



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

2018-19 Preliminary Budget

	Net Income (Before GAAP)	Net Income (GAAP)	Projected Beginning Fund Balance	Projected Ending Fund Balance
CMO	\$11k	\$11k	\$178k	\$189k
Gilroy Prep	\$258k	\$223k	\$1.5m	\$1.7m
Hollister Prep	\$330k	\$388k	\$1.6m	\$2.0m
Watsonville Prep	\$26k	\$376k	\$0	\$376k
Total	\$625k	\$998k	\$3.3m	\$4.3m

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

- LCFF is funded at target.
- Enrollment will increase from 960 in 2017-18 to 1020 in 2018-19 due to the addition of one grade level at HPS campus increasing enrollment from 420 to 480 students.
- New teachers will be added to HPS in proportion to the increase in enrollment.
- A MTSS Coordinator will be added to HPS at 50% and GPS at 50%.
- Hollister Prep includes capital improvement expenses of \$75,000 for site development planning and architectural design fees in support of a permanent HPS facility solution.
- The \$665,000 of private donations are based on pledged and anticipated growth funding.
- CMO fees as a % of LCFF revenue will be reduced from 18% in 2017-18 to 17% in 2018-19.
- Salaries and benefits are based on an increase of 4% for all staff at HPS, GPS and CMO. These are average increases and will be applied to each employee based on merit and cost of living adjustments.
- The addition of 2.75 FTE positions will be added to the CMO:
 - \$150,800 Chief Academic Officer (increasing from 25% FTE to 100% FTE.)
 - \$125,000 Director of Curriculum and Instruction
 - \$65,000 SIS Coordinator
- \$55,000 is allocated for the addition of a development consultant.
- Benefits will increase by a higher percentage than salaries because of two factors:
 - STRS contribution rate will increase from 14.43% in 2017-18 to 16.28% in 2018-19.
 - Health Insurance inflation is estimated at 8%.
- The WPS Budget
 - Budget assumes for non Prop 39 for facilities.
 - The total of \$500,000 for rent and Capital Outlay is conservative.



- Staffing includes Year 0 Principal at 1 FTE , an Office Manager at .50 FTE and a Site Tech at .50 FTE.
- The budget submitted to PVUSD was a base budget based on Prop 39 facilities.