

**SUBJECT**

Bingham Academy Fiscal Update

**APPLICABLE STATUTE, RULE, OR POLICY**

I.C. §33-5209(C)(1)

**BACKGROUND**

Idaho STEM Academy, doing business as Bingham Academy (BA), is a public charter school authorized by the Public Charter School Commission (PCSC). BA has recently completed its first year of operation. The school served approximately 65 students in grades 9 and 10 and plans to expand to all high school grades in the upcoming years.

On December 11, 2014, the PCSC directed staff to issue to the State Department of Education (SDE) a fiscal letter of concern because the PCSC had reason to believe that the school would not remain fiscally sound for the remainder of its performance certificate term. In March 2015, AdvancEd notified PCSC staff that BA will not be eligible to receive accreditation candidacy status during the 2014-15 school year.

**DISCUSSION**

BA projects a negative FY15 year-end balance of -\$2,433 and the school projects a very small, positive balance at the end of FY16. The FY16 projection is based on enrollment of 80 students and includes an initial payment on the \$154,000 Bank of Idaho loan used to cover FY15 operating expenses. Information provided by the school is inadequate to permit PCSC staff verification of the above assertions.

It appears that the SDE's May 2015 Foundation Program Calculation differs significantly from BA revenue actuals and projections. SDE calculations indicate that BA's state revenue will be at least \$100,000 lower than is projected by the school. BA has not responded to PCSC staff queries regarding this apparent discrepancy.

**IMPACT**

BA's unstable financial status merits ongoing PCSC monitoring in the interest of protecting student and taxpayer interests.

**STAFF COMMENTS AND RECOMMENDATIONS**

BA's financial status is both tenuous and unclear. The school is already obliged to use FY16 revenues to cover FY15 expenses. Due to a negative carryover, low enrollment projections for next year, and the school's failure to achieve candidacy status during its initial year of operations, it appears likely that BA will continue to struggle financially throughout FY16. This, in combination with additional loan payments and the absence of federal CSP

grant funds, raises concern about the school's ability to remain viable throughout the upcoming school year.

PCSC staff recommends that the PCSC require BA to provide a fall enrollment update and quarterly financial reports through FY16.

**COMMISSION ACTION**

A motion to direct Bingham Academy to provide the PCSC with a 2015-2016 enrollment update by September 1, 2015, as well as quarterly financial reports through fiscal year 2016.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

## June 11, 2015

### Bingham Academy --- FY15 BUDGET SUMMARY

ACCOUNT DESCRIPTION	ORIGINAL BUDGET	AMENDED / WORKING BUDGET	FYTD ACTIVITY	UNRECEIVED / UNEXPENDED BALANCE	FYTD %	PROJECTED YEAR-END	NOTES
<b>REVENUE</b>							
414100 Tuition	-	-	-	-	#DIV/0!	-	
415000 Earnings on Investments	300.00	194.00	154.21	39.79	79%	194.00	
416100 School Food Service	-	-	-	-	#DIV/0!	-	
416200 Meal sales: non-reimbursable	-	-	-	-	#DIV/0!	-	
416900 Other Food Sales	-	-	-	-	#DIV/0!	-	
417100 Admissions / Activities	-	-	-	-	#DIV/0!	-	
417200 Bookstore Sales	-	-	-	-	#DIV/0!	-	
417300 Clubs / Organization Fees, etc.	-	-	-	-	#DIV/0!	-	
417400 School Fees & Charges/Fundraising	-	-	-	-	#DIV/0!	-	
417900 Other Student Revenue	-	-	-	-	#DIV/0!	-	
419100 Rentals	-	-	-	-	#DIV/0!	-	
419200 Contributions/Donations	-	-	-	-	#DIV/0!	-	
419900 Other Local Revenue	38,000.00	20,300.00	-	20,300.00	0%	20,300.00	
431100 Base Support Program	544,017.00	346,187.52	325,471.00	20,716.52	94%	346,187.52	
431200 Transportation Support	177,748.00	177,748.00	86,824.00	90,924.00	49%	177,748.00	
431400 Exceptional Child Support	-	-	-	-	#DIV/0!	-	
431600 Tuition Equivalency	-	-	-	-	#DIV/0!	-	
431800 Benefit Apportionment	69,417.00	44,764.24	-	44,764.24	0%	44,764.24	
431900 Other State Support	12,266.00	54,298.00	-	54,298.00	0%	54,298.00	
437000 Lottery / Addtl State Maintenance	11,000.00	2,742.00	2,742.00	-	100%	2,742.00	
439000 Other State Revenue	12,000.00	11,880.00	-	11,880.00	0%	11,880.00	
442000 Indirect Unrestricted Federal	24,500.00	-	-	-	#DIV/0!	-	
443000 Direct Restricted Federal	199,605.00	350,960.00	350,960.00	-	100%	350,960.00	
445000 Title I - ESEA	-	-	-	-	#DIV/0!	-	
445500 Child Nutrition Reimbursement	-	-	-	-	#DIV/0!	-	
445600 Title VI-B IDEA	24,500.00	7,935.00	7,935.00	-	100%	7,935.00	
445900 Other Indirect Restricted Federal	-	-	-	-	#DIV/0!	-	
451000 Proceeds	-	-	-	-	#DIV/0!	-	
460000 Transfers In	-	150,000.00	153,150.50	(3,150.50)	102%	150,000.00	
<b>TOTAL REVENUE</b>	<b>\$1,113,353.00</b>	<b>\$1,167,008.76</b>	<b>\$927,236.71</b>	<b>\$239,772.05</b>	<b>79%</b>	<b>\$1,167,008.76</b>	

June 11, 2015

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ACCOUNT DESCRIPTION	ORIGINAL BUDGET	AMENDED / WORKING BUDGET	FYTD ACTIVITY	UNRECEIVED / UNEXPENDED BALANCE	FYTD %	PROJECTED YEAR-END	NOTES
<b>EXPENDITURES</b>							
100 SALARIES	540,432.00	479,510.00	346,537.46	132,972.54	72%	479,510.00	
200 EMPLOYEE BENEFITS	153,661.00	139,667.00	101,672.33	37,994.67	73%	139,667.00	
300 PURCHASED SERVICES	41,024.00	64,718.37	13,040.98	51,677.39	20%	64,718.37	
400 SUPPLIES	158,030.37	349,088.00	97,186.23	251,901.77	28%	349,088.00	
500 CAPITAL OUTLAY	136,088.00	67,712.00	36,516.00	31,196.00	54%	67,712.00	
600 DEBT RETIREMENT	88,964.00	73,964.00	52,495.00	21,469.00	71%	73,964.00	
700 INSURANCE	8,350.00	2,672.00	2,672.00	-	100%	2,672.00	
920000 TRANSFERS OUT	-	-	-	-	#DIV/0!	-	
<b>TOTAL EXPENDITURES</b>	<b>\$1,126,549.37</b>	<b>\$1,177,331.37</b>	<b>\$650,120.00</b>	<b>\$527,211.37</b>	<b>55%</b>	<b>\$1,177,331.37</b>	
<b>TOTAL FUND REVENUES OVER EXPENDITURES</b>	<b>(\$13,196.37)</b>	<b>(\$10,322.61)</b>	<b>\$277,116.71</b>			<b>(\$10,322.61)</b>	
TOTAL BEGINNING BALANCE (All Funds)	\$43,656.37	\$43,656.37	\$43,656.37			\$43,656.37	
TOTAL CHANGES (All Funds)	(\$13,196.37)	(\$10,322.61)	\$277,116.71			(\$10,322.61)	
ENDING BALANCE (All Funds)	\$30,460.00	\$33,333.76	\$320,773.08			\$33,333.76	

# June 11, 2015

## Bingham Academy --- FY15 BUDGET SUMMARY

ACCOUNT DESCRIPTION	ORIGINAL BUDGET	AMENDED / WORKING BUDGET	FYTD ACTIVITY	UNRECEIVED / UNEXPENDED BALANCE	FYTD %	PROJECTED YEAR-END	NOTES
<b>CHANGES IN FUND BALANCE BY FUND</b>							
100 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
100 Changes in Fund Balance	\$15,828.00	\$18,701.76	\$11,021.41			\$18,701.76	
100 Ending Fund Balance	\$15,828.00	\$18,701.76	\$11,021.41			\$18,701.76	
23x Beginning Fund Balance	\$29,024.37	\$29,024.37	\$29,024.37			\$29,024.37	
23x Changes in Fund Balance	(\$29,024.37)	(\$29,024.37)	\$0.00			(\$29,024.37)	
23x Ending Fund Balance	\$0.00	\$0.00	\$29,024.37			\$0.00	
24x Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
24x Changes in Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
24x Ending Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
245 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
245 Changes in Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
245 Ending Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
251 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
251 Changes in Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
251 Ending Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
257 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
257 Changes in Fund Balance	\$0.00	\$0.00	\$1,909.16			\$0.00	
257 Ending Fund Balance	\$0.00	\$0.00	\$1,909.16			\$0.00	
262 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
262 Changes in Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
262 Ending Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
271 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
271 Changes in Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
271 Ending Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
27X-28X Beginning Fund Balance	\$14,632.00	\$14,632.00	\$14,632.00			\$14,632.00	
27X-28X Fed Changes in Fund Balance	\$0.00	\$0.00	\$264,186.14			\$0.00	
27X-28X Ending Fund Balance	\$14,632.00	\$14,632.00	\$278,818.14			\$14,632.00	
290 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
290 Changes in Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
290 Ending Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
300 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
300 Changes in Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
300 Ending Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
310 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
310 Changes in Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	

Bingham Academy --- FY15 BUDGET SUMMARY

ACCOUNT DESCRIPTION	ORIGINAL BUDGET	AMENDED / WORKING BUDGET	FYTD ACTIVITY	UNRECEIVED / UNEXPENDED BALANCE	FYTD %	PROJECTED YEAR-END	NOTES
310 Ending Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
400 Beginning Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
400 Changes in Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	
400 Ending Fund Balance	\$0.00	\$0.00	\$0.00			\$0.00	

June 11, 2015

FOUNDATION PROGRAM CALCULATION  
MAY 15, 2015

Bingham Academy Charter #485

1. UNITS	4.92
2. ENTITLEMENT @ \$22,401.15 per unit	\$110,213.66
3. SALARY APPORTIONMENT	235,973.86
4. BENEFIT APPORTIONMENT	44,764.24
5. BORDER CONTRACTS	0.00
6. EXCEPTIONAL CONTRACTS, TUITION EQUIVALENCY, SED	0.00
7. TRANSPORTATION	86,882.00
8. ADJUSTMENTS	0.00
9. TOTAL SUPPORT (lines 2 through 8)	\$477,833.76
10. TOTAL PAID TO DATE INCLUDING THIS PAYMENT	\$462,906.95
11. CHARTER SCHOOL JULY ADVANCE PAYMENT	\$176,606.00
12a. AUGUST 15 PAYMENT (General Funds / Cigarette & Lottery Tax)	213,212.00
12b. AUGUST 15 PAYMENT (Lottery)	2,742.00
13. NOVEMBER 15 PAYMENT (General Funds)	0.00
14. FEBRUARY 15 PAYMENT (General Funds / Dedicated)	22,476.68
15. MAY 15 PAYMENT (General Funds / Dedicated)	0.00
16. PAID-TO-DATE	\$415,036.68
17. AMOUNT DUE THIS PAYMENT	\$47,870.27
18. OTHER STATE SUPPORT PAID TO DATE (not included in above payments)	
Bond Levy Equalization Support Program	0.00
Charter School Facilities	13,462.68
Classroom Technology	1,711.00
Content and Curriculum	855.00
Dual Credit for Early Graduates	0.00
Eight in Six	0.00
High School Redesign - Math / Science	0.00
Idaho Reading Initiative	0.00
Instructional Improvement Systems	670.00
IT Staffing	<del>10,000.00</del> 0.00
Leadership Premiums	6,721.00
Limited English Proficient (LEP)	0.00
Limited English Proficient (LEP) Grant	0.00
Master Advancement Program (MAP)	0.00
National Board Certification	0.00
Professional Development	17,810.00
Remediation	0.00
School Facilities Funding (lottery)	0.00
School Facilities Maintenance Match	0.00
Strategic Planning	0.00
Unemployment Insurance (paid directly to DOL fbo school district)	0.00
19. RATIO	0.0003585192

MAY1515  
Support

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**June 11, 2015**

Bingham Academy May 2015 end-of-year expenditures adjustments		
	<u>ammended working budget</u>	<u>actual expenditure</u>
100.515100 Secondary Salaries	233,390.00	206,201.00
100.515200 Secondary Benefits	78,000.00	75,986.00
	<hr/>	
total	311,390.00	282,187.00
difference		29,203.00
100.681100 Pupil-to-School Transportation Salaries	129,870.00	93,217.00
100.681200 Pupil-to-School Transportation Benefits	27,400.00	22,440.00
100.681300 Pupil-to-School Transportation Purchased Services	3,280.00	5,612.00
100.681400 Pupil-to-School Transportation Supplies	63,540.00	30,252.00
100.681500 Pupil-to-School Transportation Capital Outlay		
100.681600 Pupil-to-School Transportation Debt Retirement		
100.681700 Pupil-to-School Transportation Insurance	1,336.00	1,336.00
	<hr/>	
total	225,426.00	152,857.00
difference		72,569.00
total difference		101,772.00
estimated end-of-year balance		-2,433

**June 11, 2015**

**BA FY16 Budget projectiopl**

80/6.86 units

<b>ACCOUNT NUMBER</b>	<b>ACCOUNT NAME</b>	<b>FY16</b>
<u>GENERAL FUND</u>		
100-320000-000-000-0	Budget Balance Carry Forward	-2,433
100-415000-000-000-0	Earnings on Investment	300
100-419200-000-000-0	Contributions/Grants Received	
100-419900-000-000-0	Other Local Revenue	
100-431100-000-000-0	Base State Support Program	529,295
100-431200-000-000-0	Transportation Support	133,600
100-431800-000-000-0	State Benefit Apportionment	69,347
100-437000-000-000-0	Idaho State Lottery Revenue	4,712
100-439000-000-000-0	Other State Revenue	43,868
	charter building equilization	20,000
100-442000-000-000-0	Indirect Federal Revenue	
	other transportation	25,300
100-451000-000-000-0	Loan Proceeds	
100-460000-000-000-0	Transfer From Other Funds	
	<b>TOTAL REVENUES</b>	<u><u>823,989</u></u>

<b>ACCOUNT NUMBER</b>	<b>ACCOUNT NAME</b>	<b>FY16</b>
100-512100-000-000-0	Salaries High School	261,486
100-512103-000-000-0	Substitute Salaries	2,600
100-512200-000-000-0	Employee Benefits	90,680
100-512203-000-000-0	Substitutes Benefits	280
100-512300-000-000-0	Travel/Purchased Service	1,200
100-512400-000-000-0	Supplies-High School	1,100
100-512450-000-000-0	High School Curriculum Supplies	1,100
100-512490-000-000-0	Furniture Equipment	
100-512500-000-000-0	Computer Equipment	
	<b>Total</b>	<u><u>358,446</u></u>
100-521100-000-000-0	Salaries - Exceptional Child	1,600
100-521200-000-000-0	Benefits - Exceptional Child	460
100-521300-000-000-0	Purchase Service - Exceptional Child	4,900
100-521400-000-000-0	Supplies - Exceptional Child	
	<b>Total</b>	<u><u>6,960</u></u>
100-641100-000-000-0	Salaries - Administration	12,000
100-641200-000-000-0	Benefits - Administration	800
100-641300-000-000-0	Purchase Service - Administration	200
100-641350-000-000-0	Purchase Service IT Support	24,000
100-641400-000-000-0	Supplies - Administration	1,000
100-641500-000-000-0	Equipment-School Administration	
100-641700-000-000-0	Property/Liability Insurance	4,200
	<b>Total</b>	<u><u>42,200</u></u>

## June 11, 2015

100-651100-000-000-0	Salaries - Business Operations	27,220
100-651200-000-000-0	Benefits - Business Operations	6,250
100-651300-000-000-0	Purchase Service - Business Operations	9,500
100-651400-000-000-0	Supplies - Business Operations	600
100-651500-000-000-0	Equipment - Business Operations	
	<b>Total</b>	43,570

100-661100-000-000-0	Salaries - Building Care	36,000
100-661200-000-000-0	Benefits - Building Care	11,500
100-661300-000-000-0	Purchase Service - Building Care	1,800
100-661400-000-000-0	Supplies - Building Care	3,300
100-661500-000-000-0	Capital Objects	
100-664300-000-000-0	Purchase Service - Buildings	
100-664310-000-000-0	Purchase Service - Utilities	18,000
100-664321-000-000-0	Building Rental	77,000
100-664400-000-000-0	Supplies - Building	720
100-665300-000-000-0	Maintenance - Ground Purchases	
100-655400-000-000-0	Maintenance - Ground Supplies	
100-667300-000-000-0	Security Program	
100-667400-000-000-0	Supplies - Security Program	
100-667500-000-000-0	Equipment - Security Program	
	<b>Total Building Care</b>	148,320

100-681100-000-000-0	Salaries - Pupil Transportation	92,000
100-681200-000-000-0	Benefits - Pupil Transportation	21,400
100-681350-000-000-0	Purchase Service Travel	9,120
100-681400-000-000-0	Pupil - Transportation Supplies	6,300
100-681410-000-000-0	Transportation Fuel for Buses	27,650
100-681310-000-000-0	Transportation Fuel for Cars	990
100-681500-000-000-0	Capital Objects	0
	bus insurance	0
	shop amterial/parts	1,000
	<b>Total Transportation</b>	158,460

100-810800-000-000-0	Transfer to Other Funds	
100-911600-000-000-0	Debt Service Principle	64,500
100-912600-000-000-0	Debt Service Interest	
100-950000-000-000-0	Contingency Reserve	
	<b>Total</b>	64,500

**TOTAL EXPENDITURES** 822,456

**balance** 1,533