



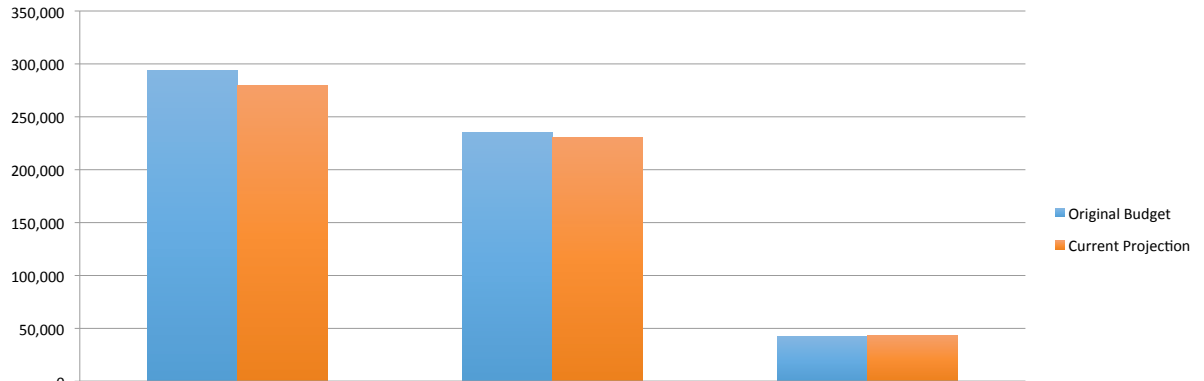
2016-17 Unaudited Actuals Financial Narrative
 October 24, 2017

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

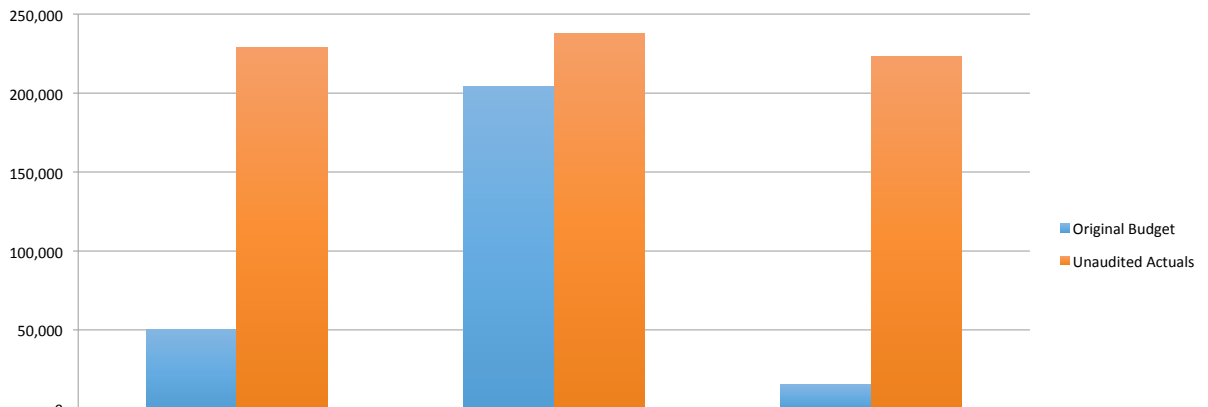
- The Unaudited Actuals net income of \$689k exceeds the original budget by \$419k. The net income variances from the original budget by entity are as follows:
 - CMO net income favorable variance of \$208k (\$223k-\$15k) is mainly the result of the following:
 - \$275k favorable variance in salary & benefits because
 - 1) The Director of Finance left in July and was not replaced.
 - 2) Two of the CMO employees' salaries were allocated 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 2017-18 Net Income



	GPS	HPS	CMO
Original Budget	293,720	234,798	42,459
Current Projection	279,290	230,046	43,259

Navigator Schools 2016-17 Net Income



	GPS	HPS	CMO
Original Budget	50,056	204,248	15,278
Unaudited Actuals	228,608	237,765	223,169

Navigator Schools

Balance Sheet Comparison

	Actual	Unaudited
	<u>6/30/16</u>	<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

Detail Level	Total			GPS			HPS			CMO		
	Unaudited Actuals	Total Budget	Variance Favorable (Unfavorable)	Unaudited Actuals	GPS Budget	Variance Favorable (Unfavorable)	Unaudited Actuals	HPS Budget	Variance Favorable (Unfavorable)	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>		



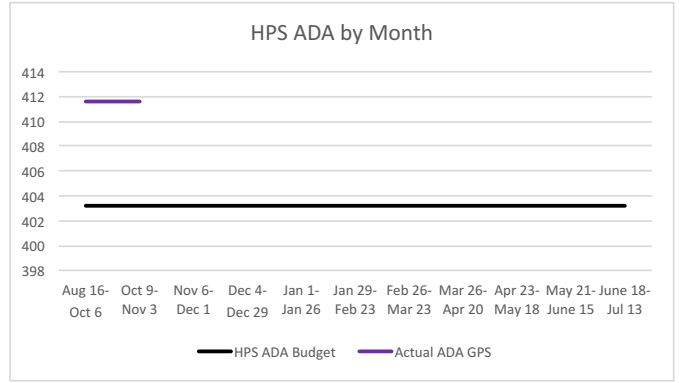
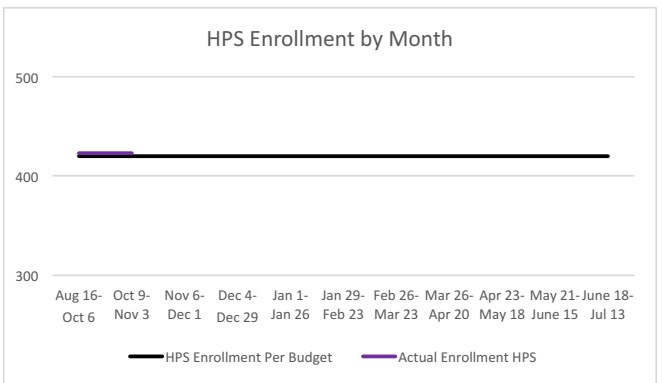
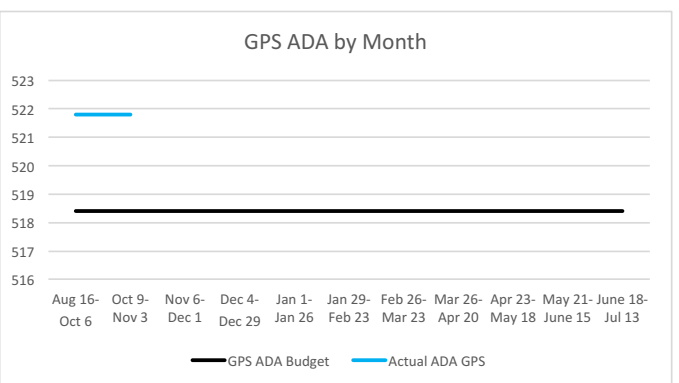
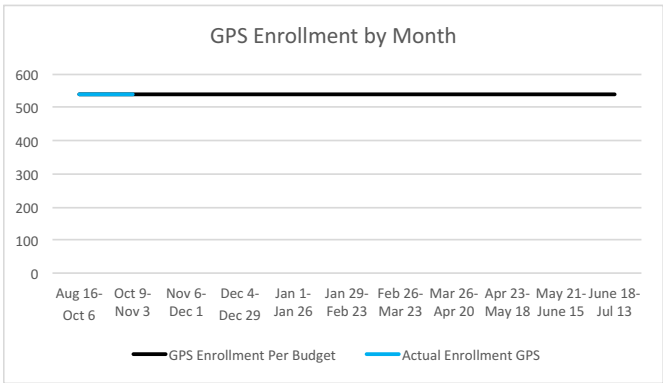
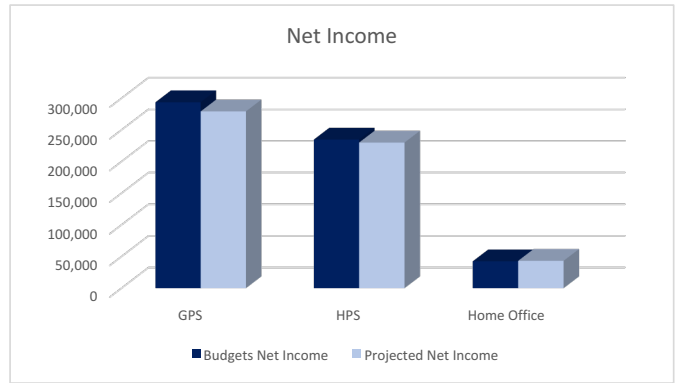
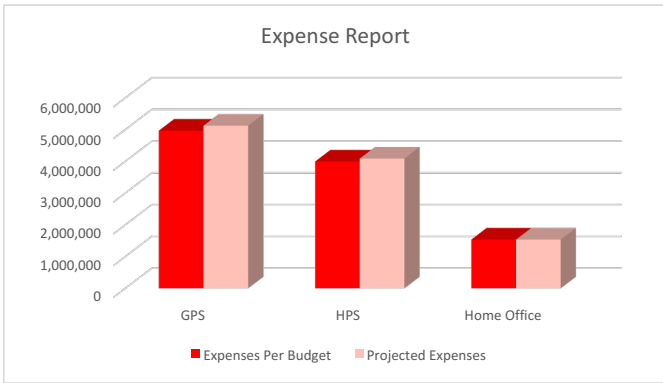
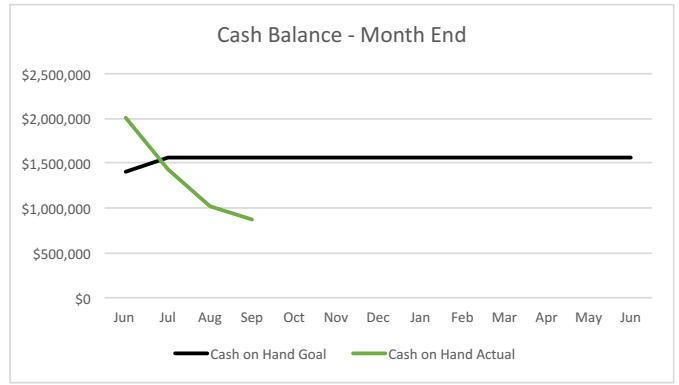
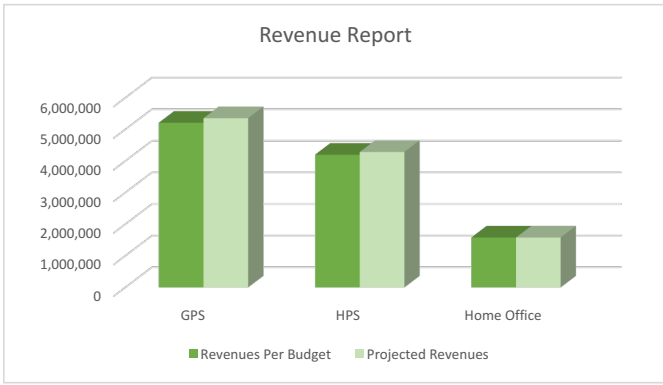
2017-18 Financial Report Narrative
 October 24, 2017

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 variance highlights
 - \$100k favorable variance from one-time mandated cost not budgeted.
 - \$50k favorable variance for reduction 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 variance highlights
 - \$100k favorable variance from one-time mandated cost not budgeted.
 - \$25k favorable variance for reduction 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 <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>
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)

	3,159,070	3,159,070	1,642,300	1,642,303	1,324,788	1,324,788	191,982	191,979
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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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