



2017-18 Financial Report Narrative
 June 2018
 Finance Committee Meeting

2017-18 Net Income

| | <u>Current Projection</u> | <u>Orig Bd Rpt</u> |
|----------------|---------------------------|--------------------|
| CMO | \$90K | \$42k |
| Gilroy Prep | \$239k | \$294k |
| Hollister Prep | <u>\$261k</u> | <u>\$235k</u> |
| Total | \$559k | \$571k |

- CMO projected net income variance highlights
 - \$170k favorable variance from adding to the private fundraising total.
 - \$50k unfavorable variance from additional staff hired.
 - \$64k unfavorable variance from benefits and taxes being under budgeted.

- Gilroy Prep projected net income variance highlights
 - \$12k favorable variance in LCFF entitlement due to higher ADA than budgeted.
 - \$68k favorable variance from one-time mandated cost not budgeted.
 - \$100k favorable variance for elimination of contingency expenses due to the process that has begun to prioritize needs that were not budgeted for.
 - \$130k unfavorable variance in salaries from staffing needs for additional staff to meet the needs of SPED students and staff on leave.
 - \$25k unfavorable variance in benefits & taxes from the additional staff added.
 - \$79k 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 and for technology needs for the additional staff not originally budgeted for.

- Hollister Prep projected net income variance highlights
 - \$9k favorable variance in LCFF entitlement due to higher ADA than budgeted.
 - \$51k favorable variance from one-time mandated cost not budgeted.
 - \$50k favorable variance for elimination of contingency expenses due to the process that has begun to prioritize needs that were not budgeted for.
 - \$85k unfavorable variance in salaries from staffing needs for additional Teachers in Training to meet staffing needs to cover multiple Teacher maternity leaves.

Navigator Schools
Balance Sheet Comparison

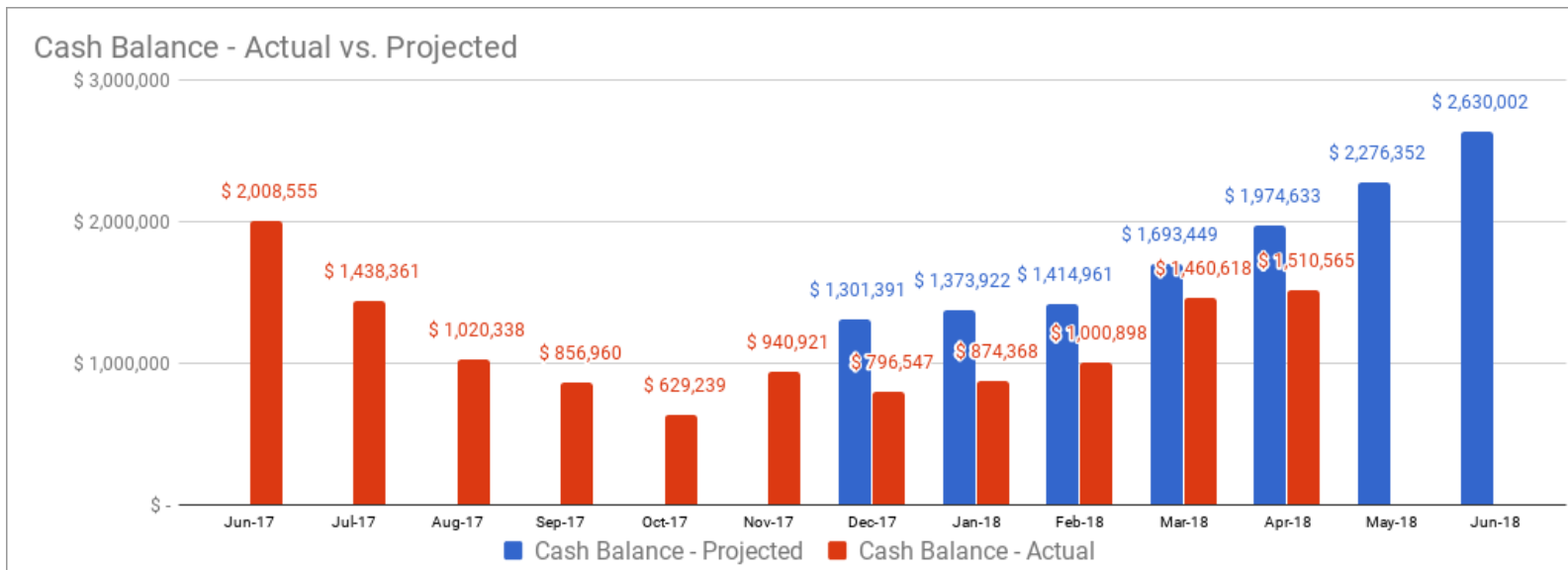
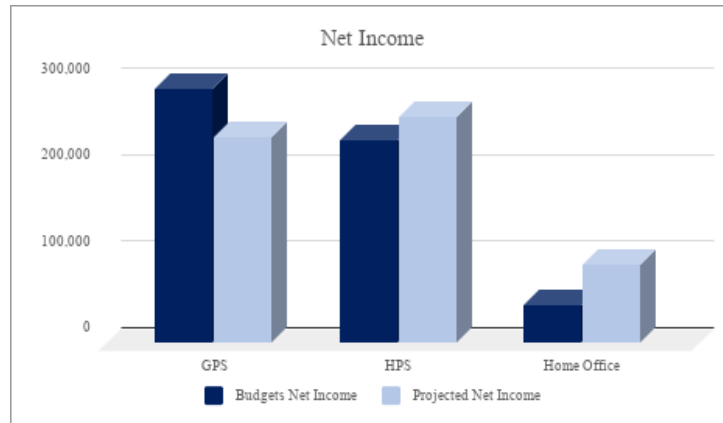
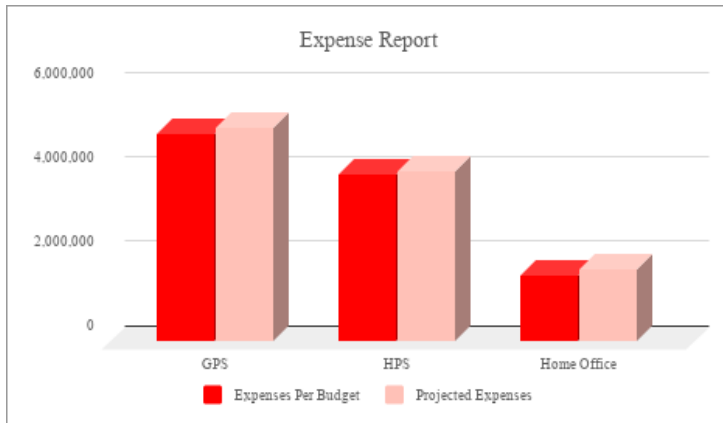
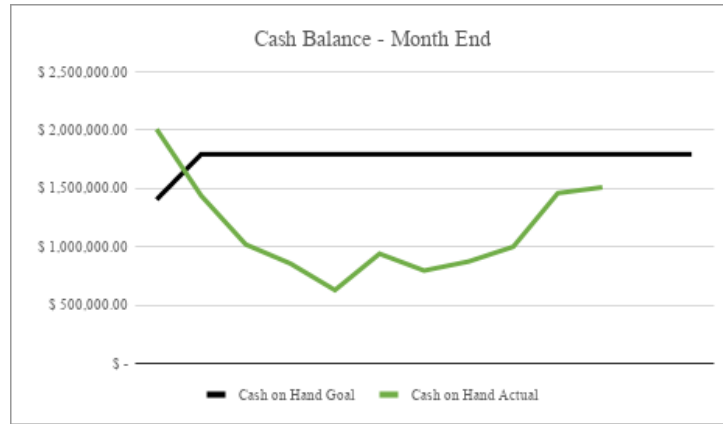
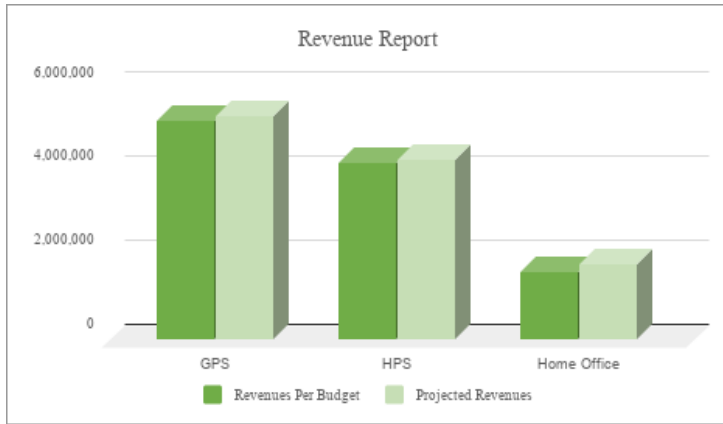
| | Actual <u>6/30/2016</u> | Actual <u>6/30/2017</u> | Actual <u>4/30/2018</u> |
|---|----------------------------|----------------------------|----------------------------|
| Cash | 1,884,454 | 2,008,555 | 1,510,565 |
| Accounts Receivable | 767,909 | 1,126,497 | 0 |
| Prepaid Expense | 72,379 | 209,415 | 37,843 |
| Fixed Assets, net of depreciation | 188,935 | 312,895 | 335,009 |
| Total Assets | 2,913,677 | 3,657,361 | 1,883,417 |
| Accrued Liabilities | 319,149 | 657,592 | 336,289 |
| CDE Loan Payable | 125,000 | 62,500 | 10,321 |
| Total Liabilities | 444,149 | 720,092 | 346,610 |
| Beginning Fund Balance | 1,790,843 | 2,469,528 | 2,937,269 |
| Net Income | 678,685 | 467,741 | (1,400,462) |
| Ending Fund Balance | 2,469,528 | 2,937,269 | 1,536,807 |
| Total Liabilities & Fund Balance | 2,913,677 | 3,657,361 | 1,883,417 |

Navigator Schools - 2017-18 Latest Projection Comparison to 2016-17 Actuals
As of April 2018

| Income Statement - Combined <i>CMO/GPS/HPS</i> | 2017-18 Original Budget | 2017-18 Latest Projection | 2016-17 Audited Actuals |
|---|-------------------------------|--|-------------------------------|
| Revenue | 10,991,368 | 11,358,744 | 9,860,508 |
| Expenses | 10,420,391 | 10,767,979 | 9,392,768 |
| Net Income - GAAP basis (audit) | 570,977 | 590,765 | 467,740 |
| Less Capital Outlay | (157,550) | (56,713) | (190,113) |
| Revenue less expenses & capital out | 413,427 | 534,052 | 277,627 |

| | <u>2017-18</u> | <u>2017-18</u> | <u>2016-17</u> |
|--|------------------|-------------------------|------------------|
| Beginning Fund Balance | 3,136,443 | 2,937,268 | 2,469,528 |
| Net Income - GAAP basis (audit) | 570,977 | 590,765 | 467,740 |
| Ending Fund Balance | <u>3,707,420</u> | <u>3,528,033</u> | <u>2,937,268</u> |
| Revenues/Student * | 9,939 | 10,300 | 10,254 |
| Expenses/Student * | 9,344 | 9,724 | 9,697 |
| Fund Balance/Student at Year End | 3,862 | 3,675 | 3,497 |

* Revenues and Expenses per student do not include CMO Management Fee Revenue/Expense because that is an intercompany charge.



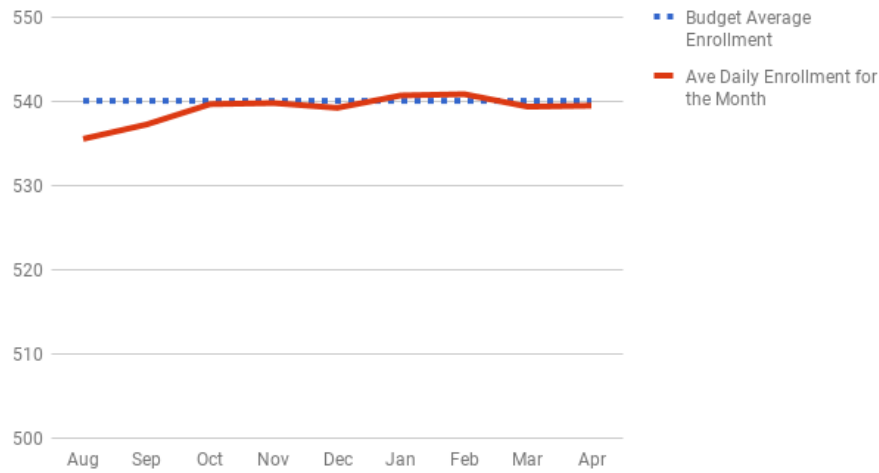
Navigator Schools - 2017-18 Budget vs. Projection

As of April 2018

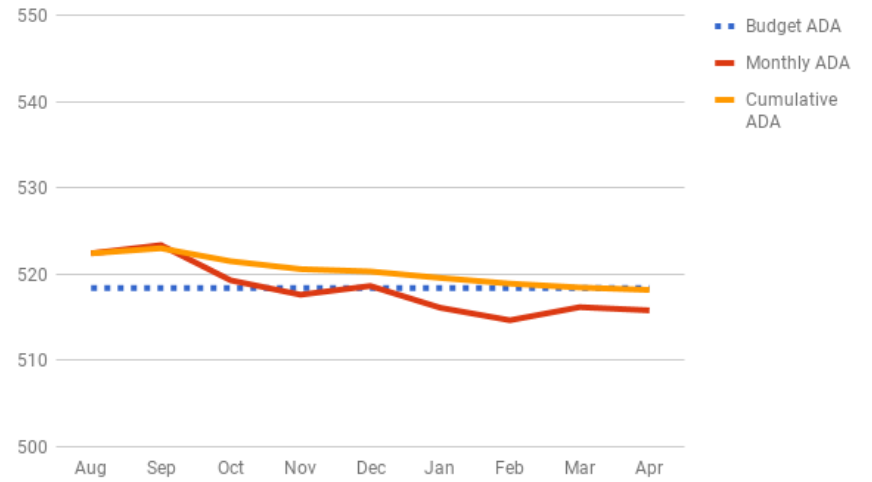
Summary Level

| | Total 2017-18 Original Budget | Total 2017-18 Current Projection | GPS 2017-18 Original Budget | GPS 2017-18 Actuals April 2018 | GPS 2017-18 Current Projection | HPS 2017-18 Original Budget | HPS 2017-18 Actuals April 2018 | HPS 2017-18 Current Projection | CMO 2017-18 Original Budget | CMO 2017-18 Actuals April 2018 | CMO 2017-18 Current Projection |
|---|--|---|--------------------------------------|---|---|--------------------------------------|---|---|--------------------------------------|---|---|
| <i>Enrollment Projection</i> | 960 | 960 | 540 | 540 | 540 | 420 | 420 | 420 | | | |
| REVENUE: | | | | | | | | | | | |
| LCFF Revenue | 8,055,232 | 8,076,513 | 4,377,511 | 2,900,827 | 4,389,510 | 3,677,721 | 2,046,464 | 3,687,003 | 0 | 0 | 0 |
| Federal Revenue | 403,203 | 438,823 | 270,757 | 182,247 | 302,050 | 132,446 | 29,570 | 136,773 | 0 | 0 | 0 |
| Other State Revenue | 771,475 | 883,045 | 441,906 | 336,298 | 478,150 | 329,569 | 267,759 | 404,895 | 0 | 0 | 0 |
| Donations & Grants | 156,885 | 319,885 | 16,885 | 6,296 | 16,885 | 10,000 | 1,195 | 3,000 | 130,000 | 300,000 | 300,000 |
| Other Revenue | 154,631 | 170,068 | 104,744 | 79,035 | 111,986 | 49,887 | 41,689 | 57,772 | 0 | 310 | 310 |
| CMO Management Fees | 1,449,942 | 1,470,410 | | | | | | | 1,449,942 | 18,000 | 1,470,410 |
| REVENUE | 10,991,368 | 11,358,744 | 5,211,803 | 3,504,703 | 5,298,581 | 4,199,623 | 2,386,677 | 4,289,443 | 1,579,942 | 318,310 | 1,770,720 |
| EXPENDITURES: | | | | | | | | | | | |
| Salaries | 5,166,066 | 5,363,590 | 2,301,008 | 1,993,258 | 2,357,258 | 1,831,375 | 1,528,300 | 1,925,734 | 1,033,683 | 897,623 | 1,080,598 |
| Benefits & Taxes | 1,368,284 | 1,536,627 | 639,244 | 620,119 | 743,997 | 529,291 | 410,800 | 529,291 | 199,749 | 214,569 | 263,339 |
| Books & Supplies | 829,728 | 939,363 | 485,740 | 523,181 | 564,157 | 290,216 | 273,204 | 302,780 | 53,772 | 70,700 | 72,426 |
| Services & Other Operating Expense | 1,380,571 | 1,443,682 | 553,777 | 384,939 | 588,653 | 576,515 | 421,314 | 591,133 | 250,279 | 231,705 | 263,896 |
| CMO Management Fees | 1,449,942 | 1,432,717 | 787,952 | 0 | 770,795 | 661,990 | 18,000 | 661,922 | | | |
| Contingency Expenses | 150,000 | 0 | 100,000 | 0 | 0 | 50,000 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 157,550 | 56,713 | 101,025 | 21,713 | 46,713 | 56,525 | 0 | 10,000 | 0 | 0 | 0 |
| EXPENDITURES | 10,502,141 | 10,772,692 | 4,968,746 | 3,543,210 | 5,071,573 | 3,995,912 | 2,651,618 | 4,020,860 | 1,537,483 | 1,414,597 | 1,680,259 |
| REVENUE LESS EXPENDITURES | 489,227 | 586,052 | 243,057 | (38,507) | 227,008 | 203,711 | (264,941) | 268,583 | 42,459 | (1,096,287) | 90,461 |
| GAAP Adjustments: | | | | | | | | | | | |
| Revenue Less Expenditures | 489,227 | 586,052 | 243,057 | (38,507) | 227,008 | 203,711 | (264,941) | 268,583 | 42,459 | (1,096,287) | 90,461 |
| Add back Capita Outlay to Net income | 157,550 | 56,713 | 101,025 | 21,713 | 46,713 | 56,525 | 0 | 10,000 | 0 | 0 | 0 |
| Subtract Depreciation Expense | (75,800) | (52,000) | (50,362) | (50,362) | (35,000) | (25,438) | (25,438) | (17,000) | 0 | 0 | 0 |
| Net Income - GAAP Basis 2017-18 | 570,977 | 590,765 | 293,720 | (67,156) | 238,721 | 234,798 | (290,379) | 261,583 | 42,459 | (1,096,287) | 90,461 |
| Beginning Net Assets @ 6/30/17 (latest projecti | 3,136,443 | 2,937,269 | 1,642,303 | | 1,478,654 | 1,324,788 | | 1,306,504 | 169,352 | | 152,111 |
| Net Income - GAAP Basis 2017-18 | 570,977 | 590,765 | 293,720 | | 238,721 | 234,798 | | 261,583 | 42,459 | | 90,461 |
| Ending Net Assets @ 6/30/18 | 3,707,420 | 3,528,034 | 1,936,023 | | 1,717,375 | 1,559,586 | | 1,568,087 | 211,811 | | 242,572 |

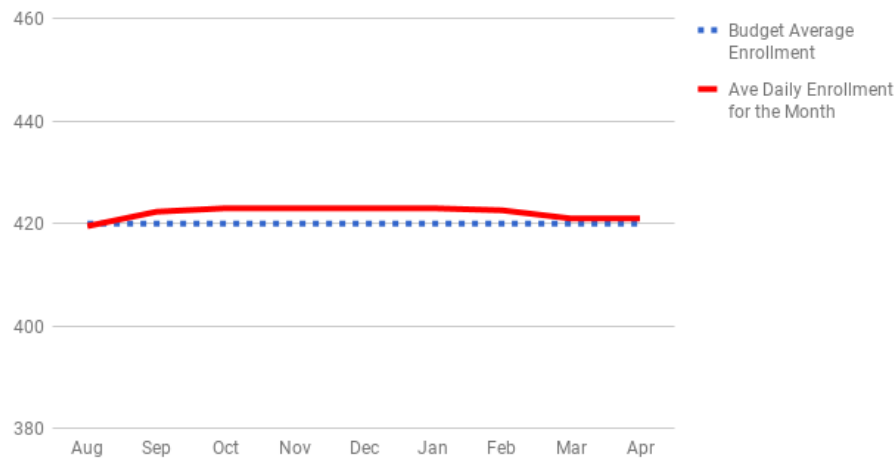
GPS Enrollment



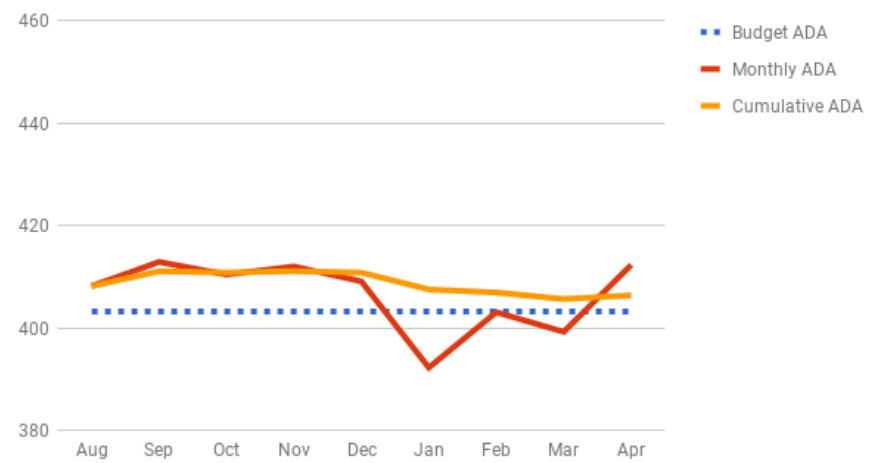
GPS ADA



HPS Enrollment



HPS ADA



Navigator Schools - Financial Data

| <u>Attendance and Enrollment Data</u> | <u>Total</u> | <u>GPS</u> | <u>HPS</u> |
|---------------------------------------|--------------|------------|------------|
| 2017-18 ADA - Approved Budget | 921.6 | 518.4 | 403.2 |
| 2017-18 ADA thru 4/30/18 | 924.5 | 518.2 | 406.4 |
| 2017-18 ADA % thru 4/30/18 | 96.2% | 96.1% | 96.2% |
| | | | |
| 2017-18 Enrollment - Approved Budget | 960.0 | 540.0 | 420.0 |
| 2017-18 Ave Enrollment thru 4/30/18 | 961.3 | 539.1 | 422.2 |
| Enrollment as of 4/30/18 | 961.0 | 540.0 | 421.0 |

| | <u>Actual</u> | <u>Goal</u> |
|--|---------------|-------------|
| Cash balance as of 4/30/18 | 1,510,565 | 1,508,700 |
| Annual Budgeted Expenditures (not including CMO Mgmt Fees) | 9,052,199 | 9,052,199 |
| Number of Months Cash on Hand | 2.00 | 2.00 |