



Navigator Schools

Finance Committee Meeting

Date and Time

Thursday November 19, 2020 at 9:00 AM PST

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

Agenda

	Purpose	Presenter	Time
I. Opening Items			9:00 AM
Opening Items			
A. Record Attendance and Guests		Victor Paredes-Colonia	2 m
B. Call the Meeting to Order		Victor Paredes-Colonia	1 m

	Purpose	Presenter	Time
C. Approve Minutes from Prior Meeting	Approve Minutes	Victor Paredes-Colonia	1 m
Approve minutes for Finance Committee on August 14, 2020			
II. Business and Finance			9:04 AM
A. 2020-21 Financials as of October 31, 2020	Discuss	Ami Ortiz	10 m
A. Ortiz will provide an update on organizational finances.			
III. Other Business			9:14 AM
A. ITOM Department Reorganization Update	Discuss	Kevin Sved	10 m
The committee will receive an update on the reorganization of the Internet Technology, Operations, and Maintenance (ITOM) department.			
B. Watsonville Prep School Long-Term Facilities	Discuss	Kevin Sved	35 m
K. Sved will provide an update on facilities for Watsonville Prep School.			
IV. Closing Items			9:59 AM
A. Adjourn Meeting	Vote	Victor Paredes-Colonia	1 m

Coversheet

Approve Minutes from Prior Meeting

Section:	I. Opening Items
Item:	C. Approve Minutes from Prior Meeting
Purpose:	Approve Minutes
Submitted by:	
Related Material:	Minutes for Finance Committee on August 14, 2020

APPROVED



Navigator Schools

Minutes

Finance Committee

Date and Time

Friday August 14, 2020 at 9:00 AM

Location

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.

Committee Members Present

Nora Crivello (remote), Victor Paredes-Colonia (remote)

Committee Members Absent

Caitrin Wright

Guests Present

Ami Ortiz (remote), Kevin Sved (remote), Rosa Segura, Sean Martin (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

Victor Paredes-Colonia called a meeting of the Finance Committee of Navigator Schools to order on Friday Aug 14, 2020 at 9:02 AM.

C. Approve Minutes from Prior Meeting

Nora Crivello made a motion to approve the minutes from NS Finance Committee on 06-02-20.

Victor Paredes-Colonia seconded the motion.

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

Roll Call

Victor Paredes-Colonia	Aye
Nora Crivello	Aye
Caitrin Wright	Absent

II. Business and Finance

A. 2019-20 Financials as of June 30, 2020

A. Ortiz presented the financials. Committee members asked clarifying questions about the information and related funding programs, strategies, and legislation that have emerged as a result of COVID-19. Members thanked the presenter for a job well-done.

B. Line of Credit Term Sheet

A. Ortiz highlighted the advantages of the terms offered by the bank under consideration. The committee discussed previous lines of credit and the rationale for establishing a new line of credit.

C. Cash Management Policy

A. Ortiz explained the need to develop the policy. Members asked questions regarding the insurance and protection of funds. The committee recommended that the line of credit (agenda item B) and this policy be placed on the consent agenda for approval by the NS Board.

D. Learning Continuity and Attendance Plan

A. Ortiz explained the genesis of the plan and the process for its approval, including a timeline for next steps by the board. The committee suggested September 17th, 2020, as a date for a special board meeting to approve the plan after the completion of a required public hearing on August 25, 2020.

III. Other Business

A. Watsonville Prep School Facilities

K. Sved reviewed timelines and expected dates for key steps in the development process for the 407 Main Street project, including those relating to city planning, entitlements,

construction plans, and building construction. He described next steps for financing and a Letter of Intent. Members asked questions regarding finance negotiations and regional facilities research.

B. Schedule Finance Committee Meetings for 2020-21

The committee scheduled all Finance Committee meetings for the remainder of the 2020-21 school year.

IV. Closing Items

A. Adjourn Meeting

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

Nora Crivello seconded the motion.

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

Roll Call

Caitrin Wright Absent

Victor Paredes-Colonia Aye

Nora Crivello Aye

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:04 AM.

Respectfully Submitted,
Sean Martin

Documents used during the meeting

- Financials 06_30_2020.pdf
- NS Term Sheet Draft.pdf
- Cash Management Policy for Navigator Schools.pdf
- Board and Comm Mtg Dates 2020_21.pdf

Coversheet

2020-21 Financials as of October 31, 2020

Section:	II. Business and Finance
Item:	A. 2020-21 Financials as of October 31, 2020
Purpose:	Discuss
Submitted by:	
Related Material:	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



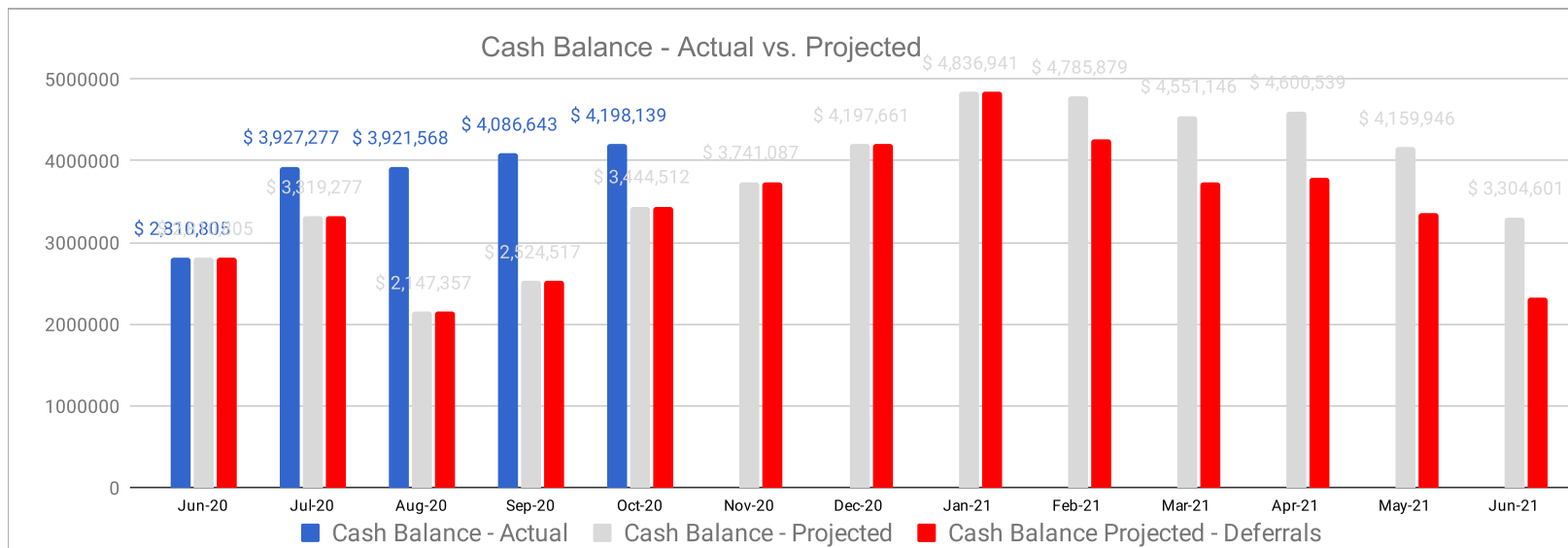
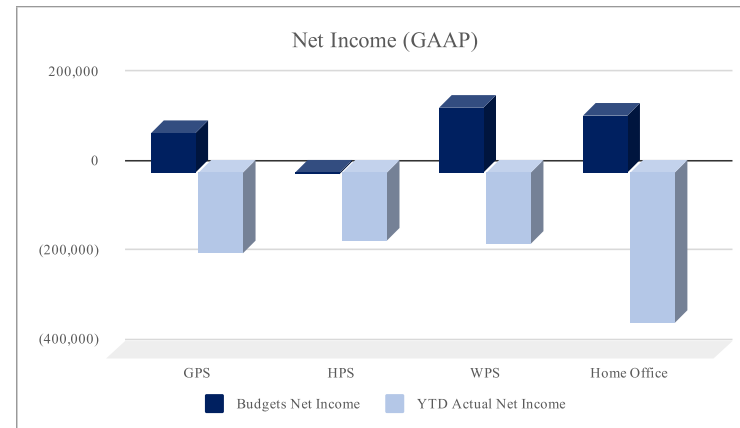
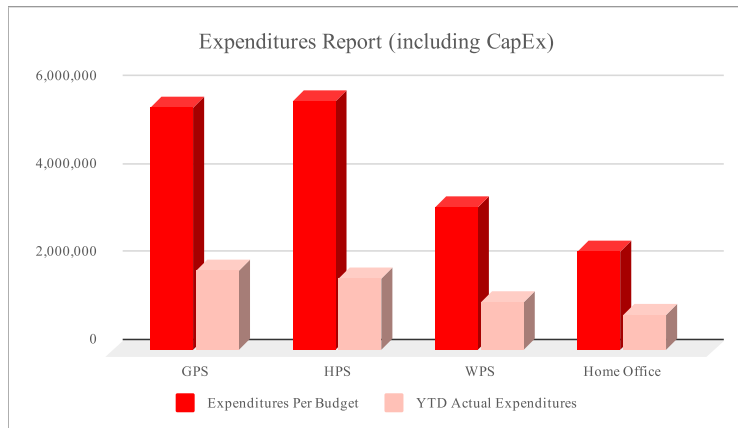
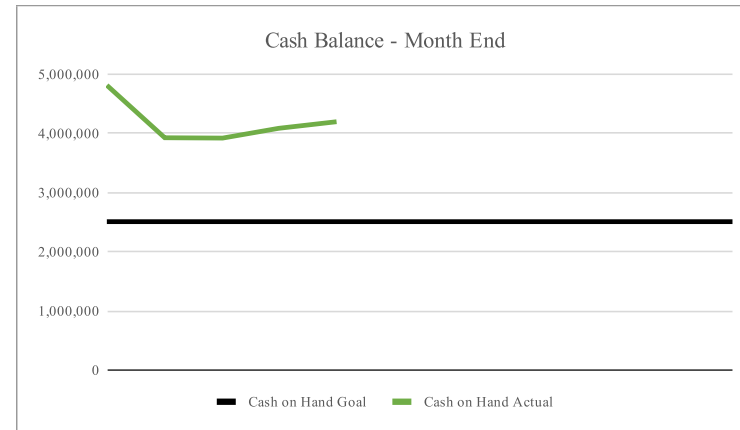
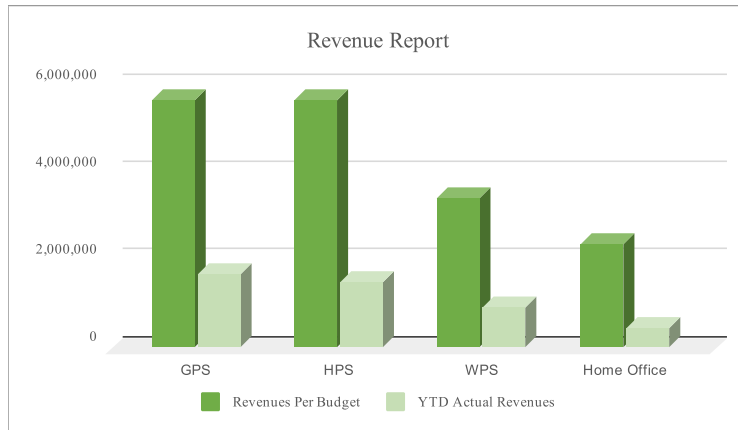
- Watsonville Prep School (WPS) projected net income variance highlights
 - \$57k favorable variance in Local Control Funding Formula (LCFF) revenue due to LCFF revenue based on the new FCMAT calculator. The budget was based on -7.9% of LCFF funding and ADA of 214.32. The new FCMAT calculations include 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 2020-21	HPS 2020-21	HPS 2020-21	HPS 2020-21	HPS 2020-21	WPS 2020-21	WPS 2020-21	WPS 2020-21	WPS 2020-21	CMO 2020-21	CMO 2020-21	CMO 2020-21	CMO 2020-21
BOD Approved	YTD	YTD	YTD		BOD Approved	YTD	YTD	YTD	BOD Approved	YTD	YTD	YTD	BOD Approved	YTD	YTD	YTD	BOD Approved	YTD	YTD	YTD
Budget	Actuals	Actuals	Actuals		Budget	Actuals	Actuals	Actuals	Budget	Actuals	Actuals	Actuals	Budget	Actuals	Actuals	Actuals	Budget	Actuals	Actuals	Actuals
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	

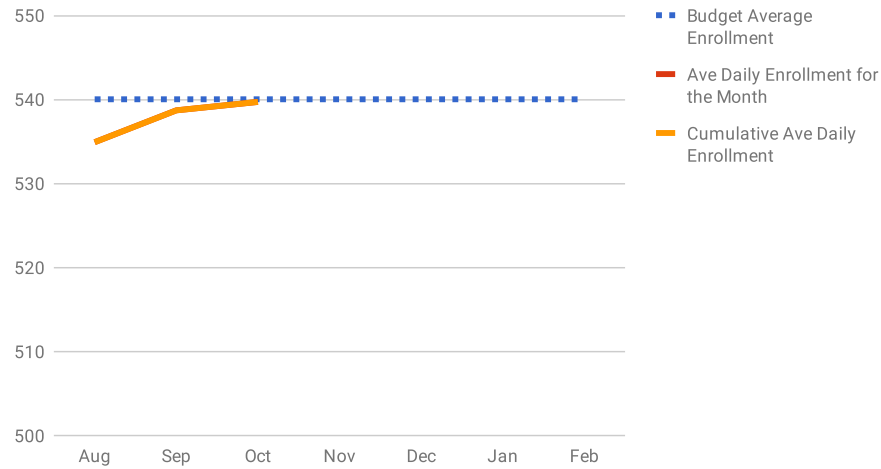
Navigator Schools - Financial Data

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

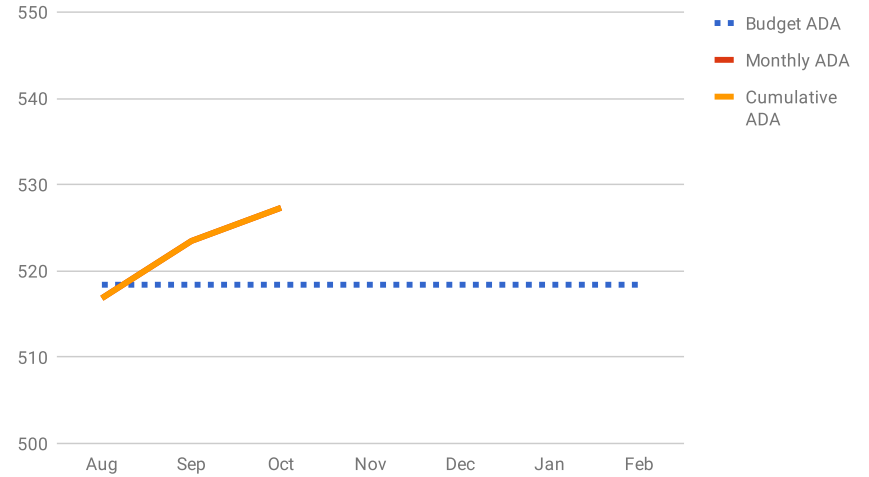
<u>Attendance and Enrollment Data</u>	<u>Total</u>	<u>GPS</u>	<u>HPS</u>	<u>WPS</u>
2020-21 ADA - Approved Budget	1250.8	518.4	518.4	214
2020-21 ADA thru 11/6/2020	1267.3	527.3	527.9	212.11
2020-21 ADA %- Approved Budget	95.6%	96.0%	96.0%	94%
2020-21 ADA % thru 11/6/2020	97.6%	97.7%	97.9%	96.8%
2020-21 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

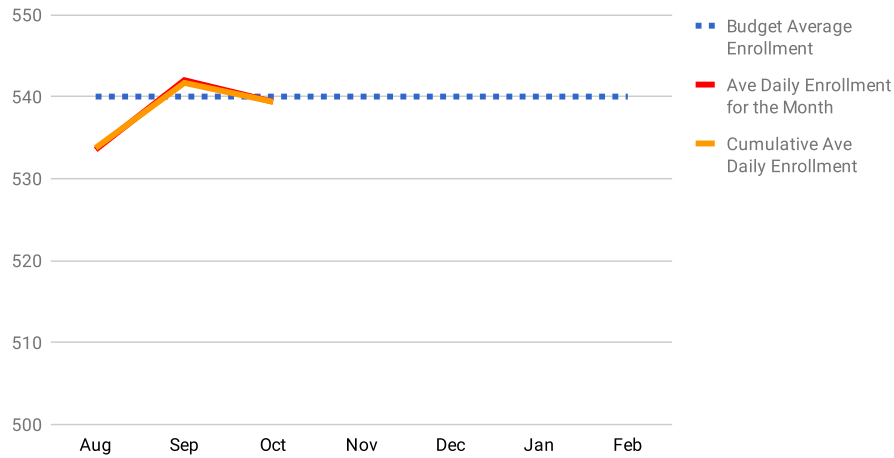
GPS Enrollment



GPS ADA



HPS Enrollment



HPS ADA

