



2017-18 Financial Report Narrative  
 June 2018  
 Board of Directors 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	\$590k	\$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
<b>Total Assets</b>	<b>2,913,677</b>	<b>3,657,361</b>	<b>1,883,417</b>
Accrued Liabilities	319,149	657,592	336,289
CDE Loan Payable	125,000	62,500	10,321
<b>Total Liabilities</b>	<b>444,149</b>	<b>720,092</b>	<b>346,610</b>
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
<b>Total Liabilities &amp; Fund Balance</b>	<b>2,913,677</b>	<b>3,657,361</b>	<b>1,883,417</b>

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

	<u>2017-18</u>	<u>2017-18</u>	<u>2016-17</u>
Beginning Fund Balance	3,136,443	<b>2,937,268</b>	2,469,528
<b>Net Income - GAAP basis (audit)</b>	570,977	<b>590,765</b>	467,740
Ending Fund Balance	<u>3,707,420</u>	<u><b>3,528,033</b></u>	<u>2,937,268</u>

Revenues/Student *	9,939	<b>10,300</b>	10,254
Expenses/Student *	9,344	<b>9,724</b>	9,697
Fund Balance/Student at Year End	3,862	<b>3,675</b>	3,497

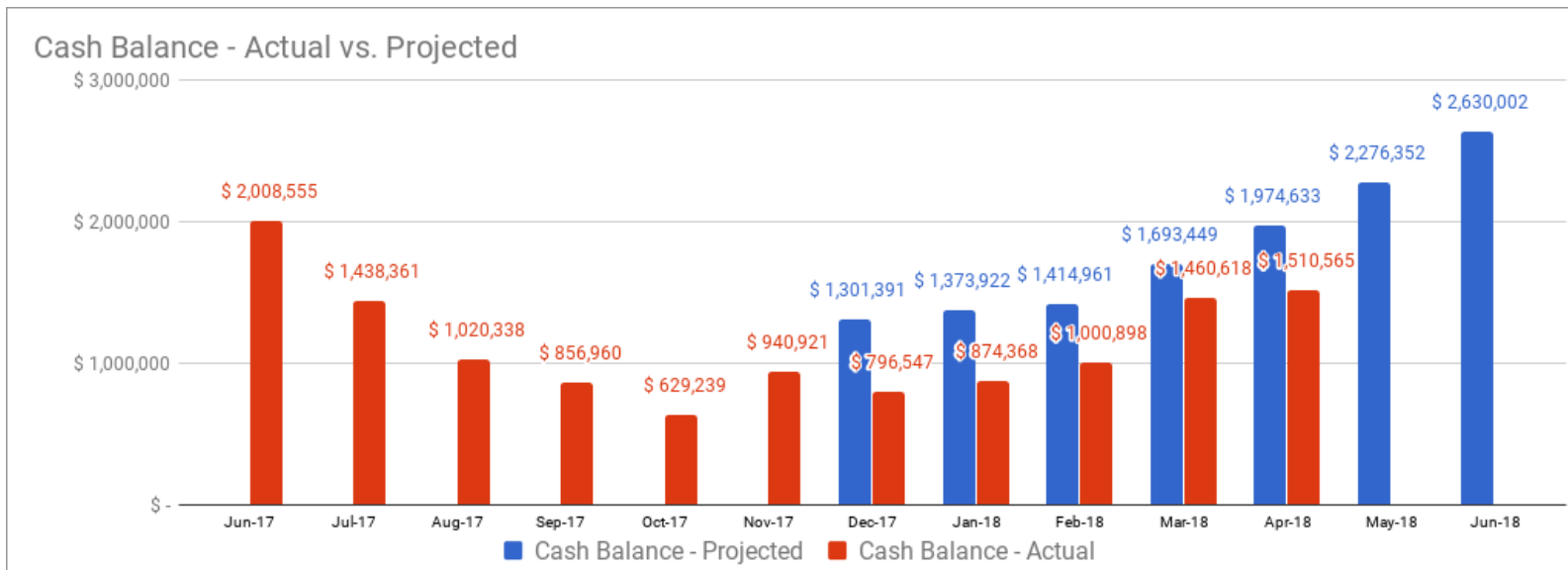
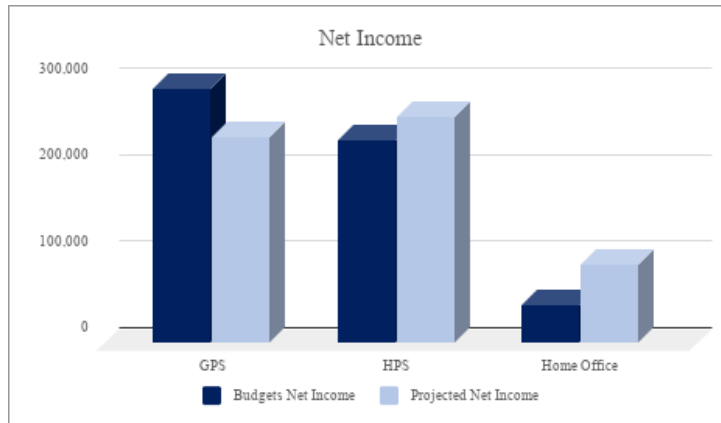
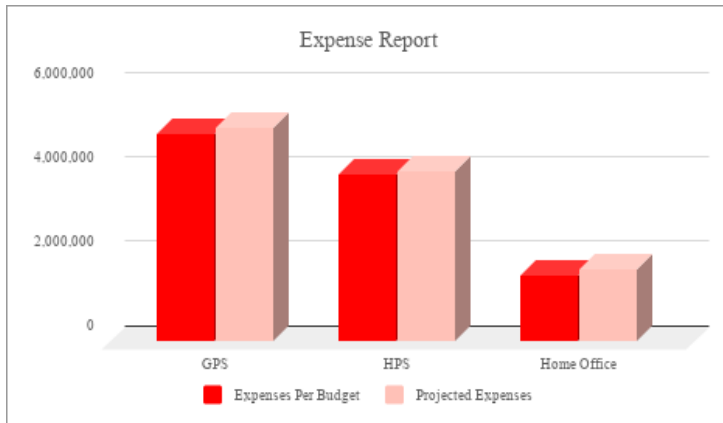
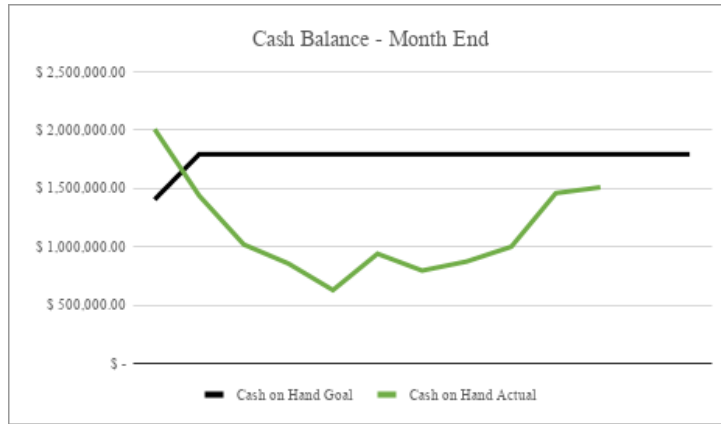
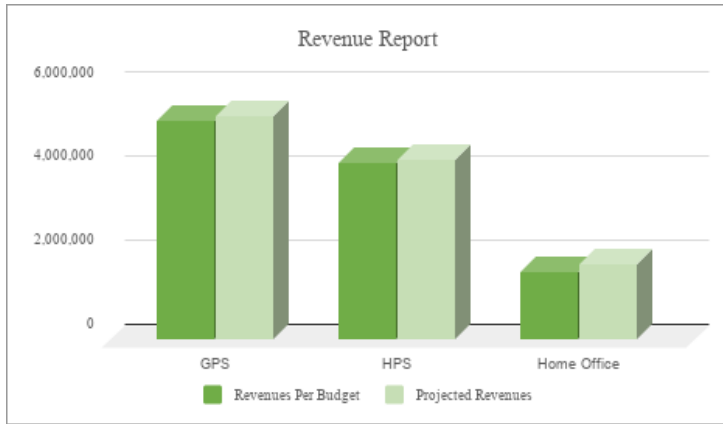
\* Revenues and Expenses per student do not include CMO Management Fee Revenue/Expense because that is an intercompany charge.

Navigator Schools - 2017-18 Budget vs. Projection

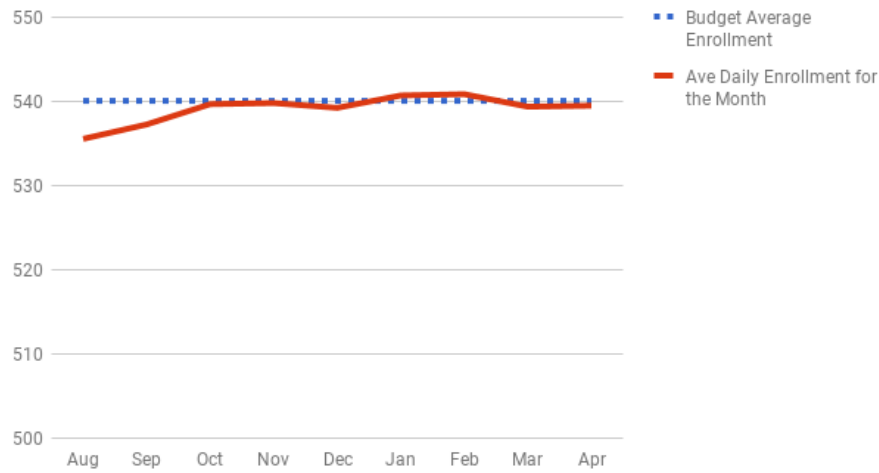
As of April 2018

**Summary Level**

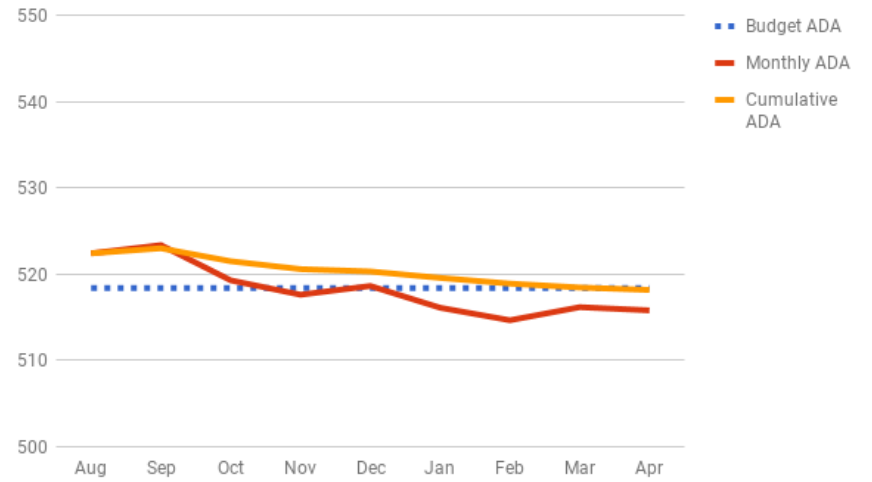
	Total 2017-18 Original Budget	Total 2017-18 Actuals April 2018	Total 2017-18 Current Projection	GPS 2017-18 Original Budget	GPS 2017-18 Actuals April 2018	GPS 2017-18 Current Projection	HPS 2017-18 Original Budget	HPS 2017-18 Actuals April 2018	HPS 2017-18 Current Projection	CMO 2017-18 Original Budget	CMO 2017-18 Actuals April 2018	CMO 2017-18 Current Projection
<i>Enrollment Projection</i>	960	960	960	540	540	540	420	420	420			
<b>REVENUE:</b>												
LCFF Revenue	8,055,232	4,947,291	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	211,817	438,823	270,757	182,247	302,050	132,446	29,570	136,773	0	0	0
Other State Revenue	771,475	604,057	883,045	441,906	336,298	478,150	329,569	267,759	404,895	0	0	0
Donations & Grants	156,885	307,491	319,885	16,885	6,296	16,885	10,000	1,195	3,000	130,000	300,000	300,000
Other Revenue	154,631	121,034	170,068	104,744	79,035	111,986	49,887	41,689	57,772	0	310	310
CMO Management Fees	1,449,942	18,000	1,470,410							1,449,942	18,000	1,470,410
<b>REVENUE</b>	<b>10,991,368</b>	<b>6,209,690</b>	<b>11,358,744</b>	<b>5,211,803</b>	<b>3,504,703</b>	<b>5,298,581</b>	<b>4,199,623</b>	<b>2,386,677</b>	<b>4,289,443</b>	<b>1,579,942</b>	<b>318,310</b>	<b>1,770,720</b>
<b>EXPENDITURES:</b>												
Salaries	5,166,066	4,419,181	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	1,245,488	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	867,085	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	1,037,958	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	18,000	1,432,717	787,952	0	770,795	661,990	18,000	661,922			
Contingency Expenses	150,000	0	0	100,000	0	0	50,000	0	0	0	0	0
Capital Outlay	157,550	21,713	56,713	101,025	21,713	46,713	56,525	0	10,000	0	0	0
<b>EXPENDITURES</b>	<b>10,502,141</b>	<b>7,609,425</b>	<b>10,772,692</b>	<b>4,968,746</b>	<b>3,543,210</b>	<b>5,071,573</b>	<b>3,995,912</b>	<b>2,651,618</b>	<b>4,020,860</b>	<b>1,537,483</b>	<b>1,414,597</b>	<b>1,680,259</b>
<b>REVENUE LESS EXPENDITURES</b>	<b>489,227</b>	<b>(1,399,735)</b>	<b>586,052</b>	<b>243,057</b>	<b>(38,507)</b>	<b>227,008</b>	<b>203,711</b>	<b>(264,941)</b>	<b>268,583</b>	<b>42,459</b>	<b>(1,096,287)</b>	<b>90,461</b>
<b>GAAP Adjustments:</b>												
Revenue Less Expenditures	489,227	(1,399,735)	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	21,713	56,713	101,025	21,713	46,713	56,525	0	10,000	0	0	0
Subtract Depreciation Expense	(75,800)	(75,800)	(52,000)	(50,362)	(50,362)	(35,000)	(25,438)	(25,438)	(17,000)	0	0	0
<b>Net Income - GAAP Basis 2017-18</b>	<b>570,977</b>	<b>(1,453,822)</b>	<b>590,765</b>	<b>293,720</b>	<b>(67,156)</b>	<b>238,721</b>	<b>234,798</b>	<b>(290,379)</b>	<b>261,583</b>	<b>42,459</b>	<b>(1,096,287)</b>	<b>90,461</b>
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
<b>Net Income - GAAP Basis 2017-18</b>	<b>570,977</b>		<b>590,765</b>	<b>293,720</b>		<b>238,721</b>	<b>234,798</b>		<b>261,583</b>	<b>42,459</b>		<b>90,461</b>
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



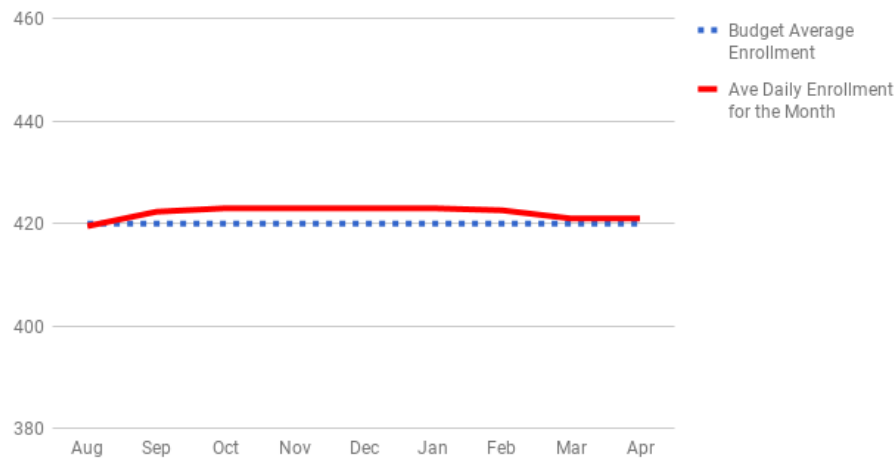
### GPS Enrollment



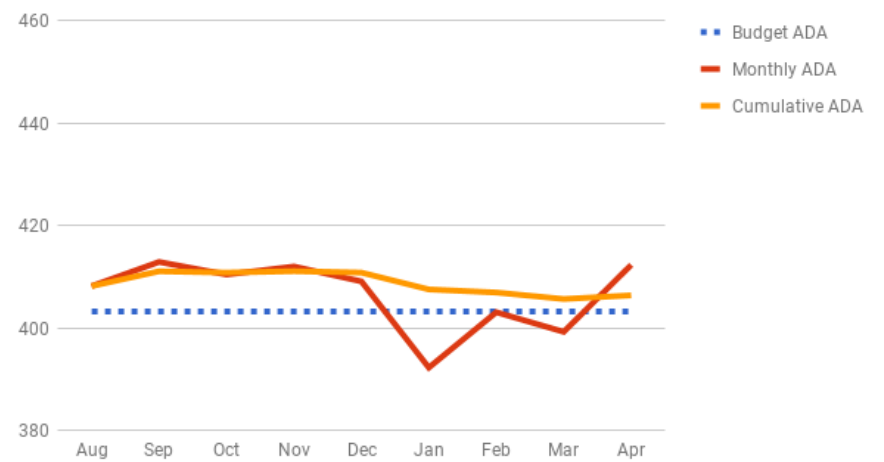
### GPS ADA



### 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