

State of Hawaii
Department of Education

Financial Report

July 1, 2017 - June 30, 2018

State of Hawaii • Department of Education
Office of Fiscal Services

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MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The Hawaii State Department of Education presents its Annual Financial Report to inform the public of the total cost of public education in Hawaii. It is a key component of department accountability and public transparency.

The Annual Financial Report provides narrative overview and analysis of the financial activities of the Department for the fiscal year. We have reported all operational costs, including repairs and maintenance of school facilities, debt service, and fringe costs for general funded employees incurred by other state departments for public education purposes.

I invite you, as a partner and shareholder, to learn more about Hawaii public schools. We are focused on improving our services and providing a quality education for all students.

A handwritten signature in black ink, consisting of stylized letters that appear to be 'A S K'.

Amy S. Kunz

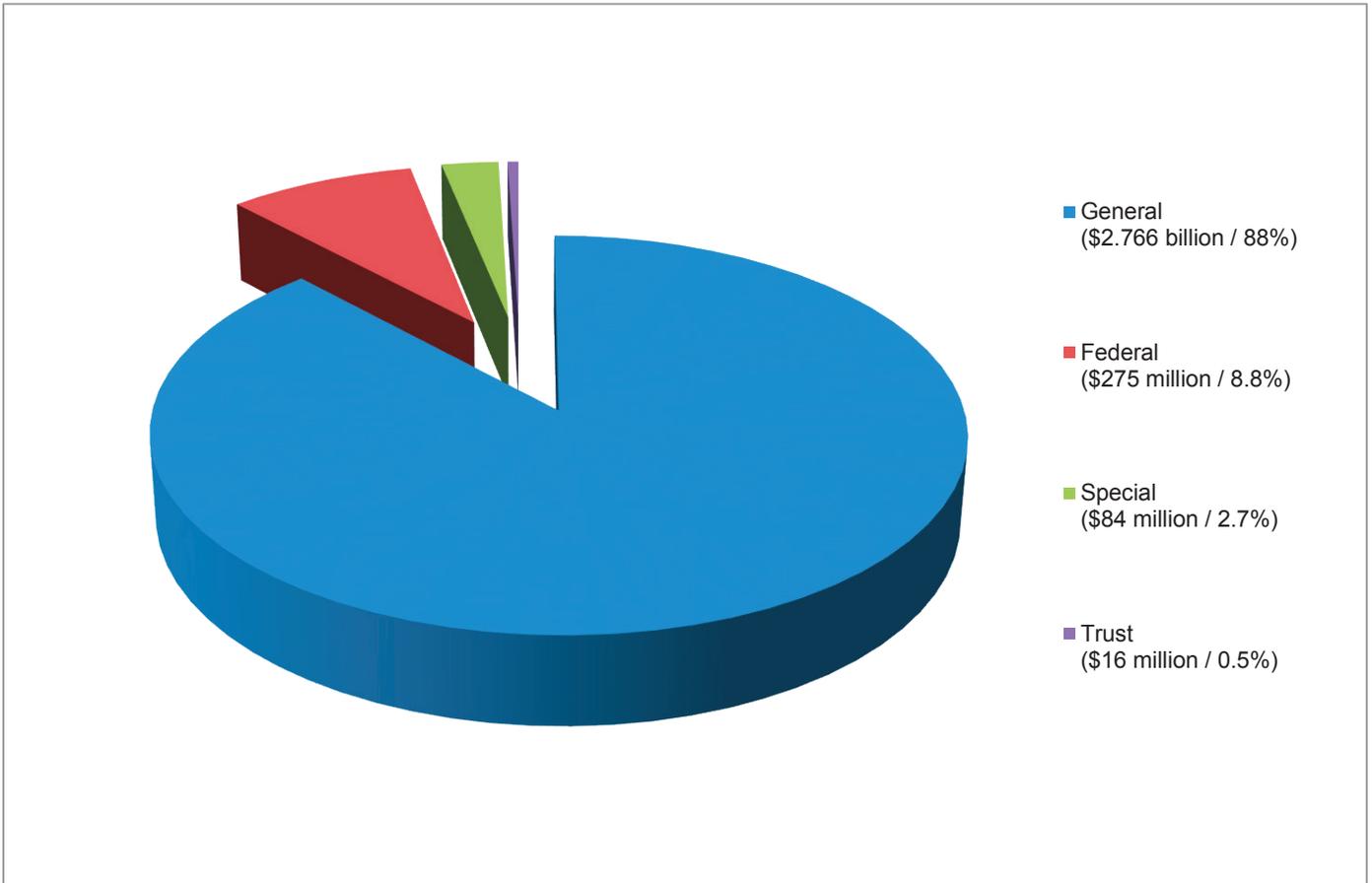
Assistant Superintendent and Chief Financial Officer

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FINANCIAL OVERVIEW

Operating Budget, Fiscal Year (FY) 2017-18



The State of Hawaii's budget for public education for Fiscal Year (FY) 2017-18 totaled \$3.1 billion, consisting of the following funding sources:

General funds

Most of the funding for the Department of Education (DOE) comes from State of Hawaii (State) general funds, primarily from state tax revenues. The State provides the daily operational funding base for the public school system to pay for instruction, instructional support, school support services, as well as state and complex area administration. This amount includes funds budgeted in another state agency for fringe benefits and debt service.

Federal funds

The DOE receives grants from several federal agencies, primarily the U.S. Departments of Education, Agriculture, Defense, and Health and Human Services. Funding is received through national formula-driven grants, or from successful applications for discretionary grants.

Special funds

Special funds are established for revenue-generating programs and activities, which include: school food services, student bus transportation services, summer school program, after-school programs, adult education, driver education, and use of school facilities.

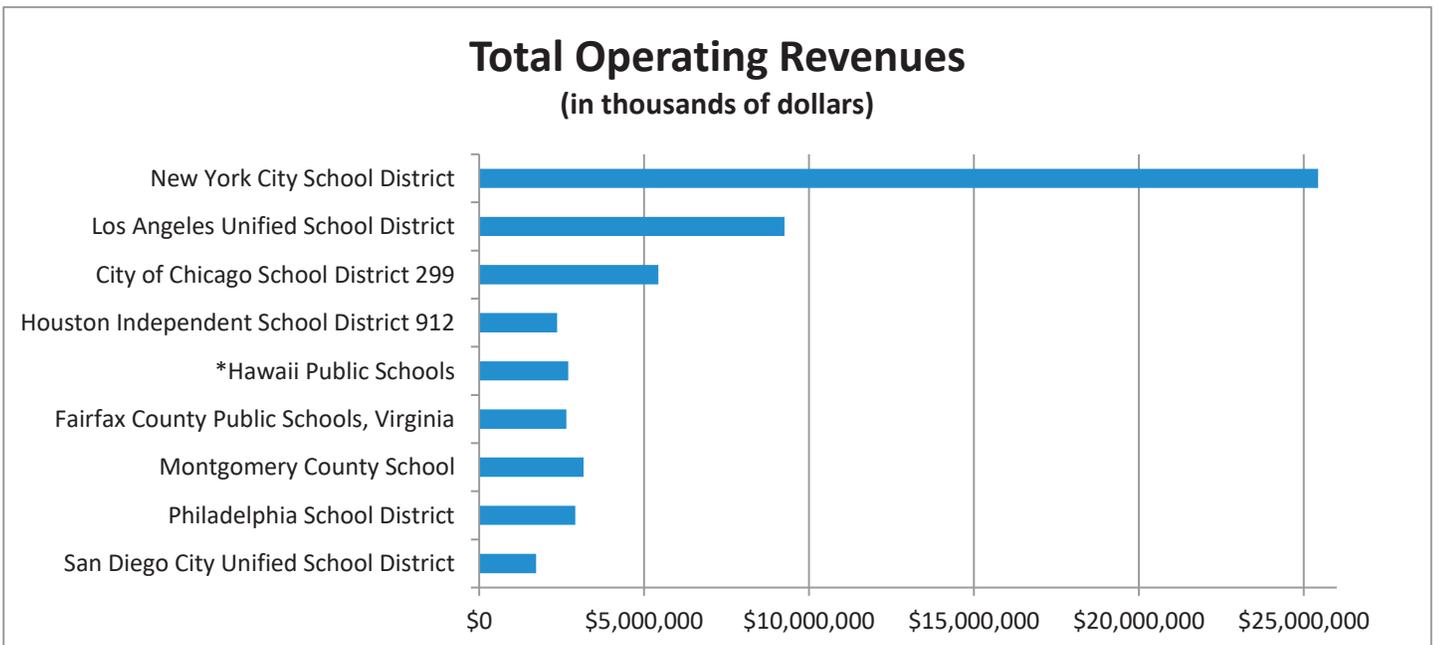
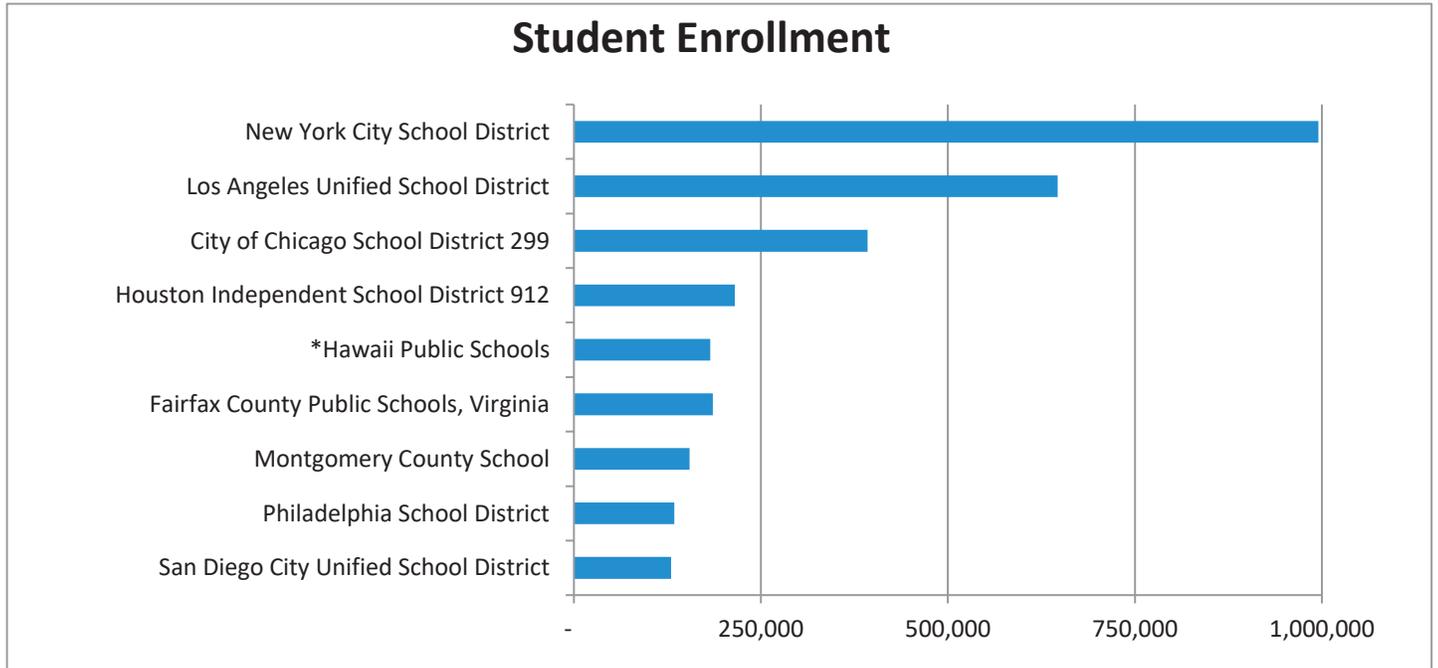
Trust funds

Trust funds are held for specific purposes. These funds may come from donations & gifts, foundations & other grants, school athletic program activity collections, and various "fair share" developer fees.

COMPARISON TO OTHER LARGE URBAN SCHOOL DISTRICTS

This section presents graphs that compare the Hawaii State DOE's revenues, expenditures, and student enrollment statistics with that of other large urban school districts for Fiscal Year (FY) 2014-15, the most recent available national comparison data for school districts released by the U.S. Department of Education, National Center for Education Statistics (NCES).

The Hawaii State DOE's FY 2014-15 annual operating budget of \$2.7 billion, serving approximately 182,000 public school students statewide, is shown below with other large urban school districts nationwide.



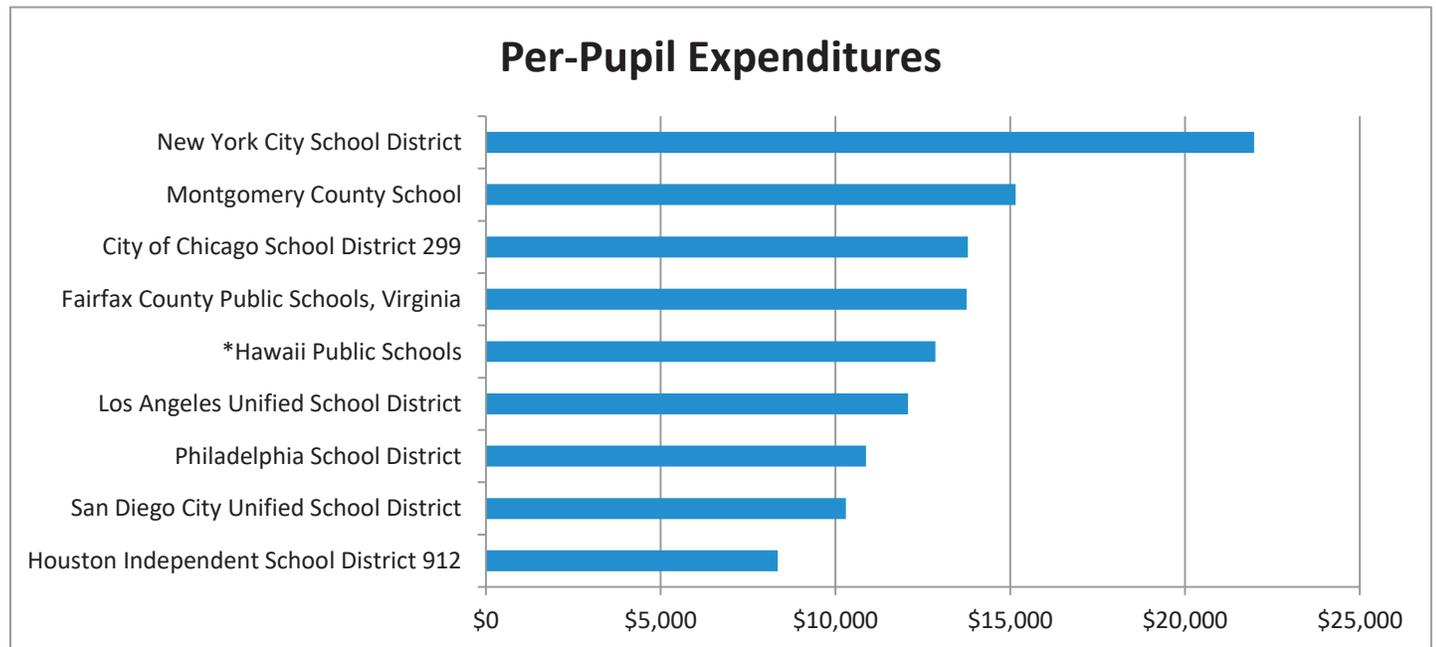
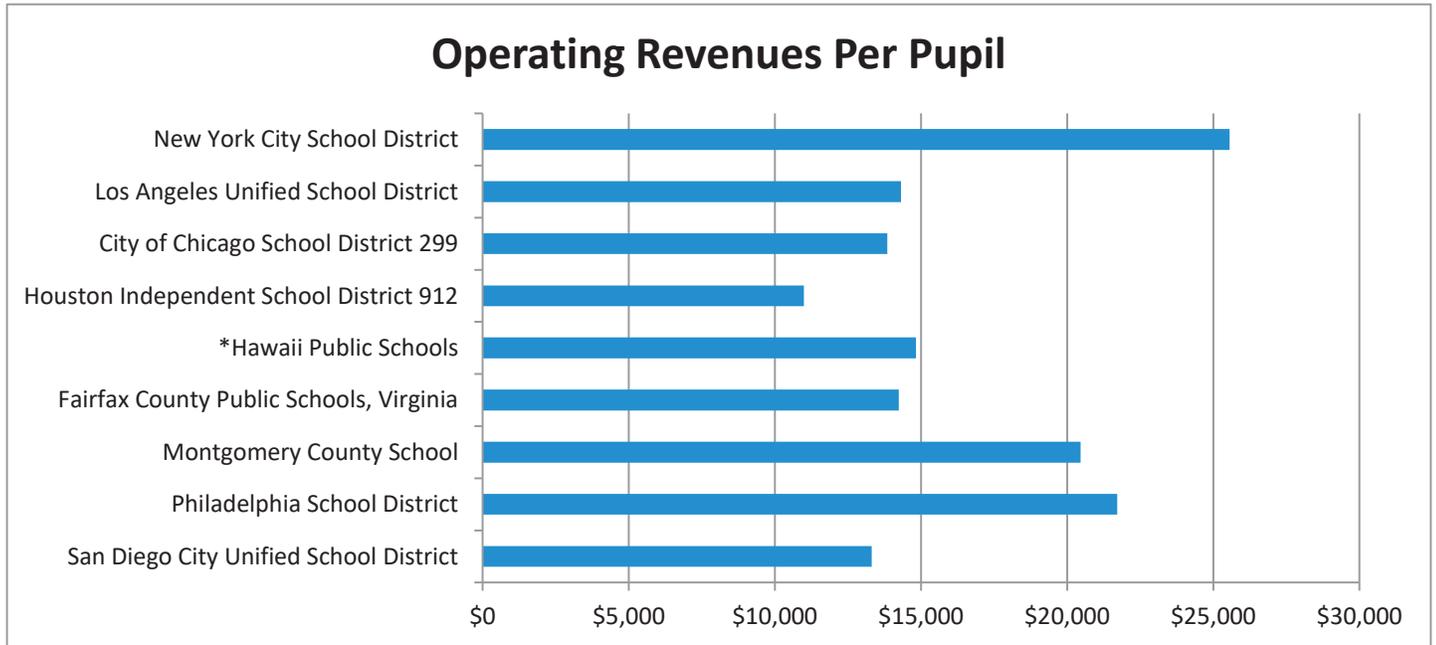
Source: U.S. Department of Education, National Center for Education Statistics, Revenues and Expenditures for Public Elementary and Secondary School Districts School Year 2014-15 (Fiscal Year 2015), Common Core Data (CCD) District Fiscal Report. U.S. Department of Education National Center for Education Statistics (NCES) data are available online at nces.ed.gov.

Note: School Year 2014-15 (Fiscal Year 2015) is the most recent NCES data available as of the date of the preparation of this report.

COMPARISON TO OTHER LARGE URBAN SCHOOL DISTRICTS (continued)

The U.S. Department of Education National Center for Education Statistics (NCES) publishes educational and financial statistics of states and school districts across the nation. Most of the NCES financial published data focuses on revenues and/or expenditures per pupil.

For informational purposes, the ratio of annual operating revenues and expenditures to student enrollment for other large urban school districts for FY 2014-15 is shown below.



Source: U.S. Department of Education, National Center for Education Statistics, Revenues and Expenditures for Public Elementary and Secondary School Districts School Year 2014-15 (Fiscal Year 2015), Common Core Data (CCD) District Fiscal Report. U.S. Department of Education National Center for Education Statistics (NCES) data are available online at nces.ed.gov.

Note: School Year 2014-15 (Fiscal Year 2015) is the most recent NCES data available as of the date of the preparation of this report.

FINANCIAL DISCUSSION AND ANALYSIS

BUDGET AND EXPENDITURES BY FUND, FY 2017-18

(rounded to nearest million)

	General	Federal	Special	Trust	Total	%
BUDGET						
State Education Budget*	\$ 2,658,000,000	\$ 275,000,000	\$ 84,000,000	\$ 16,000,000	\$ 3,033,000,000	
Transfers	38,000,000	-	-	-	38,000,000	
Restriction	-	-	-	-	-	
Prior Year Carryover	70,000,000	-	-	-	70,000,000	
Total Budget	\$ 2,766,000,000	\$ 275,000,000	\$ 84,000,000	\$ 16,000,000	\$ 3,141,000,000	
% of total	88.0%	8.8%	2.7%	0.5%	100.0%	
EXPENDITURES						
Personnel Services	\$ 1,961,000,000	\$ 120,000,000	\$ -	\$ 2,000,000	\$ 2,083,000,000	69%
Other	752,000,000	102,000,000	52,000,000	9,000,000	915,000,000	31%
Total Expenditures	\$ 2,713,000,000	\$ 222,000,000	\$ 52,000,000	\$ 11,000,000	\$ 2,998,000,000	100%
% of total	90.5%	7.4%	1.7%	0.4%	100.0%	
Funds Carried Over	\$ 52,000,000	\$ -	\$ -	\$ -	\$ 52,000,000	
Lapsed Ceiling	\$ 1,000,000	\$ 53,000,000	\$ 32,000,000	\$ 5,000,000	\$ 91,000,000	

The State of Hawaii's budget for public education for Fiscal Year (FY) 2017-18 totaled \$3.141 billion, an increase of \$187 million or 6% from the prior fiscal year. The increase was primarily due to legislative appropriations due to collective bargaining compensation changes and fringe costs budgeted in another State Agency.

General funds

The General fund budget for FY 2017-18, including the prior year carryover, net of transfers and restrictions, totaled \$2.766 billion, an increase of \$181 million or 7% from the previous FY's \$2.585 billion. The increase for FY 2017-18 was mainly due to collective bargaining compensation changes and fringe costs budgeted in another State Agency. General fund expenditures in FY 2017-18 increased by 8% from the previous FY mainly due to the wage and fringe cost related increases in the General fund appropriations.

Federal funds

The Federal fund budget ceiling of \$275 million for FY 2017-18, an increase of \$8 million or 3% from previous FY was mainly due to the increase in appropriation for Department of Defense and Individuals with Disabilities Act federal funds. Federal fund expenditures for FY 2017-18 were \$222 million, a decrease of \$38 million or 15%, mainly due to Impact Aid funds.

Special funds

The Special fund budget ceiling of \$84 million for FY 2017-18 was consistent compared to the previous fiscal year. Special fund expenditures for FY 2017-18 totaled \$52 million, an increase of \$8 million or 18% was mainly due to increased spending by the School Food Services Program.

Trust funds

The Trust fund budget ceiling of \$16 million for FY 2017-18, a decrease of \$2 million or 11% from previous FY was mainly due to the decrease in Adult Education trust funds. Trust fund expenditures for FY 2017-18 totaled \$11 million, an increase of \$4 million or 57% was mainly due to Facilities Settlement funds.

* State Education Budget includes Executive Budget Bill appropriations for the DOE and Public Charter Schools plus expenditures made by B&F for both DOE and Public Charter Schools related debt service and the employer's share of the cost of the employees' retirement system and health insurance costs, due in large part to collective bargaining exceeded the appropriation in the Executive Budget Bill by a combined \$54 million.

Notes: (1) Expenditures reported include cash disbursements plus encumbrances; (2) Beginning in FY 2009-10, appropriations for DOE-related retirement benefit payments, health premium payments, and debt service payments were transferred to the State of Hawaii, Department of Budget & Finance. These amounts have continued to be included in the appropriated funds on the DOE Financial Report for comparability to prior years, as well as to represent the total cost of public education.

FINANCIAL DISCUSSION AND ANALYSIS (continued)

BUDGET AND EXPENDITURES BY FUND - COMPARATIVE, FY 2017-18 and 2016-17

(rounded to nearest million)

DESCRIPTION		FY 2017-18	FY 2016-17	Increase / (Decrease)	%
Budget	General Funds*	\$ 2,766,000,000	\$ 2,585,000,000	\$ 181,000,000	7%
	Federal Funds	275,000,000	267,000,000	8,000,000	3%
	Special Funds	84,000,000	84,000,000	-	0%
	Trust Funds	16,000,000	18,000,000	(2,000,000)	-11%
	Total Budget	\$ 3,141,000,000	\$ 2,954,000,000	\$ 187,000,000	6%
Expenditures**	General Funds*	\$ 2,713,000,000	\$ 2,514,000,000	\$ 199,000,000	8%
	Federal Funds	222,000,000	260,000,000	(38,000,000)	-15%
	Special Funds	52,000,000	44,000,000	8,000,000	18%
	Trust Funds	11,000,000	7,000,000	4,000,000	57%
	Total Expenditures	\$ 2,998,000,000	\$ 2,825,000,000	\$ 173,000,000	6%
Ending Budget Balance		\$ 143,000,000	\$ 129,000,000	\$ 14,000,000	11%

PER-PUPIL EXPENDITURES - COMPARATIVE, FY 2017-18 and 2016-17

DESCRIPTION	FY 2017-18	FY 2016-17	Increase / (Decrease)	%
Per-Pupil Expenditures (based on Official Enrollment)	\$ 14,960	\$ 13,977	\$ 983	7%

OFFICIAL ENROLLMENT AND NUMBER OF SCHOOLS - COMPARATIVE, FY 2017-18 and 2016-17

DESCRIPTION		FY 2017-18	FY 2016-17	Increase / (Decrease)	%
Official Enrollment	Regular/Special Schools	168,095	169,268	(1,173)	-1%
	Charter Schools	11,160	10,634	526	5%
	Total Official Enrollment	179,255	179,902	(647)	0%
Number of Schools	Regular/Special Schools	256	256	-	0%
	Charter Schools	36	34	2	6%
	Total Number of Schools	292	290	2	1%

* General Fund includes activity of Public Charter Schools.

** Expenditures reported include cash disbursements plus encumbrances.

GENERAL FUNDS

GENERAL FUND - BUDGET AND EXPENDITURES - COMPARATIVE, FY 2017-18 and 2016-17

DESCRIPTION		FY 2017-18	%	FY 2016-17	%
Budget	Current Year	\$ 2,695,286,575		\$ 2,536,724,740	
	Carryover from the Prior Year	69,887,788		47,567,787	
Total Budget		\$ 2,765,174,363		\$ 2,584,292,527	
Expenditures*	Instruction & Related				
	General Instruction	1,005,491,740		919,661,865	
	Special Education	576,745,581		533,558,590	
	Supplemental Educational Services	10,871,234		10,214,393	
	Other Instructional Programs	63,570,803		62,066,081	
	Counseling	57,240,410		50,739,288	
	School Libraries	20,185,888		19,540,012	
	School Administration	226,487,496		204,610,828	
	Total Instruction & Related	\$ 1,960,593,152	82%	\$ 1,800,391,057	81%
	Instructional Support				
	Professional Development	22,565,619		21,402,538	
	Curriculum Services	18,891,529		19,058,779	
	School Health Services	12,393,892		11,763,472	
	Total Instructional Support	\$ 53,851,040	2%	\$ 52,224,789	2%
	School Support				
	Safety & Security Services	11,949,914		10,336,469	
	School Food Services	44,557,520		36,886,162	
	Operation & Maintenance	197,425,967		182,387,577	
	Other School Support	5,760,899		8,943,771	
	Student Transportation Services	63,736,114		62,093,090	
Total School Support	\$ 323,430,414	13%	\$ 300,647,069	14%	
Administration					
State & Complex Area Administration	70,538,652		60,909,155		
Total Administration	\$ 70,538,652	3%	\$ 60,909,155	3%	
Total Expenditures		\$ 2,408,413,258	100%	\$ 2,214,172,070	100%
Exclusions**	Adult Education	6,121,813		4,696,986	
	Capitalized Equipment Expenditures	17,375,964		13,592,321	
	Debt Service Costs	281,415,232		281,943,362	
Total Exclusions		\$ 304,913,009		\$ 300,232,669	
Total Expenditures & Exclusions		\$ 2,713,326,267		\$ 2,514,404,739	
Ending Budget Balance		\$ 51,848,096		\$ 69,887,788	

* Expenditures reported include cash disbursements plus encumbrances. Includes General Fund activity of Public Charter Schools.

** Exclusions in accordance with US DOE National Center for Education Statistics (NCES) Common Core of Data Specifications.

FEDERAL FUNDS

REPORT OF ACTIVE GRANTS, FY 2017-18, AS OF FISCAL YEAR END JUNE 30, 2018

Grant Title	Award Date	Lapse Date	Grant Award	Total Expenditures*	Grant Balance
<u>INSTRUCTION & RELATED SERVICES GRANTS</u>					
NCLB - TITLE 1 GRANTS TO LEAS BASIC-CON	07/01/2015	09/30/2017	\$ 41,278,260	\$ 41,278,260	\$ -
NCLB - TITLE 1 GRANTS TO LEAS BASIC-CON	07/01/2016	09/30/2018	50,352,686	49,784,949	567,737
NCLB - TITLE 1 GRANTS TO LEAS BASIC-CON	07/01/2017	09/30/2019	46,858,401	23,414,905	23,443,496
NCLB - TITLE 1 GRANTS TO LEA ADMIN	07/01/2015	09/30/2017	810,220	810,220	-
NCLB - TITLE 1 GRANTS TO LEA ADMIN	07/01/2016	09/30/2018	959,215	959,215	-
NCLB - TITLE 1 GRANTS TO LEA ADMIN	07/01/2017	09/30/2019	3,140,448	1,596,550	1,543,898
NCLB - TITLE I SCHOOL IMPROVEMENT GRANT	07/01/2015	09/30/2017	5,027,657	5,027,657	-
NCLB - TITLE I SCHOOL IMPROVEMENT GRANT	07/01/2016	09/30/2018	2,137,996	2,102,301	35,695
NCLB - TITLE I SCHOOL IMPROVEMENT GRANT	07/01/2017	09/30/2019	3,741,617	568,364	3,173,253
NCLB - NEGLECTED & DELINQUENT TITLE 1	07/01/2015	09/30/2017	408,894	326,769	82,125
NCLB - NEGLECTED & DELINQUENT TITLE 1	07/01/2016	09/30/2018	55,529	55,529	-
NCLB - NEGLECTED & DELINQUENT TITLE 1	07/01/2017	09/30/2019	150,743	127,234	23,509
STATE GRANTS-SPED GRANTS TO STATE IDEA	07/01/2015	09/30/2017	38,348,537	38,348,537	-
STATE GRANTS-SPED GRANTS TO STATE IDEA	07/01/2016	09/30/2018	39,235,313	39,231,753	3,560
STATE GRANTS-SPED GRANTS TO STATE IDEA	07/01/2017	09/30/2019	40,188,558	27,999,228	12,189,330
ED OF THE HANDI CHILD, TITLE VI-B	07/01/2015	09/30/2017	976,204	976,204	-
ED OF THE HANDI CHILD, TITLE VI-B	07/01/2016	09/30/2018	1,366,866	1,366,866	-
ED OF THE HANDI CHILD, TITLE VI-B	07/01/2017	09/30/2019	748,200	122,004	626,196
VOC ED-BASIC GRANT TO STATES	07/01/2015	09/30/2017	2,610,015	2,610,015	-
VOC ED-BASIC GRANT TO STATES	07/01/2016	09/30/2018	2,604,980	2,514,402	90,578
VOC ED-BASIC GRANT TO STATES	07/01/2017	09/30/2019	2,531,980	1,918,879	613,101
PART B - PRESCHOOL GRANTS IDEA	07/01/2015	09/30/2017	903,031	903,031	-
PART B - PRESCHOOL GRANTS IDEA	07/01/2016	09/30/2018	953,818	953,818	-
PART B - PRESCHOOL GRANTS IDEA	07/01/2017	09/30/2019	953,818	390,121	563,697
HALE KULA ELEM SCHOOL, OAHU	09/01/2011	12/31/2018	26,560,000	26,560,000	-
SOLOMON ELEM SCHOOL, OAHU	04/14/2017	12/31/2021	70,248,901	66,610,969	3,637,932
ED FOR HOMELESS CHILDREN & YOUTH	07/01/2015	09/30/2017	206,397	206,397	-
ED FOR HOMELESS CHILDREN & YOUTH	07/01/2016	09/30/2018	250,839	157,910	92,929
ED FOR HOMELESS CHILDREN & YOUTH	07/01/2017	09/30/2019	263,033	-	263,033
STATEWIDE LONGITUDINAL DATA SYSTEMS	10/01/2015	09/30/2019	4,809,912	3,356,525	1,453,387
NCLB - MIGRANT EDUCATION TITLE 1	07/01/2015	09/30/2017	794,430	794,430	-
NCLB - MIGRANT EDUCATION TITLE 1	07/01/2016	09/30/2018	796,457	796,457	-
NCLB - MIGRANT EDUCATION TITLE 1	07/01/2017	09/30/2019	2,093,849	932,845	1,161,004
NCLB - MIGRANT ED PROGRAM CONSORTIUM	07/01/2015	09/30/2017	133,333	133,333	-
NCLB - MIGRANT ED PROGRAM CONSORTIUM	07/01/2016	09/30/2018	133,333	133,333	-
NCLB - MIGRANT ED PROGRAM CONSORTIUM	07/01/2017	09/30/2019	133,333	7,708	125,625
NCLB - MSIX STATE DATA QUALITY GRANTS	07/01/2015	09/30/2017	65,596	65,596	-
DOD-EA-SUPPORTING ALL OUR STUDENTS	09/30/2014	02/28/2019	1,000,000	809,821	190,179
TEST FEE PROGRAM - APF	09/01/2016	08/31/2017	87,752	86,764	988
GEAR UP PROGRAM	07/01/2016	07/31/2017	883,141	504,779	378,362

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FEDERAL FUNDS (continued)

REPORT OF ACTIVE GRANTS, FY 2017-18, AS OF FISCAL YEAR END JUNE 30, 2018

Grant Title	Award Date	Lapse Date	Grant Award	Total Expenditures*	Grant Balance
INSTRUCTION & RELATED SERVICES GRANTS					
GEAR UP PROGRAM	07/01/2017	08/31/2019	\$ 502,110	\$ 365,989	\$ 136,121
NCLB - AFTER SCHOOL LEARNING CENTER	07/01/2015	09/30/2017	5,643,198	5,517,056	126,142
NCLB - AFTER SCHOOL LEARNING CENTER	07/01/2016	09/30/2018	5,716,698	4,919,625	797,073
NCLB - AFTER SCHOOL LEARNING CENTER	07/01/2017	09/30/2019	5,839,198	3,944,757	1,894,441
NCLB - TITLE II IMPROVING TCHR QUALITY	07/01/2015	09/30/2017	10,547,951	10,547,951	-
NCLB - TITLE II IMPROVING TCHR QUALITY	07/01/2016	09/30/2018	10,353,158	10,274,448	78,710
NCLB - TITLE II IMPROVING TCHR QUALITY	07/01/2017	09/30/2019	9,665,753	5,121,486	4,544,267
NCLB - STATE ASSESS & RELATED ACTIVITIES	07/01/2015	09/30/2017	3,836,655	3,836,655	-
NCLB - STATE ASSESS & RELATED ACTIVITIES	07/01/2016	09/30/2018	3,842,146	3,858,084	(15,938)**
NCLB - STATE ASSESS & RELATED ACTIVITIES	07/01/2017	09/30/2019	3,835,639	3,572,793	262,846
NCLB - ENGLISH LANGUAGE ACQUISITION	07/01/2015	09/30/2017	4,075,448	4,073,406	2,042
NCLB - ENGLISH LANGUAGE ACQUISITION	07/01/2016	09/30/2018	4,161,147	2,581,457	1,579,690
NCLB - ENGLISH LANGUAGE ACQUISITION	07/01/2017	09/30/2019	3,827,640	-	3,827,640
GEAR UP-HOLOMUA-LEEWARD COAST	08/24/2012	09/25/2018	939,058	911,656	27,402
NCLB - MATHEMATICS & SCIENCE PARTNERSHIP	07/01/2015	09/30/2017	759,767	759,767	-
NCLB - MATHEMATICS & SCIENCE PARTNERSHIP	07/01/2016	09/30/2018	759,767	633,832	125,935
NCLB - SUPPLEMENTAL SCH IMPROVE GRANTS	07/01/2013	09/30/2017	1,787,579	1,787,579	-
NCLB - SUPPLEMENTAL SCH IMPROVE GRANTS	07/01/2014	09/30/2017	1,817,316	1,783,145	34,171
NCLB - SUPPLEMENTAL SCH IMPROVE GRANTS	07/01/2015	06/30/2021	1,576,989	1,556,749	20,240
NCLB-SUPPLEMENTAL SIG	07/01/2016	06/30/2022	1,604,312	1,280,317	323,995
ESSA TITLE IV SSAE	07/01/2017	09/30/2019	1,940,000	1,940,000	-
NCLB-SDFSC-PROJECT HI AWARE SCT	10/01/2014	09/30/2019	2,435,604	1,466,068	969,536
DOI-COMPACT IMPACT FUNDS - EDN 300	10/01/2013	09/30/2018	1,122,900	1,122,900	-
DOI-COMPACT IMPACT FUNDS - EDN 300	10/01/2014	09/30/2019	1,276,000	1,276,000	-
DOI-COMPACT IMPACT FUNDS - EDN 300	10/01/2015	09/30/2020	1,276,000	1,276,000	-
DOI-COMPACT IMPACT FUNDS - EDN 300	10/01/2016	09/30/2021	1,276,000	-	1,276,000
NCLB ADMINISTRATION	07/01/2016	09/30/2018	562,116	252,930	309,186
NCLB ADMINISTRATION	07/01/2017	09/30/2019	431,781	-	431,781
DOD-EA-COMPREHENSIVE STEM	07/31/2015	02/28/2020	1,500,000	1,187,073	312,927
DOD-EA-READYING RADFORD COMPLEX	07/31/2015	02/28/2020	1,500,000	536,013	963,987
DOD-EA-VISIBLE LEARNING	08/01/2016	02/28/2021	749,744	300,015	449,729
DOD-EA-STEM LEILEHUA COMPLEX	08/01/2016	02/28/2021	1,384,885	267,004	1,117,881
DOD-EA-MCASP KAILUA INTER FY18	09/21/2017	01/22/2022	226,000	26,267	199,733
DOD-DHRA TROOPS TO TEACHERS	05/15/2018	05/14/2023	121,721	-	121,721
DOC-ENVIRONMENTAL STEWARDSHIP & PRESERV	08/01/2015	12/31/2017	88,213	85,195	3,018
TEEN PARENT CHILD CARE CENTER - DHS	07/01/2017	06/30/2018	230,948	153,887	77,061
MIDDLE SCHOOL UPLINK-DHS	10/01/2016	09/30/2017	2,920,000	2,664,594	255,406
MIDDLE SCHOOL UPLINK-DHS	10/01/2017	09/30/2018	3,020,000	1,921,809	1,098,191

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FEDERAL FUNDS (continued)

REPORT OF ACTIVE GRANTS, FY 2017-18, AS OF FISCAL YEAR END JUNE 30, 2018

Grant Title	Award Date	Lapse Date	Grant Award	Total Expenditures*	Grant Balance
INSTRUCTION & RELATED SERVICES GRANTS					
NATIONAL CENTER FOR CHRONIC DISEASE PREV	08/01/2016	07/31/2017	\$ 64,283	\$ 58,201	\$ 6,082
NATIONAL CENTER FOR CHRONIC DISEASE PREV	08/01/2017	07/31/2018	58,015	54,814	3,201
DHHS-PROJECT HI AWARE	09/30/2014	09/29/2019	5,844,870	3,429,754	2,415,116
NATIVE HAWAIIAN PIHANA HOU-UH	09/01/2014	12/31/2017	1,506,183	1,506,183	-
NATIVE HAWAIIAN MOHALA I KE AO-UH FY18	10/01/2017	09/30/2019	231,148	83,934	147,214
HAWAII NATIVE FOREST RESTOR - TKC FY18	01/05/2018	06/30/2019	3,750	-	3,750
HAWAII HEAD START STATE COLLABORATION	07/01/2017	06/30/2018	125,000	105,458	19,542
TOTAL - INSTRUCTION & RELATED SERVICES GRANTS			\$ 505,789,982	\$ 431,584,529	\$ 74,205,453
FOOD SERVICES GRANTS					
HCNP - STATE ADMIN EXPENSE	10/01/2015	09/30/2017	\$ 1,005,385	\$ 1,005,385	\$ -
HCNP - STATE ADMIN EXPENSE	10/01/2016	09/30/2018	1,097,789	1,032,729	65,060
HCNP - STATE ADMIN EXPENSE	10/01/2017	09/30/2019	1,025,690	624,975	400,715
HCNP - CACFP AUDIT	10/01/2016	09/30/2017	142,519	142,519	-
HCNP - CACFP AUDIT	10/01/2017	09/30/2018	106,531	102,532	3,999
HCNP - SUMMER STATE ADMIN EXPENSE	10/01/2016	09/30/2017	37,701	37,701	-
HCNP - SUMMER STATE ADMIN EXPENSE	10/01/2017	09/30/2018	39,873	21,136	18,737
HCNP - SUMMER INSPECTION	10/01/2016	09/30/2017	2,000	-	2,000
HCNP - ADMIN REVIEW & TRAINING FY12	08/18/2011	09/30/2017	1,499,385	1,452,771	46,614
HCNP - FRESH FRUIT & VEGETABLE ADMIN	10/01/2016	09/30/2017	107,343	107,343	-
HCNP - FRESH FRUIT & VEGETABLE ADMIN	10/01/2017	09/30/2018	105,937	64,358	41,579
HCNP - NSLP MEALS EQUIPMENT ADMIN	05/11/2015	09/30/2017	4,578	3,554	1,024
HCNP - NSLP MEALS EQUIPMENT ADMIN	05/11/2016	09/30/2018	5,650	5,650	-
HCNP - NSLP MEALS EQUIPMENT ADMIN	05/11/2017	09/30/2019	4,544	3,792	752
HCNP - TEAM NUTRITION TRAINING ADMIN	09/30/2014	09/30/2017	19,993	19,993	-
TOTAL - FOOD SERVICES GRANTS			\$ 5,204,918	\$ 4,624,438	\$ 580,480
PUBLIC SERVICE GRANTS					
ADULT EDUCATION - STATE ADMINISTERED	07/01/2015	09/30/2017	\$ 2,156,142	\$ 2,156,142	\$ -
ADULT EDUCATION - STATE ADMINISTERED	07/01/2016	09/30/2018	2,073,669	1,517,725	555,944
ADULT EDUCATION - STATE ADMINISTERED	07/01/2017	09/30/2019	2,219,524	73,327	2,146,197
TOTAL - PUBLIC SERVICES GRANTS			\$ 6,449,335	\$ 3,747,194	\$ 2,702,141
ADMINISTRATIVE SUPPORT SERVICES GRANTS					
NAEP STATE COORDINATOR	07/01/2016	06/30/2019	\$ 226,581	\$ 75,163	\$ 151,418
NAEP STATE COORDINATOR	07/01/2017	06/30/2019	43,769	-	43,769
AAPI ELL DATA OUTCOMES/IMPROV GRANT	11/01/2016	10/31/2021	452,047	151,121	300,926
TOTAL - ADMINISTRATIVE SUPPORT SERVICES GRANTS			\$ 722,397	\$ 226,284	\$ 496,113
GRAND TOTAL			\$ 518,166,632	\$ 440,182,445	\$ 77,984,187

* Expenditures reported include cash disbursements plus encumbrances.

** Deficit balance cleared in subsequent year.

Note: This report does not include activities of: (a) School Food Service reimbursement grants from the U.S. Department of Agriculture, (b) financial assistance grants from the U.S. Department of Defense and (c) Impact Aid funds.

SPECIAL AND TRUST FUNDS

SPECIAL FUND - REPORT OF RECEIPTS, EXPENDITURES, AND CASH BALANCES, FY 2017-18

SPECIAL FUND PROGRAMS	Beginning Cash	Total Receipts	Total Expenditures*	Ending Cash
Adult Education	\$ 1,195,204	\$ 285,725	\$ 254,289	\$ 1,226,640
After School Plus (A+ Program)	6,234,324	9,010,594	9,315,173	5,929,745
Arts in Public Places	19,155	238,693	221,227	36,621
Driver Education	3,628,452	2,395,472	2,247,145	3,776,779
Education Design & Construction Project Assessment	2,332,720	1,976,897	2,743,363	1,566,254
Federal Revenue Maximization Revolving**	1,103,688	727,558	683,961	1,147,285
Hawaii Teachers Standards Board	794,035	1,063,539	1,068,473	789,101
Human Resources Stipend Program	405,605	205,147	21,744	589,008
Private Trade, Vocational, and Technical School Licensure	-	55,450	-	55,450
Regular Instruction HI Schools	31,820	114	7	31,927
Reimbursement for Lost Textbooks & Equipment	1,477,040	150,484	179,835	1,447,689
School Bus Revolving Fund	1,392,885	2,336,110	2,140,197	1,588,798
School Food Services	9,208,031	23,443,649	27,386,585	5,265,095
School Level Minor Repair & Maintenance	5,743	77,270	6,633	76,380
Searching Discretionary Grants & Developing Applications	581,451	74,883	141,761	514,573
Summer School	1,620,953	1,725,624	1,809,831	1,536,746
Teacher Housing	319,083	395,934	240,133	474,884
Uemployment Insurance	1,114,655	96,787	100,528	1,110,914
Use of School Facilities	5,516,220	2,373,071	1,983,167	5,906,124
Workers Compensation	1,002,149	1,024,557	1,831,042	195,664
Total Special Funds	\$ 37,983,213	\$ 47,657,558	\$ 52,375,094	\$ 33,265,677

TRUST FUND - REPORT OF RECEIPTS, EXPENDITURES, AND CASH BALANCES, FY 2017-18

TRUST FUND PROGRAMS	Beginning Cash	Total Receipts	Total Expenditures	Ending Cash
Alu Like, Inc. Grants	\$ 54,960	\$ 245,739	\$ 264,726	\$ 35,973
Donations & Gifts	4,953,386	2,390,378	1,101,848	6,241,916
Donations - Facilities	-	9,038	9,038	-
Fair Share / Impact Fees***	9,219,524	291,859	-	9,511,383
Foundations & Other Grants	6,322,524	2,663,566	3,075,153	5,910,937
Office of Hawaiian Affairs Grants	389,408	-	15,556	373,852
Settlements - Operating	370,539	1,424	-	371,963
Settlements - Facilities	-	5,842,685	4,722,227	1,120,458
OLELO - Educational Programs on Public Access TV	1,354,029	795,716	512,924	1,636,821
School Athletic Fund	1,180,106	920,412	842,631	1,257,887
Total Trust Funds	\$ 23,844,476	\$ 13,160,817	\$ 10,544,103	\$ 26,461,190

* Expenditures reported include cash disbursements plus encumbrances.

** Medicaid reimbursement revolving account.

**** In return for being granted a higher zoning of their property, developers have been required by the Land Use Commission to pay fees to the DOE to mitigate the DOE's cost of providing school facilities. These contributions to the DOE are referred to as either Fair Share Contributions or Impact Fees and are to be expended by the Office of School Facilities and Support Services for school facilities needs.

STUDENT ACTIVITY FUNDS

REPORT OF RECEIPTS, EXPENDITURES, AND CASH BALANCES, FY 2017-18

Student Activity Funds (SAF), formerly known as Local School Funds, are used for school activities that take place outside of the formal class period and are not required for class work or credit. SAF monies collected and maintained by the school are held in a custodial capacity for the students and do not require deposit into the State Treasury.

Student Activity Fund Programs	Beginning Cash	Total Receipts	Total Disbursements	Total Transfers	Ending Cash
Regular Activities - Administration	\$ 9,019,858	\$ 5,826,702	\$ 6,139,308	\$ 271,774	\$ 8,979,026
Regular Activities - Grade / Grad Class	2,350,167	2,980,862	3,518,979	717,839	2,529,889
Regular Activities - Student Activity	7,301,726	7,129,377	7,921,839	1,260,932	7,770,196
Regular Activities - Club	1,156,189	1,265,683	1,607,797	463,009	1,277,084
Regular Activities - Sport Team	2,125,480	2,137,914	2,869,179	877,191	2,271,406
Special Activities - Donations	3,556,355	2,393,984	1,809,304	(179,410)	3,961,625
Special Activities - Field Trips	98,078	4,178,265	4,300,469	153,613	129,487
Special Activities - Fundraisers	416,943	7,034,304	3,353,481	(3,577,241)	520,525
Special Activities - Grants	691,995	700,892	507,767	12,293	897,413
Investments	398,547	65,187	53,725	-	410,009
Total Student Activity Funds	\$ 27,115,338	\$ 33,713,170	\$ 32,081,848	\$ -	\$ 28,746,660

Regular Activities

Administration: SAF Funds for administrator or general school use at the discretion of the principal.

Grade / Grad Class: SAF Funds of a grade level or graduating year (class of xxxx) and its related activities.

Student Activity: SAF Funds for a student activity that benefits one or more students, but is not specifically associated with a grade/graduating class, club, or sport team.

Club: SAF Funds for school sponsored chartered clubs as authorized by the Principal (approved annual applications on file) and their related activities.

Sport Team: SAF Funds of official school-recognized sport teams which exist under the DOE Athletics Program and not otherwise required to be routed through the State accounts.

Special Activities

Donations: A donation is a voluntary and generally unsolicited gift received from a donor who expects nothing of significant value in return, other than recognition and disposition of the gift in accordance with the donor's wishes.

Field Trips: A field trip is an excursion taken by students for the purpose of studying, observing, or experiencing something outside of the classroom.

Fundraisers: Fundraising is a pre-approved money-raising activity conducted by students for the benefit of a school-recognized or school-sponsored group, such as: grade/graduating class, club, sports team, or the school-wide student body. All fundraising activity must be approved by the Principal. Fundraising activities generally involve providing a good or service in exchange for monies from other students, school faculty, or the community. The monies raised are for purposes of the school or a specific group (i.e., Art Club or Basketball) and cannot be used for non-approved activities, a specific student or teacher, or to benefit individual students or teachers.

Grants: A grant or contract is an externally funded activity where there is a written or formal agreement representing the transfer of money from a sponsor/grantor in exchange for specific services or actions. This written agreement is enforceable by law, and performance is usually accomplished in a specific time frame, with support being revocable for cause.

Investments: Schools are permitted to invest idle cash from the SAF funds in secured investments.

SCHOOL FOOD SERVICES PROGRAM

FINANCIAL / OPERATIONAL HIGHLIGHTS AND COST PER MEAL - COMPARATIVE, FY 2017-18 and 2016-17

The School Food Services Program ensures that Hawaii's students are given the opportunity to make healthy food choices by providing high quality, nutritious and affordable meals in a courteous, stress-free environment.

FINANCIAL HIGHLIGHTS		FY 2017-18		FY 2016-17	
By Source of Funds	General Fund	\$ 30,428,530	26%	\$ 25,250,509	23%
	Special Fund	26,015,507	23%	19,037,539	17%
	Federal Cash Subsidy	53,116,189	46%	61,028,844	55%
	Federal Commodities	5,774,985	5%	6,212,451	5%
Total		\$ 115,335,211	100%	\$ 111,529,343	100%
By Expenditure Category	Personal Services	\$ 57,812,149	50%	\$ 54,324,189	49%
	Food	45,647,230	40%	43,412,922	39%
	Supplies	5,166,719	4%	5,046,841	5%
	Other Expenses	5,829,992	5%	6,181,021	5%
	Equipment	879,121	1%	2,564,370	2%
Total		\$ 115,335,211	100%	\$ 111,529,343	100%

OPERATIONAL HIGHLIGHTS		LUNCH		BREAKFAST	
		FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Number of Meals Served	Paid	6,151,157	6,327,853	1,093,558	1,219,238
	Free	9,141,225	8,948,811	3,801,726	3,943,070
	Reduced	1,522,894	1,643,583	422,817	486,649
	Adult and Other	917,759	900,143	424,990	417,319
Total		17,733,035	17,820,390	5,743,091	6,066,276

COST PER MEAL		LUNCH		BREAKFAST	
		FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
By Source of Fund	General Fund	\$ 2.52	\$ 2.08	\$ 0.61	\$ 0.43
	Special Fund	1.38	0.97	0.26	0.28
	Federal Cash Subsidy	2.41	2.82	1.81	1.76
	Federal Commodities	0.33	0.35	-	-
Total		\$ 6.64	\$ 6.22	\$ 2.68	\$ 2.47
By Expenditure Category	Personal Services	\$ 2.27	\$ 2.14	\$ 0.65	\$ 0.59
	Fringe Benefit	1.11	0.93	0.32	0.25
	Food	2.09	2.02	1.16	1.10
	Other	0.56	0.56	0.34	0.34
	Indirect	0.61	0.57	0.21	0.19
Total		\$ 6.64	\$ 6.22	\$ 2.68	\$ 2.47

CONSOLIDATED ANNUAL FINANCIAL REPORT OF EXPENDITURES*, FY 2017-18

Description	General Fund**	Federal Fund	Special Fund	Trust Fund	Grand Total	%	Per Pupil Cost***
<u>INSTRUCTION & RELATED</u>							
General Instruction	\$ 1,005,491,740	\$ 23,746,605	\$ 251,180	\$ -	\$ 1,029,489,525		
Special Education	576,745,581	43,561,163	1,062,605	-	621,369,349		
Supplemental Educational Services	10,871,234	70,233,374	610,485	-	81,715,093		
Other Instructional Programs	63,570,803	6,149,969	4,110,433	5,129,878	78,961,083		
Counseling	57,240,410	-	-	-	57,240,410		
School Libraries	20,185,888	-	-	-	20,185,888		
School Administration	226,487,496	-	321,436	-	226,808,932		
Total Instruction & Related	\$ 1,960,593,152	\$ 143,691,111	\$ 6,356,139	\$ 5,129,878	\$ 2,115,770,280	79%	\$11,803
<u>INSTRUCTIONAL SUPPORT</u>							
Professional Development	\$ 22,565,619	\$ 14,224,062	\$ 145,383	\$ 233,614	\$ 37,168,678		
Curriculum Services	18,891,529	32,596	283	-	18,924,408		
School Health Services	12,393,892	-	-	-	12,393,892		
Total Instructional Support	\$ 53,851,040	\$ 14,256,658	\$ 145,666	\$ 233,614	\$ 68,486,978	2%	\$ 382
<u>SCHOOL SUPPORT</u>							
Safety & Security Services	\$ 11,949,914	\$ -	\$ -	\$ -	\$ 11,949,914		
School Food Services	44,557,520	54,153,011	27,857,295	6,446	126,574,272		
Operations & Maintenance	832,552	-	-	-	832,552		
Custodial Services	82,503,926	5,150,442	-	-	87,654,368		
Utilities	57,201,140	-	-	-	57,201,140		
Repairs & Maintenance	56,888,349	-	2,749,996	4,722,227	64,360,572		
Other School Support	5,760,899	205,325	1,978,130	80,590	8,024,944		
Student Transportation Services	63,736,114	-	2,140,197	-	65,876,311		
Total School Support	\$ 323,430,414	\$ 59,508,778	\$ 34,725,618	\$ 4,809,263	\$ 422,474,073	16%	\$ 2,357
<u>ADMINISTRATION</u>							
State & Complex Administration	\$ 70,538,652	\$ 2,728,404	\$ 1,560,537	\$ 56,120	\$ 74,883,713		
Total Administration	\$ 70,538,652	\$ 2,728,404	\$ 1,560,537	\$ 56,120	\$ 74,883,713	3%	\$ 418
TOTAL BEFORE EXCLUSIONS	\$ 2,408,413,258	\$ 220,184,951	\$ 42,787,960	\$ 10,228,875	\$ 2,681,615,044	100%	\$14,960
<u>EXCLUSIONS****</u>							
Adult Education	\$ 6,121,813	\$ 2,033,162	\$ 271,961	\$ 290,953	\$ 8,717,889		
After-School Plus (A+) Program	35,000	-	9,315,173	-	9,350,173		
Capitalized Equipment	17,375,964	-	-	-	17,375,964		
Debt Service Costs	281,415,232	-	-	-	281,415,232		
Total Exclusions	\$ 304,948,009	\$ 2,033,162	\$ 9,587,134	\$ 290,953	\$ 316,859,258		
GRAND TOTAL	\$ 2,713,361,267	\$ 222,218,113	\$ 52,375,094	\$ 10,519,828	\$ 2,998,474,302		

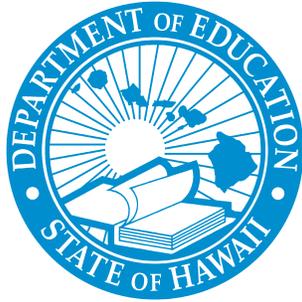
* Expenditures reported include cash disbursements plus encumbrances.

** General Fund includes activity of Public Charter Schools.

*** Based on Official State of Hawaii, Department of Education Enrollment for FY 2017-18 of 179,255 students (includes Public Charter Schools).

**** Exclusions in accordance with U.S. Dept. of Education, National Center for Education Statistics (NCES) Common Core of Data Specifications.

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State of Hawaii
Department of Education

Financial Report

July 1, 2017 - June 30, 2018