



2018-19 Financial Report Narrative
 June 2018
 Finance Committee Meeting

2018-19 Preliminary Budget

	Net Income (Before GAAP)	Net Income (GAAP)	Projected Beginning Fund Balance	Projected Ending Fund Balance
CMO	\$19k	\$19k	\$178k	\$197k
Gilroy Prep	\$334k	\$299k	\$1.5m	\$1.8m
Hollister Prep	\$447k	\$504k	\$1.6m	\$2.1m
Watsonville Prep	\$26k	\$326k	\$0	\$326k
Total	\$826k	\$1.1k	\$3.3m	\$4.4m

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

- May revise FCMAT calculator was used to calculate LCFF revenue.
- 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 average 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
 - \$62,000 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 \$450,000 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.

Navigator Schools - 2018-19 Preliminary Budget
June 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	8,998,732	941,773	11.69%	4,633,098	251,726	5.75%	4,365,634	690,047	18.77%	0	0		0
Federal Revenue	458,362	27,215	6.31%	302,050	8,088	2.75%	156,312	19,127	13.94%	0	0		0
Other State Revenue	940,887	57,546	6.51%	478,150	0	0.00%	462,737	57,546	14.20%	0	0		0
Donations & Grants	1,380,885	461,729	50.23%	12,885	-4,700	-26.73%	3,000	1,429	90.96%	665,000	465,000	232.50%	700,000
Other Revenue	181,771	30,550	20.20%	115,954	22,593	24.20%	65,517	7,957	13.82%	300	0		0
CMO Management Fees	1,529,785	78,592	5.42%							1,529,785	78,592	5.42%	0
REVENUE	13,490,422	1,597,405	13.43%	5,542,137	277,707	5.28%	5,053,200	776,106	18.15%	2,195,085	543,592	32.92%	700,000
EXPENDITURES:													
Salaries	6,446,956	655,509	11.32%	2,683,792	82,983	3.19%	2,157,784	184,058	9.33%	1,452,380	388,468	36.51%	153,000
Benefits & Taxes	1,818,881	291,556	19.09%	753,234	87,265	13.10%	643,605	78,895	13.97%	383,784	125,396	48.53%	38,258
Books & Supplies	747,907	-233,818	-23.82%	394,245	-170,455	-30.19%	278,172	-49,601	-15.13%	46,700	-13,762	-22.76%	28,790
Services & Other Operating Expense	1,745,703	212,653	13.87%	589,147	12,406	2.15%	709,313	149,790	26.77%	293,308	50,457	20.78%	153,935
CMO Management Fees	1,529,785	123,188	8.76%	787,627	-1,020	-0.13%	742,158	124,208	20.10%	0	0		0
Capital Outlay	375,000	75,853	25.36%	0	-45,672	-100.00%	75,000	121,525	-261.20%	0	0		300,000
EXPENDITURES	12,664,232	1,124,940	9.75%	5,208,045	-34,494	-0.66%	4,606,032	608,875	15.23%	2,176,172	550,559	33.87%	673,983
REVENUE LESS EXPENDITURES	826,190	472,465	133.57%	334,092	312,201	1426.12%	447,168	167,231	0.00%	18,913	-6,967	0	26,017
<u>GAAP Adjustments:</u>													
Revenue Less Expenditures	826,190			334,092			447,168			18,913			26,017
Add back Capita Outlay to Net income	0			0			75,000			0			300,000
Subtract Depreciation Expense	-52,000			-35,000			-17,000			0			0
Net Income - GAAP Basis 2018-19	1,149,190			299,092			505,168			18,913			326,017
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>4,429,154</u>			<u>1,811,331</u>			<u>2,094,989</u>			<u>196,817</u>			<u>326,017</u>