



Date: February 12, 2019

To: Board of Directors

From: Ami Ortiz, Director of Business & Finance

Re: 2018-19 Budget Revise for CMO

**Recommendation:**

It is recommended that the Board approve proposed 2018-19 revised budget for the CMO to hire a full-time HR Technician in March, increasing budgeted full-time equivalents (FTEs) from 15.25 to 16.25 FTEs, and the addition of Intacct Accounting Subscription and Implementation.

**Overview**

The revised 2018-19 budget is based on latest year-end projections. The revised proposed budget includes

1. Adjusting budget to reflect hiring a full-time HR Technician beginning in March
2. The implementation and annual subscription for Intacct Accounting software

**Background and Analysis**

The Navigator Schools strategic plan intended for the addition of an HR Technician in the 2018-19 year. However, due to other needed positions being a priority, the HR Technician position was tabled. It was agreed that the Finance Technician would split her time between HR and Finance. With the approval of WPS at the State Board, we have become increasingly aware that a dedicated HR Technician is needed to keep up with the demands of staffing a new school, as well as a dedicated Finance Technician.

Navigator Schools currently uses Quickbooks for all accounting purposes. While it has been getting the job done, it is very inefficient and time consuming with our three sites. Adding a fourth site, WPS, will cause even more inefficiency and time to prepare Board reports. Wade McMullen, our auditor, recommended Intacct Accounting software to fit our growing needs. Bryan Adams, our Financial Consultant, has also recommended we move to Intacct if WPS was approved. In order for the implementation to be complete for the 2019-20 fiscal year, we must start the implementation process now.

With the addition of the FTE and the software, the CMO is projected to end the year with a deficit of \$28,945. It is projected that our fund balance would end the year at \$264,671.

**Summary**

It is recommended that the Board approve proposed 2018-19 revised budget for the CMO, increasing budgeted full-time equivalents (FTEs) from 15.25 to 16.25 FTEs and the addition of Intacct Accounting Subscription and Implementation.

Navigator Schools - 2018-19 Budget vs. Projection

Actuals through December 31, 2018

**Summary Level**

	Total	GPS	HPS	WPS	CMO	CMO
	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
	Approved	Approved	Approved	Approved	Original	Proposed
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Revision</u>
<i>Enrollment Projection</i>	1020	540	480	0	0	0
<b>REVENUE:</b>						
LCFF Revenue	8,998,732	4,633,098	4,365,634	0	0	0
Federal Revenue	462,392	306,080	156,312	0	0	0
Other State Revenue	983,529	507,503	476,026	0	0	0
Donations & Grants	1,440,885	12,885	63,000	700,000	665,000	665,000
Other Revenue	187,811	115,954	71,557	0	300	915
CMO Management Fees	1,529,785				1,529,785	1,589,285
<b>REVENUE</b>	<b>13,603,134</b>	<b>5,575,520</b>	<b>5,132,529</b>	<b>700,000</b>	<b>2,195,085</b>	<b>2,255,200</b>
<b>EXPENDITURES:</b>						
Salaries	6,756,620	2,787,031	2,364,209	153,000	1,452,380	1,488,071
Benefits & Taxes	1,850,520	767,446	661,032	38,258	383,784	379,451
Books & Supplies	860,440	407,362	377,588	28,790	46,700	49,712
Services & Other Operating Expense	1,738,395	576,064	715,088	153,935	293,308	366,911
CMO Management Fees	1,529,785	787,627	742,158	0		
Capital Outlay	375,000	0	75,000	300,000	0	0
<b>EXPENDITURES</b>	<b>13,110,760</b>	<b>5,325,530</b>	<b>4,935,075</b>	<b>673,983</b>	<b>2,176,172</b>	<b>2,284,145</b>
<b>REVENUE LESS EXPENDITURES</b>	<b>492,374</b>	<b>249,990</b>	<b>197,454</b>	<b>26,017</b>	<b>18,913</b>	<b>(28,945)</b>
<b>GAAP Adjustments:</b>						
Revenue Less Expenditures	492,374	249,990	197,454	26,017	18,913	(28,945)
Add back Capita Outlay to Net income	375,000	0	75,000	300,000	0	0
Subtract Depreciation Expense	(52,000)	(35,000)	(17,000)	0	0	0
<b>Net Income - GAAP Basis 2018-19</b>	<b>815,374</b>	<b>214,990</b>	<b>255,454</b>	<b>326,017</b>	<b>18,913</b>	<b>(28,945)</b>
Beginning Net Assets @ 6/30/18	3,461,617	1,528,118	1,639,883	0	293,616	293,616
<b>Net Income - GAAP Basis 2018-19</b>	<b>815,374</b>	<b>214,990</b>	<b>255,454</b>	<b>326,017</b>	<b>18,913</b>	<b>(28,945)</b>
<b>Ending Net Assets @ 6/30/19</b>	<b>4,276,991</b>	<b>1,743,108</b>	<b>1,895,337</b>	<b>326,017</b>	<b>312,529</b>	<b>264,671</b>