



2018-19 Financial Report Narrative
 March 13, 2018
 Board of Directors Meeting

2018-19 Preliminary Budget

	Net Income (Before GAAP)	Net Income (GAAP)	Projected Beginning Fund Balance	Projected Ending Fund Balance
CMO	\$11k	\$11k	\$188k	\$178k
Gilroy Prep	\$160k	\$125k	\$1.5m	\$1.64m
Hollister Prep	\$458k	\$516k	\$1.6m	\$2.1m
Watsonville Prep	\$48k	\$496k	\$0	\$496k
Total	\$677k	\$1.15k	\$3.3m	\$4m

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

- LCFF is funded at target.
- Enrollment will increase from 960 in 2017-18 to 1020 in 2018-19 due to the addition of one grade level at HPS campus increasing enrollment from 420 to 480 students.
- New teachers will be added to HPS in proportion to the increase in enrollment.
- A PBIS Coordinator will be added to HPS at 50% and GPS at 50%.
- Hollister Prep includes capital improvement expenses of \$75,000 for site development planning and architectural design fees in support of a permanent HPS facility solution.
- The continued staffing of the Innovation Fellow is included in the CMO budget with the anticipation of securing \$90,000 in restricted grant funding. This position will not be continued unless the restricted funds are secured.
- The remaining \$575,000 of private donations are based on pledged and anticipated growth funding.
- CMO fees as a % of LCFF revenue will be reduced from 18% in 2017-18 to 17% in 2018-19.
- Salaries and benefits are based on an increase of 4% for all staff at HPS, GPS and CMO. These are average increases and will be applied to each employee based on merit and cost of living adjustments.
- The addition of 2.75 FTE positions will be added to the CMO:
 - \$150,800 Chief Academic Officer (increasing from 25% FTE to 100% FTE.)
 - \$125,000 Director of Curriculum and Instruction
 - \$65,000 SIS Coordinator
- \$55,000 is allocated for the addition of a development consultant.
- Benefits will increase by a higher percentage than salaries because of two factors:
 - STRS contribution rate will increase from 14.43% in 2017-18 to 16.28% in 2018-19.
 - Health Insurance inflation is estimated at 8%.

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

2018-19 Preliminary Budget:	Total 2018-19 Preliminary Budget	Change from 2017-18	% Change from 2017-18	GPS 2018-19 Preliminary Budget	Change from 2017-18	% Change from 2017-18	HPS 2018-19 Preliminary Budget	Change from 2017-18	% Change from 2017-18	CMO 2018-19 Preliminary Budget	Change from 2017-18	% Change from 2017-18	WPS 2018-19 Preliminary Budget
<i>Enrollment Projection</i>	1020	60	6.25%	540	0	0.00%	480	60	14.29%				YEAR ZERO
REVENUE:													
LCFF Revenue	8,952,530	890,348	11.04%	4,581,673	200,301	4.57%	4,370,857	690,047	18.75%	0	0		0
Federal Revenue	596,981	19,127	3.31%	293,962	0	0.00%	153,019	19,127	14.29%	0	0		150,000
Other State Revenue	938,515	57,546	6.53%	478,150	0	0.00%	460,365	57,546	14.29%	0	0		0
Donations & Grants	1,435,585	466,429	48.13%	17,585	0	0.00%	3,000	1,429	90.96%	665,000	465,000	232.50%	750,000
Other Revenue	133,361	7,957	6.35%	93,361	0	0.00%	40,000	7,957	24.83%	0	0		0
CMO Management Fees	1,521,930	70,737	4.87%							1,521,930	70,737	4.87%	0
REVENUE	13,578,902	1,512,144	12.53%	5,464,731	200,301	3.80%	5,027,241	776,106	18.26%	2,186,930	535,737	32.45%	900,000
EXPENDITURES:													
Salaries	6,529,025	778,162	13.53%	2,800,158	199,349	7.66%	2,117,200	184,058	9.52%	1,458,667	394,755	37.10%	153,000
Benefits & Taxes	1,787,860	261,222	17.11%	725,942	59,973	9.01%	642,918	78,895	13.99%	380,742	122,354	47.35%	38,258
Books & Supplies	749,381	-216,668	-22.43%	397,633	-167,067	-29.59%	262,496	-49,601	-15.89%	60,462	0	0.00%	28,790
Services & Other Operating Expense	1,790,495	199,402	12.53%	601,678	16,194	2.77%	728,613	149,790	25.88%	276,269	33,418	13.76%	183,935
CMO Management Fees	1,521,930	114,445	8.13%	778,884	-9,763	-1.24%	743,046	124,208	20.07%	0	0		0
Capital Outlay	523,000	75,853	16.96%	0	-45,672	-100.00%	75,000	121,525	-261.20%	0	0		448,000
EXPENDITURES	12,901,691	1,212,416	10.37%	5,304,295	53,014	1.01%	4,569,273	608,875	15.37%	2,176,140	550,527	33.87%	851,983
REVENUE LESS EXPENDITURES	677,211	299,728	79.40%	160,436	147,287	1120.14%	457,968	167,231	0.00%	10,790	-14,790	0	48,017
<u>GAAP Adjustments:</u>													
Revenue Less Expenditures	677,211			160,436			457,968			10,790			48,017
Add back Capita Outlay to Net income	0			0			75,000			0			448,000
Subtract Depreciation Expense	-52,000			-35,000			-17,000			0			0
Net Income - GAAP Basis 2018-19	1,148,211			125,436			515,968			10,790			496,017
Projected Fund Balance at 6/30/18	<u>3,279,964</u>			<u>1,512,239</u>			<u>1,589,821</u>			<u>177,904</u>			<u>0</u>
Projected Fund Balance at 6/30/19	<u>4,428,175</u>			<u>1,637,675</u>			<u>2,105,789</u>			<u>188,694</u>			<u>496,017</u>

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