



# Navigator Schools

## Finance Committee

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### Date and Time

Thursday May 3, 2018 at 3:00 PM PDT

### Location

650 San Benito Suite, Suite 230, Hollister, CA 95023

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### Teleconference Locations

- 827 Broadway, Suite 300, Oakland, CA 94607
- 303 Twin Dolphin Drive Suite 600, Redwood City CA 94065

### Teleconference Instructions

- Join from PC, Mac, Linux, iOS or Android: <https://navigatorschools.zoom.us/j/368241640>
  - Telephone: +1 669 900 6833 or +1 408 638 0968 or +1 646 876 9923
  - Meeting ID: 368 241 640
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### Agenda

#### I. Opening Items

Opening Items

##### A. Record Attendance and Guests

**B.** Call the Meeting to Order

**C.** Approve Minutes

Approve minutes for Finance Committee on February 27, 2018

## **II. Finance**

Finance

**A.** 2017-18 Financials with Dashboard

Highlights of the 2017-18 budget will be compared with year-to-date actuals. Significant changes to projections will be identified and discussed.

**B.** Preliminary 2018-19 Budget

Present and discuss preliminary 2018-19 budgets for CMO, HPS, GPS, and WPS. Documents to be presented include the 2018-19 Budget and the 2018-19 Narrative.

**C.** LCAP Update

Ami will share the current status of this year's LCAP update process.

## **III. Other Business**

**A.** Facilities Update

Kevin will provide an update regarding long-term facilities planning for GPS and HPS.

**B.** NS Professional Development (PD) Provision Contracts

The committee will discuss issues, procedures, and timelines for professional development services provided by NS to external agencies.

## **IV. Closing Items**

**A.** Adjourn Meeting

# Coversheet

## Approve Minutes

<b>Section:</b>	I. Opening Items
<b>Item:</b>	C. Approve Minutes
<b>Purpose:</b>	Approve Minutes
<b>Submitted by:</b>	
<b>Related Material:</b>	Minutes for Finance Committee on February 27, 2018

APPROVED



## Navigator Schools

### Minutes

#### Finance Committee

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##### **Date and Time**

Tuesday February 27, 2018 at 3:00 PM

##### **Location**

650 San Benito Street, Suite 230, Hollister CA 95023

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##### **Teleconference Locations**

- 83 Great Oaks Blvd., San Jose CA 95119
- 900 Island Drive, Redwood City CA 94065

##### **Teleconference Instructions**

- Meeting ID: 689 104 265
- Dial by phone: US: +1 646 876 9923 or +1 669 900 6833 or +1 408 638 0968
- Join from PC, Mac, Linux, iOS or Android: <https://navigatorschools.zoom.us/j/689104265>

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##### **Committee Members Present**

Joyce Montgomery (remote), Nora Crivello (remote)

##### **Committee Members Absent**

Caitrin Wright

##### **Guests Present**

Ami Ortiz, Bryan Adams, Kevin Sved, Sean Martin

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## I. Opening Items

### A. Record Attendance and Guests

### B. Call the Meeting to Order

Joyce Montgomery called a meeting of the Finance Committee of Navigator Schools to order on Tuesday Feb 27, 2018 at 3:01 PM.

### C. Approve Minutes

Joyce Montgomery made a motion to approve minutes from the Finance Committee on 12-05-17 Finance Committee on 12-05-17.

Nora Crivello seconded the motion.

The committee **VOTED** unanimously to approve the motion.

## II. Finance

### A. 2017-18 Financials with Dashboard

The committee discussed variance, position control, income, expenses, cash balance, and enrollment and attendance data, including an in-depth discussion of average daily attendance (ADA) and related terminology.

### B. Preliminary 2018-19 Budget

The committee reviewed the preliminary budget. Key components of the discussion included the CMO fee, added positions, salary ranges and increases, LCAP feedback and development, and PBIS.

## III. Other Business

### A. Cash Management Policy

The committee discussed the insurance and protection of funds. Efficient and practical strategies related to the safety of funds were considered. Internal control policies were also mentioned.

## IV. Closing Items

### A. Adjourn Meeting

Joyce Montgomery made a motion to adjourn the meeting.

Nora Crivello seconded the motion.

The committee **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 3:50 PM.

Respectfully Submitted,  
Sean Martin

# Coversheet

## 2017-18 Financials with Dashboard

<b>Section:</b>	II. Finance
<b>Item:</b>	A. 2017-18 Financials with Dashboard
<b>Purpose:</b>	Discuss
<b>Submitted by:</b>	
<b>Related Material:</b>	May 17_18 Financials.docx - Google Docs.pdf



2017-18 Financial Report Narrative  
May 3, 2018  
Finance Committee Meeting

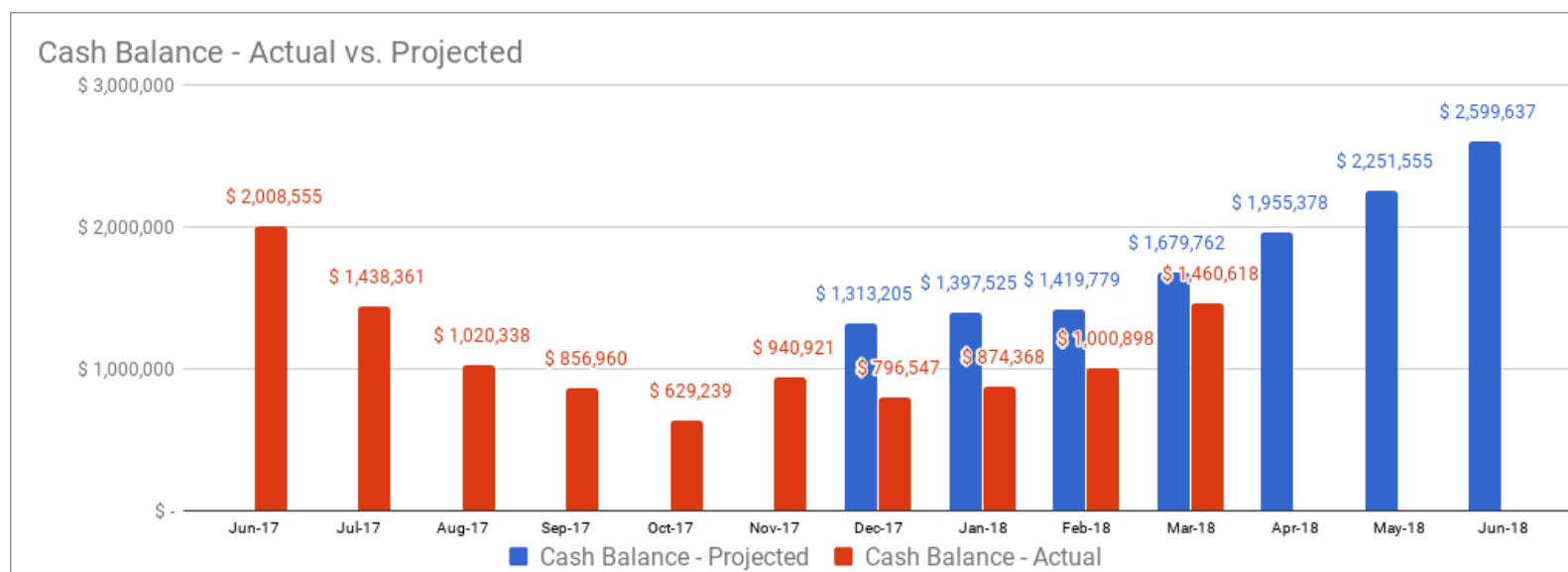
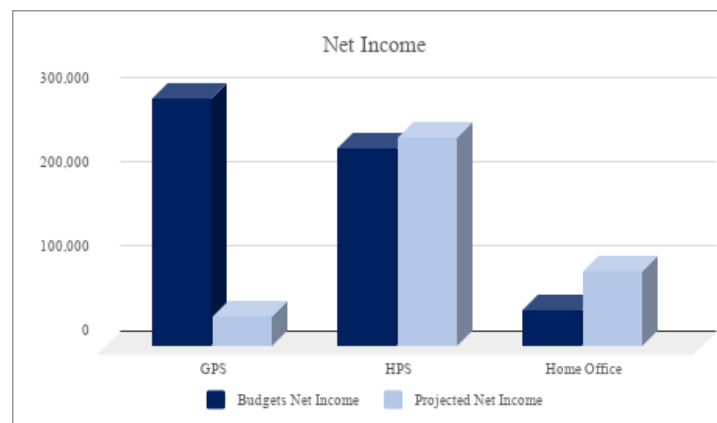
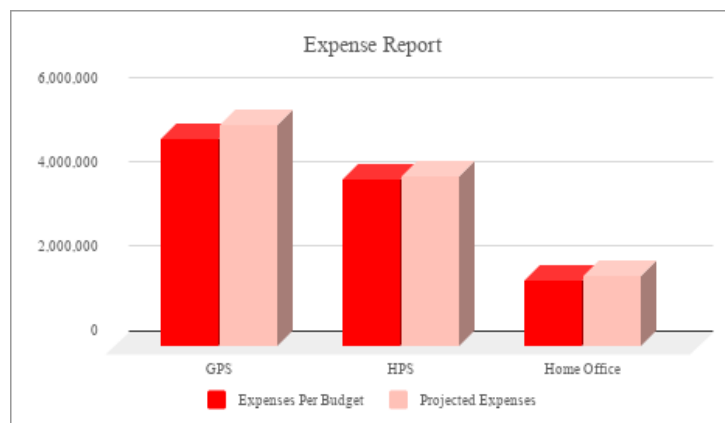
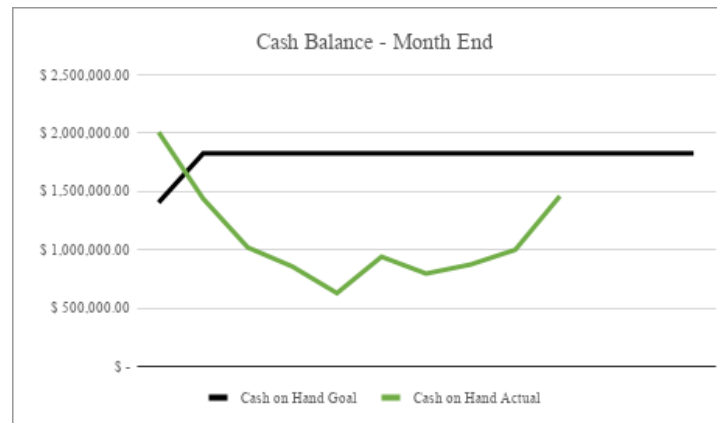
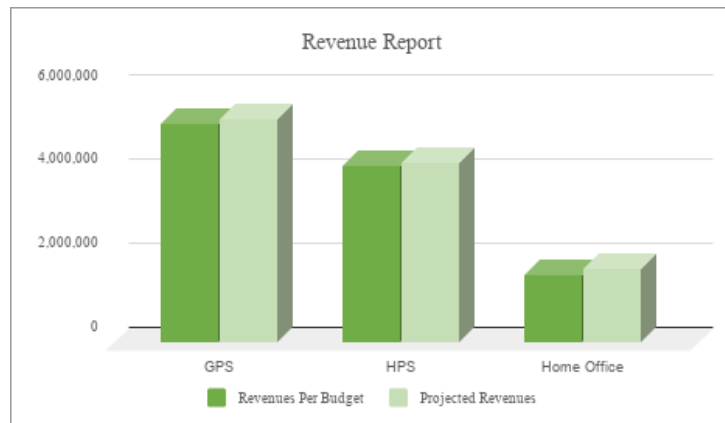
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2017-18 Net Income

	<u>Current Projection</u>	<u>Orig Bd Rpt</u>	<u>Previous Projection</u>
CMO	\$89k	\$42k	26K
Gilroy Prep	\$36k	\$294k	34K
Hollister Prep	<u>\$247k</u>	<u>\$235k</u>	<u>\$290k</u>
Total	\$372k	\$571k	350k

- CMO projected net income variance highlights
  - \$170k favorable variance from adding to the private fundraising total. The fundraising total changed from \$70k last board report to \$170k to reflect the CSGF grant amount.
  - \$45k unfavorable variance from additional staff hired.
  - \$64k unfavorable variance from benefits and taxes being under budgeted.
  - \$15k unfavorable variance from professional development going over budget.
- Gilroy Prep projected net income variance highlights
  - \$68k favorable variance from one-time mandated cost not budgeted.
  - \$100k favorable variance for elimination of contingency expenses due to the process that has begun to prioritize needs that were not budgeted for.
  - \$267k unfavorable variance in salaries from staffing needs for additional staff to meet the needs of SPED students and staff on leave.
  - \$77k unfavorable variance in benefits & taxes from the additional staff added and from being under budgeted.
  - \$79k unfavorable variance for Books & Supplies from anticipated technology expenses that were budgeted for the 2016-17 year but, due to late arrival of product, had to be recorded in 2017-18 and for technology needs for the additional staff not originally budgeted for.
- Hollister Prep projected net income variance highlights
  - \$51k favorable variance from one-time mandated cost not budgeted.
  - \$50k favorable variance for elimination of contingency expenses due to the process that has begun to prioritize needs that were not budgeted for.
  - \$85k unfavorable variance in salaries from staffing needs for additional Teachers in Training to meet staffing needs to cover multiple Teacher maternity leaves.





Navigator Schools  
Balance Sheet Comparison

	Actual <u>6/30/2016</u>	Actual <u>6/30/2017</u>	Actual <u>3/31/2018</u>
Cash	1,884,454	2,008,555	1,460,618
Accounts Receivable	767,909	1,126,497	0
Prepaid Expense	72,379	209,415	33,045
Fixed Assets, net of depreciation	188,935	312,895	335,009
<b>Total Assets</b>	<b>2,913,677</b>	<b>3,657,361</b>	<b>1,828,672</b>
Accrued Liabilities	319,149	657,592	429,990
CDE Loan Payable	125,000	62,500	10,321
<b>Total Liabilities</b>	<b>444,149</b>	<b>720,092</b>	<b>440,311</b>
Beginning Fund Balance	1,790,843	2,469,528	2,937,269
Net Income	678,685	467,741	(1,548,908)
Ending Fund Balance	2,469,528	2,937,269	1,388,361
<b>Total Liabilities &amp; Fund Balance</b>	<b>2,913,677</b>	<b>3,657,361</b>	<b>1,828,672</b>

Navigator Schools - 2017-18 Latest Projection Comparison to 2016-17 Actuals  
As of March 2018

Income Statement - Combined <i>CMO/GPS/HPS</i>	2017-18 Original <u>Budget</u>	<b>2017-18 Latest Projection</b>	2016-17 Audited <u>Actuals</u>
Revenue	10,991,368	<b>11,335,437</b>	9,860,508
Expenses	10,420,391	<b>10,963,689</b>	9,392,768
<b>Net Income - GAAP basis (audit)</b>	570,977	<b>371,748</b>	467,740
Less Capital Outlay	(157,550)	<b>(31,713)</b>	(190,113)
Revenue less expenses & capital out	413,427	<b>340,035</b>	277,627

	<u>2017-18</u>	<b><u>2017-18</u></b>	<u>2016-17</u>
Beginning Fund Balance	3,136,443	<b>2,937,268</b>	2,469,528
<b>Net Income - GAAP basis (audit)</b>	570,977	<b>371,748</b>	467,740
Ending Fund Balance	<u>3,707,420</u>	<b><u>3,309,016</u></b>	<u>2,937,268</u>

Revenues/Student *	9,939	<b>10,295</b>	10,254
Expenses/Student *	9,344	<b>9,908</b>	9,697
Fund Balance/Student at Year End	3,862	<b>3,447</b>	3,497

\* Revenues and Expenses per student do not include CMO Management Fee Revenue/Expense because that is an intercompany charge.

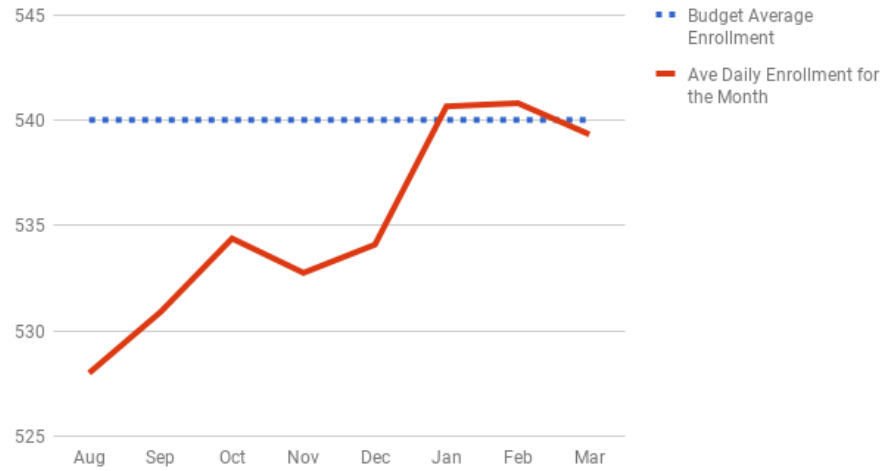
## Navigator Schools - 2017-18 Budget vs. Projection

As of March 2018

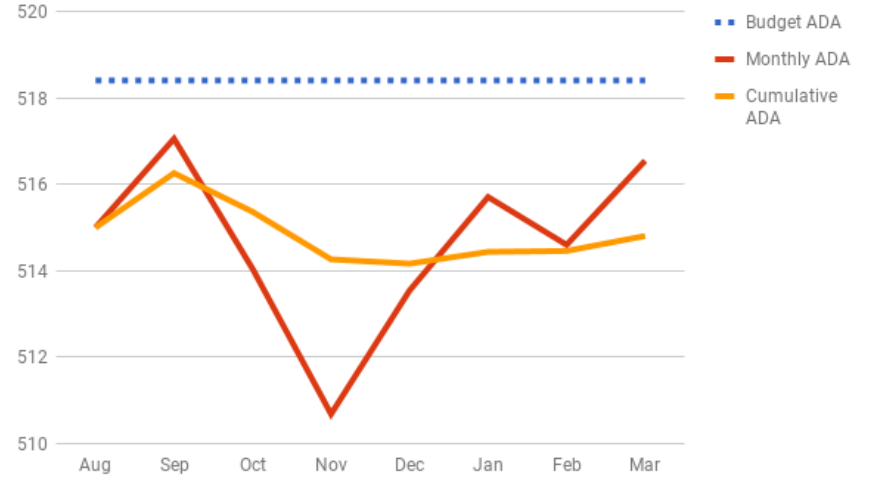
**Summary Level**

	Total 2017-18 Original <u>Budget</u>	Total 2017-18 Current <u>Projection</u>	GPS 2017-18 Original <u>Budget</u>	GPS 2017-18 Current <u>Projection</u>	HPS 2017-18 Original <u>Budget</u>	HPS 2017-18 Current <u>Projection</u>	CMO 2017-18 Original <u>Budget</u>	CMO 2017-18 Current <u>Projection</u>
<i>Enrollment Projection</i>	960	960	540	540	420	420		
REVENUE:								
LCFF Revenue	8,055,232	8,068,943	4,377,511	4,381,372	3,677,721	3,687,571	0	0
Federal Revenue	403,203	438,721	270,757	302,050	132,446	136,671	0	0
Other State Revenue	771,475	883,045	441,906	478,150	329,569	404,895	0	0
Donations & Grants	156,885	319,885	16,885	16,885	10,000	3,000	130,000	300,000
Other Revenue	154,631	172,433	104,744	115,729	49,887	56,427	0	277
CMO Management Fees	1,449,942	1,452,410					1,449,942	1,452,410
REVENUE	10,991,368	11,335,437	5,211,803	5,294,186	4,199,623	4,288,564	1,579,942	1,752,687
EXPENDITURES:								
Salaries	5,166,066	5,587,930	2,301,008	2,567,693	1,831,375	1,940,702	1,033,683	1,079,535
Benefits & Taxes	1,368,284	1,529,025	639,244	736,352	529,291	529,291	199,749	263,382
Books & Supplies	829,728	924,386	485,740	551,085	290,216	306,174	53,772	67,127
Services & Other Operating Expense	1,380,571	1,417,938	553,777	579,472	576,515	584,866	250,279	253,600
CMO Management Fees	1,449,942	1,452,410	787,952	788,647	661,990	663,763		
Contingency Expenses	150,000	0	100,000	0	50,000	0	0	0
Capital Outlay	157,550	31,713	101,025	21,713	56,525	10,000	0	0
EXPENDITURES	10,502,141	10,943,402	4,968,746	5,244,962	3,995,912	4,034,796	1,537,483	1,663,644
REVENUE LESS EXPENDITURES	489,227	392,035	243,057	49,224	203,711	253,768	42,459	89,043
<u>GAAP Adjustments:</u>								
Revenue Less Expenditures	489,227	392,035	243,057	49,224	203,711	253,768	42,459	89,043
Add back Capita Outlay to Net income	157,550	31,713	101,025	21,713	56,525	10,000	0	0
Subtract Depreciation Expense	(75,800)	(52,000)	(50,362)	(35,000)	(25,438)	(17,000)	0	0
<b>Net Income - GAAP Basis 2017-18</b>	<b>570,977</b>	<b>371,748</b>	<b>293,720</b>	<b>35,937</b>	<b>234,798</b>	<b>246,768</b>	<b>42,459</b>	<b>89,043</b>
Beginning Net Assets @ 6/30/17 (latest projected)	3,136,443	2,937,269	1,642,303	1,478,654	1,324,788	1,306,504	169,352	152,111
<b>Net Income - GAAP Basis 2017-18</b>	<b>570,977</b>	<b>371,748</b>	<b>293,720</b>	<b>35,937</b>	<b>234,798</b>	<b>246,768</b>	<b>42,459</b>	<b>89,043</b>
Ending Net Assets @ 6/30/18	3,707,420	3,309,017	1,936,023	1,514,591	1,559,586	1,553,272	211,811	241,154

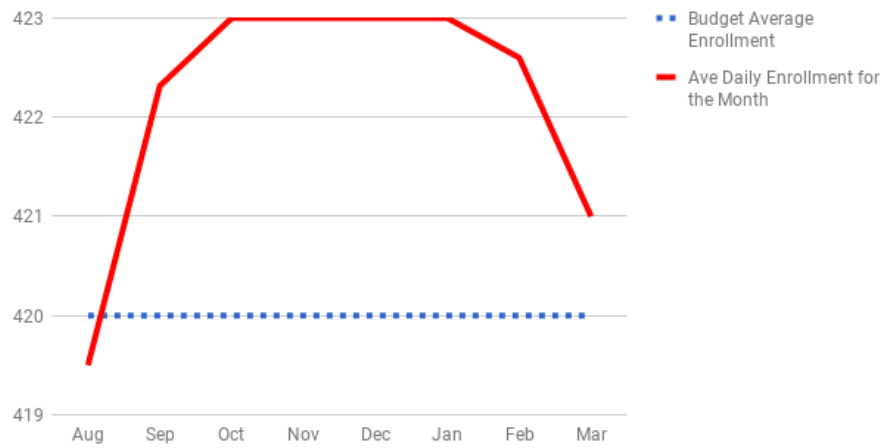
### GPS Enrollment



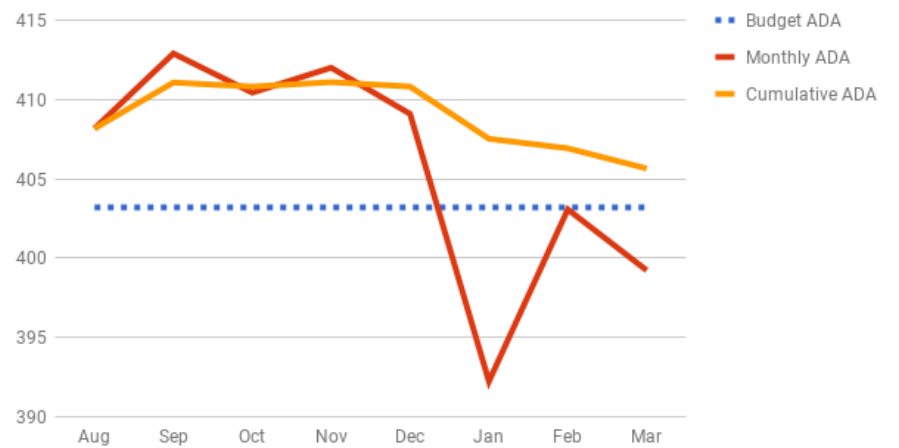
### GPS ADA



### HPS Enrollment



### HPS ADA



## Navigator Schools - Financial Data

<u>Attendance and Enrollment Data</u>	<u>Total</u>	<u>GPS</u>	<u>HPS</u>
2017-18 ADA - Approved Budget	921.6	518.4	403.2
2017-18 ADA thru 3/31/18	920.5	514.8	405.6
2017-18 ADA % thru 3/31/18	96.1%	96.2%	96.1%
2017-18 Enrollment - Approved Budget	960.0	540.0	420.0
2017-18 Ave Enrollment thru 3/31/18	957.6	535.4	422.2
Enrollment as of 3/31/18	959.0	538.0	421.0

	<u>Actual</u>	<u>Goal</u>
Cash balance as of 3/31/18	1,460,618	1,508,700
Annual Budgeted Expenditures (not including CMO Mgmt Fees)	9,052,199	9,052,199
Number of Months Cash on Hand	1.94	2.00

# Coversheet

## Preliminary 2018-19 Budget

<b>Section:</b>	II. Finance
<b>Item:</b>	B. Preliminary 2018-19 Budget
<b>Purpose:</b>	Discuss
<b>Submitted by:</b>	
<b>Related Material:</b>	May 18-19 Preliminary Budget Financial Narrative.docx - Google Docs.pdf



2018-19 Financial Report Narrative  
May 3, 2018  
Finance Committee Meeting

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2018-19 Preliminary Budget

	Net Income (Before GAAP)	Net Income (GAAP)	Projected Beginning Fund Balance	Projected Ending Fund Balance
CMO	\$11k	\$11k	\$178k	\$189k
Gilroy Prep	\$258k	\$223k	\$1.5m	\$1.7m
Hollister Prep	\$330k	\$388k	\$1.6m	\$2.0m
Watsonville Prep	\$48k	\$496k	\$0	\$496k
<b>Total</b>	<b>\$647k</b>	<b>\$1.1</b>	<b>\$3.3m</b>	<b>\$4.4m</b>

The total net income of \$1.1m reflects the following general assumptions:

- LCFF is funded at target.
- Enrollment will increase from 960 in 2017-18 to 1020 in 2018-19 due to the addition of one grade level at HPS campus increasing enrollment from 420 to 480 students.
- New teachers will be added to HPS in proportion to the increase in enrollment.
- A MTSS Coordinator will be added to HPS at 50% and GPS at 50%.
- Hollister Prep includes capital improvement expenses of \$75,000 for site development planning and architectural design fees in support of a permanent HPS facility solution.
- The \$665,000 of private donations are based on pledged and anticipated growth funding.
- CMO fees as a % of LCFF revenue will be reduced from 18% in 2017-18 to 17% in 2018-19.
- Salaries and benefits are based on an increase of 4% for all staff at HPS, GPS and CMO. These are average increases and will be applied to each employee based on merit and cost of living adjustments.
- The addition of 2.75 FTE positions will be added to the CMO:
  - \$150,800 Chief Academic Officer (increasing from 25% FTE to 100% FTE.)
  - \$125,000 Director of Curriculum and Instruction
  - \$65,000 SIS Coordinator
- \$55,000 is allocated for the addition of a development consultant.
- Benefits will increase by a higher percentage than salaries because of two factors:
  - STRS contribution rate will increase from 14.43% in 2017-18 to 16.28% in 2018-19.
  - Health Insurance inflation is estimated at 8%.



Navigator Schools - 2018-19 Preliminary Budget  
May 2018 Finance Committee Report

<b><u>2018-19 Preliminary Budget:</u></b>	Total 2018-19 Preliminary <u>Budget</u>	Change from <u>2017-18</u>	% Change from <u>2017-18</u>	GPS 2018-19 Preliminary <u>Budget</u>	Change from <u>2017-18</u>	% Change from <u>2017-18</u>	HPS 2018-19 Preliminary <u>Budget</u>	Change from <u>2017-18</u>	% Change from <u>2017-18</u>	CMO 2018-19 Preliminary <u>Budget</u>	Change from <u>2017-18</u>	% Change from <u>2017-18</u>	WPS 2018-19 Preliminary <u>Budget</u>
<i>Enrollment Projection</i>	<i>1020</i>	<i>60</i>	<i>6.25%</i>	<i>540</i>	<i>0</i>	<i>0.00%</i>	<i>480</i>	<i>60</i>	<i>14.29%</i>				<i>YEAR ZERO</i>
REVENUE:													
LCFF Revenue	8,952,530	890,348	11.04%	4,581,673	200,301	4.57%	4,370,857	690,047	18.75%	0	0		0
Federal Revenue	608,246	27,215	4.68%	302,050	8,088	2.75%	156,196	19,127	13.95%	0	0		150,000
Other State Revenue	940,887	57,546	6.51%	478,150	0	0.00%	462,737	57,546	14.20%	0	0		0
Donations & Grants	1,430,885	461,729	47.64%	12,885	-4,700	-26.73%	3,000	1,429	90.96%	665,000	465,000	232.50%	750,000
Other Revenue	135,646	10,242	8.17%	95,646	2,285	2.45%	40,000	7,957	24.83%	0	0		0
CMO Management Fees	1,521,930	70,737	4.87%							1,521,930	70,737	4.87%	0
REVENUE	<b>13,590,124</b>	<b>1,517,817</b>	<b>12.57%</b>	<b>5,470,404</b>	<b>205,974</b>	<b>3.91%</b>	<b>5,032,790</b>	<b>776,106</b>	<b>18.23%</b>	<b>2,186,930</b>	<b>535,737</b>	<b>32.45%</b>	<b>900,000</b>
EXPENDITURES:													
Salaries	6,468,727	633,358	10.85%	2,655,354	54,545	2.10%	2,201,706	184,058	9.12%	1,458,667	394,755	37.10%	153,000
Benefits & Taxes	1,822,686	290,883	18.99%	755,603	89,634	13.46%	648,083	78,895	13.86%	380,742	122,354	47.35%	38,258
Books & Supplies	750,508	-227,794	-23.28%	386,507	-178,193	-31.56%	274,749	-49,601	-15.29%	60,462	0	0.00%	28,790
Services & Other Operating Expense	1,856,595	233,459	14.38%	635,735	50,251	8.58%	760,656	149,790	24.52%	276,269	33,418	13.76%	183,935
CMO Management Fees	1,521,930	114,445	8.13%	778,884	-9,763	-1.24%	743,046	124,208	20.07%	0	0		0
Capital Outlay	523,000	75,853	16.96%	0	-45,672	-100.00%	75,000	121,525	-261.20%	0	0		448,000
EXPENDITURES	<b>12,943,446</b>	<b>1,120,204</b>	<b>9.47%</b>	<b>5,212,083</b>	<b>-39,198</b>	<b>-0.75%</b>	<b>4,703,240</b>	<b>608,875</b>	<b>14.87%</b>	<b>2,176,140</b>	<b>550,527</b>	<b>33.87%</b>	<b>851,983</b>
REVENUE LESS EXPENDITURES	<b>646,678</b>	<b>397,613</b>	<b>159.64%</b>	<b>258,321</b>	<b>245,172</b>	<b>1864.57%</b>	<b>329,550</b>	<b>167,231</b>	<b>0.00%</b>	<b>10,790</b>	<b>-14,790</b>	<b>0</b>	<b>48,017</b>
<u>GAAP Adjustments:</u>													
Revenue Less Expenditures	646,678			258,321			329,550			10,790			48,017
Add back Capita Outlay to Net income	0			0			75,000			0			448,000
Subtract Depreciation Expense	-52,000			-35,000			-17,000			0			0
Net Income - GAAP Basis 2018-19	1,117,678			223,321			387,550			10,790			496,017
<b>Projected Fund Balance at 6/30/18</b>	<u>3,279,964</u>			<u>1,512,239</u>			<u>1,589,821</u>			<u>177,904</u>			<u>0</u>
<b>Projected Fund Balance at 6/30/19</b>	<u>4,397,642</u>			<u>1,735,560</u>			<u>1,977,371</u>			<u>188,694</u>			<u>496,017</u>

<b>Navigator Schools FTE Counts</b>			
<b>17/18 Total</b>	<b>114.65</b>	<b>18/19 Total</b>	<b>120.15</b>
<b>SITE</b>	<b>#FTE</b>	<b>SITE</b>	<b>#FTE</b>
<i>GPS</i>		<i>GPS</i>	
Teachers	20	Teachers	20
Teacher in Training	5	Teacher in Training	4
Certificated Pupil Support	1	Certificated Pupil Support	1.5
Administration	3.15	Administration	3.4
Support (Office, Yard, Food, Maint)	10.6	Support (Office, Yard, Food, Maint)	10.6
SGI/Paraprofessional	17.65	SGI/Paraprofessional	18.4
<b>Total</b>	<b>57.4</b>	<b>Total</b>	<b>57.9</b>
<i>HPS</i>		<i>HPS</i>	
Teachers	14	Teachers	16
Teacher in Training	8	Teacher in Training	7
Certificated Pupil Support	1	Certificated Pupil Support	1.5
Administration	3.4	Administration	3.4
Support (Office, Yard, Food, Maint)	5.75	Support (Office, Yard, Food, Maint)	5.75
SGI/Paraprofessional	12.55	SGI/Paraprofessional	13.3
<b>Total</b>	<b>44.7</b>	<b>Total</b>	<b>46.95</b>
<i>Support Office</i>	<b>12.55</b>	<i>Support Office</i>	<b>15.3</b>