



Navigator Schools

Finance Committee

Date and Time

Tuesday October 10, 2017 at 4:00 PM PDT

Location

Conference Room, Support Office, Navigator Schools, 650 San Benito Street, Suite 230, Hollister, CA 95023

Teleconference Locations

- 5858 Horton Street, Suite 451, Emeryville CA 94608
- 83 Great Oaks Blvd., San Jose CA 95119
- 900 Island Drive, Redwood City CA 94065

Teleconference Instructions

- Meeting ID: 451 522 623
 - Dial by phone: 408 638 0968
 - Join from PC, Mac, Linux, iOS or Android: <https://navigatorschools.zoom.us/j/451522623>
-

Agenda

I. Opening Items

Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

C. Approve Minutes

II. Finance

Finance

A. Review 2016-17 Unaudited Actuals

Highlights from 2016-17 unaudited actuals will be discussed.

B. Review of 2017-18 Financials with Dashboard

Highlights of the 2017-18 budget will be compared with year-to-date actuals. Significant changes to projections will be identified and discussed.

C. Charter #3: Facilities and Financing

As Navigator explores launching a third charter, it will be important to evaluate facilities and financing considerations. This is an update on facility research and Navigator's applications for Proposition 51 funding.

III. Other Business

A. Schedule Remaining 2017-18 Finance Committee Meetings

IV. Closing Items

A. Adjourn Meeting

Coversheet

Approve Minutes

Section:	I. Opening Items
Item:	C. Approve Minutes
Purpose:	Approve Minutes
Submitted by:	
Related Material:	June 8, 2017 Finance Committee Minutes.pdf



Draft Minutes

Finance Committee

Thursday, June 8, 4:15pm

Navigator Schools Support Office/Teleconference

Meeting was called to order at 4:16 PM. Present were Joyce Montgomery, Chair; Nora Crivello, Member; Caiti Wright, Member; Kevin Sved, CEO; and Bryan Adams, Consultant.

Item

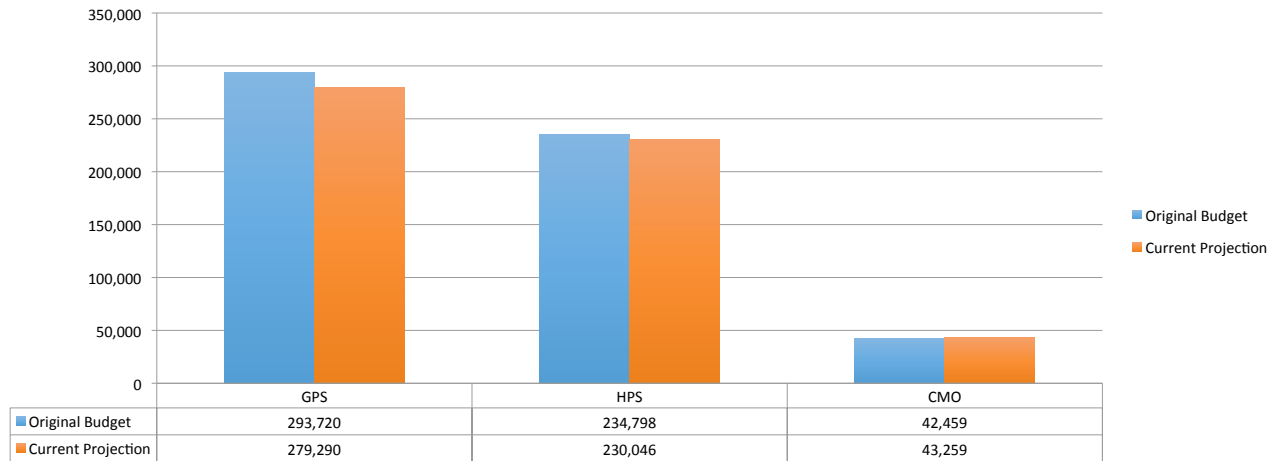
- A. Public Comment on items not covered on the agenda—There was no public comment.
- B. Review of current financials with dashboard—Bryan Adams provided an update on 2016-17 financials. There were no questions raised by committee members as the information was similar to prior financial report.
- C. Local Control and Accountability Plan (LCAP)—Kevin Sved presented the proposed LCAPs for GPS and HPS. A simplified summary with goals and actions was also presented. The importance of tying goals to new CA Dashboard was discussed. It was also discussed that there is a high level of detail in the LCAP and that it will be important to emphasize the LCAP Goals when bringing this to the full board. Committee members will share feedback offline regarding typos found in LCAPs.
- D. Review of Proposed 2017-18 Budget—Bryan Adams presented the proposed 2017-18 Budget, explaining the updates made from preliminary budget presented in April 2017. The monthly cash flow for 2017-18 was also reviewed. A committee member asked that expenditures for PE and transportation be examined in relation to fundraising by Parent Club.
- E. Finance Committee as Board Committee vs. Advisory Committee—The Committee discussed the possibility of adding non-Board Members to the Committee and that to do so would prevent the Committee from being able to be a decision-making body. It was discussed that the Finance Committee has only made advisory recommendations to the Board so officially changing the committee to an advisory committee would not change the function or practice of the committee. It was agreed that changing the committee to an advisory would be beneficial as it could strengthen the committee by additional capacity and possibly serve as a good training ground for future board members.
- F. Adjournment—The meeting was adjourned at 5:27 PM

Coversheet

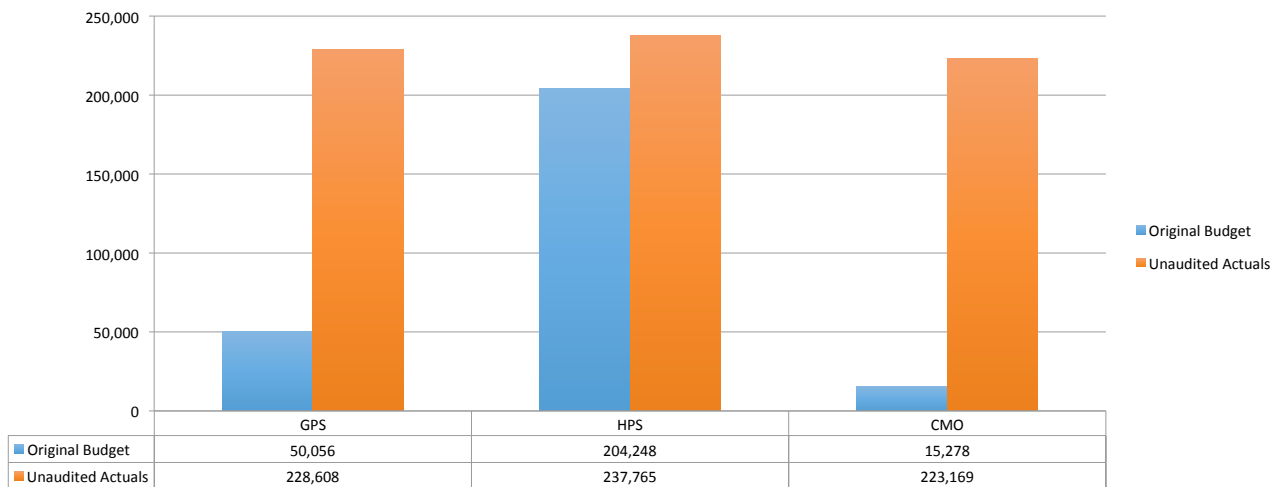
Review 2016-17 Unaudited Actuals

Section:	II. Finance
Item:	A. Review 2016-17 Unaudited Actuals
Purpose:	Discuss
Submitted by:	
Related Material:	Net Income Graphs - Oct 2017.pdf 2016-17 Unaudited Actuals Financial Narrative.pdf Balance Sheet - Oct 2017.pdf 2016-17 Budget vs Actuals summary - Oct 2017.pdf 2016-17 Budget vs Actuals detail - Oct 2017.pdf

Navigator Schools 2017-18 Net Income



Navigator Schools 2016-17 Net Income





2016-17 Unaudited Actuals Financial Narrative October 10, 2017

2016-17 Net Income

	<u>Unaudited Actuals</u>	<u>June Bd Rpt</u>	<u>Orig Bd Rpt</u>
CMO	\$223k	\$201k	\$15k
Gilroy Prep	\$228k	\$76k	\$50k
Hollister Prep	\$238k	\$247k	\$205K
Total	\$689k	\$524k	\$270k

- Variance from Original Budget the Unaudited Actuals net income of \$689k exceeds the original budget by \$419k. The net income variances from the original budget by entity are as follows:
 - CMO net income favorable variance of \$208k (\$223k-\$15k) is mainly the result of the following:
 - \$275k favorable variance in salary & Benefits because
 - 1) The Director of Finance left in July and was not replaced.
 - 2) Starting in October James Dent's salary was allocated mostly to GPS and only part-time to CMO.
 - 3) The SPED director's salary has been reallocated directly to the schools.
 - Please refer to June 2017 narrative for more detail
 - Gilroy Prep net income favorable variance of \$178k (\$228k-\$50k) is mainly the result of the following:
 - \$87k favorable variance for mandated cost reimbursement revenue not budgeted.
 - \$71k favorable variance in CMO fees as a result of reducing percentage charged from 19.3% to 18%.
 - \$69k favorable variance from increased revenue from LCFF that was not anticipated.
 - Please refer to June 2017 narrative for more detail
 - Hollister Prep net income favorable variance of \$33k (\$238k-\$205k) is the result of the following:
 - Please refer to June 2017 narrative for details

Navigator Schools

Balance Sheet Comparison

	Actual <u>6/30/16</u>	Unaudited <u>6/30/17</u>
Cash	1,884,454	2,008,555
Accounts Receivable	767,909	1,122,229
Prepaid Expense	72,379	209,415
Fixed Assets, net of depreciation	188,935	312,895
Total Assets	2,913,677	3,653,094
Accrued Liabilities	319,149	431,524
CDE Loan Payable	125,000	62,500
Total Liabilities	444,149	494,024
Beginning Fund Balance	1,790,843	2,469,528
Net Income	678,685	689,542
Ending Fund Balance	2,469,528	3,159,070
Total Liabilities & Fund Balance	2,913,677	3,653,094

Navigator Schools - 2016-17 Budget vs. Unaudited Actuals
October 2017

Summary Level	Total Unaudited Actuals	Total Budget	Variance Favorable (Unfavorable)	GPS Unaudited Actuals	GPS Budget	Variance Favorable (Unfavorable)	HPS Unaudited Actuals	HPS Budget	Variance Favorable (Unfavorable)	CMO Unaudited Actuals	CMO Budget	Variance Favorable (Unfavorable)
REVENUE:												
REVENUE	10,073,784	9,725,917	347,867	4,804,830	4,631,838	172,992	3,863,648	3,700,231	163,417	1,405,306	1,393,848	11,458
EXPENDITURES:												
EXPENDITURES	9,508,201	9,528,388	20,187	4,609,834	4,611,135	1,301	3,716,231	3,538,683	-177,548	1,182,137	1,378,570	196,433
REVENUE LESS EXPENDITURES	565,582	197,529	368,053	194,996	20,703	174,293	147,417	161,548	-14,131	223,169	15,278	207,891
GAAP Adjustments:												
Revenue Less Expenditures	565,582	197,529	368,053	194,996	20,703	174,293	147,417	161,548	-14,131	223,169	15,278	207,891
Add back Capital Outlay to Net income	190,113	72,053	118,060	85,961	29,353	56,608	104,152	42,700	61,452	0	0	0
Subtract Depreciation Expense	-66,153	0	-66,153	-52,349	0	-52,349	-13,804	0	-13,804	0	0	0
Net Income - GAAP Basis 2016-17	689,542	269,582	419,960	228,608	50,056	178,552	237,765	204,248	33,517	223,169	15,278	207,891
Beginning Net Assets @ 6/30/16	2,469,528			1,413,692			1,087,023			-31,187		
Net Income - GAAP Basis 2016-17	689,542			228,608			237,765			223,169		
Ending Net Assets @ 6/30/17	3,159,070			1,642,300			1,324,788			191,982		

Navigator Schools - 2016-17 Budget vs. Unaudited Actuals
October 2017

Detail Level	Total Unaudited Actuals	Total Budget	Variance Favorable (Unfavorable)	GPS Unaudited Actuals	GPS Budget	Variance Favorable (Unfavorable)	HPS Unaudited Actuals	HPS Budget	Variance Favorable (Unfavorable)	CMO Unaudited Actuals	CMO Budget	Variance Favorable (Unfavorable)
REVENUE:												
LCFF Revenue	7,078,185	7,118,383	-40,198	3,938,807	3,869,734	69,073	3,139,378	3,248,649	-109,271	0	0	0
Federal Revenue	368,288	338,070	30,218	255,774	223,188	32,586	112,514	114,882	-2,368	0	0	0
Other State Revenue	994,653	757,608	237,045	522,787	453,208	69,579	471,866	304,400	167,466	0	0	0
Donations & Grants	227,644	0	227,644	7,175	0	7,175	110,469	0	110,469	110,000	0	110,000
Other Revenue	132,599	138,008	-5,409	80,287	85,708	-5,421	29,421	32,300	-2,879	22,891	20,000	2,891
CMO Management Fees	1,272,415	1,373,848	-101,433							1,272,415	1,373,848	-101,433
REVENUE	10,073,784	9,725,917	347,867	4,804,830	4,631,838	172,992	3,863,648	3,700,231	163,417	1,405,306	1,393,848	11,458
EXPENDITURES:												
Salaries	4,597,857	4,717,763	119,906	2,153,393	2,147,577	-5,816	1,705,869	1,555,996	-149,873	738,595	1,014,190	275,595
Benefits & Taxes	1,080,080	1,119,910	39,830	526,013	548,899	22,886	403,441	381,043	-22,398	150,626	189,968	39,342
Books & Supplies	1,131,367	1,084,065	-47,302	619,196	623,043	3,847	455,661	439,209	-16,452	56,510	21,813	-34,697
Services & Other Operating Expense	1,236,369	1,160,749	-75,620	516,285	515,404	-881	483,677	492,746	9,069	236,406	152,599	-83,807
CMO Management Fees	1,272,415	1,373,848	101,433	708,985	746,859	37,874	563,430	626,989	63,559			
Capital Outlay	190,113	72,053	-118,060	85,961	29,353	-56,608	104,152	42,700	-61,452			0
EXPENDITURES	9,508,201	9,528,388	20,187	4,609,834	4,611,135	1,301	3,716,231	3,538,683	-177,548	1,182,137	1,378,570	196,433
REVENUE LESS EXPENDITURES	565,582	197,529	368,053	194,996	20,703	174,293	147,417	161,548	-14,131	223,169	15,278	207,891
GAAP Adjustments:												
Revenue Less Expenditures	565,582	197,529	368,053	194,996	20,703	174,293	147,417	161,548	-14,131	223,169	15,278	207,891
Add back Capital Outlay to Net income	190,113	72,053	118,060	85,961	29,353	56,608	104,152	42,700	61,452	0	0	0
Subtract Depreciation Expense	-66,153	0	-66,153	-52,349	0	-52,349	-13,804	0	-13,804	0	0	0
Net Income - GAAP Basis 2016-17	689,542	269,582	419,960	228,608	50,056	178,552	237,765	204,248	33,517	223,169	15,278	207,891
Beginning Net Assets @ 6/30/16	2,469,528			1,413,692			1,087,023			-31,187		
Net Income - GAAP Basis 2016-17	689,542			228,608			237,765			223,169		
Ending Net Assets @ 6/30/17	<u>3,159,070</u>			<u>1,642,300</u>			<u>1,324,788</u>			<u>191,982</u>		

Coversheet

Review of 2017-18 Financials with Dashboard

Section:	II. Finance
Item:	B. Review of 2017-18 Financials with Dashboard
Purpose:	Discuss
Submitted by:	
Related Material:	2017-18 Budget vs Projection summary - Oct 2017.pdf 2017-18 Graphs & Narrative.pdf 2017-18 Budget vs Projection detail - Oct 2017.pdf

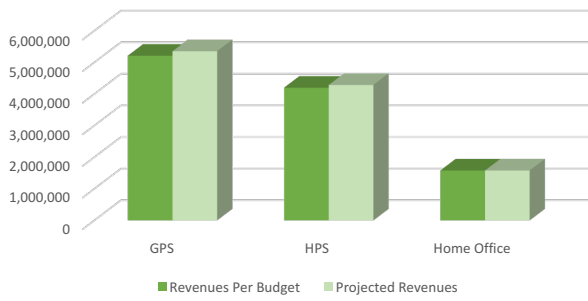
Navigator Schools - 2017-18 Budget vs. Projection

October 2017

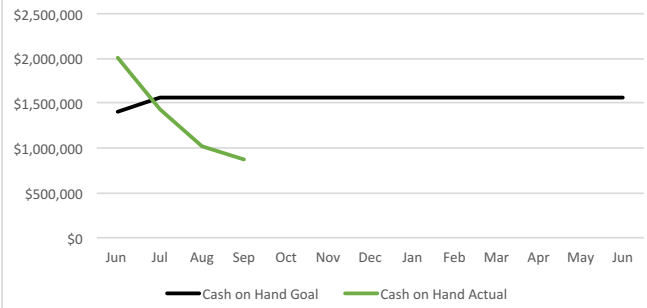
Summary Level*Enrollment Projection*

	Total 2017-18 Original <u>Budget</u>	Total 2017-18 Current <u>Projection</u>	GPS 2017-18 Original <u>Budget</u>	GPS 2017-18 Current <u>Projection</u>	HPS 2017-18 Original <u>Budget</u>	HPS 2017-18 Current <u>Projection</u>	CMO 2017-18 Original <u>Budget</u>	CMO 2017-18 Current <u>Projection</u>
	960	960	540	540	420	420		
REVENUE	10,991,368	11,221,019	5,211,803	5,354,136	4,199,623	4,286,941	1,579,942	1,579,942
EXPENDITURES	10,502,141	10,750,174	4,968,746	5,125,509	3,995,912	4,087,982	1,537,483	1,536,683
REVENUE LESS EXPENDITURES	489,227	470,845	243,057	228,627	203,711	198,959	42,459	43,259
<u>GAAP Adjustments:</u>								
Revenue Less Expenditures	489,227	470,845	243,057	228,627	203,711	198,959	42,459	43,259
Add back Capita Outlay to Net income	157,550	157,550	101,025	101,025	56,525	56,525	0	0
Subtract Depreciation Expense	-75,800	-75,800	-50,362	-50,362	-25,438	-25,438	0	0
Net Income - GAAP Basis 2017-18	570,977	552,595	293,720	279,290	234,798	230,046	42,459	43,259
Beginning Net Assets @ 6/30/17 (latest projections)	3,159,070	3,159,070	1,642,300	1,642,303	1,324,788	1,324,788	191,982	191,979
Net Income - GAAP Basis 2017-18	570,977	552,595	293,720	279,290	234,798	230,046	42,459	43,259
Ending Net Assets @ 6/30/18	3,730,047	3,711,666	1,936,020	1,921,593	1,559,586	1,554,834	234,441	235,238

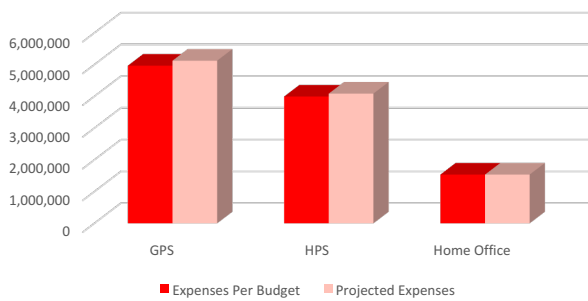
Revenue Report



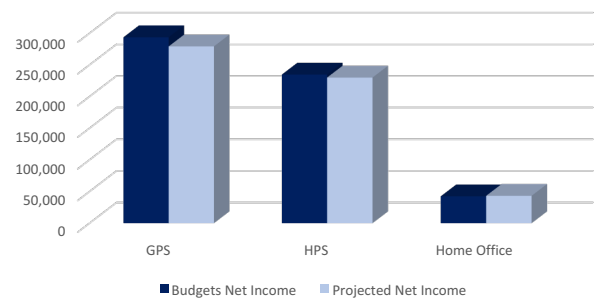
Cash Balance - Month End



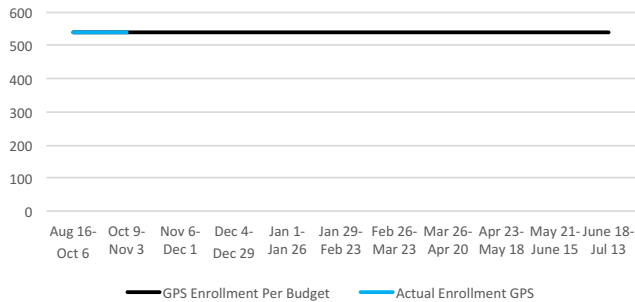
Expense Report



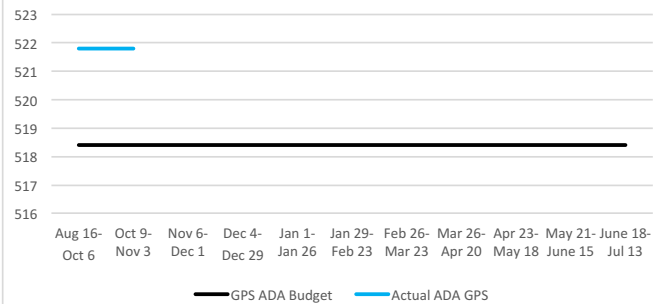
Net Income



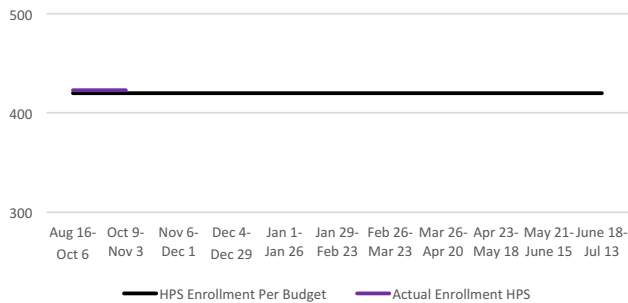
GPS Enrollment by Month



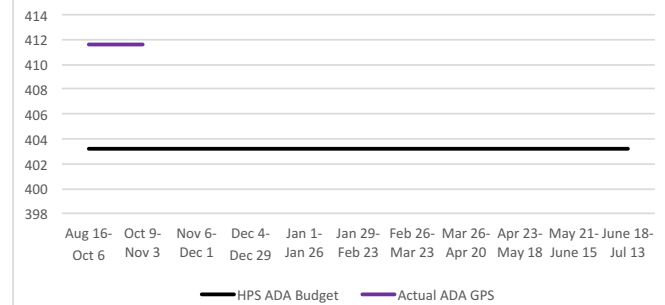
GPS ADA by Month



HPS Enrollment by Month



HPS ADA by Month





2017-18 Financial Report Narrative October 10, 2017

2017-18 Net Income

	<u>Current Projection</u>	<u>Orig Bd Rpt</u>
CMO	\$43k	\$42k
Gilroy Prep	\$279k	\$294k
Hollister Prep	\$230k	\$235k
Total	\$552k	\$571k

- Gilroy Prep projected net income favorable variance highlights
 - \$100k favorable variance from Mandated Cost Reimbursements not budgeted.
 - \$50k favorable variance in Contingency Expenses due to the process that has begun to prioritize needs that were not budgeted for. It is anticipated that the contingency expense will be zeroed out by the next Board Report.
 - \$144k unfavorable variance in Salaries from staffing needs for an additional SPED paraprofessional and additional Teachers in Training to meet staffing needs to cover Teacher absences and Maternity Leaves.
 - \$72k unfavorable variance for Books & Supplies from anticipated technology expenses that were budgeted for the 2016-17 year but, due to late arrival of product, had to be recorded in 2017-18.
- Hollister Prep projected net income favorable variance highlights \$100k favorable variance from mandated cost reimbursements not budgeted.
 - \$25k favorable variance in contingency expenses due to the process that has begun to prioritize needs that were not budgeted for. It is anticipated that the contingency expense will be zeroed out by the next Board Report.
 - \$110k unfavorable variance in salaries from staffing needs for additional Teachers in Training to meet staffing needs to cover multiple Teacher Maternity Leaves.
 - \$23k unfavorable variance for Books & Supplies from anticipated technology expenses that were budgeted for the 2016-17 year but, due to late arrival of product, had to be recorded in 2017-18.

Navigator Schools - 2017-18 Budget vs. Projection

October 2017

Detail Level*Enrollment Projection*

REVENUE:

	Total 2017-18 Original Budget	Total 2017-18 Current Projection	GPS 2017-18 Original Budget	GPS 2017-18 Current Projection	HPS 2017-18 Original Budget	HPS 2017-18 Current Projection	CMO 2017-18 Original Budget	CMO 2017-18 Current Projection
	960	960	540	540	420	420		
LCFF Revenue	8,055,232	8,055,232	4,377,511	4,377,511	3,677,721	3,677,721	0	0
Federal Revenue	403,203	427,392	270,757	293,500	132,446	133,892	0	0
Other State Revenue	771,475	999,865	441,906	574,110	329,569	425,755	0	0
Donations & Grants	156,885	156,885	16,885	16,885	10,000	10,000	130,000	130,000
Other Revenue	154,631	131,703	104,744	92,130	49,887	39,573	0	0
CMO Management Fees	1,449,942	1,449,942					1,449,942	1,449,942
REVENUE	10,991,368	11,221,019	5,211,803	5,354,136	4,199,623	4,286,941	1,579,942	1,579,942

EXPENDITURES:

Salaries	5,166,066	5,419,001	2,301,008	2,444,835	1,831,375	1,941,283	1,033,683	1,032,883
Benefits & Taxes	1,368,284	1,368,284	639,244	639,244	529,291	529,291	199,749	199,749
Books & Supplies	829,728	925,311	485,740	558,150	290,216	313,389	53,772	53,772
Services & Other Operating Expense	1,380,571	1,355,086	553,777	544,303	576,515	560,504	250,279	250,279
CMO Management Fees	1,449,942	1,449,942	787,952	787,952	661,990	661,990		
Contingency Expenses	150,000	75,000	100,000	50,000	50,000	25,000	0	0
Capital Outlay	157,550	157,550	101,025	101,025	56,525	56,525	0	0
EXPENDITURES	10,502,141	10,750,174	4,968,746	5,125,509	3,995,912	4,087,982	1,537,483	1,536,683

REVENUE LESS EXPENDITURES

	489,227	470,845	243,057	228,627	203,711	198,959	42,459	43,259
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GAAP Adjustments:

Revenue Less Expenditures	489,227	470,845	243,057	228,627	203,711	198,959	42,459	43,259
Add back Capita Outlay to Net income	157,550	157,550	101,025	101,025	56,525	56,525	0	0
Subtract Depreciation Expense	-75,800	-75,800	-50,362	-50,362	-25,438	-25,438	0	0
Net Income - GAAP Basis 2017-18	570,977	552,595	293,720	279,290	234,798	230,046	42,459	43,259

Beginning Net Assets @ 6/30/17 (latest projections)

Net Income - GAAP Basis 2017-18	570,977	552,595	293,720	279,290	234,798	230,046	42,459	43,259
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Ending Net Assets @ 6/30/18

	3,730,047	3,711,666	1,936,020	1,921,593	1,559,586	1,554,834	234,441	235,238
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