



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