DRAFT

Kapolei Charter School (KCS)
Governing Board Meeting Minutes
October 21, 2026

Governing Board Members in Attendance: Paula Chang, Malcolm Lau, Gary Pacarro, Ileana Ruelas, S. Welaahilani Wāhilani III, EdD

Guest: PJ Foehr, Deputy Director, State Public Charter School Commission

Members/Staff Not in Attendance: Germaine Escoto, Katy Chen

Staff in Attendance: Dr. Wanda Villareal, School Director; Laura Smith; Carol Taira, Brent Arakaki, Merle Hayashi

I. Call to Order

- Malcolm Lau called the meeting to order at 12:06 pm, held in person at Kapolei Charter School and via zoom.

II. Review/Approval of the FYE June 30, 2026 Audit Report

- Charles Goodin, Principal and Britney Delima, Audit Sr. Manager of N&K CPA's, Inc., presented the audit report for Kapolei Charter School, the full draft audit was sent to all Board Members.
- Financial highlights FY2026 at a Glance | Charles Goodin noted the following:
  - $2.93M in total net position, that is up $312K year over year.
  - Revenues is at $1.84M up almost $40K compared to the previous year.
  - Expenses are at $1.53M up about $91K compared to the prior year.
  - General fund balance is $3.08M
  - 132 Students, enrollment is down from 137 in FY2025
  - $11,985 per pupil state allocation rate, compared to $11,055 in the prior year
  - Cash makes up the majority of assets of the school at $3.16M.
- Condensed Statements of Net Position | Britney Delima noted the following:
  - As mentioned, cash $3.16M makes up 98% of the total assets.
  - Capital assets declined $18.5K as depreciation outpaced additions.
  - Total liabilities increased by $36K due an increase in compensated absences.
  - Unrestricted net position grew $330K to $2.89M.
- Condensed Statements of Activities
  - Revenue increased 2.2%, while expenses grew 6.3%
  - Per pupil allocation rose to $67.5K despite the decrease of five less students.
  - Grant revenue fell $22K and interest income fell $6K.
  - Net position still increased $312K, down from $363K last year.
- Revenues: State funding drives 86% of the total
  - A 3.6% enrollment decline was more than offset by an 8.4% higher per pupil rate, lifting State revenue $67.5K (+4.5%). Grant and interest revenue both declined.
- Expenses: salaries remain two-thirds of spending | FY2026 expenses ($1,532,498).
  - 66% of total expenses are salaries and wages ($1,007,327), up $43,330.
  - 58 / 42 instructional vs. administration split, unchanged from FY2025.
  - +$24,433 increase in professional fees is the second-largest driver.
- Summary of Auditor's Results as follows:
  - N&K CPAs will issue an unmodified opinion on the Financial Statements.
  - Internal control over financial reporting stated:
    - No Material weakness(es) identified
    - Significant deficiencies - None reported

- Required Communications:
  - N&K communicated the Auditor's responsibilities in a letter dated May 12, 2026. The school's significant accounting policies are disclosed in Note B. The school implemented GASB Statement No. 103 in FY2026. We noted no transactions lacking authoritative guidance or consensus. All significant transactions were recognized in the proper period.
  - Management's estimate of compensated absences is based on hours earned, estimated payroll rates, and historical sick leave usage. We evaluated the key factors and assumptions and found the estimate reasonable in relation to the financial statements taken as a whole.
  - N&K encountered no significant difficulties in dealing with management in performing and completing our audit.
- A summary of Uncorrected Misstatements (detailed in the distributed documents), were determined immaterial to the financial statements. Upcoming GASB 105 is effective for fiscal years beginning after June 15, 2026; it clarifies when and what to disclose.
- **Paula Chang moved to approve the FYE June 30, 2026 Audit Report, Gary Pacarro seconded; all members were in favor.**

III. Review/Approval of the August 19, 2026 Governing Board Meeting Minutes

- Copies of the August 19, 2026 Governing Board Meeting Minutes were distributed and reviewed.
- **Gary Pacarro moved to approve the August 19, 2026 Governing Board Meeting Minutes, Paula Chang seconded; all members were in favor.**

IV. Review/Approval of the July and August 2026 Financial Statements

- Carol Taira provided a recap of the financial results:

	July 2026	Aug 2026	FYE Aug 2026 (2 months)
Revenues	$1,229,697	$ 9,050	$1,238,747
Expenses	$ 114,429	$ 141,279	$ 255,708
Net excess (deficit)	$1,115,267	($ 132,229)	$ 983,039

- REVENUE
  - July – received 1st pupil allotment (60%) - $1,221,745.
  - July and August – recorded $17,002 in interest income.
- EXPENSE
  - Payroll costs for 2 months ended 8/31/2026 - $185,665, 73% of total expenses.
  - Audit fee, partial billing for FY 2026, $15,707.
  - July and Aug - consultants fee billed for 2 months $10,471.
- **Ileana Ruelas moved to approve the July and August 2026 Financial Statements, Paula Chang seconded; all members were in favor.**

V. Report by School Director

Dr. Villareal updated members on the following:

Charter School Commission Items:

2025-2026 Annual Contract Review

- Academic Framework
  - Working on updating all curriculum trackers for subjects offered at KCS.
- Financial Performance Framework
  - Submitted all required financial statements - Submitted all required documents
- Organizational Performance Framework
  - Completed show proof binder to ensure all contract requirements are met.
  - No concerns at this time

Organizational/Financial Performance Framework Commission Visit

- Summer Visit on 7/2/2026
  - Strengths:
    - The school updated its accounting procedures and adopted a Fixed Asset Policy.
    - The school described its student monitoring procedures, including the use of campus cameras and a staff communication system (GroupMe chat).
    - The school has proactively written a Title IX Policy and Procedure.
    - School leadership discussed its succession planning efforts and organizational structure.
  - SUGGESTIONS:
  - Section 15.7: The school shared that the teacher team has revised its teacher evaluation tool. Ensure the evaluation process is consistent with the HSTA Master Agreement or pursue an approved supplemental agreement, if applicable.
    - Consider posting a standardized complaint form or template letter on the school's website to support consistency in the submission of general and Title IX complaints under your new Policy 513.
    - Work on creating a Title IX Team on campus that can train your learning community.
    - Add a Title IX statement on the landing page of your website.
    - Continue developing a formal evaluation tool for non-teaching staff to support consistent employee performance evaluations.

Title IV Grant – Received $20,000

- Facility and Safety
- College courses
- Curriculum – Focus on Math and Science
- Industry certifications –

<u>Administrative Operations and Personnel</u>

Current Enrollment: 136

- 40 9th graders
- 32 10th graders
- 39 11th graders
- 25 12th graders

Marketing Strategies:

- Our team meets weekly to address/brainstorm improving our footprint in our community.
- Strategies included:
  - Early enrollment planning
    - Combine social media student activities with our open house information
    - Schedule all open houses in November for 2027
    - Walk-in opportunity or schedule an individual tour
  - Continue community outreach activities and visited several schools in Leeward and West Oahu
  - Larger presences with social media – GW team was excellent in supporting
    - We had our first successful social media post with $17,000 reviews
  - Improve newsletters – See last newsletter
    - Opportunity to use word of mouth marketing
    - All Career activities are featured in our newsletter
  - Improve Webpage – Add more content

Hiring Activities

- Faculty; **2026-2027 SY**
  - 8 Teachers (math/science/English/Social Studies/CTE/Electives/Career counseling/SPED 2)
    - Added 3 great addition to our team; Daniel (Math-Lost Byron to another charter school near where he lives), Omar (Social Studies; Shiloh moved to SPED but also on maternity leave for 3 months) and Melissa (Science)
    - SPED department approved 1.5 FTE for EA next school year
      - Used to support IEP students and substitute
  - 3 Life Coaches (Support health and safety)
  - 3 Administrators (Director, Director of Admin, and Director of Ops)
  - Admin - Receptionist
- Executive Admin Support: ½ time Business Manager and Sr. Accountant

Leadership Structure- For school year 2026-2027

- **School Director**
  - Director of Operations
  - Director of Education – on hold (Contract services with Shaun who left for California)
  - Director of Administration – Revamping role and responsibilities

Career Activities – Added articles in newsletter

- Carpenters Union Visit
- HPD L.E.E.P. Program
- College Fair
- Kaiser

Assessments, Curriculum, and Resources

- Class of 2026
  - Over 100% of students enter career path and on track to graduate
  - 92% (24 out of 26) will attend Trade School or college
  - 3% (1 out of 26) Students plan to go military
  - 3% (1 out of 26) Will work after high school

Student Progress Report

- Academics
  - We tested all incoming students on the first day of school.
  - Purchased interactive math and testing science curriculum to support teacher instruction
- Graduation
  - Tokai University for graduation – May 22, 2027

Financial and Budget: See Financial Statements

VI. Other Business

None

VII. Executive Session

- Members convened an executive session; non-key staff were excused.

Adjournment: Malcolm Lau adjourned the meeting at 12:46 pm.

Submitted by:

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Merle Hayashi
Executive Assistant

Approved by:

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Malcolm Lau
Chairman of the Governing Board