



Navigator Schools

NS Board Meeting

Date and Time

Tuesday December 8, 2020 at 6:00 PM PST

Location

Zoom

This meeting will take place via teleconference pursuant to Executive Orders N-25-20 and N-29-20.

The Board of Directors and employees of Navigator Schools shall meet via Zoom. Members of the public who wish to access this board meeting may do so online at <https://zoom.us/join> or via telephone by calling Zoom phone numbers: (669) 900-6833 or (646) 876-9923. The meeting ID is: **937 6448 2295**. The meeting password is: **676968**.

Members of the public attending online who wish to comment during the board meeting will use the online “raise hand” tool in Zoom when the chairperson elicits public comments. Members of the public planning to attend by phone are requested to confirm their intent to comment up to one hour prior to the meeting by calling (831) 217-4894.

Individual comments will be limited to three minutes. If an interpreter is needed, comments will be translated into English and the time limit shall be six minutes. At its discretion, the board may limit the total time allotted to public comments and set new time limits for individual comments. The board reserves the right to mute and remove a participant from the meeting if the participant unreasonably disrupts the meeting.

Requests for disability-related modifications or accommodations to participate in this public meeting should be made forty-eight hours prior to the meeting by calling (831) 217-4894. All efforts will be made for reasonable accommodations. The agenda and public documents will be modified upon request as required by Section 202 of the Americans with Disabilities Act.

Agenda

	Purpose	Presenter	Time
--	---------	-----------	------

I.	Opening Items		6:00 PM
-----------	----------------------	--	----------------

Opening Items

- | | | | |
|-----------|------------------------------|---------------|-----|
| A. | Record Attendance and Guests | John Flaherty | 1 m |
|-----------|------------------------------|---------------|-----|

The chairperson will direct S. Martin to confirm attendance via roll call.

- | | | | |
|-----------|---------------------------|---------------|-----|
| B. | Call the Meeting to Order | John Flaherty | 2 m |
|-----------|---------------------------|---------------|-----|

- | | | | |
|-----------|-----------------|---------------|-----|
| C. | Public Comments | John Flaherty | 5 m |
|-----------|-----------------|---------------|-----|

The board will receive public comments regarding non-agenda items, if any, following expectations and time limits reviewed by the chairperson.

- | | | | |
|-----------|---|----------------------------------|-----|
| D. | Approve Minutes from Previous Board Meeting | Approve Minutes
John Flaherty | 1 m |
|-----------|---|----------------------------------|-----|

The board will vote on the approval of minutes from the previous meeting.

Approve minutes for NS Board Meeting on October 19, 2020

II.	Committee Updates and Topics		6:09 PM
------------	-------------------------------------	--	----------------

- | | | | |
|-----------|-------------------|-------------------------------|-----|
| A. | Finance Committee | FYI
Victor Paredes-Colonia | 3 m |
|-----------|-------------------|-------------------------------|-----|

The committee chair will review recent activities and related documents.

- | | | | |
|-----------|-------------------------------------|-------------------|-----|
| B. | 2020-21 Budget Overview for Parents | Vote
Ami Ortiz | 4 m |
|-----------|-------------------------------------|-------------------|-----|

The board will vote on the approval of the 2020-21 Budget Overview for Parents for Gilroy Prep School, Hollister Prep School, and Watsonville Prep School.

- | | | | |
|-----------|------------------------|-------------------|-----|
| C. | Umpqua Bank Resolution | Vote
Ami Ortiz | 3 m |
|-----------|------------------------|-------------------|-----|

The board will vote on the approval of a formal resolution authorizing banking procedures related to opening a line of credit at Umpqua Bank (previously approved as a consent agenda action item).

- | | | | |
|-----------|---|-------------------|-----|
| D. | 2021 First Interim Report for Watsonville Prep School | Vote
Ami Ortiz | 3 m |
|-----------|---|-------------------|-----|

The State Board of Education Memorandum of Understanding requires board approval of interim budget reports for Watsonville Prep School.

	Purpose	Presenter	Time
E. Academic Success Committee	FYI	Caitrin Wright	3 m
The committee chair will review recent activities and related documents.			
F. Update on Expanding In-person Instruction	Discuss	Kevin Sved	10 m
K. Sved and staff will share an update regarding the expansion of in-person instruction at school sites.			
G. Governance Committee	FYI	John Flaherty	3 m
The committee chair will review recent activities and related documents.			
H. Creation of Support Entities	Discuss	Kevin Sved	15 m
The board will discuss the creation of entities to support long-term facility plans for Watsonville Prep School and organizational philanthropic endeavors.			
III. Closed Session			6:53 PM
A. Announcement of Reasons for Closed Session	FYI	John Flaherty	1 m
B. Vote to Enter Closed Session	Vote	John Flaherty	2 m
The board will vote to enter closed session.			
C. Closed Session	FYI	John Flaherty	60 m
The board will meet in closed session for approximately sixty minutes. During closed session the board will discuss			
<ol style="list-style-type: none"> 1. Anticipated litigation, Gov't Code Section 54956.9(d)(2) 2. Negotiations for real property at 407 Main Street, Watsonville, CA, Gov't Code Section 54956.8 3. Negotiations for real property at 437 Rogers Avenue, Watsonville, CA, Gov't Code Section 54956.8 			
D. Announcement of Actions Taken During Closed Session	FYI	John Flaherty	2 m
The board chair will announce actions taken during closed session, if any.			
IV. Closing Items			7:58 PM
A. Adjourn Meeting	Vote	John Flaherty	2 m

Purpose	Presenter	Time
Board members will vote to adjourn the meeting. The board chair will direct S. Martin to record votes via roll call.		

Coversheet

Approve Minutes from Previous Board Meeting

Section:	I. Opening Items
Item:	D. Approve Minutes from Previous Board Meeting
Purpose:	Approve Minutes
Submitted by:	
Related Material:	Minutes for NS Board Meeting on October 19, 2020

APPROVED



Navigator Schools

Minutes

NS Board Meeting

Date and Time

Monday October 19, 2020 at 6:00 PM

Location

Zoom

This meeting will take place via teleconference pursuant to Executive Orders N-25-20 and N-29-20.

The Board of Directors and employees of Navigator Schools shall meet via Zoom. Members of the public who wish to access this board meeting may do so online at <https://zoom.us/join> or via telephone by calling Zoom phone numbers: (669) 900-6833 or (646) 876-9923. The meeting ID is: **965 2135 3551**. The meeting password is: **401416**.

Members of the public attending online who wish to comment during the board meeting will use the online "raise hand" tool in Zoom when the chairperson elicits public comments. Members of the public planning to attend by phone are requested to confirm their intent to comment up to one hour prior to the meeting by calling (831) 217-4894.

Individual comments will be limited to three minutes. If an interpreter is needed, comments will be translated into English and the time limit shall be six minutes. At its discretion, the board may limit the total time allotted to public comments and set new time limits for individual comments. The board reserves the right to mute and remove a participant from the meeting if the participant unreasonably disrupts the meeting.

Requests for disability-related modifications or accommodations to participate in this public meeting should be made twenty-four hours prior to the meeting by calling (831) 217-4894. All

efforts will be made for reasonable accommodations. The agenda and public documents will be modified upon request as required by Section 202 of the Americans with Disabilities Act.

Directors Present

Caitrin Wright (remote), Fiaau Ohmann (remote), Ian Connell (remote), JP Anderson (remote), John Flaherty (remote), Nora Crivello (remote), Victor Paredes-Colonia (remote)

Directors Absent

None

Guests Present

Sean Martin (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

John Flaherty called a meeting of the board of directors of Navigator Schools to order on Monday Oct 19, 2020 at 6:02 PM.

C. Public Comments

There were no public comments.

D. Approve Minutes from Special Board Meeting

Caitrin Wright made a motion to approve the minutes from NS Special Board Meeting on 09-17-20.

Victor Paredes-Colonia seconded the motion.

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

Roll Call

Nora Crivello	Aye
Victor Paredes-Colonia	Aye
Caitrin Wright	Aye
Fiaau Ohmann	Abstain
John Flaherty	Aye
JP Anderson	Aye
Ian Connell	Aye

E. Approve Minutes from Regular Board Meeting

Nora Crivello made a motion to approve the minutes from NS Board Meeting on 08-25-20.

Caitrin Wright seconded the motion.

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

Roll Call

JP Anderson	Aye
Fiaau Ohmann	Aye
Caitrin Wright	Aye
John Flaherty	Aye
Victor Paredes-Colonia	Aye
Nora Crivello	Aye
Ian Connell	Aye

II. Committee Updates

A. Academic Success Committee

C. Wright provided a review of recent activities.

B. Finance Committee

V. Paredes-Colonia highlighted activities outlined in the committee meeting minutes.

C. Governance Committee

J. Flaherty summarized recent activities, including board management topics and the addition of new members via board development.

III. Topical Items

A. Distance Learning and School Site Operations Update

K. Sved described current distance learning (DL) efforts and reviewed positive attendance numbers. C. Wright inquired regarding key takeaways from the DL experience and the incorporation of these insights into next steps. S. Waller reviewed the success of health and safety protocols. C. Wright suggested strategies for multimedia to support students upon their eventual return to campus. N. Crivello stressed the importance of creating a successful plan to support on-site learning and suggested networking with other schools and districts to elicit best practices.

B. Stage III Reopening

The board discussed key issues concerning the reopening of schools for on-site learning when C-19 restrictions are eased. J.P Anderson inquired about staff opinions, and K. Sved highlighted recent and upcoming meetings and surveys to gauge staff sentiments. Board members considered timelines for next steps and future board actions. They stressed the importance of thoughtful planning and the safety of multi-generational families. The board chair praised members of the staff for their outstanding work, including S. Waller, B. Moeller, and K. Carr.

Nora Crivello made a motion to approve the reopening recommendations.
JP Anderson seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

Caitrin Wright	Aye
John Flaherty	Aye
JP Anderson	Aye
Ian Connell	Aye
Fiaau Ohmann	Aye
Nora Crivello	Aye
Victor Paredes-Colonia	Aye

C. 407 Main Street Project Update

K. Sved presented next steps for the project and important factors accompanying them. He also described new financing options and outlined key decisions to consider. Topics included processes for permits and bids, executing a lease agreement, securing financing, developing construction contracts, and creating a 501(c)(3) to support the project. In addition, he presented a potential chronology for key decisions. J. Flaherty praised members of the staff for the positive outcome of a recent Watsonville city planning commission meeting. C. Wright, having recently completed a virtual tour of Watsonville Prep School, commended its staff for its success.

IV. Consent Agenda

A. Consent Agenda

John Flaherty made a motion to approve all elements of consent agenda.
Caitrin Wright seconded the motion.
The chair elicited ayes, nos, and abstains for each component of the consent agenda. All components of the consent agenda were approved.
The board **VOTED** unanimously to approve the motion.

V. Closed Session

A. Announcement of Reasons for Closed Session

B. Vote to Enter Closed Session

JP Anderson made a motion to enter closed session.
Caitrin Wright seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

Fiaau Ohmann	Aye
Nora Crivello	Aye
Caitrin Wright	Aye

Roll Call

Ian Connell	Aye
Victor Paredes-Colonia	Aye
JP Anderson	Aye
John Flaherty	Aye

C. Closed Session

D. Announcement of Actions Taken During Closed Session

The board chair announced that no actions were taken during the closed session.

VI. Closing Items

A. Adjourn Meeting

JP Anderson made a motion to adjourn the meeting.

Caitrin Wright seconded the motion.

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

Roll Call

Ian Connell	Aye
Caitrin Wright	Aye
Nora Crivello	Aye
JP Anderson	Aye
John Flaherty	Aye
Fiaau Ohmann	Aye
Victor Paredes-Colonia	Aye

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:00 PM.

Respectfully Submitted,
Sean Martin

Documents used during the meeting

- 2020_09_02 ASC Minutes.pdf
- 2020_09_24 Gov Comm Minutes.pdf
- DL and Site Operations Update.pdf
- Reopening Recommendation.pdf
- 407 Main St Project Update.pdf
- Growth Funding Application 2020-21 .pdf
- Prop 39 Memo Info Resolution.pdf
- SELPA Memo and Docs.pdf

- Audit Letter and Deadline Adjustment Memo and Doc.pdf

Coversheet

Finance Committee

Section:	II. Committee Updates and Topics
Item:	A. Finance Committee
Purpose:	FYI
Submitted by:	
Related Material:	2020_11_19 Fin Comm Minutes.pdf 2020_10_31 Financials.pdf

DRAFT

Navigator Schools

Minutes

Finance Committee Meeting

Date and Time

Thursday November 19, 2020 at 9:00 AM

Location

Remote via Zoom

This meeting will be held in compliance with modified Brown Act requirements as outlined in Executive Order [N-25-20](#). An archive of board meeting minutes is available for public view at the Navigator Schools, 650 San Benito Street, Suite 230, Hollister CA 95023.

Individuals in need of a disability-related accommodation, modification, or auxiliary aid/service, should direct requests to Sean Martin, Executive Assistant to the CEO. Contact: (831) 217-4894 smartin@navigatorschools.org

Committee Members Present

N. Crivello (remote), V. Paredes-Colonia (remote)

Committee Members Absent

C. Wright

Guests Present

S. Martin (remote)

I. Opening Items**A. Record Attendance and Guests****B. Call the Meeting to Order**

V. Paredes-Colonia called a meeting of the Finance Committee of Navigator Schools to order on Thursday Nov 19, 2020 @ 9:03 AM.

C. Approve Minutes from Prior Meeting

N. Crivello made a motion to approve the minutes from Finance Committee on 08-14-20.

V. Paredes-Colonia seconded the motion.

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

Roll Call

N. Crivello	Aye
V. Paredes-Colonia	Aye
C. Wright	Absent

II. Business and Finance

A. 2020-21 Financials as of October 31, 2020

A. Ortiz reviewed organizational finances. Members asked clarifying questions concerning monthly cash balances, credit lines, and terms. A. Ortiz highlighted strong Average Daily Attendance (ADA), especially at Watsonville Prep School, a site that has implemented a highly-effective attendance response team during the C-19 pandemic.

III. Other Business

A. ITOM Department Reorganization Update

K. Sved provided an overview of the reorganization of the department, explaining the motivations for and benefits of the decision. A. Ortiz provided further explanation while answering clarifying questions from committee members.

B. Watsonville Prep School Long-Term Facilities

Two guests from Pacific Charter School Development joined this discussion: James Heugas, Project Manager, and Tina Lin, Finance Director. T. Lin presented and explained a chart visualizing the components, relationships, and roles of new and existing entities involved in the development and funding of the 407 Main Street project in Watsonville, CA. She reviewed funding sources, amounts, timelines, various costs, lease deposits, legal fees, tax credits, and investment thresholds.

K. Sved reviewed current and potential enrollment numbers for Watsonville Prep School and issues impacting the figures.

J. Heugas reviewed design and construction estimates, the development of a guaranteed maximum price for contracting, and successful project approval by the City of Watsonville.

K. Sved concluded the discussion by enumerating key benefits of the project for Navigator Schools and families. He also provided additional details, including next steps and future board actions, regarding the formation of a new non-profit organization to support the 407 Main Street project.

IV. Closing Items

A. Adjourn Meeting

V. Paredes-Colonia made a motion to adjourn the meeting.

N. Crivello seconded the motion.

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

Roll Call

C. Wright	Absent
S. Martin	Abstain
N. Crivello	Aye
V. Paredes-Colonia	Aye

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:01 AM.

Respectfully Submitted,
S. Martin

Documents used during the meeting

- October 31, 2020 Financials.pdf



2020-21 Financial Report Narrative
November 19, 2020 FC Meeting
Financials through October 31, 2020

NET INCOME		
	<u>Current Projection</u>	<u>BOD Approved Budget</u>
Gilroy Prep	\$248k	\$125k
Hollister Prep	\$231k	\$14k
Watsonville Prep	\$276k	\$163k
CMO	\$139k	\$129k

- Gilroy Prep School (GPS) projected net income variance highlights
 - \$26k favorable variance in Local Control Funding Formula (LCFF) revenue due to LCFF revenue based on the new Fiscal Crisis and Management Assistance Team's (FCMAT) calculator. The budget was based on -7.9% of LCFF funding and ADA of 542.40. The new FCMAT calculations include full funding and ADA of 518.40
 - \$238k federal revenue due to receiving Learning Loss Mitigation funding (LLMF). This is expected to be offset with unbudgeted expenses due to distance learning, such as additional staffing, technology and operations supplies
 - \$40k in other state revenue due to receiving LLMF. This is expected to be offset with unbudgeted expenses due to distance learning
 - \$87k unfavorable variance in salaries and benefits due to hiring temporary employees to cover on site distance learning gaps and technology support
 - \$45k unfavorable variance in books and supplies due to additional operations supplies being needed due to covid
- Hollister Prep School (HPS) projected net income variance highlights
 - \$68k favorable variance in Local Control Funding Formula (LCFF) revenue due to LCFF revenue based on the new FCMAT calculator. The budget was based on -7.9% of LCFF funding and ADA of 542.40. The new FCMAT calculations include full funding and ADA of 518.40
 - \$278k federal revenue due to receiving LLMF. This is expected to be offset with unbudgeted expenses due to distance learning, such as additional staffing, technology and operations supplies
 - \$21k favorable variance in other state revenue due to receiving LLMF. This is expected to be offset with unbudgeted expenses due to distance learning
 - \$87k unfavorable variance in salaries and benefits due to hiring temporary employees to cover on site distance learning gaps and technology support.
 - \$45k unfavorable variance in books and supplies due to additional operations supplies being needed due to covid



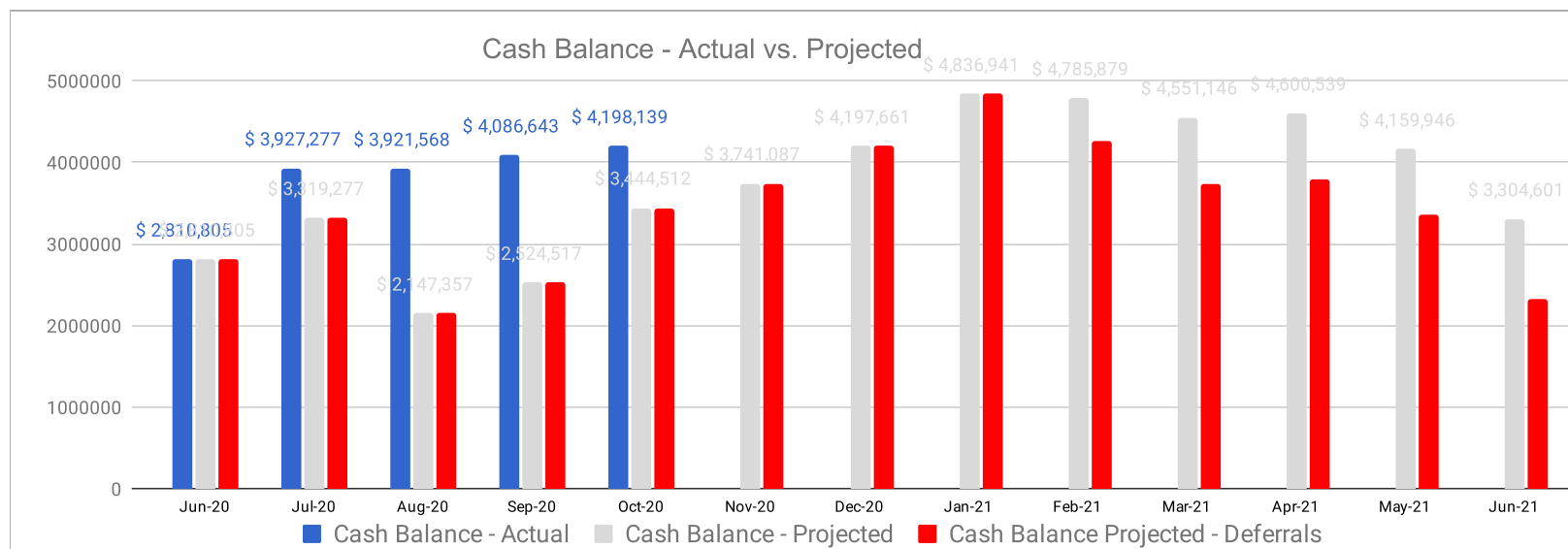
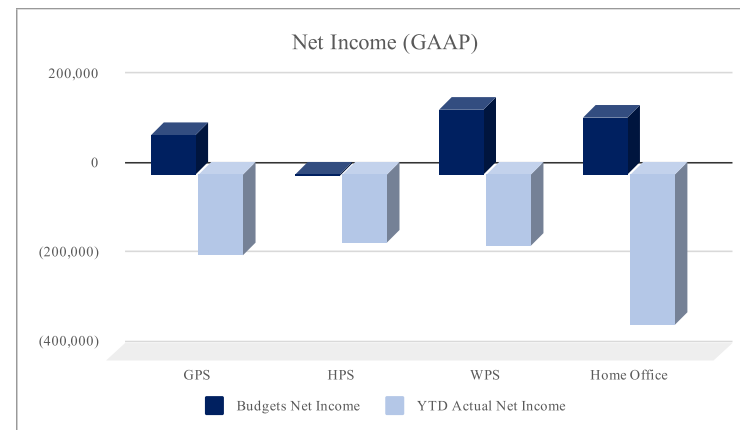
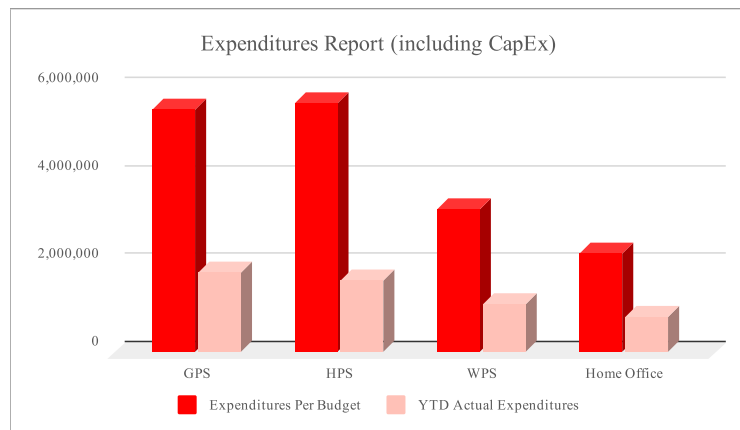
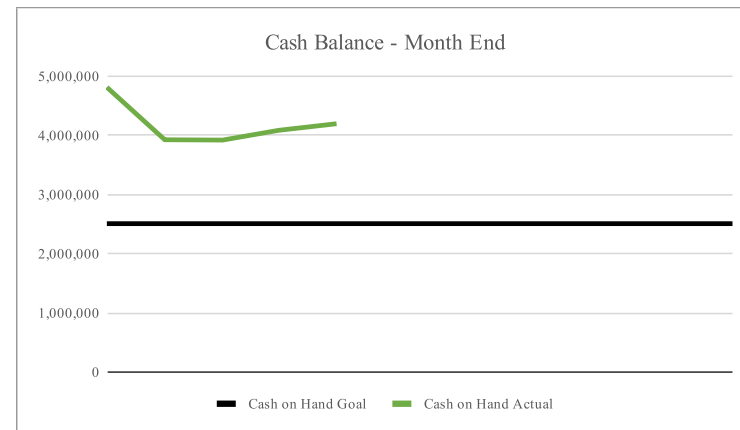
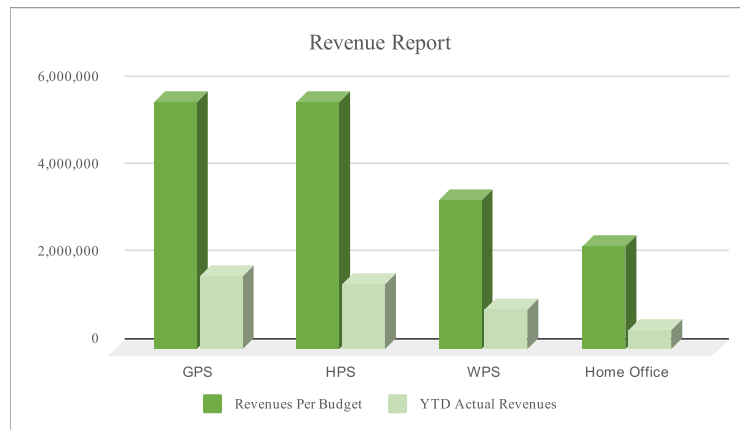
- Watsonville Prep School (WPS) projected net income variance highlights
 - \$57k favorable variance in Local Control Funding Formula (LCFF) revenue due to LCFF revenue based on the new FCMAT calculator. The budget was based on -7.9% of LCFF funding and ADA of 214.32. The new FCMAT calculations include full funding and ADA of 207.74
 - \$162k federal revenue due to receiving LLMF. This is expected to be offset with unbudgeted expenses due to distance learning, such as additional staffing, technology and operations supplies
 - \$15k favorable variance in other state revenue due to receiving LLMF. This is expected to be offset with unbudgeted expenses due to distance learning
 - \$87k unfavorable variance in salaries and benefits due to hiring temporary employees to cover on site distance learning gaps and technology support.
 - \$15k unfavorable variance in books and supplies due to additional operations supplies being needed due to covid

Navigator Schools
Consolidated Balance Sheet Comparison
October 31, 2020

	<u>10/31/2020</u>	<u>6/30/2020</u>	Actual <u>6/30/2019</u>
Cash	4,198,139	4,814,446	2,810,805
Accounts Receivable	1,308,174	1,834,862	1,230,222
Prepaid Expense	7,699	122,437	110,473
Fixed Assets, net of depreciation	483,225	483,166	443,235
Other Assets	4,763	4,763	0
Total Assets	6,002,000	7,259,674	4,594,735
Accrued Liabilities	382,533	942,647	739,182
Loans Payable	2,117,711	2,089,975	0
Total Liabilities	2,500,243	3,032,622	739,182
Beginning Fund Balance	4,278,214	3,855,550	3,461,617
Net Income	-776,458	371,502	393,936
Ending Fund Balance	3,501,756	4,227,052	3,855,553
Total Liabilities & Fund Balance	6,002,000	7,259,674	4,594,735

****Loans Payable**

Watsonville Prep School	\$218,749	California Department of Education
Watsonville Prep School	\$133,962	Pacific Charter School Development
CMO	\$1,765,000	Payroll Protection Program



Navigator Schools - 2020-2021 Budget vs. Projection

October 31, 2020	Total 2020-21	TOTAL 2020-21	Total 2020-21	Total Projection Variance to Budget	GPS 2020-21	GPS 2020-21	GPS 2020-21	GPS Projection Variance to Budget	HPS 2020-21	HPS 2020-21	HPS 2020-21	HPS Projection Variance to Budget	WPS 2020-21	WPS 2020-21	WPS 2020-21	WPS Projection Variance to Budget	CMO 2020-21	CMO 2020-21	CMO 2020-21	CMO Projection Variance to Budget
BOD Approved	YTD				BOD Approved	YTD			BOD Approved	YTD			BOD Approved	YTD			BOD Approved	YTD		
Budget	Actuals	Projection			Budget	Actuals	Projection		Budget	Actuals	Projection		Budget	Actuals	Projection		Budget	Actuals	Projection	
Enrollment	1358	1292	1080		565	538	540		565	537	540		228	217	225					
REVENUE:																				
LCFF Revenue	11,843,462	2,587,027	11,994,140	150,678	4,698,880	1,113,714	4,725,123	26,243	4,839,878	984,006	4,907,676	67,798	2,304,704	489,307	2,361,341	56,637	0	0	0	0
Federal Revenue	1,276,509	942,068	1,953,363	676,854	399,931	371,663	637,520	237,589	304,898	324,133	582,614	277,716	571,680	246,272	733,229	161,549	0	0	0	0
Other State Revenue	1,070,361	331,415	1,146,954	76,593	457,228	134,671	497,738	40,510	424,865	150,034	446,026	21,161	188,268	46,710	203,190	14,922	0	0	0	0
Donations & Grants	1,119,807	253,401	1,039,300	0	6800	401	6800	0	37,500	0	37,500	0	325,000	103,000	325,000	0	670,000	150,000	670,000	0
Other Revenue	155,586	94,448	180,086	24,500	87,307	30,176	87,307	0	49,537	26,649	49,537	0	18,742	16,000	18,742	0	0	21,624	24,500	24,500
CMO Management Fees	1,681,085	276,348	1,681,085	0													1,681,085	276,348	1,681,085	0
REVENUE	17,066,303	4,484,706	17,994,928	928,625	5,650,146	1,650,624	5,954,488	304,342	5,656,678	1,484,823	6,023,353	366,675	3,408,394	901,289	3,641,502	233,108	2,351,085	447,971	2,375,585	24,500
EXPENDITURES:																				
Salaries	9,260,385	2,524,079	9,470,385	210,000	3,048,457	818,018	3,118,457	70,000	3,012,851	785,252	3,082,851	70,000	1,671,084	410,888	1,741,084	70,000	1,527,993	509,922	1,527,993	0
Benefits & Taxes	2,381,555	717,167	2,434,055	52,500	753,192	242,535	770,692	17,500	756,823	221,856	774,323	17,500	436,945	133,979	454,445	17,500	434,595	118,797	434,595	0
Books & Supplies	1,265,426	885,692	1,384,026	118,600	472,163	373,049	517,163	45,000	399,890	233,782	444,890	45,000	378,473	259,224	393,473	15,000	14,900	19,636	28,500	13,600
Services & Other Operating Expense	2,071,096	801,784	2,071,096	0	593,647	239,574	593,647	0	795,539	265,001	795,539	0	436,478	163,152	436,478	0	245,432	134,056	245,432	0
CMO Management Fees	1,658,085	276,348	1,658,085	0	657,843	109,641	657,843	0	677,583	112,931	677,583	0	322,659	53,777	322,659	0				0
Capital Outlay	0	56,095	88,819	88,819	0	13,819	13,819	13,819	0	0	0	0	0	42,276	75,000	75,000	0	0	0	0
EXPENDITURES	16,636,547	5,261,164	17,106,466	469,919	5,525,302	1,796,637	5,671,621	146,319	5,642,686	1,618,821	5,775,186	132,500	3,245,639	1,063,296	3,423,139	177,500	2,222,920	782,411	2,236,520	13,600
REVENUE LESS EXPENDITURES	429,756	(776,458)	888,462	458,706	124,844	(146,013)	282,867	158,023	13,992	(133,999)	248,167	234,175	162,755	(162,007)	218,363	55,608	128,165	(334,439)	139,065	10,900
GAAP Adjustments:																				
Revenue Less Expenditures	429,756	(776,458)	888,462	458,706	124,844	(146,013)	282,867	158,023	13,992	(133,999)	248,167	234,175	162,755	(162,007)	218,363	55,608	128,165	(334,439)	139,065	10,900
Add back Capita Outlay to Net income	0	21,629	75,000	53,371	0	0	0	0	0	0	0	0	0	21,629	75,000	53,371	0	0	0	0
Subtract Depreciation Expense	(69,000)	(69,000)	(69,000)	0	(35,000)	(35,000)	(35,000)	0	(17,000)	(17,000)	(17,000)	0	(17,000)	(17,000)	(17,000)	0	0	0	0	0
Net Income - GAAP Basis 2018-19	360,756	(823,829)	894,462	533,706	89,844	(181,013)	247,867	158,023	(3,008)	(150,999)	231,167	234,175	145,755	(157,378)	276,363	130,608	128,165	(334,439)	139,065	10,900
Beginning Net Assets @ 6/30/20	4,517,847	4,517,847	4,517,847		1,875,287	1,875,287	1,875,287		1,957,165	1,957,165	1,957,165		68,423	68,423	68,423		616,972	616,972	616,972	
Net Income - GAAP Basis 2020-21	360,756	(823,829)	894,462		89,844	(181,013)	247,867		(3,008)	(150,999)	231,167		145,755	(157,378)	276,363		128,165	(334,439)	139,065	
Ending Net Assets @ 6/30/21	4,878,603	3,694,018	5,412,309		1,965,131	1,694,274	2,123,154		1,954,157	1,806,166	2,188,332		214,178	(88,955)	344,786		745,137	282,533	756,037	

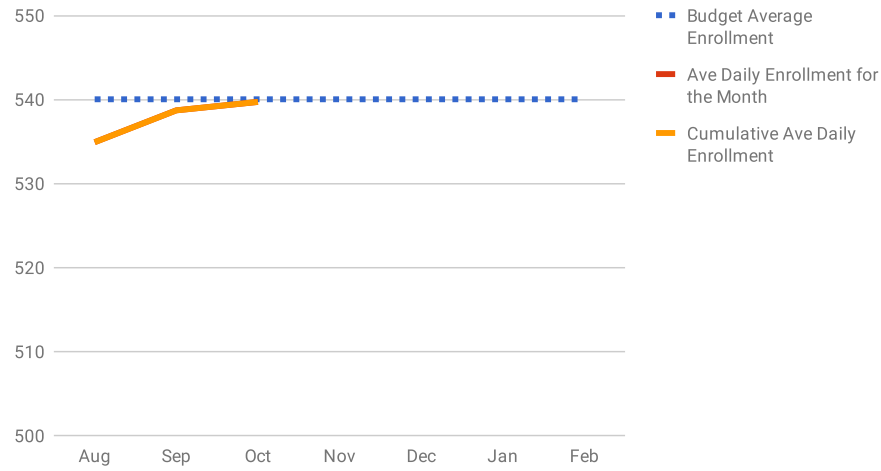
Navigator Schools - Financial Data

*Feb 29, 2020 was the P-2 ADA for the year

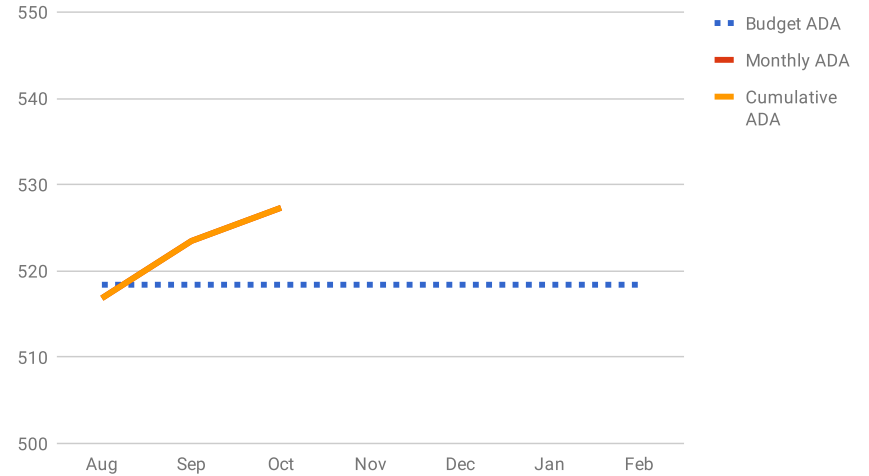
<u>Attendance and Enrollment Data</u>	<u>Total</u>	<u>GPS</u>	<u>HPS</u>	<u>WPS</u>
2020-21 ADA - Approved Budget	1250.8	518.4	518.4	214
2020-21 ADA thru 11/6/2020	1267.3	527.3	527.9	212.11
2020-21 ADA %- Approved Budget	95.6%	96.0%	96.0%	94%
2020-21 ADA % thru 11/6/2020	97.6%	97.7%	97.9%	96.8%
2020-21 Enrollment - Approved Budget	1308.0	540.0	540.0	228
2020-21 Ave Enrollment thru 11/6/2020	1298.2	539.7	539.4	219.16
Enrollment as of 11/6/2020	1297.0	540.0	538.0	219

	<u>Actual</u>
Cash balance as of 10/31/2020	4,198,139
Projected Annual Expenditures (not including CMO Mgmt Fees)	15,448,381
Number of Months Cash on Hand	3.26

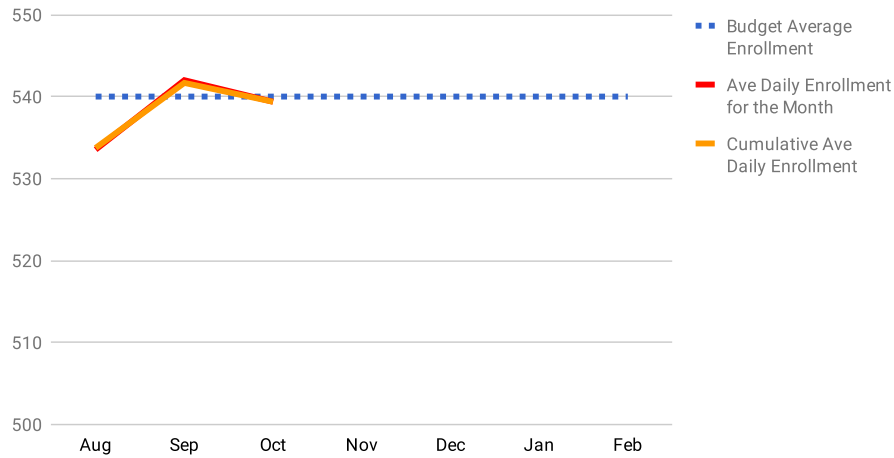
GPS Enrollment



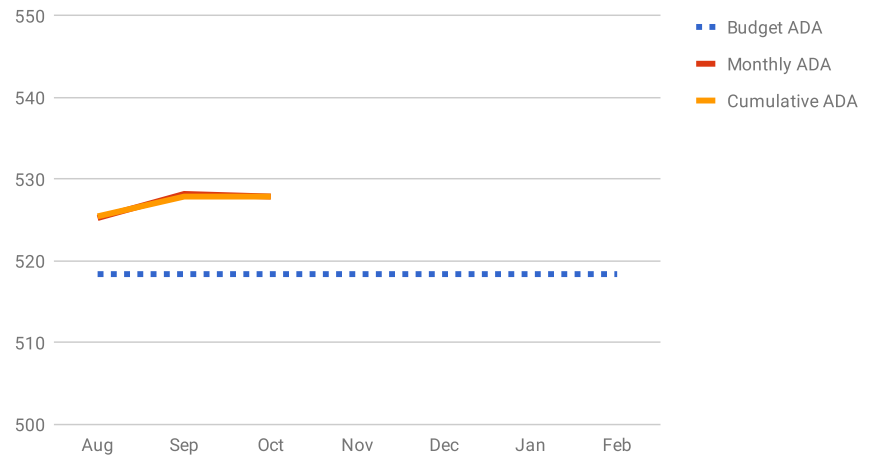
GPS ADA

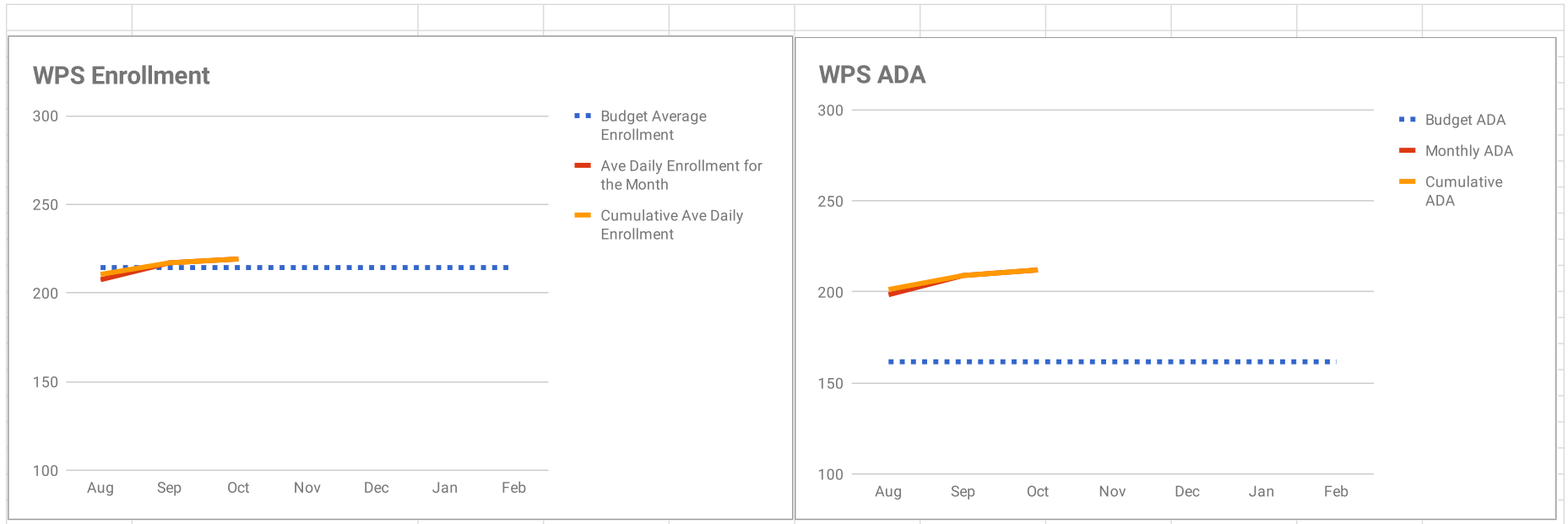


HPS Enrollment



HPS ADA





Coversheet

2020-21 Budget Overview for Parents

Section:	II. Committee Updates and Topics
Item:	B. 2020-21 Budget Overview for Parents
Purpose:	Vote
Submitted by:	
Related Material:	2020 Budget Overview for Parents.pdf



Date: December 2, 2020
To: Navigator Schools Board
From: Ami Ortiz, Director of Business & Finance
Subject: Budget Overview for Parents

Background

California Education Code (EC) Section 52064.1 requires each school district, county office of education (COE), and charter school (LEA) to develop the Local Control Funding Formula (LCFF) Budget Overview for Parents (BOP) and have it approved by the Board of Directors by December 15th. The purpose of the BOP is to provide fiscal transparency for stakeholders.

SB 820 requires the template and instructions to include the following for 2020–21:

- The specific amount of federal funds allocated to the LEA under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- Total Budgeted Expenditures in the Learning Continuity and Attendance Plan (Learning Continuity Plan) and Total Budgeted Expenditures that Contribute to Increasing or Improving Services for Unduplicated Pupils in the Learning Continuity Plan.

Once the BOP is approved by the Board it is required that we send it to our Authorizers and the County (SBE for WPS). It must also be displayed prominently on each of our site websites.

Recommendation

It is recommended that the Board approve the Budget Overview for Parents for Gilroy Prep, Hollister Prep and Watsonville Prep.

LCFF Budget Overview for Parents

Local Educational Agency (LEA) Name: Gilroy Prep School

CDS Code: 43-69484-0123760

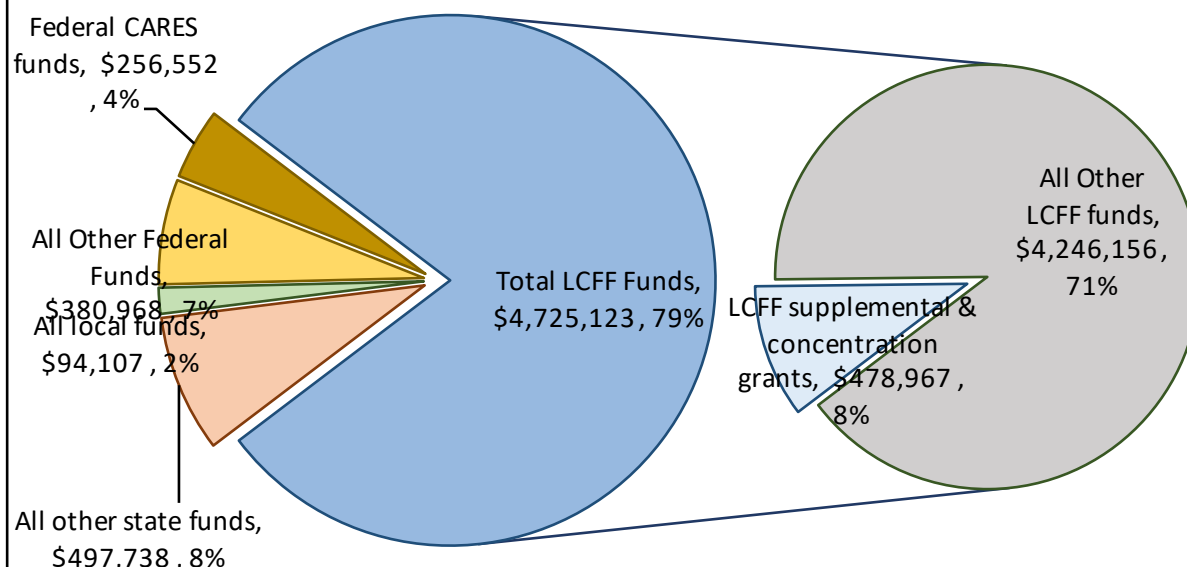
School Year: 2020-2021

LEA contact information: Ami Ortiz, 831-217-4881, ami.ortiz@navigatorschools.org

School districts receive funding from different sources: state funds under the Local Control Funding Formula (LCFF), other state funds, local funds, and federal funds. LCFF funds include a base level of funding for all LEAs and extra funding - called "supplemental and concentration" grants - to LEAs based on the enrollment high needs students (foster youth, English learners, and low-income students).

Budget Overview for the 2020-2021 School Year

Projected Revenue by Fund Source

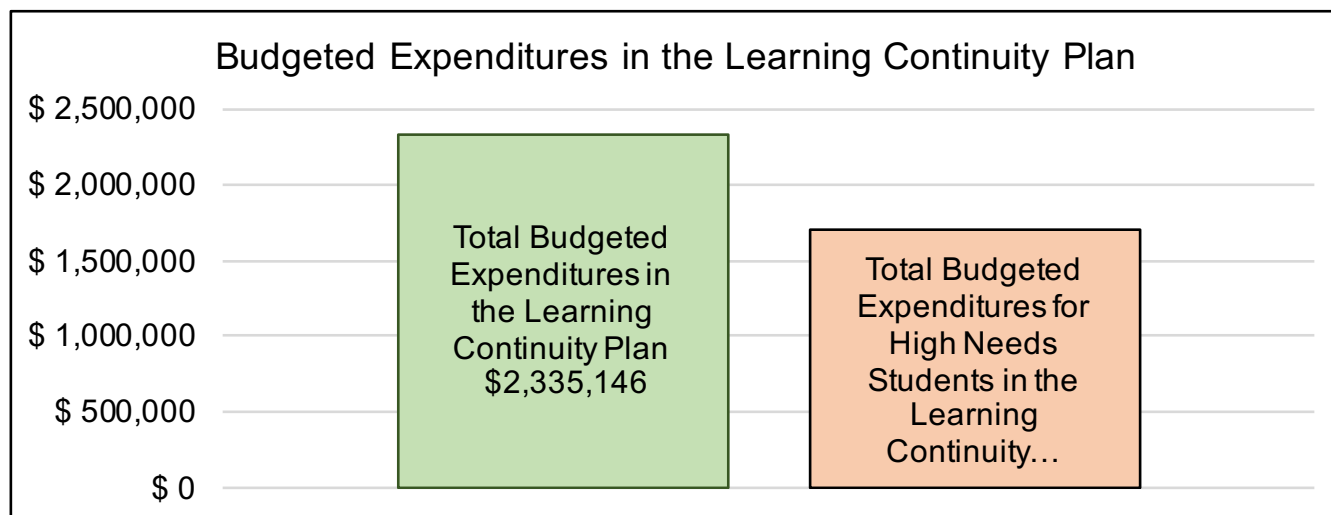


This chart shows the total general purpose revenue Gilroy Prep School expects to receive in the coming year from all sources.

The total revenue projected for Gilroy Prep School is \$5,954,488.00, of which \$4,725,123.00 is Local Control Funding Formula (LCFF) funds, \$497,738.00 is other state funds, \$94,107.00 is local funds, and \$637,520.00 federal funds. Of the \$637,520.00 in federal funds, \$256,552.00 are federal CARES Act funds. Of the \$4,725,123.00 in LCFF Funds, \$478,967.00 is generated based on the enrollment of high needs students (foster youth, English learner, and low-income students).

LCFF Budget Overview for Parents

For the 2020-21 school year school districts must work with parents, educators, students, and the community to develop a Learning Continuity and Attendance Plan (Learning Continuity Plan). The Learning Continuity Plan replaces the Local Control and Accountability Plan (LCAP) for the 2020–21 school year and provides school districts with the opportunity to describe how they are planning to provide a high-quality education, social-emotional supports, and nutrition to their students during the COVID-19 pandemic.



This chart provides a quick summary of how much Gilroy Prep School plans to spend for planned actions and services in the Learning Continuity Plan for 2020-2021 and how much of the total is tied to increasing or improving services for high needs students.

Gilroy Prep School plans to spend \$5,525,305.00 for the 2020-2021 school year. Of that amount, \$2,335,146.00 is tied to actions/services in the Learning Continuity Plan and \$3,190,159.00 is not included in the Learning Continuity Plan. The budgeted expenditures that are not included in the Learning Continuity Plan will be used for the following:

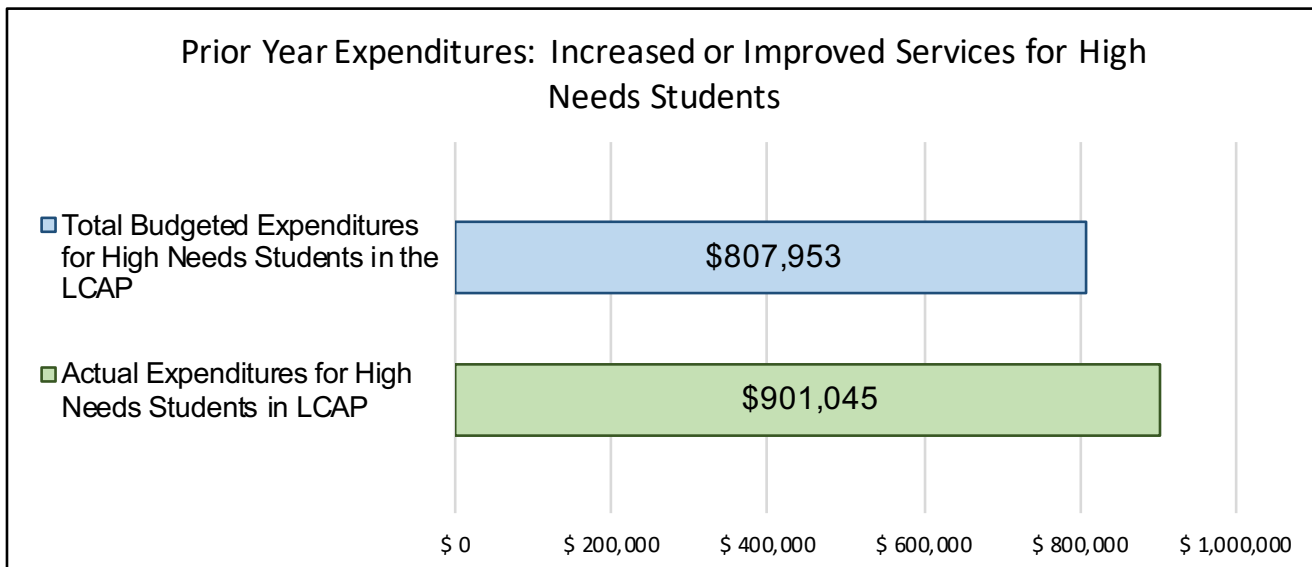
Costs not included in the LCAP budget overview for parents are approximately \$3,190,000 and include, but are not limited to, the following:

Increased or Improved Services for High Needs Students in the Learning Continuity Plan for the 2020-2021 School Year

In 2020-2021, Gilroy Prep School is projecting it will receive \$478,967.00 based on the enrollment of foster youth, English learner, and low-income students. Gilroy Prep School must describe how it intends to increase or improve services for high needs students in the Learning Continuity Plan. Gilroy Prep School plans to spend \$1,700,274.00 towards meeting this requirement, as described in the Learning Continuity Plan.

LCFF Budget Overview for Parents

Update on Increased or Improved Services for High Needs Students in 2019-2020



This chart compares what Gilroy Prep School budgeted in the 2019-20 LCAP for actions and services that contributed to increasing or improving services for high needs students with what Gilroy Prep School actually spent on actions and services that contributed to increasing or improving services for high needs students the 2019-20 school year.

In 2019-2020, Gilroy Prep School's LCAP budgeted \$807,953.00 for planned actions to increase or improve services for high needs students. Gilroy Prep School actually spent \$901,045.00 for actions to increase or improve services for high needs students in 2019-2020.

LCFF Budget Overview for Parents: Data Input

Local Educational Agency (LEA) name:	Gilroy Prep School
CDS code:	43-69484-0123760
LEA contact information:	Ami Ortiz, 831-217-4881, ami.ortiz@navigatorschools.org
Current School Year:	2020-2021
Prior School Year	2019-2020

*NOTE: The "High Needs Students" referred to in the tables below are Unduplicated Students for LCFF funding purposes.

Projected General Fund Revenue for the 2020-2021 School Year		Amount
Total LCFF funds	\$	4,725,123
LCFF supplemental & concentration grants	\$	478,967
All other state funds	\$	497,738
All local funds	\$	94,107
Total federal funds	\$	637,520
Federal CARES funds	\$	256,552
Total Projected Revenue	\$	5,954,488
Total Budgeted Expenditures for the 2020-2021 School Year		Amount
Total Budgeted General Fund Expenditures	\$	5,525,305
Total Budgeted Expenditures in the Learning Continuity Plan	\$	2,335,146
Total Budgeted Expenditures for High Needs Students in the Learning Continuity Plan	\$	1,700,274
Expenditures not in the Learning Continuity Plan	\$	3,190,159
Expenditures for High Needs Students in the 2019-2020 School Year		Amount
Total Budgeted Expenditures for High Needs Students in the LCAP	\$	807,953
Actual Expenditures for High Needs Students in LCAP	\$	901,045

LCFF Budget Overview for Parents: Narrative Responses

LCFF Budget Overview for Parents Narrative Responses Sheet

Required Prompt(s)	Response(s)
<p>Briefly describe any of the General Fund Budget Expenditures for the school year not included in the Learning Continuity Plan.</p>	<p>Costs not included in the LCAP budget overview for parents are approximately \$3,190,000 and include, but are not limited to salary and benefits, administrative costs, facilities and maintenance, and supplies.</p>
<p>A prompt may display based on information provided in the Data Input tab.</p>	<p>[Respond to the prompt here; if there is no prompt a response is not required.]</p>
<p>A prompt may display based on information provided in the Data Input tab.</p>	<p>[Respond to the prompt here; if there is no prompt a response is not required.]</p>

LCFF Budget Overview for Parents

Local Educational Agency (LEA) Name: Hollister Prep School

CDS Code: 35-67470-0127688

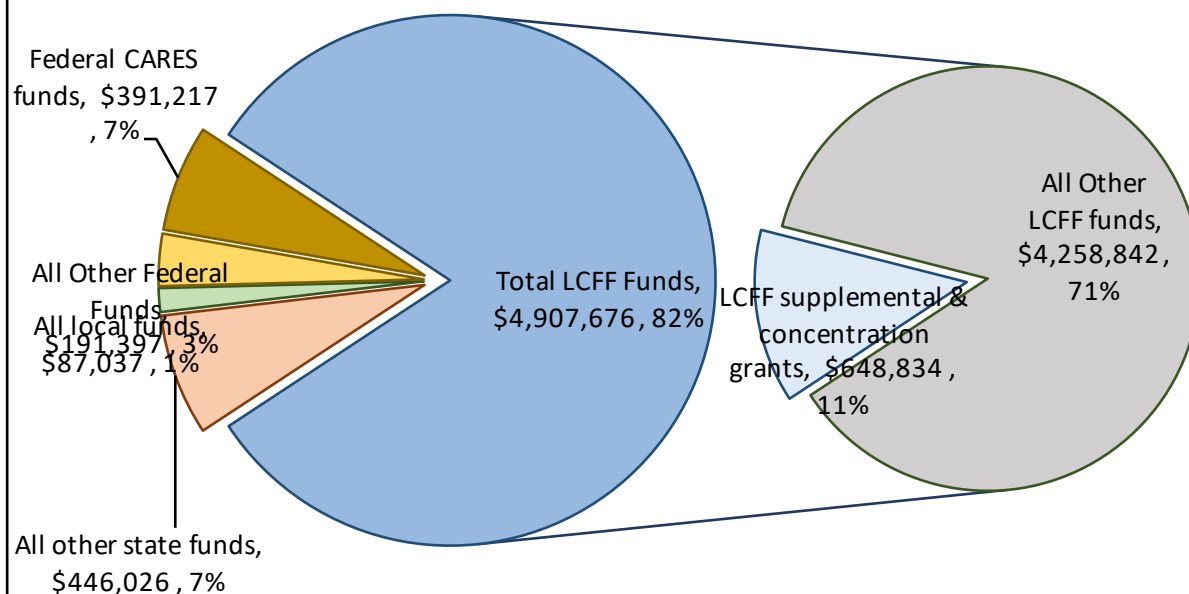
School Year: 2020-2021

LEA contact information: Ami Ortiz, 831-217-4881, ami.ortiz@navigatorschools.org

School districts receive funding from different sources: state funds under the Local Control Funding Formula (LCFF), other state funds, local funds, and federal funds. LCFF funds include a base level of funding for all LEAs and extra funding - called "supplemental and concentration" grants - to LEAs based on the enrollment high needs students (foster youth, English learners, and low-income students).

Budget Overview for the 2020-2021 School Year

Projected Revenue by Fund Source

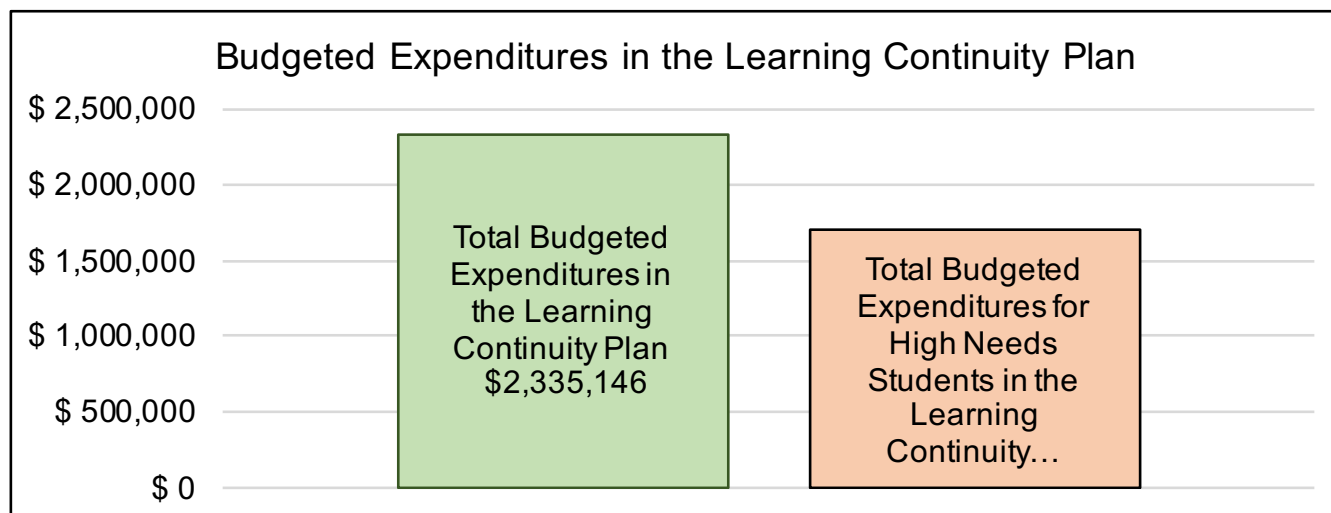


This chart shows the total general purpose revenue Hollister Prep School expects to receive in the coming year from all sources.

The total revenue projected for Hollister Prep School is \$6,023,353.00, of which \$4,907,676.00 is Local Control Funding Formula (LCFF) funds, \$446,026.00 is other state funds, \$87,037.00 is local funds, and \$582,614.00 federal funds. Of the \$582,614.00 in federal funds, \$391,217.00 are federal CARES Act funds. Of the \$4,907,676.00 in LCFF Funds, \$648,834.00 is generated based on the enrollment of high needs students (foster youth, English learner, and low-income students).

LCFF Budget Overview for Parents

For the 2020-21 school year school districts must work with parents, educators, students, and the community to develop a Learning Continuity and Attendance Plan (Learning Continuity Plan). The Learning Continuity Plan replaces the Local Control and Accountability Plan (LCAP) for the 2020–21 school year and provides school districts with the opportunity to describe how they are planning to provide a high-quality education, social-emotional supports, and nutrition to their students during the COVID-19 pandemic.



This chart provides a quick summary of how much Hollister Prep School plans to spend for planned actions and services in the Learning Continuity Plan for 2020-2021 and how much of the total is tied to increasing or improving services for high needs students.

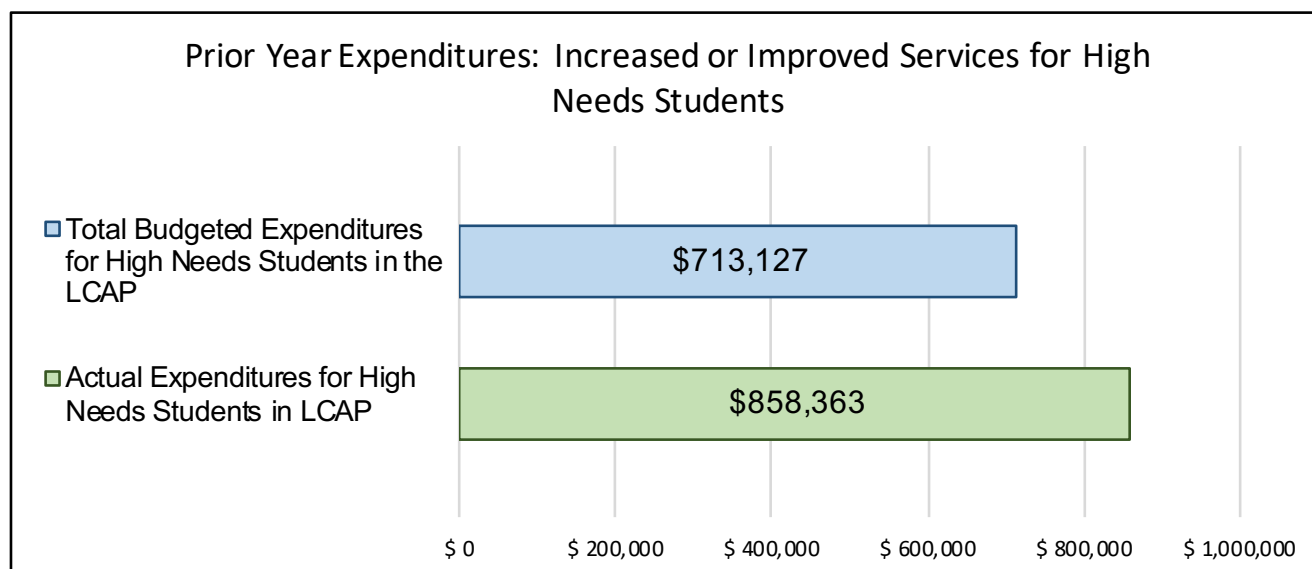
Hollister Prep School plans to spend \$4,965,103.00 for the 2020-2021 school year. Of that amount, \$2,335,146.00 is tied to actions/services in the Learning Continuity Plan and \$2,629,957.00 is not included in the Learning Continuity Plan. The budgeted expenditures that are not included in the Learning Continuity Plan will be used for the following:

Costs not included in the LCAP budget overview for parents are approximately \$2,630,000 and include, but are not limited to, the following: Increased or Improved Services for High Needs Students in the Learning Continuity Plan for the 2020-2021 School Year

In 2020-2021, Hollister Prep School is projecting it will receive \$648,834.00 based on the enrollment of foster youth, English learner, and low-income students. Hollister Prep School must describe how it intends to increase or improve services for high needs students in the Learning Continuity Plan. Hollister Prep School plans to spend \$1,700,274.00 towards meeting this requirement, as described in the Learning Continuity Plan.

LCFF Budget Overview for Parents

Update on Increased or Improved Services for High Needs Students in 2019-2020



This chart compares what Hollister Prep School budgeted in the 2019-20 LCAP for actions and services that contributed to increasing or improving services for high needs students with what Hollister Prep School actually spent on actions and services that contributed to increasing or improving services for high needs students the 2019-20 school year.

In 2019-2020, Hollister Prep School's LCAP budgeted \$713,127.00 for planned actions to increase or improve services for high needs students. Hollister Prep School actually spent \$858,363.00 for actions to increase or improve services for high needs students in 2019-2020.

LCFF Budget Overview for Parents: Data Input

Local Educational Agency (LEA) name:	Hollister Prep School
CDS code:	35-67470-0127688
LEA contact information:	Ami Ortiz, 831-217-4881, ami.ortiz@navigatorschools.org
Current School Year:	2020-2021
Prior School Year	2019-2020

*NOTE: The "High Needs Students" referred to in the tables below are Unduplicated Students for LCFF funding purposes.

Projected General Fund Revenue for the 2020-2021 School Year		Amount
Total LCFF funds	\$	4,907,676
LCFF supplemental & concentration grants	\$	648,834
All other state funds	\$	446,026
All local funds	\$	87,037
Total federal funds	\$	582,614
Federal CARES funds	\$	391,217
Total Projected Revenue	\$	6,023,353
Total Budgeted Expenditures for the 2020-2021 School Year		Amount
Total Budgeted General Fund Expenditures	\$	4,965,103
Total Budgeted Expenditures in the Learning Continuity Plan	\$	2,335,146
Total Budgeted Expenditures for High Needs Students in the Learning Continuity Plan	\$	1,700,274
Expenditures not in the Learning Continuity Plan	\$	2,629,957
Expenditures for High Needs Students in the 2019-2020 School Year		Amount
Total Budgeted Expenditures for High Needs Students in the LCAP	\$	713,127
Actual Expenditures for High Needs Students in LCAP	\$	858,363

LCFF Budget Overview for Parents: Narrative Responses

LCFF Budget Overview for Parents Narrative Responses Sheet

Required Prompt(s)	Response(s)
<p>Briefly describe any of the General Fund Budget Expenditures for the school year not included in the Learning Continuity Plan.</p>	<p>Costs not included in the LCAP budget overview for parents are approximately \$2,630,000 and include, but are not limited to salaries and benefits, administrative costs, facilities and maintenance, and supplies.</p>
<p>A prompt may display based on information provided in the Data Input tab.</p>	<p>[Respond to the prompt here; if there is no prompt a response is not required.]</p>
<p>A prompt may display based on information provided in the Data Input tab.</p>	<p>[Respond to the prompt here; if there is no prompt a response is not required.]</p>

LCFF Budget Overview for Parents

Local Educational Agency (LEA) Name: Watsonville Prep School

CDS Code: 44-77248-0138909

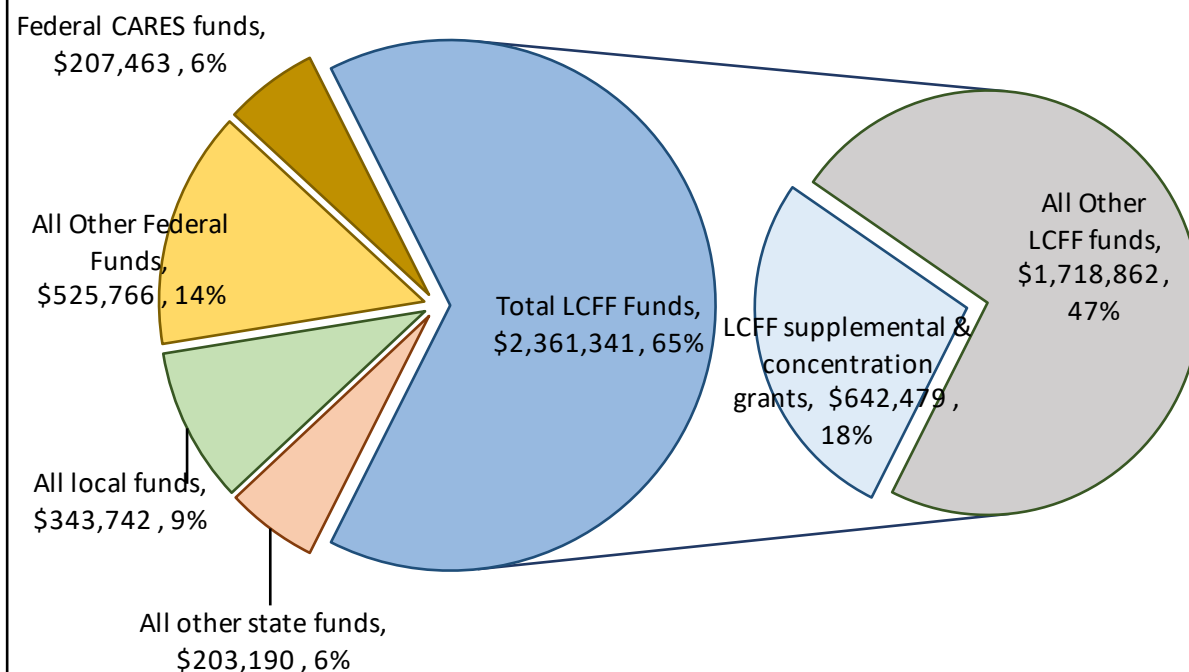
School Year: 2020-2021

LEA contact information: Ami Ortiz, 831-217-4881, ami.ortiz@navigatorschools.org

School districts receive funding from different sources: state funds under the Local Control Funding Formula (LCFF), other state funds, local funds, and federal funds. LCFF funds include a base level of funding for all LEAs and extra funding - called "supplemental and concentration" grants - to LEAs based on the enrollment high needs students (foster youth, English learners, and low-income students).

Budget Overview for the 2020-2021 School Year

Projected Revenue by Fund Source

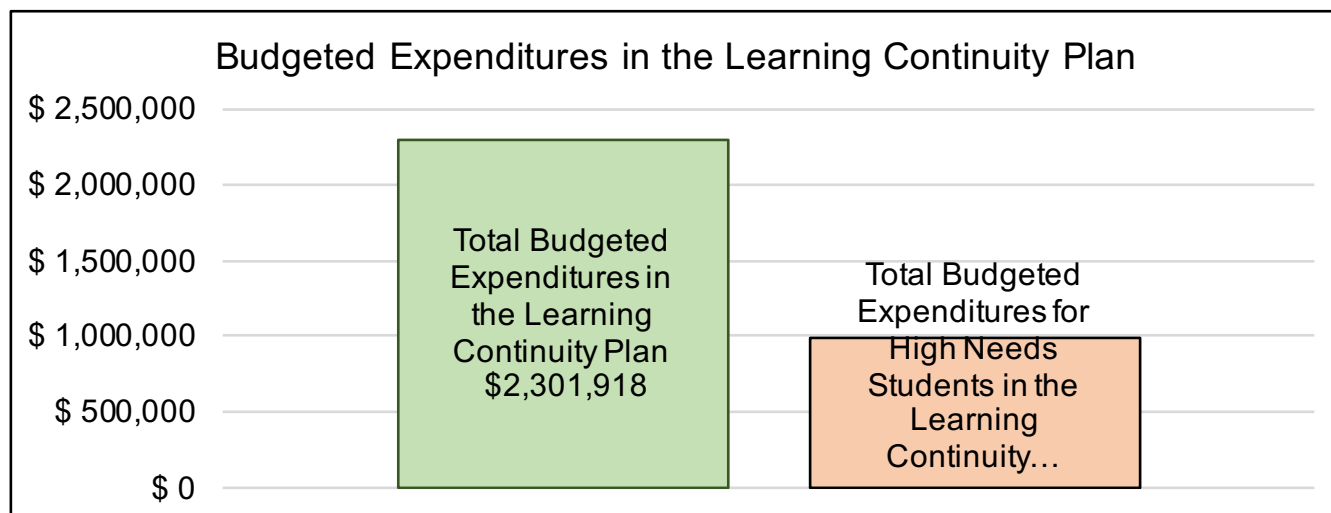


This chart shows the total general purpose revenue Watsonville Prep School expects to receive in the coming year from all sources.

The total revenue projected for Watsonville Prep School is \$3,641,502.00, of which \$2,361,341.00 is Local Control Funding Formula (LCFF) funds, \$203,190.00 is other state funds, \$343,742.00 is local funds, and \$733,229.00 is federal funds. Of the \$733,229.00 in federal funds, \$207,463.00 are federal CARES Act fund. Of the \$2,361,341.00 in LCFF Funds, \$642,479.00 is generated based on the enrollment of high needs students (foster youth, English learner, and low-income students).

LCFF Budget Overview for Parents

For the 2020-21 school year school districts must work with parents, educators, students, and the community to develop a Learning Continuity and Attendance Plan (Learning Continuity Plan). The Learning Continuity Plan replaces the Local Control and Accountability Plan (LCAP) for the 2020–21 school year and provides school districts with the opportunity to describe how they are planning to provide a high-quality education, social-emotional supports, and nutrition to their students during the COVID-19 pandemic.



This chart provides a quick summary of how much Watsonville Prep School plans to spend for planned actions and services in the Learning Continuity Plan for 2020-2021 and how much of the total is tied to increasing or improving services for high needs students.

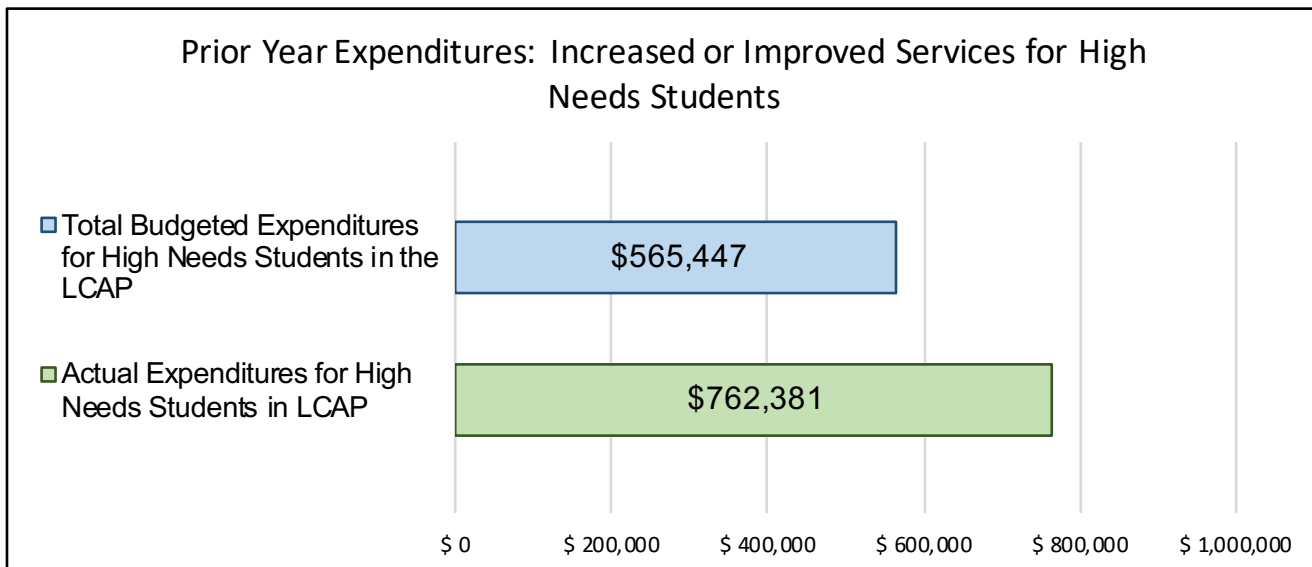
Watsonville Prep School plans to spend \$3,245,639.00 for the 2020-2021 school year. Of that amount, \$2,301,918.00 is tied to actions/services in the Learning Continuity Plan and \$943,721.00 is not included in the Learning Continuity Plan. The budgeted expenditures that are not included in the Learning Continuity Plan can be used for the following:

Costs not included in the LCAP budget overview for parents are approximately \$943,721 and include, but are not limited to, the following: Increased or Improved Services for High Needs Students in the Learning Continuity Plan for the 2020-2021 School Year

In 2020-2021, Watsonville Prep School is projecting it will receive \$642,479.00 based on the enrollment of foster youth, English learner, and low-income students. Watsonville Prep School must describe how it intends to increase or improve services for high needs students in the Learning Continuity Plan. Watsonville Prep School plans to spend \$986,403.00 towards meeting this requirement, as described in the Learning Continuity Plan.

LCFF Budget Overview for Parents

Update on Increased or Improved Services for High Needs Students in 2019-2020



This chart compares what Watsonville Prep School budgeted in the 2019-20 LCAP for actions and services that contributed to increasing or improving services for high needs students with what Watsonville Prep School actually spent on actions and services that contributed to increasing or improving services for high needs students in the 2019-20 school year.

In 2019-2020, Watsonville Prep School's LCAP budgeted \$565,447.00 for planned actions to increase or improve services for high needs students. Watsonville Prep School actually spent \$762,381.00 for actions to increase or improve services for high needs students in 2019-2020.

LCFF Budget Overview for Parents: Data Input

Local Educational Agency (LEA) name:	Watsonville Prep School
CDS code:	44-77248-0138909
LEA contact information:	Ami Ortiz, 831-217-4881, ami.ortiz@navigatorschools.org
Current School Year:	2020-2021
Prior School Year	2019-2020

*NOTE: The "High Needs Students" referred to in the tables below are Unduplicated Students for LCFF funding purposes.

Projected General Fund Revenue for the 2020-2021 School Year		Amount
Total LCFF funds	\$	2,361,341
LCFF supplemental & concentration grants	\$	642,479
All other state funds	\$	203,190
All local funds	\$	343,742
Total federal funds	\$	733,229
Federal CARES funds	\$	207,463
Total Projected Revenue	\$	3,641,502
Total Budgeted Expenditures for the 2020-2021 School Year		Amount
Total Budgeted General Fund Expenditures	\$	3,245,639
Total Budgeted Expenditures in the Learning Continuity Plan	\$	2,301,918
Total Budgeted Expenditures for High Needs Students in the Learning Continuity Plan	\$	986,403
Expenditures not in the Learning Continuity Plan	\$	943,721
Expenditures for High Needs Students in the 2019-2020 School Year		Amount
Total Budgeted Expenditures for High Needs Students in the LCAP	\$	565,447
Actual Expenditures for High Needs Students in LCAP	\$	762,381

LCFF Budget Overview for Parents: Narrative Responses

LCFF Budget Overview for Parents Narrative Responses Sheet

Required Prompt(s)	Response(s)
<p>Briefly describe any of the General Fund Budget Expenditures for the school year not included in the Learning Continuity Plan.</p>	<p>Costs not included in the LCAP budget overview for parents are approximately \$943,721 and include, but are not limited to salaries and benefits, administrative costs, facilities and maintenance, and supplies.</p>
<p>A prompt may display based on information provided in the Data Input tab.</p>	<p>[Respond to the prompt here; if there is no prompt a response is not required.]</p>
<p>A prompt may display based on information provided in the Data Input tab.</p>	<p>[Respond to the prompt here; if there is no prompt a response is not required.]</p>

Coversheet

Umpqua Bank Resolution

Section:	II. Committee Updates and Topics
Item:	C. Umpqua Bank Resolution
Purpose:	Vote
Submitted by:	
Related Material:	BR_2021-03 Umpqua Credit Line.pdf

BOARD RESOLUTION 2021-03

December 8, 2020

Authorization of the Chief Executive Officer to Obtain a Line of Credit from Umpqua Bank

A RESOLUTION OF THE BOARD OF DIRECTORS of Navigator Schools authorizing the Chief Executive Officer to Obtain a Line of Credit from Umpqua Bank:

WHEREAS the Board of Directors of Navigator Schools authorized the Chief Executive Officer by motion, second, and unanimous vote to obtain a line of credit as described and included in the consent agenda during its regular board meeting on August 25, 2020;

WHEREAS Umpqua Bank requires proof of board authorization for a line of credit in the form of a board resolution; and

WHEREAS the establishment of a line of credit promotes financial security, readiness, and the ability to respond to potential deferrals in state funding and other unpredictable demands of the COVID-19 era;

RESOLVED, the Chief Executive Officer of Navigator Schools shall be authorized to obtain a line of credit from Umpqua Bank in the amount of \$4,000,000, and shall be authorized to execute loan agreements and to pledge security (including the apportionment payments) as required by Umpqua Bank in connection with such a line of credit, and deposit cash as needed into the organization's checking account to support continuity of school operations.

The officers of this corporation are authorized to perform the acts necessary to carry out this resolution. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of Navigator Schools at the regular meeting held via teleconference on December 8, 2020.

Nora Crivello
Board Secretary

Date

Navigator Schools, a California Nonprofit Public Benefit Corporation

Vanessa Ryan

SVP/ Corporate Relationship Manager

Tel: 916.724-1214

Email: vanessaryan@umpquabank.com


UMPQUA
 B • A • N • K

Navigator Schools – ‘draft’

Umpqua Bank (“Umpqua”) would like to express its interest in underwriting and obtaining credit approval for the following loan (the “Credit Facility”) for the Navigator Schools (the “Navigator”) on the terms and conditions outlined below.

Preface: Umpqua’s expression of interest in underwriting and obtaining credit approval for the Credit Facility is for discussion purposes only and does not constitute a commitment from Umpqua. Any commitment to lend that we might make is subject to the fulfillment of a number of conditions that include, but are not limited to, our normal credit approval process, an in-depth investigation of the purpose of the purpose of the loan, the Agency, and collateral the results of which are deemed satisfactory to Umpqua in our sole discretion.

Confidentiality: Except as required by law, neither this expression of interest nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed financing. The foregoing confidentiality provisions shall not apply to the disclosure of the federal income tax structure or treatment of the proposed financing.

Loan Amount:	\$4,000,000 (<i>as requested</i>)
Loan Purpose:	Cash flow for operations
Structure/Security:	Intercept of LCFF funds
Term:	1-yr term, maturity estimated October 2021, with the ability to extend to another year term
Maximum Advance:	Not to exceed 50% of LCFF funds, as verified by the CDE website
Interest Rate:	Indicative taxable rate, Prime + 1.00% - 4.250%, as of 8/4/2020 Floor 4.00%
Loan Fee:	\$0.00 – waived, due to the current banking relationship with Umpqua Bank (<i>typical loan fee is 0.25% of total loan amount</i>)
Financial Covenants:	30 – consecutive days out of
Repayment Terms:	Interest only, Principle and Interest due at maturity
Relationship Discount:	The above rates include a relationship discount that assumes the ‘Navigator Schools’ will maintain its current deposit relationship with Umpqua Bank. (<i>utilizing the ICS product to insure the deposit balances</i>)
COI Fees:	Documents to be prepared/reviewed by bank counsel – Rudy Salo, Nixon Peabody LLP. Legal fees and expenses of Nixon Peabody, LLP shall not exceed \$10,000 .
Reporting:	Annual Audited Financials Annual Approved Budget P1 & P2 verification of LCFF

Vanessa Ryan

SVP/ Corporate Relationship Manager

Tel: 916.724-1214

Email: vanessaryan@umpquabank.com



UMPQUA
B • A • N • K

Additional Conditions

Periodic financial and collateral reporting by the Agency, as well as representations and warranties of the Agency regarding its status and ability to repay and related matters and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed herein will be determined as part of Umpqua Bank's normal underwriting and approval process. The proposed facility will be subject to a default rate equal to the proposed interest rate + 3.0%.

PDFs of all executed and other documents listed on the Closing Index shall be provided to the Bank no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire those documents shall be provided immediately after receipt of the wire.

Sincerely,

Vanessa Ryan

SVP, Sr. Corporate Relationship Manager

Charter School Specialist

Please pursue underwriting and approval of a commitment for the described Credit Facility.

Borrower

By: _____

Printed Name: _____

Title: _____

Coversheet

2021 First Interim Report for Watsonville Prep School

Section:	II. Committee Updates and Topics
Item:	D. 2021 First Interim Report for Watsonville Prep School
Purpose:	Vote
Submitted by:	
Related Material:	2020-21 WPS 1st Interim Report.pdf



Date: December 4, 2020

To: Board of Directors

From: Ami Ortiz, Director of Business & Finance

Re: Approval of WPS's First Interim Report for 2020-21

Recommendation

It is recommended the Board approve, as part of the consent agenda, Watsonville Prep School's First Interim Report, as required by the California Department of Education (CDE).

Background

Local educational agencies (LEAs) are required to file two reports during a fiscal year (interim reports) on the status of the LEA's financial health. The first interim report is due December 15 for the period ending October 31. The second interim report is due March 17 for the period ending January 31.

While WPS's charter does not require us to have Board's approval of the interim reports, our authorizer has requested that we do obtain our Board's approval.

Summary

It is recommended the Board approve Watsonville Prep School's First Interim Report for 2020-21, as required by the California Department of Education (CDE).

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report Certification**

Charter School Name: Watsonville Prep School
(continued) _____
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2020/21

To the entity that approved the charter school:
(x) 2020/21 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 47604.33.

Signed: _____ Date: _____
Charter School Official
(Original signature required)

Print Name: Kevin Sved Title: CEO

To the County Superintendent of Schools:
(x) 2020/21 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 47604.33.

Signed: _____ Date: _____
Authorized Representative of
Charter Approving Entity
(Original signature required)

Print Name: _____ Title: _____

For additional information on the First Interim Report, please contact:

For Approving Entity:

Name

Title

Phone

E-mail

For Charter School:

Kevin Sved
Name

CEO
Title

650-490-6040
Phone

ksved@navigatorschools.org
E-mail

This report has been verified for mathematical accuracy by the County Superintendent of Schools, pursuant to *Education Code* Section 47604.33.

District Advisor

Date

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Detail**

Charter School Name: Watsonville Prep School
(continued)
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2020/21

This charter school uses the following basis of accounting:

- ☒ **Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
☐ **Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	Adopted Budget - July 1			Actuals thru 10/31			1st Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
A. REVENUES										
1. LCFF/Revenue Limit Sources										
State Aid - Current Year	8011	2,261,840.00		2,261,840.00	481,450.00		481,450.00	2,318,477.00		2,318,477.00
Education Protection Account State Aid - Current Year	8012	42,864.00		42,864.00	7,857.00		7,857.00	42,864.00		42,864.00
Charter Schools Gen. Purpose Entitlement - State Aid	8015									
State Aid - Prior Years	8019									
Tax Relief Subventions	8020-8039									
County and District Taxes	8040-8079									
Miscellaneous Funds	8080-8089									
LCFF/Revenue Limit Transfers:										
PERS Reduction Transfer	8092			-			-			-
Charter Schools Funding in lieu of Property Taxes	8096			-			-			-
Other LCFF/Revenue Limit Transfers	8091, 8097			-			-			-
Total, LCFF/Revenue Limit Sources		2,304,704.00	-	2,304,704.00	489,307.00	-	489,307.00	2,361,341.00	-	2,361,341.00
2. Federal Revenues										
No Child Left Behind	8290		185,812.00	185,812.00		14,171.00	14,171.00		185,812.00	185,812.00
Special Education - Federal	8181, 8182		21,000.00	21,000.00					21,000.00	21,000.00
Child Nutrition - Federal	8220		139,868.00	139,868.00		89,362.00	89,362.00		139,868.00	139,868.00
Other Federal Revenues	8110, 8260-8299		225,000.00	225,000.00		173,028.00	173,028.00		386,549.00	386,549.00
Total, Federal Revenues		-	571,680.00	571,680.00	-	276,561.00	276,561.00	-	733,229.00	733,229.00
3. Other State Revenues										
Charter Schools Categorical Block Grant (8480 N/A thru 14/15-SBX3-4)	N/A thru 14/15									
Special Education - State	StateRevSE		127,981.00	127,981.00		26,498.00	26,498.00		127,981.00	127,981.00
All Other State Revenues	StateRevAO	41,650.00	18,637.00	60,287.00	-	22,948.00	22,948.00	40,409.00	34,800.00	75,209.00
Total, Other State Revenues		41,650.00	146,618.00	188,268.00	-	49,446.00	49,446.00	40,409.00	162,781.00	203,190.00
4. Other Local Revenues										
All Other Local Revenues	LocalRevAO	343,742.00		343,742.00	119,011.00		119,011.00	343,742.00		343,742.00
Total, Local Revenues		343,742.00	-	343,742.00	119,011.00	-	119,011.00	343,742.00	-	343,742.00
5. TOTAL REVENUES										
		2,690,096.00	718,298.00	3,408,394.00	608,318.00	326,007.00	934,325.00	2,745,492.00	896,010.00	3,641,502.00
B. EXPENDITURES										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	396,855.00	259,700.00	656,555.00	115,243.00	43,000.00	158,243.00	382,544.00	274,010.00	656,554.00
Certificated Pupil Support Salaries	1200	49,930.00		49,930.00	11,700.00		11,700.00	49,930.00		49,930.00
Certificated Supervisors' and Administrators' Salaries	1300	222,375.00		222,375.00	74,125.00		74,125.00	222,375.00		222,375.00
Other Certificated Salaries	1900	-		-			-			-
Total, Certificated Salaries		669,160.00	259,700.00	928,860.00	201,068.00	43,000.00	244,068.00	654,849.00	274,010.00	928,859.00
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	392,887.00		392,887.00	88,892.00		88,892.00	392,887.00	35,000.00	427,887.00
Non-certificated Support Salaries	2200	-		-	-		-	-		-
Non-certificated Supervisors' and Administrators' Sal.	2300									
Clerical and Office Salaries	2400	145,040.00		145,040.00	35,289.00		35,289.00	145,040.00		145,040.00
Other Non-certificated Salaries	2900	204,298.00		204,298.00	42,638.00		42,638.00	204,298.00	35,000.00	239,298.00
Total, Non-certificated Salaries		742,225.00	-	742,225.00	166,819.00	-	166,819.00	742,225.00	70,000.00	812,225.00
3. Employee Benefits										
STRS	3101-3102	103,533.00	42,279.00	145,812.00	26,216.13	14,750.87	40,967.00	101,559.39	44,252.62	145,812.00
PERS	3201-3202									
OASDI / Medicare / Alternative	3301-3302	65,800.00	3,796.00	69,596.00	12,907.90	2,740.10	15,648.00	61,345.70	8,220.30	69,566.00
Health and Welfare Benefits	3401-3402	160,316.00	35,067.00	195,383.00	55,345.35	17,707.62	73,053.00	159,793.13	53,122.87	212,883.00
Unemployment Insurance	3501-3502	4,508.00	2,870.00	7,378.00	2,526.63	913.37	3,440.00	6,637.90	2,740.10	7,378.00
Workers' Compensation Insurance	3601-3602	16,520.00	2,286.00	18,806.00	1,954.30	1,004.71	2,959.00	15,791.89	3,014.12	18,806.00
OPEB, Allocated	3701-3702									
OPEB, Active Employees	3751-3752									
PERS Reduction (for revenue limit funded schools)	3801-3802									
Other Employee Benefits	3901-3902									
Total, Employee Benefits		350,677.00	86,268.00	436,945.00	98,950.33	37,116.67	136,067.00	343,095.00	111,350.00	454,445.00
4. Books and Supplies										
Approved Textbooks and Core Curricula Materials	4100	850.00	150.00	1,000.00	4,474.00		4,474.00	850.00	150.00	1,000.00
Books and Other Reference Materials	4200	7,699.00	1,359.00	9,058.00	41.00		41.00	4,066.00	1,854.00	5,920.00
Materials and Supplies	4300	4,699.00	49,313.00	54,012.00	4,902.00		4,902.00	3,604.00	23,396.00	27,000.00
Noncapitalized Equipment	4400	30,369.00	108,200.00	138,569.00	161,507.00		161,507.00	30,519.00	153,200.00	183,719.00
Food	4700	35,966.00	139,868.00	175,834.00	208.00	88,917.00	89,125.00	27,224.00	148,610.00	175,834.00
Total, Books and Supplies		79,583.00	298,890.00	378,473.00	171,132.00	88,917.00	260,049.00	66,263.00	327,210.00	393,473.00
5. Services and Other Operating Expenditures										
Subagreements for Services	5100									
Travel and Conferences	5200	6,000.00		6,000.00	1,600.00		1,600.00	6,000.00		6,000.00
Dues and Memberships	5300	5,300.00		5,300.00	974.00		974.00	5,300.00		5,300.00
Insurance	5400	12,621.00		12,621.00	4,160.00		4,160.00	12,621.00		12,621.00
Operations and Housekeeping Services	5500	42,112.00		42,112.00	4,932.00		4,932.00	37,112.00	5,000.00	42,112.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	55,909.00		55,909.00	18,983.00		18,983.00	55,909.00		55,909.00
Professional/Consulting Services and Operating Expend.	5800	517,305.00	73,440.00	590,745.00	157,681.00	8,209.00	165,890.00	482,305.00	73,440.00	555,745.00
Communications	5900	46,450.00		46,450.00	21,339.00		21,339.00	46,450.00	35,000.00	81,450.00
Total, Services and Other Operating Expenditures		685,697.00	73,440.00	759,137.00	209,669.00	8,209.00	217,878.00	645,697.00	113,440.00	759,137.00
6. Capital Outlay (Objects 6100-6170, 6200-6500 for modified accrual basis only)										
Land and Land Improvements	6100-6170			-	58,126.00		58,126.00	75,000.00		75,000.00
Buildings and Improvements of Buildings	6200									
Books and Media for New School Libraries or Major										
Expansion of School Libraries	6300									
Equipment	6400									
Equipment Replacement	6500									
Depreciation Expense (for accrual basis only)	6900			-				-		-
Total, Capital Outlay		-	-	-	58,126.00	-	58,126.00	75,000.00	-	75,000.00
7. Other Outgo										
Tuition to Other Schools	7110-7143									
Transfers of Pass-through Revenues to Other LEAs	7211-7213									
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE									
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO									
All Other Transfers	7281-7299									
Debt Service:										
Interest	7436	5,045.00		5,045.00				5,045.00		5,045.00
Principal (for modified accrual basis only)	7439									
Total, Other Outgo		5,045.00	-	5,045.00	-	-	-	-	-	-
8. TOTAL EXPENDITURES										
		2,532,387.00	718,298.00	3,250,685.00	905,764.33	177,242.67	1,083,007.00	2,527,129.00	896,010.00	3,423,139.00

CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Detail

Charter School Name: Watsonville Prep School
(continued)
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2020/21

This charter school uses the following basis of accounting:

- ☒ **Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
☐ **Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	Adopted Budget - July 1			Actuals thru 10/31			1st Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		157,709.00	-	157,709.00	(297,446.33)	148,764.33	(148,682.00)	218,363.00	-	218,363.00
D. OTHER FINANCING SOURCES / USES										
1. Other Sources	8930-8979			-			-			-
2. Less: Other Uses	7630-7699			-			-			-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999			-			-			-
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	-	-	-	-	-
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		157,709.00	-	157,709.00	(297,446.33)	148,764.33	(148,682.00)	218,363.00	-	218,363.00
F. FUND BALANCE, RESERVES										
1. Beginning Fund Balance										
a. As of July 1	9791	151,128.00		151,128.00	151,128.00	-	151,128.00	151,128.00		151,128.00
b. Adjustments to Beginning Balance	9793, 9795	-		-	-		-	-		-
c. Adjusted Beginning Balance		151,128.00	-	151,128.00	151,128.00	-	151,128.00	151,128.00	-	151,128.00
2. Ending Fund Balance, June 30 (E + F.1.c.)		308,837.00	-	308,837.00	(146,318.33)	148,764.33	2,446.00	369,491.00	-	369,491.00
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)	9711			-			-			-
Stores (equals object 9320)	9712			-			-			-
Prepaid Expenditures (equals object 9330)	9713			-			-			-
All Others	9719			-			-			-
b. Restricted	9740			-			-			-
c. Committed										
Stabilization Arrangements	9750			-			-			-
Other Commitments	9760			-			-			-
d. Assigned										
Other Assignments	9780			-			-			-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties	9799			-			-			-
Unassigned/Unappropriated Amount	9790	308,837.00	-	308,837.00	(146,318.33)	148,764.33	2,446.00	369,491.00	-	369,491.00

CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary

Charter School Name: Watsonville Prep School
(continued)
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2020/21

					1st Interim vs. Adopted Increase, (Decrease)	
Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
A. REVENUES						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	2,261,840.00	481,450.00	2,318,477.00	56,637.00	2.50%
Education Protection Account State Aid - Current Year	8012	42,864.00	7,857.00	42,864.00	-	0.00%
Charter Schools Gen. Purpose Entitlement - State Aid	8015	-	-	-	-	-
State Aid - Prior Years	8019	-	-	-	-	-
Tax Relief Subventions	8020-8039	-	-	-	-	-
County and District Taxes	8040-8079	-	-	-	-	-
Miscellaneous Funds	8080-8089	-	-	-	-	-
LCFF/Revenue Limit Transfers:						
PERS Reduction Transfer	8092	-	-	-	-	-
Charter Schools Funding in lieu of Property Taxes	8096	-	-	-	-	-
Other LCFF/Revenue Limit Transfers	8091, 8097	-	-	-	-	-
Total, LCFF/Revenue Limit Sources		2,304,704.00	489,307.00	2,361,341.00	56,637.00	2.46%
2. Federal Revenues						
No Child Left Behind (Include ARRA)	8290	185,812.00	14,171.00	185,812.00	-	0.00%
Special Education - Federal	8181, 8182	21,000.00	-	21,000.00	-	0.00%
Child Nutrition - Federal	8220	139,868.00	89,362.00	139,868.00	-	0.00%
Other Federal Revenues (Include ARRA)	8110, 8260-8299	225,000.00	173,028.00	386,549.00	161,549.00	71.80%
Total, Federal Revenues		571,680.00	276,561.00	733,229.00	161,549.00	28.26%
3. Other State Revenues						
Charter Schools Categorical Block Grant	N/A thru 14/15	-	-	-	-	-
Special Education - State	StateRevSE	127,981.00	26,498.00	127,981.00	-	0.00%
All Other State Revenues	StateRevAO	60,287.00	22,948.00	75,209.00	14,922.00	24.75%
Total, Other State Revenues		188,268.00	49,446.00	203,190.00	14,922.00	7.93%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	343,742.00	119,011.00	343,742.00	-	0.00%
Total, Local Revenues		343,742.00	119,011.00	343,742.00	-	0.00%
5. TOTAL REVENUES						
		3,408,394.00	934,325.00	3,641,502.00	233,108.00	6.84%
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	656,555.00	158,243.00	656,554.00	(1.00)	0.00%
Certificated Pupil Support Salaries	1200	49,930.00	11,700.00	49,930.00	-	0.00%
Certificated Supervisors' and Administrators' Salaries	1300	222,375.00	74,125.00	222,375.00	-	0.00%
Other Certificated Salaries	1900	-	-	-	-	-
Total, Certificated Salaries		928,860.00	244,068.00	928,859.00	(1.00)	0.00%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	392,887.00	88,892.00	427,887.00	35,000.00	8.91%
Non-certificated Support Salaries	2200	-	-	-	-	-
Non-certificated Supervisors' and Administrators' Sal.	2300	-	-	-	-	-
Clerical and Office Salaries	2400	145,040.00	35,289.00	145,040.00	-	0.00%
Other Non-certificated Salaries	2900	204,298.00	42,638.00	239,298.00	35,000.00	17.13%
Total, Non-certificated Salaries		742,225.00	166,819.00	812,225.00	70,000.00	9.43%
3. Employee Benefits						
STRS	3101-3102	145,812.00	40,967.00	145,812.00	-	0.00%
PERS	3201-3202	-	-	-	-	-
OASDI / Medicare / Alternative	3301-3302	69,566.00	15,648.00	69,566.00	-	0.00%
Health and Welfare Benefits	3401-3402	195,383.00	73,053.00	212,883.00	17,500.00	8.96%
Unemployment Insurance	3501-3502	7,378.00	3,440.00	7,378.00	-	0.00%
Workers' Compensation Insurance	3601-3602	18,806.00	2,959.00	18,806.00	-	0.00%
OPEB, Allocated	3701-3702	-	-	-	-	-
OPEB, Active Employees	3751-3752	-	-	-	-	-
PERS Reduction (for revenue limit funded schools)	3801-3802	-	-	-	-	-
Other Employee Benefits	3901-3902	-	-	-	-	-
Total, Employee Benefits		436,945.00	136,067.00	454,445.00	17,500.00	4.01%
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	1,000.00	4,474.00	1,000.00	-	0.00%
Books and Other Reference Materials	4200	9,058.00	41.00	5,920.00	(3,138.00)	-34.64%
Materials and Supplies	4300	54,012.00	4,902.00	27,000.00	(27,012.00)	-50.01%
Noncapitalized Equipment	4400	138,569.00	161,507.00	183,719.00	45,150.00	32.58%
Food	4700	175,834.00	89,125.00	175,834.00	-	0.00%
Total, Books and Supplies		378,473.00	260,049.00	393,473.00	15,000.00	3.96%
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	-	-	-	-	-
Travel and Conferences	5200	6,000.00	1,600.00	6,000.00	-	0.00%
Dues and Memberships	5300	5,300.00	974.00	5,300.00	-	0.00%
Insurance	5400	12,621.00	4,160.00	12,621.00	-	0.00%
Operations and Housekeeping Services	5500	42,112.00	4,932.00	42,112.00	-	0.00%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	55,909.00	18,983.00	55,909.00	-	0.00%
Professional/Consulting Services and Operating Expend.	5800	590,745.00	165,890.00	555,745.00	(35,000.00)	-5.92%

CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary

Charter School Name: Watsonville Prep School
(continued)
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2020/21

Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	1st Interim vs. Adopted Increase, (Decrease)	
					\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
Communications	5900	46,450.00	21,339.00	46,450.00	-	0.00%
Total, Services and Other Operating Expenditures		759,137.00	217,878.00	724,137.00	(35,000.00)	-4.61%
6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis only)						
Land and Land Improvements	6100-6170	-	58,126.00	75,000.00	75,000.00	New
Buildings and Improvements of Buildings	6200	-	-	-	-	
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	
Equipment	6400	-	-	-	-	
Equipment Replacement	6500	-	-	-	-	
Depreciation Expense (for accrual basis only)	6900	-	-	-	-	
Total, Capital Outlay		-	58,126.00	75,000.00	75,000.00	New
7. Other Outgo						
Tuition to Other Schools	7110-7143	-	-	-	-	
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	
All Other Transfers	7281-7299	-	-	-	-	
Debt Service:		5,045.00	-	-	-	(100%)
Interest	7438	-	-	5,045.00	5,045.00	New
Principal (for modified accrual basis only)	7439	-	-	-	-	
Total, Other Outgo		-	-	5,045.00	5,045.00	New
8. TOTAL EXPENDITURES		3,245,640.00	1,083,007.00	3,393,184.00	147,544.00	4.55%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		162,754.00	(148,682.00)	248,318.00	85,564.00	52.57%
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	-	-	-	-	
2. Less: Other Uses	7630-7699	-	-	-	-	
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	-	-	-	-	
4. TOTAL OTHER FINANCING SOURCES / USES		-	-	-	-	
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		162,754.00	(148,682.00)	248,318.00	85,564.00	52.57%
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	151,128.00	151,128.00	151,128.00	-	0.00%
b. Adjustments to Beginning Balance	9793, 9795	151,128.00	151,128.00	151,128.00	-	
c. Adjusted Beginning Balance		313,882.00	2,446.00	399,446.00		
2. Ending Fund Balance, June 30 (E + F.1.c.)						
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted	9740	-	-	-	-	
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	-	-	-	-	
Unassigned/Unappropriated Amount	9790	313,882.00	2,446.00	399,446.00	85,564.00	27.26%

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
First Interim Report - MYP**

Charter School Name: Watsonville Prep School
(continued)
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2020/21

This charter school uses the following basis of accounting:

- ☒ **Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
☐ **Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	FY 2020/21			Totals for 2021/22	Totals for 2022/23
		Unrestricted	Restricted	Total		
A. REVENUES						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	2,318,477.00	0.00	2,318,477.00	3,843,923.00	4,350,322.00
Education Protection Account State Aid - Current Year	8012	42,864.00	0.00	42,864.00	56,400.00	67,680.00
Charter Schools Gen. Purpose Entitlement - State Aid	8015	0.00	0.00	0.00		
State Aid - Prior Years	8019	0.00	0.00	0.00		
Tax Relief Subventions	8020-8039	0.00	0.00	0.00		
County and District Taxes	8040-8079	0.00	0.00	0.00		
Miscellaneous Funds	8080-8089	0.00	0.00	0.00		
LCFF/Revenue Limit Transfers:						
PERS Reduction Transfer	8092	0.00	0.00	0.00		
Charter Schools Funding in lieu of Property Taxes	8096	0.00	0.00	0.00		
Other LCFF/Revenue Limit Transfers	8091, 8097	0.00	0.00	0.00		
Total, LCFF/Revenue Limit Sources		2,361,341.00	0.00	2,361,341.00	3,900,323.00	4,418,002.00
2. Federal Revenues						
No Child Left Behind	8290	0.00	185,812.00	185,812.00	223,866.00	262,139.00
Special Education - Federal	8181, 8182	0.00	21,000.00	21,000.00	47,130.00	55,564.00
Child Nutrition - Federal	8220	0.00	139,868.00	139,868.00	230,076.00	223,132.00
Other Federal Revenues	8110, 8260-8299	0.00	386,549.00	386,549.00	0.00	
Total, Federal Revenues		0.00	733,229.00	733,229.00	501,072.00	540,835.00
3. Other State Revenues						
Charter Schools Categorical Block Grant	N/A thru 14/15					
Special Education - State	StateRevSE	0.00	127,981.00	127,981.00	214,623.00	253,032.00
All Other State Revenues	StateRevAO	40,409.00	34,800.00	75,209.00	467,813.00	542,734.00
Total, Other State Revenues		40,409.00	162,781.00	203,190.00	682,436.00	795,766.00
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	343,742.00	0.00	343,742.00	375,385.00	186,353.00
Total, Local Revenues		343,742.00	0.00	343,742.00	375,385.00	186,353.00
5. TOTAL REVENUES		2,745,492.00	896,010.00	3,641,502.00	5,459,216.00	5,940,956.00
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	382,544.00	274,010.00	656,554.00	1,007,583.00	1,159,832.00
Certificated Pupil Support Salaries	1200	49,930.00	0.00	49,930.00	60,762.00	75,102.00
Certificated Supervisors' and Administrators' Salaries	1300	222,375.00	0.00	222,375.00	266,121.00	357,674.00
Other Certificated Salaries	1900	0.00	0.00	0.00	0.00	0.00
Total, Certificated Salaries		654,849.00	274,010.00	928,859.00	1,334,466.00	1,592,608.00
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	392,887.00	35,000.00	427,887.00	537,893.00	614,809.00
Non-certificated Support Salaries	2200	0.00	0.00	0.00	0.00	0.00
Non-certificated Supervisors' and Administrators' Sal.	2300	0.00	0.00	0.00	11,184.00	22,816.00
Clerical and Office Salaries	2400	145,040.00	0.00	145,040.00	159,822.00	174,427.00
Other Non-certificated Salaries	2900	204,298.00	35,000.00	239,298.00	138,595.00	189,743.00
Total, Non-certificated Salaries		742,225.00	70,000.00	812,225.00	847,494.00	1,001,795.00

Description	Object Code	FY 2020/21			Totals for 2021/22	Totals for 2022/23
		Unrestricted	Restricted	Total		
3. Employee Benefits						
STRS	3101-3102	101,559.39	44,252.62	145,812.00	212,446.99	293,039.87
PERS	3201-3202	0.00	0.00	0.00	0.00	0.00
OASDI / Medicare / Alternative	3301-3302	61,345.70	8,220.30	69,566.00	87,095.00	102,641.00
Health and Welfare Benefits	3401-3402	159,760.13	53,122.87	212,883.00	269,109.00	330,102.00
Unemployment Insurance	3501-3502	4,637.90	2,740.10	7,378.00	9,520.00	10,948.00
Workers' Compensation Insurance	3601-3602	15,791.89	3,014.12	18,806.00	25,251.00	29,884.00
OPEB, Allocated	3701-3702	0.00	0.00	0.00	0.00	0.00
OPEB, Active Employees	3751-3752	0.00	0.00	0.00	0.00	0.00
PERS Reduction (for revenue limit funded schools)	3801-3802	0.00	0.00	0.00	0.00	0.00
Other Employee Benefits	3901-3902	0.00	0.00	0.00	0.00	0.00
Total, Employee Benefits		343,095.00	111,350.00	454,445.00	603,421.99	766,614.87
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	850.00	150.00	1,000.00	3,500.00	6,242.00
Books and Other Reference Materials	4200	4,066.00	1,854.00	5,920.00	14,820.00	17,473.00
Materials and Supplies	4300	3,604.00	23,396.00	27,000.00	52,740.00	57,660.00
Noncapitalized Equipment	4400	30,519.00	153,200.00	183,719.00	80,453.00	90,695.00
Food	4700	27,224.00	148,610.00	175,834.00	291,200.00	343,313.00
Total, Books and Supplies		66,263.00	327,210.00	393,473.00	442,713.00	515,383.00
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	0.00	0.00	0.00		
Travel and Conferences	5200	6,000.00	0.00	6,000.00	7,214.00	19,628.00
Dues and Memberships	5300	5,300.00	0.00	5,300.00	6,500.00	7,700.00
Insurance	5400	12,621.00	0.00	12,621.00	12,874.00	13,131.00

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
First Interim Report - MYP**

Charter School Name: Watsonville Prep School
(continued)
CDS #: 44 77248 0138909
Charter Approving Entity: SBE
County: Santa Cruz
Charter #: 2032
Fiscal Year: 2020/21

Operations and Housekeeping Services	5500	37,112.00	5,000.00	42,112.00	83,280.00	91,080.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	55,909.00	0.00	55,909.00	514,686.00	610,301.00
Professional/Consulting Services and Operating Expend.	5800	482,305.00	73,440.00	555,745.00	841,647.00	929,184.00
Communications	5900	46,450.00	35,000.00	81,450.00	21,333.00	21,443.00
Total, Services and Other Operating Expenditures		645,697.00	113,440.00	759,137.00	1,487,534.00	1,692,467.00
6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis only)						
Land and Land Improvements	6100-6170	75,000.00	0.00	75,000.00		
Buildings and Improvements of Buildings	6200	0.00	0.00	0.00		
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0.00	0.00	0.00		
Equipment	6400	0.00	0.00	0.00		
Equipment Replacement	6500	0.00	0.00	0.00		
Depreciation Expense (for accrual basis only)	6900	0.00	0.00	0.00	0.00	0.00
Total, Capital Outlay		75,000.00	0.00	75,000.00	0.00	0.00
7. Other Outgo						
Tuition to Other Schools	7110-7143	0.00	0.00	0.00		
Transfers of Pass-through Revenues to Other LEAs	7211-7213	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00	0.00		
All Other Transfers	7280-7299	0.00	0.00	0.00		
Debt Service:						
Interest	7438	0.00	0.00	0.00	3,565.00	2,289.00
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00		
Total, Other Outgo		0.00	0.00	0.00	3,565.00	2,289.00
8. TOTAL EXPENDITURES		2,527,129.00	896,010.00	3,423,139.00	4,719,193.99	5,571,156.87
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		218,363.00	0.00	218,363.00	740,022.01	369,799.13

Description	Object Code	FY 2020/21			Totals for 2021/22	Totals for 2022/23
		Unrestricted	Restricted	Total		
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	0.00	0.00	0.00		
2. Less: Other Uses	7630-7699	0.00	0.00	0.00		
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0.00	0.00	0.00		
4. TOTAL OTHER FINANCING SOURCES / USES		0.00	0.00	0.00	0.00	0.00
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		218,363.00	0.00	218,363.00	740,022.01	369,799.13
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	151,128.00	0.00	151,128.00	369,491.00	1,109,513.01
b. Adjustments to Beginning Balance	9793, 9795	0.00	0.00	0.00		
c. Adjusted Beginning Balance		151,128.00	0.00	151,128.00	369,491.00	1,109,513.01
2. Ending Fund Balance, June 30 (E + F.1.c.)		369,491.00	0.00	369,491.00	1,109,513.01	1,479,312.14
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00		
Stores (equals object 9320)	9712	0.00	0.00	0.00		
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00		
All Others	9719	0.00	0.00	0.00		
b. Restricted	9740	0.00	0.00	0.00		
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00		
Other Commitments	9760	0.00	0.00	0.00		
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00		
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	0.00	0.00	0.00	235,959.70	278,557.84
Unassigned/Unappropriated Amount	9790	369,491.00	0.00	369,491.00	873,553.31	1,200,754.30

Coversheet

Academic Success Committee

Section:	II. Committee Updates and Topics
Item:	E. Academic Success Committee
Purpose:	FYI
Submitted by:	
Related Material:	2020_12_02 Academic Comm Minutes.pdf

DRAFT



Navigator Schools

Minutes

Academic Success Committee Meeting

Date and Time

Wednesday December 2, 2020 at 3:30 PM

Location

Zoom

This meeting will be held in compliance with modified Brown Act requirements as outlined in Executive Order [N-25-20](#).

Committee Members Present

I. Connell, J. Anderson

Committee Members Absent

C. Wright

Guests Present

S. Martin

I. Opening Items**A. Record Attendance and Guests****B. Call the Meeting to Order**

I. Connell called a meeting of the Academic Success Committee of Navigator Schools to order on Wednesday Dec 2, 2020 @ 3:35 PM.

C. Approve Minutes from Prior Meeting

J. Anderson made a motion to approve the minutes from the Academic Success Committee Meeting on 10-28-20.

I. Connell seconded the motion.

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

Roll Call

C. Wright Absent
S. Martin Abstain
I. Connell Aye
J. Anderson Aye

II. Academic

A. Review of Students Outcomes

S. Waller presented Panorama survey results focusing on social-emotional learning. J. Dent shared chronic absenteeism rates and average daily attendance rates for all school sites. Members asked clarifying questions focusing on the formulae used to calculate the rates. S. Waller shared information about the success of the Watsonville Prep School Academic Response Team (ART).

B. Autonomous Hybrid Learning Models

The committee identified pros and cons (and recorded notes) during a group discussion regarding the potential adoption of autonomous site-based instructional and operational responses to COVID-19. Members shared questions concerning timelines and existing levels of network-wide synchronized services.

C. Leveraging Strategies for Continuous Improvement

The committee discussed two potential options for the continuous improvement of distance learning. C. Toriumi introduced the topic of online collaborative learning applications, and members shared names of relevant tools. J. Dent presented the topic of team-based learning, including cross-age tutoring. The committee considered issues of cognitive load for teachers and staff, student interest, pilot program scenarios, and principal feedback.

III. Closing Items

A. Adjourn Meeting

The committee chose January 20, 3:30 PM, for the date and time of its next meeting. There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 4:30 PM.

Respectfully Submitted,
S. Martin

Documents used during the meeting

- SELDL Survey Oct 2020 ES_MS.pdf

Coversheet

Update on Expanding In-person Instruction

Section:	II. Committee Updates and Topics
Item:	F. Update on Expanding In-person Instruction
Purpose:	Discuss
Submitted by:	
Related Material:	Expanding In-Person Instruction Memo.pdf



Date: December 4, 2020

To: Board of Directors

From: Kevin Sved, CEO

Subject: Timeline for Expanding In-Person Instruction

The current health conditions in Santa Clara County, Santa Cruz County, and San Benito County do not allow for expanding in-person instruction at this time as all three counties are in the Widespread (Purple) Tier. In order for schools to expand in-person instruction, the county must be in the Substantial (Red) Tier for 14 consecutive days. Given the current surge of the virus across California, it is unlikely that local health conditions will permit expanded in-person instruction before February 2021. As a result of the higher infection rates and Widespread status, coupled with the increased spread resulting from holiday travel, we have suspended on-site distance learning until January 18.

On the positive side, recent research studies strongly indicate low risks of viral transmission in elementary schools where social distancing, face coverings, disinfecting, appropriate ventilation, and regular testing of staff are all present. Navigator staff are making the necessary preparations to expand in-person instruction in the event that local conditions allow.

Coversheet

Governance Committee

Section:	II. Committee Updates and Topics
Item:	G. Governance Committee
Purpose:	FYI
Submitted by:	
Related Material:	2020_11_19 Gov Comm Minutes.pdf

DRAFT



Navigator Schools

Minutes

Governance Committee Meeting

Date and Time

Thursday November 19, 2020 at 2:00 PM

Location

Zoom

This meeting will be held in compliance with modified Brown Act requirements as outlined in Executive Order [N-25-20](#).

Individuals in need of a disability-related accommodation, modification, or auxiliary aid/service, should direct requests to Sean Martin, Executive Assistant to the CEO. Contact: (831) 217-4894 smartin@navigatorschools.org

An archive of board meeting agendas and minutes is available for public view at the Navigator Schools Support Office, 650 San Benito Street, Suite 230, Hollister CA 95023.

Committee Members Present

C. Wright (remote), J. Anderson (remote), J. Flaherty (remote)

Committee Members Absent

None

Committee Members Left Early

C. Wright

Guests Present

S. Martin

I. Opening Items**A. Record Attendance and Guests**

B. Call the Meeting to Order

J. Flaherty called a meeting of the Governance Committee of Navigator Schools to order on Thursday Nov 19, 2020 @ 2:06 PM.

C. Approve Minutes

C. Wright made a motion to approve the minutes from the Governance Committee Meeting on 09-24-20.

J. Flaherty seconded the motion.

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

Roll Call

C. Wright Aye

J. Anderson Aye

S. Martin Abstain

J. Flaherty Aye

II. Topical Items

A. Creating Navigator Support Entities

K. Sved introduced the topic and explained the relationship of support entities within the structure of the organization utilizing visualizations developed by Pacific Charter School Development in support of the 407 Main Street Project. Board members asked questions regarding the prevalence of the proposed model within the charter school community, composition of staff, reporting requirements to authorizers, and material changes to charter documents. Members recommended gathering feedback from a previous board treasurer, as well as legal counsel, to confirm key understandings.

B. Board Meeting and Training Planning

C. Wright left early.

Board members contributed topics for future board trainings, including a review of the California School Dashboard (with an emphasis on charter renewal), and health and safety management during the COVID-19 pandemic. Members also suggested the identification of a finite number of essential board competencies and the creation of a training roadmap to attain these competencies.

The board reviewed potential issues for discussion at future board meetings. They proposed timelines for the practical and effective consideration of key items, including the expansion of on-site instruction (to be reviewed in February) and the 407 Main Street Project.

C. Board Member Recruitment Updates

Members discussed optimal formats for future board and committee meetings. The needs of current and future board members were considered. They explored strategies for recruiting new board members in light of the COVID-19 pandemic.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 3:00 PM.

Respectfully Submitted,

S. Martin

Coversheet

Creation of Support Entities

Section:	II. Committee Updates and Topics
Item:	H. Creation of Support Entities
Purpose:	Discuss
Submitted by:	
Related Material:	Entity Formation Memo and Attachments.pdf



Date: December 4, 2020

To: Board of Directors

From: Kevin Sved, CEO

Subject: Creation of Support Entities

As Navigator Schools pursues the development of a private facility to house Watsonville Prep School, it will be necessary to utilize a Support Corporation as well as a Limited Liability Corporation (LLC) to ensure segregation of finances and separation of decision-making structures. Creating an affiliated 501(c)(3) support corporation (Navigator Schools Support Corporation) and a subordinate LLC (407 Main Street LLC) will also ensure maximum rent reimbursement allowable under SB740. It is also recommended that, over time, the Navigator Schools Support Corporation becomes the primary entity to receive philanthropic donations to support Navigator School operations and programs. Attachment A delineates the functions of these entities.

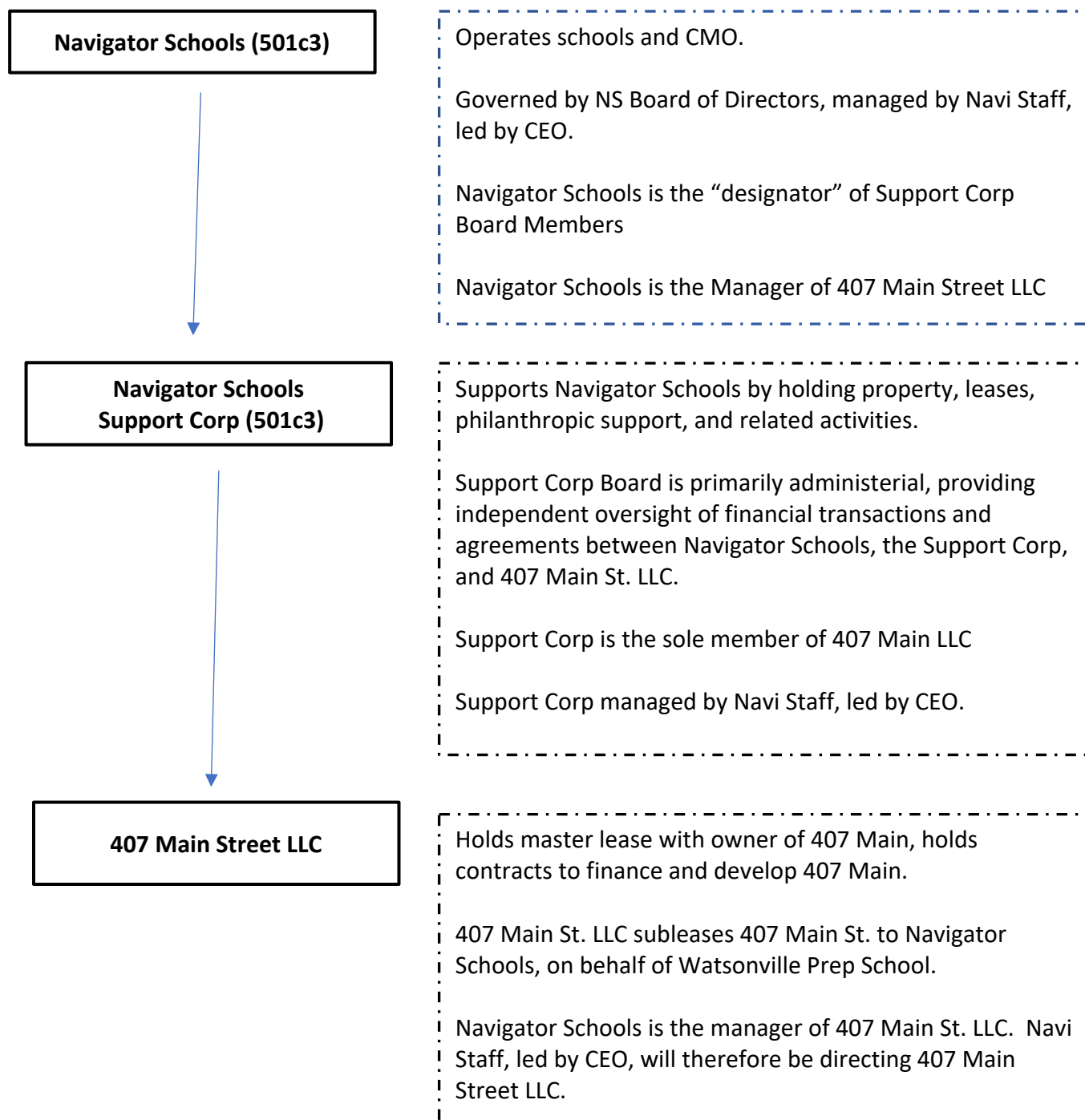
The Navigator Schools Support Corporation requires a board of directors of which no more than forty-nine percent of whom are “interested persons.” Navigator Schools Board members and staff are considered interested persons. In an initial board composed of three members, one of the three could be a current Navigator Schools Board member or staff member.

It is proposed that a special meeting be held during the week of December 14 for the Board to consider approving the documents to ratify the creation of these entities and appoint the initial board of the Navigator Schools Support Corporation. Articles of incorporation have been filed with the California Secretary of State and certified copies are attached.

Attachments:

- Attachment A: Overview of Related Structures
- Articles of Incorporation for Navigator Schools Support Corporation
- Articles of Incorporation for 407 Main Street LLC

Attachment A, Overview of Related Entities



4657053

ARTICLES OF INCORPORATION
of
NAVIGATOR SCHOOLS SUPPORT CORPORATION

FILED
Secretary of State
State of California

OCT 26 2020

ARTICLE I

The name of this corporation is Navigator Schools Support Corporation.

ARTICLE II

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. This corporation is organized, and shall be operated, exclusively for the benefit of, to perform the functions of, and to carry out the purposes of Navigator Schools, a California nonprofit public benefit corporation (the "Designator").

C. The primary purpose of the corporation is to operate and maintain an educational institution that operates charter schools; to facilitate the development of charter schools; to lease, own, manage, and maintain charter school facilities; to provide charter school facilities and operational and other support to charter schools; to assist philanthropists and foundations in supporting the operations and growth of charter schools; and to provide and otherwise obtain or assist in obtaining charter school financing. Additionally, the corporation may engage in any activities that are reasonably related to or in furtherance of its stated public and charitable public purposes, or in any other charitable activities.

D. The corporation is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code ("Code").

E. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Code), and the corporation shall not participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of (or in opposition to) any candidate for public office.

F. All the property and assets of this corporation are irrevocably dedicated to charitable and educational purposes described in Section 501(c)(3) of the Code. No part of the net income or assets of the corporation shall inure to the benefit of any of its directors, officers or other private persons.

ARTICLE III

The name and business address in this State of the corporation's initial agent for service of process is:

Kevin Sved
650 San Benito Street, Suite 230
Hollister, CA 95023

1242393.1

4657053

ARTICLE IV

The initial street and mailing address of the corporation is:

650 San Benito Street, Suite 230
Hollister, CA 95023

ARTICLE V

Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities shall be distributed to the Designator, if the Designator then is an organization that is described in, and has established its tax exempt status under, Section 501(c)(3) of the Code or, if not, to one or more organizations each of which then is described in, and has established its tax exempt status under, Section 501(c)(3) of the Code.

ARTICLE VI

This corporation shall have all the powers of a natural person, subject only to limitations imposed by these Articles, the Bylaws of this corporation and applicable laws. Notwithstanding any such powers or any other provision of these Articles, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation contributions to which are deductible under Section 170(c)(2) of the Code.

ARTICLE VII

Any amendment of these Articles of Incorporation must be approved by the Designator in writing.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit public benefit corporation under the laws of the State of California, the undersigned has executed these Articles of Incorporation.

Kevin Sved

Kevin Sved



I hereby certify that the foregoing transcript of 2 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

OCT 27 2020 *h*

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State

202030110032

ms

FILED
 Secretary of State
 State of California

OCT 26 2020

HCC

100 This Space For Office Use Only



Secretary of State
Articles of Organization
Limited Liability Company (LLC)

LLC-1

IMPORTANT — Read Instructions before completing this form.

Filing Fee — \$70.00

Copy Fees — First page \$1.00; each attachment page \$0.50;
 Certification Fee - \$5.00

Note: LLCs may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to <https://www.ftb.ca.gov>.

1. Limited Liability Company Name (See Instructions — Must contain an LLC identifier such as LLC or L.L.C. "LLC" will be added, if not included.)

407 Main Street LLC

2. Business Addresses

a. Initial Street Address of Designated Office in California - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
650 San Benito Street, Suite 230	Hollister	CA	95023
b. Initial Mailing Address of LLC, if different than item 2a	City (no abbreviations)	State	Zip Code

3. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL — Complete Items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
Kevin		Sved	
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
650 San Benito Street, Suite 230	Hollister	CA	95023

CORPORATION — Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) — Do not complete Item 3a or 3b

4. Management (Select only one box)

The LLC will be managed by:



One Manager



More than One Manager



All LLC Member(s)

5. Purpose Statement (Do not alter Purpose Statement)

The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

6. By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

Additional signatures set forth on attached pages, if any, are incorporated herein by reference and made part of this Form LLC-1. (All attachments should be 8 1/2 x 11, one-sided, legible and clearly marked as an attachment to this Form LLC-1.)

Organizer sign here

Kevin Sved

Print your name here

LLC-1 (REV 08/2019)

2019 California Secretary of State
files.sos.ca.gov

**ATTACHMENT TO
ARTICLES OF ORGANIZATION
OF
407 MAIN STREET LLC**

1. Per Cal. Code Regs., Title 18, §136

(a) This limited liability company ("LLC") is organized and operated exclusively for charitable purposes as specified in the Internal Revenue Code and California Revenue & Taxation Code ("R&T Code") §214.

(b) This LLC shall be operated exclusively to further the exempt purposes, as set forth in R&T Code §214, of its member or members.

(c) Each member of this LLC shall be a qualifying organization as specified in Cal. Code Regs., Title 18, §136(b)(1) or (b)(2).

(d) No membership interest of this LLC shall, directly or indirectly, be transferred to any non-qualified person or entity.

(e) The property owned by this LLC is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this LLC shall ever inure to the benefit of any private member or individual.

(f) Upon dissolution or winding up of this LLC, all assets remaining after payment, or provision for payment, of all debts and liabilities of this LLC shall be distributed to such of its members as are organizations organized and operated exclusively for exempt purposes as specified in R&T Code §214 and which have established their tax exempt status under Internal Revenue Code §501(c)(3) or under R&T Code §23701d, and, if no member is so organized and operated and has established such tax exempt status at the time of said dissolution, to an organization which is so organized and operated and which has established such tax exempt status.

(g) Any amendments to the Articles of Organization and to the Operating Agreement of this LLC shall be consistent with R&T Code §214.

(h) To the fullest extent permitted by law, for the purpose of qualifying for the Welfare Exemption under the rules of the California Board of Equalization, this LLC is prohibited from merging with, or converting into, a for-profit entity.

(i) No distribution shall be made to any member who ceases to be an organization described in R&T Code §214.

202030110032

2. Per Form 3500

This LLC is organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization that itself is exempt under section 501 of the Internal Revenue Code, as contemplated by section 23701h of the California Revenue and Tax Code.

This LLC is organized for nonprofit purposes, and no part of the net earnings of this LLC shall inure to the benefit of any private member or individual.

Notwithstanding any statement of purposes and powers set forth in this document, this LLC may not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the exclusive purposes of this organization.

202030110032



I hereby certify that the foregoing transcript of 3 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

OCT 27 2020 *llc*

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State