule a site visit. Parents should be immediately informed of the accreditation status of the school, as students' credits and ability to graduate could be negatively impacted. Students who elect to attend a different high school may find their HCCS credits unacceptable.
- The high school program experienced an unusually high number of disciplinary issues throughout the year. No targeted professional development has occurred to mitigate this problem.
- During the year, school officials made adjustments to the academic program by grouping students according to ability. This was done to alleviate staff concerns regarding meeting the needs of all students and reducing disciplinary problems. The staff feels the change has been beneficial.
- HCCS is not able to offer several, required courses, including health and speech, due to staff and space limitations. IDLA courses are being used for these classes, in addition to Spanish in grades 6-12 and driver's education. There is a lack of advanced and dual credit courses offered at the school.

- Insufficient space is an issue at the school. Currently, classes are being held in the foyer. The interim administrator feels that a minimum of two portable units are needed. With the addition of approximately 70 students next year, modular space will be a necessity.
- The dual language emphasis of HCCS appears to be missing in the middle and high school programs. Students have limited exposure and access to both Latin and Spanish. Latin roots are a small part of the Language Arts Curriculum and Spanish is offered only via IDLA.

5. Academic Status:

- It appears that HCCS is not meeting the MSES that refer to recitations of school, class, and personal creeds.
- Preliminary ISAT results for Spring 2012 indicate 88.2% proficiency in reading, 65.4% in language, and 77% in math schoolwide.

IMPACT

Pursuant to I.C. § 33-5209(2), if the PCSC “has reason to believe that the public charter school has done any of the following, it shall provide the public charter school written notice of the defect and provide a reasonable opportunity to cure the defect:...(a) Committed a material violation of any condition, standard or procedure set forth in the approved charter; (b) Failed to substantially meet any of the student educational standards identified in the approved charter... (f) Violated any provision of law.”

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends that the PCSC direct staff to issue to HCCS a notice of defect on the following grounds:

1. Material violation of a condition, standard, or procedure set forth in the approved charter, specifically with regard to: offering students the opportunity to take Latin in grades 7-12 and preparation by the administrator of an annual secondary school report for the board’s review;
2. Failure to substantially meet any of the MSES in the approved charter, specifically, those MSES referring to recitation of creeds;
3. Violation of a provision of law, specifically, Idaho Code § 33-119 regarding accreditation, Idaho Code § 33-357 regarding maintenance of an internet based expenditure website, and IDAPA 08.02.02.026 regarding administrative certification.

Additionally, staff recommends that the PCSC direct HCCS to submit monthly fiscal updates.

COMMISSION ACTION

A motion to direct PCSC staff to issue to Heritage Community Charter School a notice of defect on the following grounds:

1. Material violation of a condition, standard, or procedure set forth in the approved charter, specifically with regard to: offering students the opportunity to take Latin in grades 7-12 and preparation by the administrator of an annual secondary school report for the board's review;
2. Failure to substantially meet any of the MSES in the approved charter, specifically, those MSES referring to recitation of creeds;
3. Violation of a provision of law, specifically, Idaho Code § 33-119 regarding accreditation, Idaho Code § 33-357 regarding maintenance of an internet based expenditure website, and IDAPA 08.02.02.026 regarding administrative certification.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

May 31, 2012

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May 31, 2012

Heritage Community Site Visit Report

May 18, 2012

Interview with Board Members:

Three board members participated in the interview, including the vice-chairman, who is also a founder. The board members expressed the opinion that, despite first-year difficulties, the school is moving toward fulfillment of its mission. They felt that board training received from Brian Carpenter was helpful and believed the school community's opinion of the board was improving. They agreed that the plan for next year's administration would further address some persistent problems and improve stability.

The board members indicated a sense of confidence regarding the school's finances and said they receive regular financial updates from their business manager, who has worked for HCCS on a contract basis since February. However, all three board members indicated the belief that the school would finish the year with approximately \$140,000 in reserve, in addition to over \$200,000 in Albertson's grant monies carried over from the pre-opening year. They were alarmed by the most recent budget update sent to PCSC staff, which indicates that not only will the grant reserve be used up within FY12, but the ending balance is likely to be around \$7,000 or less. The board said they had not seen that budget before, though the business manager said she emailed it to them several weeks ago. It is apparent that the board lacks adequate knowledge and/or understanding of the school's financial situation, which has the potential to be dire.

The board members also lacked understanding of certification requirements for individuals acting in an administrative capacity. This appears to be an immediate problem with duties assigned to the newly hired Mr. Archie Buck, who has been handling student discipline beyond the role of a classroom teacher but lacks administrative certification. Additionally, the board was unprepared to discuss the status of the HCCS high school, which was approved by the PCSC as a pilot program at the time of petition approval.

The board does not currently receive and keep on record organized board meeting materials. They were unaware of stakeholder discontent, expressed frequently to the SDE and PCSC office, regarding lack of communication between stakeholders and school personnel and the board. The board also appeared frustrated by extensive student discipline problems and explained that their demographic was difficult, but they had not made plans to train staff to better deal with the situation.

Finally, the board noted that they have not kept the necessary records to determine which board seats will be up for consideration at the upcoming board elections. It is unclear which individuals' terms will be ending, as well as which seats should be appointed and which elected.

The board appears to be vested in the success of the school and has volunteered substantial time over the past months to dealing with issues at the school. However, it appears that additional training and focus are required to assist the board in understanding and performing their role effectively.

Interview with Administrator:

Ms. Jean Taylor, the interim administrator, participated in the interview. Ms. Taylor is the Special Education Director and became interim administrator in December when the administrator was put on medical leave. The board later determined that the administrator would not be hired back; she was given paid leave for the remainder of the year.

Mr. Archie Buck was also present. He has been hired as a part-time teacher and part-time curriculum and instruction director. Mr. Buck did not have much input as he has only been at the school for a week. Mr. Buck is currently handling all student discipline. This creates a problematic situation as he does not have Idaho administrative certification.

Since December, Ms. Taylor has fulfilled both the interim Administrator and Special Education Director roles. She has been completely overwhelmed. She feels that things have gone as well as could be expected under the circumstances, but most of her focus has been on administrative duties.

Ms. Taylor expressed the mission of the school as bringing all kids to the point of learning at a higher level. She feels that test scores reflect that the mission has been fulfilled. Establishing the culture of the school within the community has been a difficult challenge. At this point, five staff members have said they will not be returning next year.

Two, new administrators have been hired for next year. Mr. Buck will act as a dean and classical education expert. His certification process may take time as it appears he requires additional years of experience as a teacher in an accredited school. The other, new administrator is a dual language specialist who has filled administrative roles in Oregon. It is not yet clear what his certification process will entail, though it is believed he will be able to obtain Idaho administrative certification prior to the beginning of the 2012-13 school year.

HCCS opened as a K-12 school. The charter describes the high school program as being a pilot program only. However, the school appears to have failed to collect significant data to evaluate the effectiveness of the program. The only hard data that seems to have been collected is ISAT results. The school has progress monitored some students but does not appear to have analyzed the data in terms of the high school program. Both staff and board members appeared largely unfamiliar with the charter's contents regarding the pilot program and data that should have been collected for purposes of its evaluation.

Staff members seem to agree that the school has had a rough first year due to the administrative situation and an unexpected student population. They feel that an unusually high percentage of special education, at-risk, and alternative students have enrolled in the school. Discipline has been a major issue. Staff members feel that a clear policy has not yet been established and there is a lack of follow-through.

Adjustments to the academic program have been made regarding the manner in which students are clustered. Ability grouping has been implemented. These are mixed grade level groups based on performance or ability. Teachers feel this change has been beneficial. A lack of advanced courses seems

to exist. IDLA courses are used for many subjects, including credit recovery and advanced coursework. Reports regarding the high school program indicate the board wants to continue it for funding purposes but staff members have mixed feelings due to extensive disciplinary issues.

According to Ms. Taylor, about 100 students, or 20% of the population, have left the school during the year; this does not include any additional attrition that may occur between year one and year two of operations. Exit surveys have not been completed. Ms. Taylor reports that lottery results indicate all grades have full enrollment for next year. It is felt that the high school program will improve as younger students move through the system.

HCCS will require additional facility space next year to accommodate the student population, particularly for the high school grades. Ms. Taylor believes two portables will be needed, though the board indicated it has planned for only one. World religion, government, and study hall are currently being held in the foyer. Special needs programs require additional space.

Stakeholders have reported that high school textbooks and other supplies are inadequate. The school indicates that supplies have been adequate this year but more will be needed next year. Each class has a classroom set of textbooks. It is reported that this has not been an issue as Core Knowledge requires research projects, and homework is not assigned from textbooks. However, a large amount of copies has been used.

According to Ms. Taylor, the areas of strength in the high school are a hands-on and engaging science program, history classes that require discussion and higher level thinking skills, and individualized math and science instruction. The biggest concerns are the need for additional staff and having the ability to offer all courses needed to meet graduation requirements.

It is felt that the dual language program has gone well. The new administrator will bring additional experience and knowledge to this program. Spanish instruction has been provided in K-1 50% of the time, while grades 2-5 have received about an hour of Spanish instruction per day. Grades 6-12 are not offered any onsite Spanish instruction. The only option for Spanish in these grades is through IDLA. Latin instruction this year included only Latin roots as part of the Language Arts curriculum. A future challenge will be helping students who enroll in the school during the year or in later years cope with the level of Spanish that other students have already developed. So far, the school has not addressed this concern.

One component of the high school is a mentoring program in which older students work with younger students. All students participate in the program. Ms. Taylor was unsure of the exact amount of time high school students spend mentoring younger kids. However, some concerns have been expressed by stakeholders who believe that HCCS's high school students spend too much of the day mentoring.

Ms. Taylor feels that the school is in an acceptable financial situation, although funds are tight. She has met with Ms. Lisa Macintosh, the contracted business manager, several times and feels she has good familiarity with the budgets. Ms. Macintosh and Ms. Taylor have worked to ensure all of the federal programs revenues and expenses have been correctly coded. She does question the board's knowledge

of the budget as they frequently make expenditure decisions without considering the budget. Many expenses not originally included in the budget have been incurred. Ms. Macintosh and Ms. Taylor have both been unaware of some expenditure decisions that PCSC staff was able to bring to their attention. It is felt that the board doesn't realize the need for consideration of the budget prior to approval of unplanned expenditures.

According to reports, the board has micromanaged school staff. Board training has helped and it appears the board is responding. The trainer appears to have been quite adamant in outlining the need for the board to understand and fulfill their role. Video segments are being used for ongoing board training.

No occupational therapy services have been provided at HCCS since spring break, when the provider resigned. Ms. Taylor reports that these services will need to be made up in the fall at a rate of about one and a half hours per student. A speech language pathologist needs to be hired, as does a school psychologist.

Concern exists that the school may not be meeting the instructional hour requirements for the high school program. According to the SDE, the school only had 12 hours beyond the requirement built into the calendar. It has been reported that the last day of school has been shortened and that school was cancelled last fall and again this spring for parent teacher conferences; this may put HCCS below the required number of instructional hours. PCSC staff has requested the submission of an updated school calendar, but this document has not yet been received.

HCCS has not received provisional accreditation during its first year of operation. It was reported that the required paper work has not been filed nor has the accreditation visit been scheduled. This may result in failure to obtain full accreditation by the end of next year when students will potentially be graduating from a non-accredited school. Parents should be informed of this situation as student credits and graduation standing could be negatively impacted.

Preliminary ISAT results indicate 88.2% proficiency in reading, 65.4% in language, and 77% in math.

Interview with Business Manager:

Ms. Lisa Macintosh is the business manager for HCCS. She has contracted with HCCS since February and is at the school about once a week. Her intent is to help the school on a short term basis. She spent the month of February straightening out and entering the budget in the 2M software system, as it appears the previous business manager was unfamiliar with the software and did not use it. Ms. Macintosh spent the month of March reallocating items to correct positions. She feels that no one in the school has been overseeing expenditures. Additionally, ISEE reporting has not been timely or correct, and website expenditure data is well behind statutory requirements.

A new IT staff member, hired in February, has worked to correct the ISEE errors. One outstanding error from the first week in August has resulted in the SDE withholding the May payment. It is reported that

the error should be fixed by May 21 and some funds disbursed Friday, May 25. It is unclear whether cash flow will be a problem during this time.

It has been suggested that the board move the budget discussion to the beginning of their meeting before expenditures are discussed. Prior to Ms. Macintosh's involvement, the school had many different bank accounts, which Ms. Macintosh has now closed and consolidated into one account. The software program is used to track and code expenses to the correct reporting account. The business manager feels that the board has been unresponsive to suggestions and that it is difficult to contact them.

Although steps have been taken to fix the school's financial situation, concern remains that they may not be able to be maintained as the IT person is paid on an hourly basis and Ms. Macintosh is a short term contractor.

HCCS's current lease presents a potentially serious issue. Payments will increase by \$94,000 next year and will continue to increase at a more gradual rate every year thereafter. Additionally, two modular units are needed next year and further expansion will be needed in the future. The expenses for leasing and setting up the units have not been considered in the upcoming year budget. Ms. Macintosh will begin working with the board to develop next year's budget.

The latest budget templates submitted by Ms. Macintosh represent her best estimate given information that remains limited in some areas. She has taken a worse-case approach to the budget and based it on 474 ADA. She is confident that actual ADA will exceed this number. Administrative expenses have exceeded proposed budget calculations and amount to about \$8,000 per month due to the administrator being on paid leave while new administrators have been hired. It appears the board has also paid for training, travel, and moving expenses for at least one or the new administrators.

The FY12 budget projections show a \$201,151 operating loss, leaving reserves of only \$7,000. Expenses have been incurred which were not included in the budget, so the situation may be worse. It appears the school could easily end its first year in deficit. The upcoming year budget projects \$111,000 in operating income with reserves totaling \$118,000. However, this is a best guess based on the current situation and fails to include modular expenses.

Program Strengths:

- Dual language emphasis
- Dedicated staff
- Engaging science curriculum

Program Concerns:

- Lack of board role definition and board effectiveness
- Tenuous financial situation
- Lack of financial oversight from the board
- Lack of dual language instruction across all grade levels

May 31, 2012

- Staff numbers are not sufficient to offer all needed courses
- Lack of AP and dual credit courses onsite
- Need for a long term onsite business manager
- Administrators hired for next year not Idaho certified and possibly ineligible for certification
- Mr. Buck is handling student discipline without proper certification
- Substantial student discipline and classroom management issues
- Lack of a discipline policy and consistent follow-through on consequences
- Great amount of first year turmoil in governance, finance, administration, and educational program
- Personal agendas may be taking precedence over what is best for the school
- Not meeting required instructional hours for high school
- OT services not being provided

Possible charter/statutory Violations:

- Students will daily recite or reflect upon a school, class, or personal creed. (Not being done.)
- HCCS will offer students the opportunity to take Latin in grades 7-12 and advanced Spanish classes including dual credit and AP Spanish. (Only offered in Language Arts classes.)
- MSES – 85% of students will participate in recital of school or class creed as part of a whole group. (Data not available.)
- MSES – 85% of students will individually recite a grade appropriate class creed flawlessly with a maximum of two prompts. (Data not available.)
- All students 9-12 will write and recite a personal creed incorporating key life principles. (Not done.)
- HCCs will be accredited. (Visit has not yet been scheduled, and it appears preliminary accreditation in year one is no longer a possibility.)
- In grades 6-12, Spanish is only offered through IDLA.
- The administrator will prepare an annual secondary school report for the board to review and during the first 5 years of operation. (Not done.)
- An uncertified individual appears to be performing administrative duties.
- The financial expenditures website has not been updated monthly in accordance with statute.
- The school may prove fiscally instable as defined by statute.

Possible Amendments:

- Address above violations
- Details regarding Latin offerings

Recommendations:

- Address possible violations as soon as possible
- Improve classroom management; consider professional development in this area

May 31, 2012

- Develop and implement a school wide discipline policy
- Ensure new administrators complete the certification process as soon as possible
- Ensure all staff has proper certification for current roles at the school
- Gather data to truly evaluate the effectiveness of the high school program
- Improve board oversight of school expenditures and financial planning
- Find an onsite business manager who is experienced in school finance
- Continue board training
- Maintain records of board meeting materials and minutes
- Seek means of improving communication between school and stakeholders
- Find ways to mesh the two student populations in the school
- Find ways to engage and motivate at-risk and alternative learners
- Reconstruct as accurately as possible an understanding of which board members fill which seats, and proceed toward elections in accordance with the bylaws

Materials requested:

- Results of student and parent satisfaction surveys
- ISAT results
- School calendar
- High school pilot program report
- Academia West agreement regarding use of student data
- Accreditation update
- Student discipline update

	Proposed (Board Approved Budget for Fiscal Year)	Actual (Through Most Recent Month End)	Projected (Anticipated Year-End Numbers)	Percentage Used (Actual / Proposed)	Notes
REVENUE					
Salary Apportionment	\$1,186,106.00	\$869,855.00	\$1,117,800.00	73.34%	adopted 25.6 Support units, 512 students (openings in 6 (5) and in secondary (3)) 92% attendance equals 475 AD/
Benefit Apportionment	\$228,520.00	\$201,700.00	\$201,700.00	88.26%	
Entitlement	\$500,463.00	\$502,426.00	\$502,426.00	100.39%	** no break out given from state until last couple of payments
State Transportation	\$146,775.00	\$120,296.00	\$120,296.00	81.96%	Based on 72% reimbursement on actual costs as we are looking to be slightly over the cap per student to receive full funding
Lottery	\$0.00	\$22,215.00	\$22,215.00	#DIV/0!	
Other State Funds (Specify)	\$0.00	\$8,478.50	\$16,337.00	#DIV/0!	Classroom Technology/Idaho Reading Initiative
Special Ed - Regular	\$70,000.00	\$64,200.00	\$64,200.00	91.71%	
Special Ed - ARRA	\$0.00	\$0.00	\$0.00	#DIV/0!	
Title I	\$130,000.00	\$80,000.00	\$80,000.00	61.54%	Funds requested for December 2011 , anticipate carrying over portion of \$141,382 allocation to next fiscal yea
Federal Title I Funds : ARRA	\$0.00	\$0.00	\$0.00	#DIV/0!	
Medicaid Reimbursement	\$15,000.00	\$0.00	\$0.00	0.00%	Getting set up with Idaho medical billing to begin claims
Title IIA	\$0.00	\$0.00	\$22,160.00	#DIV/0!	Anticipated carry over or remaining allocation - Total allocation \$22,160
Local Revenue (Specify)	\$125,000.00	\$0.00	\$0.00	0.00%	
Federal Startup Grant	\$0.00	\$53,126.98	\$53,126.98	#DIV/0!	Start up purchases for amendment and items purchased in July.
Other Grants (Specify)	\$0.00	\$0.00	\$620.00	#DIV/0!	
Fundraising	\$10,000.00	\$4,883.00	\$5,000.00	48.83%	
Interest Earned	\$0.00	\$96.00	\$100.00	#DIV/0!	
Other (Specify)	\$0.00	\$81,145.52	\$120,000.00	#DIV/0!	Food Service Revenue
Other (Specify)	\$0.00	\$33,830.00	\$21,060.00	#DIV/0!	Lunaria League-Blue Cross Childhood Obesity Grant (\$21,060), School Fees \$12,770
TOTAL REVENUE	\$2,411,864.00	\$2,042,252.00	\$2,347,040.98	84.68%	
EXPENDITURES					
100 Salaries					
Teachers	\$809,880.00	\$433,396.00	\$540,000.00	53.51%	
Special Education	\$117,990.00	\$65,093.00	\$107,505.00	55.17%	
Instructional Aides	\$82,422.00	\$0.00	\$0.00	0.00%	
Classified/Office Administration	\$150,498.00	\$42,582.00	\$60,000.00	28.29%	Instructional Aides included in Classified
Maintenance	\$95,004.00	\$182,732.00	\$247,670.66	192.34%	Adminstrator change and classified staff included in Admin
Other (Specify)	\$10,944.00	\$3,916.00	\$10,944.00	35.78%	Hired janitor 2/12
Other (Specify)	\$0.00	\$31,708.00	\$40,362.00	#DIV/0!	Food Service
Other (Specify)	\$0.00	\$44,082.00	\$66,198.00	#DIV/0!	Title 1
Total Salaries	\$1,266,738.00	\$803,509.00	\$1,072,679.66	63.43%	
200 Employee Benefits					
PERSI/FICA/Benefits	\$333,449.00	\$202,031.00	\$272,392.00	60.59%	
Other (Specify)	\$0.00	\$0.00	\$0.00	#DIV/0!	
Total Benefits	\$333,449.00	\$202,031.00	\$272,392.00	60.59%	
300 Purchased Services					
Management Services	\$0.00	\$0.00	\$0.00	#DIV/0!	
Staff Dev/Title IIA	\$0.00	\$4,086.00	\$4,086.00	#DIV/0!	Remaining balance of \$18,074 to possibly be carried over. Final expenditure date is 9/2011:
Legal Pub/Advertising	\$0.00	\$0.00	\$500.00	#DIV/0!	Legal publications, no advertising
Legal Services	\$10,000.00	\$7,793.00	\$15,000.00	77.93%	
Special Education	\$20,000.00	\$7,461.00	\$14,295.00	37.31%	
Liability & Property Ins	\$24,000.00	\$14,171.00	\$14,171.00	59.05%	
Substitute Teachers	\$7,500.00	\$4,877.00	\$7,500.00	65.03%	
Board Expenses	\$0.00	\$4,325.00	\$4,325.00	#DIV/0!	
Computer Services	\$0.00	\$0.00	\$15,718.00	#DIV/0!	Classroom Technology grant
Transportation	\$195,700.00	\$148,455.00	\$195,700.00	75.86%	Based on bus ridership, routes estimated after monthly evaluation with Brown Bus. Should be close to cap amounts.
Travel	\$0.00	\$19,949.00	\$22,715.00	#DIV/0!	Admin, SPED, Student activities, Secondary Music
Other (Specify)	\$8,250.00	\$11,419.00	\$17,000.00	138.41%	Copy Machine lease and service agreement, IDLA classes
Other (Specify)	\$12,500.00	\$11,401.00	\$28,860.00	91.21%	Audit fees - programmatic and fiscal, Professional organization fees, bookkeeping services, bank fees
Total Services	\$277,950.00	\$233,937.00	\$339,870.00	84.17%	
Facilities					
Building Lease	\$388,216.00	\$360,665.00	\$388,216.00	2.01%	Partial Month August 2011 Rent, paid lease through February 2012
Land Lease	\$0.00	\$0.00	\$0.00	#DIV/0!	
Modular Lease	\$0.00	\$0.00	\$0.00	#DIV/0!	

Utilities, Phones, Lndscp	\$41,000.00	\$26,272.00	\$36,032.00	11.90%	
Site Preparation	\$0.00	0	\$0.00	#DIV/0!	
Other (Specify)	\$2,500.00	0	\$500.00	0.00%	Blue Cross Obesity kitchen/garden grant
Other (Specify)	\$9,000.00	\$9,262.53	\$11,500.00	1649.50%	Grounds & Maintenance, lawn care, snow removal, Janitorial Services, Freezer installator
Total Facilities	\$440,716.00	\$396,199.53	\$436,248.00	89.90%	
400 Supplies and Maintenance					
Textbooks	\$0.00	\$2,110.00	\$2,500.00	#DIV/0!	Title 1, Media library
School Supplies	\$2,500.00	\$15,300.00	\$22,200.00	612.00%	Testing and assessment, start up grant purchases (\$53,126.98).
Power School	\$0.00	\$8,075.00	\$8,075.00	#DIV/0!	Annual license renewal-prepaid for FY13
Custodial Supplies	\$8,000.00	\$14,227.63	\$19,500.00	177.85%	Building Care Supplies
Other (Specify)	\$0.00	\$266.00	\$6,500.00	#DIV/0!	Blue Cross Obesity kitchen/garden grant
Other (Specify)	\$0.00	\$90,703.00	\$100,000.00	#DIV/0!	Food Service-Child Nutrition
Total Supplies	\$10,500.00	\$130,681.63	\$158,775.00	1244.59%	
500 Capital Objects					
Furniture	\$0.00	\$11,290.00	\$11,606.00	#DIV/0!	
Technical AV Equipment	\$0.00	\$0.00	\$0.00	#DIV/0!	Included in Technology grant above
Other (Specify)	\$10,000.00	\$88,938.11	\$180,000.00	889.38%	School Nutrition Start up expenses
Other (Specify)	\$0.00	\$0.00	\$13,000.00	#DIV/0!	Blue Cross Obesity kitchen/garden grant
Other (Specify)	\$0.00	\$10,494.00	\$10,494.00	#DIV/0!	Food Service-Child Nutrition
Other (Specify)	\$0.00	\$0.00	\$0.00	#DIV/0!	
Total Capital Objects	\$10,000.00	\$110,722.11	\$215,100.00	1107.22%	
Debt Service					
Specify	\$0.00	\$0.00	\$0.00	#DIV/0!	
Specify	\$0.00	\$0.00	\$0.00	#DIV/0!	
Specify	\$0.00	\$0.00	\$0.00	#DIV/0!	
Total Debt Service	\$0.00	\$0.00	\$0.00	#DIV/0!	
Grant Purchases					
Specify	\$0.00	\$53,126.98	\$53,126.98	#DIV/0!	Final Federal Startup Grant purchases
Specify	\$0.00	\$0.00	\$0.00	#DIV/0!	
Specify	\$0.00	\$0.00	\$0.00	#DIV/0!	
Specify	\$0.00	\$0.00	\$0.00	#DIV/0!	
Specify	\$0.00	\$0.00	\$0.00	#DIV/0!	
Total Grant Purchases	\$0.00	\$53,126.98	\$53,126.98	#DIV/0!	
Reserve Fund				#DIV/0!	
Building Fund				#DIV/0!	
Total Expenses	\$2,339,353.00	\$1,930,207.25	\$2,548,191.64	82.51%	
Carryover from Previous FY	\$0.00	\$208,152.00	\$208,152.00	#DIV/0!	
Reserve/(Deficit)	\$72,511.00	\$320,196.75	\$7,001.34	441.58%	

May 31, 2012

May 22, 2012 Board Meeting Notes to Financial Statements:

1-FY12 Audit fieldwork date set for July 30, 31, and August 1 (if needed).

2-Financial Preparation/Training of classified staff

-Training is still ongoing with Accounts Payable, Payroll and Human resource processes

3-ISEE

-ISEE uploads were also completed for the fall periods. This will affect the final revenue numbers when an accurate student number (Average Daily Attendance) is uploaded from PowerSchool to the ISEE State Department of Education portal. **There is some concern that the State Dept of Education will not release any funds for the May 15th payment.** The last payment from the SDE is July 15th. I am working with Jean Taylor and the SDE to finalize those payments.

4-Financial Budgets

-April Budget vs. Actual report attached. **Final lottery number report pending for FY13 budget preparation purposes.**

-June, 2012: Budget hearing for the Fiscal Year 2013 budget will need to take place with a notice in the paper .Recommend amending the Fiscal year 2012 budget in at the June board meeting via a Budget Hearing.

Idaho Code 33-402 – “Budget Hearing Notice must be published and a public hearing held 10 days prior to annual meeting: 1) Publish in three places including the local newspaper, 2)Must adopt a Budget at public hearing or at a special meeting not later than 14 days thereafter.”

-Balance Sheet totals \$115,000 is the approximate cash balance in all funds combined however, remaining bank statement reconciliations may require end-of-year adjustments.

-Approximate final state revenue is \$225,000. State technology final payment at the end of April or early May of approximately \$7,800 is still pending. Grant draw-downs for Title 1 and IDEA VI-B funds have occurred in April resulting in \$87,0000 + deposited in May. This will allow the school to meet their payroll and most payable obligations.

5-Human Resources

-Some processes are being implemented to process payroll, new hires, benefits, etc.

-Re-aligned payroll to appropriate Title 1, IDEA (Special Education) and Food service Grants, secondary and elementary allocations from 7/1/11 to present.

6-Other

-Accounting software is now up-to-date.

-Completed another budget template request for the Charter Commission as well.

May 31, 2012

Enrollment April 2012 (prior to enrollment lottery)

Heritage Community Charter #481

Grade Level	Current Enrollment	Current ADA	Current Waiting List		
K	60		87		
1	60		21		
2	60		23		
3	60		23		
4	60		3		
5	58		1		
6	54		1		
7	28		1		
8	29		0		
9	11		0		
10	17		0		
11	10		1		
12	0		0		
Total	507		161		

A total of 107 students have withdrawn since the start of school: K=4; 1st =8; 2nd =14; 3rd =10; 4th =11; 5th =15; 6th =11; 7th =12; 8th =10; 9th =3; 10th =2; 11th =5; 12th =2. All openings were filled with students from the waiting list. The grades with current openings either have no waiting list or the student on the waiting list has not yet moved to the area and is not yet able to attend.