



College Prep in a Small School Environment

# PEAK TO PEAK CHARTER SCHOOL

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*The Peak to Peak community will inspire students to fulfill their academic dreams for college, to develop their creative passions and athletic talents, and to become responsible citizens.*

## **NARRATIVE FINANCIAL ANALYSIS**

### **Q1 FY'11-12**

**(7.1.11 – 9.30.11)**

## **REVENUES**

### **Charter Fund Revenues (Fund 11)**

- State PPR and BVSD mill levy revenues from for Q1 are right on target at \$2.98 million, or 25% of budget.
- SpEd categorical funding was very close to budget at \$51K, or 24%; and ELPA funding was \$3.8K, or 25%.
- Special Ed Teacher Reimbursement revenue will be transferred BVSD later in the year, in addition to the TAG grant.
- CDE Charter School Capital Construction revenue was below budget due to a delayed September payment at \$19K, or 17%.
- Overall, charter fund revenues came in at \$3,058,666, or 24.4% for Q1, as expected.

### **Local Revenues (Funds 11, 23, 26, 51, 52, 53, 54, 73 and 75)**

- Instructional Fee revenues were higher than budget at \$171K, or 79%, due to student registration in August which collected a majority of the fees for the year.
- Other local revenues include library fines, RTD fees, rental income, and insurance premium refunds. Since these are unpredictable sources of revenue, they are not budgeted. These revenues amounted to \$10K in Q1.
- Athletics & Activities revenues were higher than budget at \$101K, or 55%.
- Friends of P2P revenues were below budget at \$45K, or 10% in Q1, since the AG campaign didn't start until September and there were no special events. However, the AG campaign is running ahead of target.
- Food Service revenues were below budget at \$89K, or 18%, since no food was served in July.
- BAASC revenues were below budget at \$22K, or 11%, since there was no activity in July.
- Center for Professional Development revenues were just shy of budget at \$8K, or 24%.
- Kindergarten Enrichment revenues were below budget at \$27K, or 16%, since there was no activity in July.
- The Bond Reserve Refund of \$78K was slightly under budget at 97%.
- Overall, Local Revenues came in \$561,126, or 31% for Q1, which is expected, with school registration revenues driving the number above budget.

### **Total Revenues**

- Total revenues in Q1 were \$3,619,793, which represents 25% of budgeted revenues, right on target.

## **EXPENSES**

### **Instructional Expenses**

- Instructional salaries came in at \$636K, or 16% of budget in Q1, which is much lower than budget due to teacher salaries not being accounted for until August, when their work year begins (accrual accounting). Instructional benefits were also lower than budget at \$211K, or 18%, for the same reason.
- Instructional support staff salaries were lower in Q1 than budget at \$16K, or 10%, and benefits were \$6K, or 10%, since they did not work in the month of July and part of August.
- Instructional program costs were lower than budget at \$73K, or 19% in Q1, due to conservative spending.
- Overall, Instructional Expenses came in at \$942,075, or 17% for Q1, which is where we expect it to be due to the teacher salary and benefit accrual.

### **Administration Expenses**

- Admin salaries were lower than budget at \$312K, or 19% in Q1 due to the salaries for counselors and media specialists being accrued the same as for teachers. Benefits costs were also under target at \$89K, or 20%, for the same reason.
- Admin support staff salaries were lower than budget in Q1 at \$28K, or 16% and benefits were at \$9K, or 11%, since they did not work in July and part of August.
- Admin program costs were lower than budget in Q1 at \$33K, or 12%, due to reduced spending.
- Overall, Administration Expenses were lower than budget at \$471,988, or 18% in Q1.

### **Facility Expenses**

- Total Facilities expenses were higher than budget in Q1 at \$248K, or 27%, driven by the summer campus improvements (carpet, parking lot seal coating, and new classroom furniture).

### **Debt Service Expenses**

- Bond debt servicing was right on track at \$390K, or 25% in Q1, as expected.

### **Local Expenses**

- Miscellaneous local expenses were lower than budget at \$5K, or 16%.
- Athletics & Activities salaries were slightly lower than budget at \$21K, or 21% and benefits were at \$3K, or 20%, due to the fall season not being completed by the end of Q1. Athletics & Activities program expenses were also lower than budget at \$29K, or 17%. Total A&A revenues exceeded total A&A expenses by \$48K in Q1.
- Friends of P2P expenses were below budget at \$14K, or 9% in Q1. Total Friends revenues exceeded total expenses in Q1 by \$30K.
- Food Service salaries were below budget in Q1 at \$16K, or 14% and benefits were at \$6K, or 15%, since the staff did not work in July. Food Service program expenses were also below budget in Q1 at \$54K, or 16%. Total food service revenues exceeded total expenses by \$13K, which does not include any F&R reimbursement.
- BAASC salaries were below budget at \$8K, or 18%, and benefits were at \$3K, or 14%, since there was no activity in July. BAASC program expenses were also below budget at \$13K, or 12%. Total BAASC revenues were exceeded by total expenses by \$2.5K in Q1.
- CPD program expenses were below budget for Q1 at \$4.5K, or 17%. Total CPD revenues exceeded total expenses by \$3.7K in Q1.
- Kindergarten Enrichment salaries were below budget at \$3K, or 9%, and benefits were at \$2K, or 16% in Q1, since there was no activity in July. Kindergarten Enrichment program expenses were also below budget at \$4K, or 11%. Total Enrichment revenues exceeded total expenses by \$19K in Q1.
- Overall, Local Expenses came in below budget at \$185,446, or 14% for Q1, as expected.

### **BVSD Purchased Services**

- Total payments to BVSD for purchased services were tracking as budgeted at \$565,393, or 24.5% in Q1. We expect these costs to go up later in the year due to the late announcement of a \$45K increase in BVSD purchased services.

### **Total Expenses**

- Total expenses in Q1 were \$2,802,796, which represents 19.5% of budgeted expenditures, which is lower than budget, as expected. The low Q1 expenses will be offset in Q4 when accrued salaries and benefits will be charged to Fund 11.
- Total revenues exceeded total expenses by \$817K in Q1, which bodes well for finishing the year strong.

## **RESERVES**

### **Reserves**

- Total reserves at the end of Q1 were at \$3.29 million, which far surpasses the 20% minimum reserving level of \$2.5 million. However, this number is inflated by the large surplus reflected in Q1. This will be offset in Q4, and we expect to end the fiscal year with \$2.7 million in reserves.

### **Summary**

- The financial results for Q1 are positive for Peak to Peak. The results are aligned with our goal of being conservative in order to protect the school in the event of further state funding cuts and/or rescissions.

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Q1 FY'11-12 FINANCIAL REPORT 7.1.11 - 9.30.11	Q1 FY'10-11 Actual	Q1 FY'11-12 Actual	% of Budget	Q1 FY'11-12 YTD	% of Budget	FY'11-12 Budget	Comments
<b>REVENUES</b>							
<b>Charter Fund Revenues (Fund 11)</b>						1,414.8	FTE enrollment as of 10/1/11
State PPR Funding (School Finance Act)	\$ 2,374,512	\$ 2,252,606	25.0%	\$ 2,252,606	25.0%	\$ 9,019,095	State Per Pupil Revenue
BVSD 1991 Mill Levy Override	\$ 90,030	\$ 88,194	24.9%	\$ 88,194	24.9%	\$ 354,468	1991 BVSD Mill Levy Override Revenue
BVSD 1998 Mill Levy Override	\$ 95,151	\$ 93,169	25.0%	\$ 93,169	25.0%	\$ 373,030	1998 BVSD Mill Levy Override Revenue
BVSD 2002 Mill Levy Override	\$ 160,693	\$ 157,324	25.0%	\$ 157,324	25.0%	\$ 629,908	2002 BVSD Mill Levy Override Revenue
BVSD 2005 Mill Levy Override	\$ 92,277	\$ 90,249	24.9%	\$ 90,249	24.9%	\$ 362,730	2005 BVSD Mill Levy Override Revenue
BVSD 2010 Mill Levy Override	\$ -	\$ 303,174	24.9%	\$ 303,174	24.9%	\$ 1,218,519	2010 BVSD Mill Levy Override Revenue
SPED Funding	\$ 53,197	\$ 51,420	24.2%	\$ 51,420	24.2%	\$ 212,384	Special Ed categorical funding from state
ELPA Funding	\$ 3,145	\$ 3,752	24.5%	\$ 3,752	24.5%	\$ 15,322	English Language Proficiency Act categorical funding
BVSD Special Ed Teacher Reimbursement	\$ -	\$ -	0.0%	\$ -	0.0%	\$ 13,101	Reimbursement from BVSD for P2P SpEd Teachers
TAG Grant	\$ -	\$ -	0.0%	\$ -	0.0%	\$ 205,171	Talented & Gifted funding
CDE Charter Capital Construction	\$ 31,343	\$ 18,778	16.6%	\$ 18,778	16.6%	\$ 113,181	CDE Charter School Capital Construction funding
Other District/State Revenues	\$ -	\$ -		\$ -		\$ -	Other miscellaneous funding
<b>Total Charter Fund Revenue</b>	<b>\$ 2,900,348</b>	<b>\$ 3,058,666</b>	<b>24.4%</b>	<b>\$ 3,058,666</b>	<b>24.4%</b>	<b>\$ 12,516,908</b>	
<b>Local Revenues</b>							
Instructional Fees (Fund 11)	\$ 121,294	\$ 170,938	79.1%	\$ 170,938	79.1%	\$ 216,000	ES supplies, planners, lockers, WL, science, counseling, art, music fees
Other Local Revenues (Fund 11)	\$ 24,006	\$ 10,039	100.4%	\$ 10,039	100.4%	\$ 10,000	Local fees and fines, insurance refunds, rental income, BVSD transfers
Athletics & Activities Revenue (Fund 23)	\$ 41,664	\$ 101,386	54.7%	\$ 101,386	54.7%	\$ 185,227	Athletics & Activities fees
Friends of P2P Fundraising Revenue (Fund 26)	\$ 41,157	\$ 44,701	10.3%	\$ 44,701	10.3%	\$ 435,000	Revenues from events, donations and other fund raising activities
Food Service Revenue (Fund 51)	\$ 98,823	\$ 88,719	17.7%	\$ 88,719	17.7%	\$ 500,000	Food Service sales
BAASC Revenue (Fund 52)	\$ 35,993	\$ 21,628	10.8%	\$ 21,628	10.8%	\$ 200,000	BAASC fees
Center for Professional Development (Fund 53)	\$ 2,200	\$ 8,317	23.6%	\$ 8,317	23.6%	\$ 35,300	CPD fees for service
Kindergarten Enrichment Revenue (Fund 54)	\$ 24,120	\$ 27,150	16.3%	\$ 27,150	16.3%	\$ 167,000	Enrichment fees
PVI Bond Reserve Fund Refund (Fund 75)	\$ 79,205	\$ 77,934	97.4%	\$ 77,934	97.4%	\$ 80,000	Bond Reserve Fund annual earned interest
Investment Income (Fund 75)	\$ 4,461	\$ 2,255		\$ 2,255		\$ -	Interest Earned in Chase and GWB MMkt Accounts
Revolving Grant Revenue (Fund 73)	\$ -	\$ 8,061		\$ 8,061		\$ -	Revolving grant revenues
<b>Total Local Revenues</b>	<b>\$ 472,923</b>	<b>\$ 561,126</b>	<b>30.7%</b>	<b>\$ 561,126</b>	<b>30.7%</b>	<b>\$ 1,828,527</b>	
<b>Grand Total Revenues</b>	<b>\$ 3,373,271</b>	<b>\$ 3,619,793</b>	<b>25.2%</b>	<b>\$ 3,619,793</b>	<b>25.2%</b>	<b>\$ 14,345,435</b>	
<b>EXPENSES</b>							
<b>Instructional Expenses</b>							
Instructional Salaries	\$ 608,257	\$ 636,024	16.2%	\$ 636,024	16.2%	\$ 3,922,763	Salaries and stipends for classroom teachers
Instructional Benefits	\$ 158,381	\$ 211,311	18.0%	\$ 211,311	18.0%	\$ 1,176,796	Employee benefits for classroom teachers
Instructional Support Staff Salaries	\$ 14,190	\$ 15,919	10.4%	\$ 15,919	10.4%	\$ 153,305	Instructional support staff salaries
Instructional Support Staff Benefits	\$ 4,290	\$ 5,893	10.3%	\$ 5,893	10.3%	\$ 57,330	Instructional support staff employee benefits
Instructional Program	\$ 31,733	\$ 72,929	19.4%	\$ 72,929	19.4%	\$ 376,210	Textbooks, library books, dep't materials, IT and copying expenses
<b>Total Instructional Expenses</b>	<b>\$ 816,851</b>	<b>\$ 942,075</b>	<b>16.6%</b>	<b>\$ 942,075</b>	<b>16.6%</b>	<b>\$ 5,686,404</b>	
<b>Administration Expenses</b>							
Administrative Salaries	\$ 337,557	\$ 311,781	19.4%	\$ 311,781	19.4%	\$ 1,609,667	Salaries for administrators, librarians, counselors
Administrative Benefits	\$ 77,330	\$ 89,239	20.0%	\$ 89,239	20.0%	\$ 445,205	Employee benefits for administrators, librarians, counselors
Administrative Support Staff Salaries	\$ 26,341	\$ 28,379	15.9%	\$ 28,379	15.9%	\$ 178,084	Admin support staff salaries
Administrative Support Staff Benefits	\$ 6,569	\$ 9,136	11.4%	\$ 9,136	11.4%	\$ 80,267	Admin support staff employee benefits

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Administrative Support Program	\$ 9,154	\$ 33,453	12.0%	\$ 33,453	12.0%	\$ 277,800	Staff dev't, testing, counseling, copiers, supplies, IT, OE, HR expenses
<b>Total Administration Expenses</b>	<b>\$ 456,951</b>	<b>\$ 471,988</b>	<b>18.2%</b>	<b>\$ 471,988</b>	<b>18.2%</b>	<b>\$ 2,591,023</b>	
<b>Facility Expenses</b>							
Facilities Salaries	\$ 53,080	\$ 47,299	18.6%	\$ 47,299	18.6%	\$ 254,683	Facility and custodial staff salaries
Facilities Benefits	\$ 18,342	\$ 16,103	18.7%	\$ 16,103	18.7%	\$ 86,062	Facility and custodial staff employee benefits
Facilities Program	\$ 130,427	\$ 184,505	32.6%	\$ 184,505	32.6%	\$ 566,525	Utilities, maintenance costs, custodial supplies, insurance premiums
<b>Total Facility Expenses</b>	<b>\$ 201,849</b>	<b>\$ 247,907</b>	<b>27.3%</b>	<b>\$ 247,907</b>	<b>27.3%</b>	<b>\$ 907,270</b>	
<b>Debt Service</b>							
Debt Servicing (Bond Payments)	\$ 390,284	\$ 389,987	24.9%	\$ 389,987	24.9%	\$ 1,568,539	Rent paid to Prairie View to make bond payments
<b>Total Debt Service Expenses</b>	<b>\$ 390,284</b>	<b>\$ 389,987</b>	<b>24.9%</b>	<b>\$ 389,987</b>	<b>24.9%</b>	<b>\$ 1,568,539</b>	
<b>Local Expenses</b>							
Miscellaneous Local Expenses (Fund 11)	\$ 50,607	\$ 4,653	15.5%	\$ 4,653	15.5%	\$ 30,000	Bank fees, RTD fees, other local fees
Return to Reserves (Fund 11 to Fund 75)	\$ -	\$ -	0.0%	\$ -	0.0%	\$ 30,000	Add'l money to go towards the Soccer Field Reserve
Athletics & Activities Salaries (Fund 23)	\$ 18,797	\$ 21,087	21.4%	\$ 21,087	21.4%	\$ 98,600	Athletic coaches and activity leaders salaries
Athletics & Activities Benefits (Fund 23)	\$ 2,910	\$ 3,416	20.3%	\$ 3,416	20.3%	\$ 16,861	Athletic coaches and activity leaders employee benefits
Athletics & Activities Program Expenses (Fund 23)	\$ 17,890	\$ 28,961	17.0%	\$ 28,961	17.0%	\$ 170,100	Transportation, referees, supplies, A&A equipment
Friends of P2P Fundraising Expenses (Fund 26)	\$ 20,944	\$ 14,478	8.5%	\$ 14,478	8.5%	\$ 170,400	FP2P fundraising program costs
Food Service Salaries (Fund 51)	\$ 14,012	\$ 16,114	13.8%	\$ 16,114	13.8%	\$ 116,551	Food Service staff salaries
Food Service Benefits (Fund 51)	\$ 5,547	\$ 5,867	15.2%	\$ 5,867	15.2%	\$ 38,478	Food Service staff employee benefits
Food Service Program Expenses (Fund 51)	\$ 61,527	\$ 53,709	16.3%	\$ 53,709	16.3%	\$ 330,000	Food, supplies and equipment for food service
BAASC Salaries (Fund 52)	\$ 9,241	\$ 8,370	17.6%	\$ 8,370	17.6%	\$ 47,552	BAASC staff salaries
BAASC Benefits (Fund 52)	\$ 3,803	\$ 2,845	13.9%	\$ 2,845	13.9%	\$ 20,492	BAASC staff employee benefits
BAASC Program Expenses (Fund 52)	\$ 17,793	\$ 12,860	11.7%	\$ 12,860	11.7%	\$ 110,000	Transportation, program costs, supplies, staff benefit lost revenue
Ctr for Professional Dev't Expenses (Fund 53)	\$ -	\$ 4,544	17.1%	\$ 4,544	17.1%	\$ 26,500	CPD para, subs, coaches salaries and program expenses
Enrichment Salaries (Fund 54)	\$ 3,350	\$ 2,932	9.1%	\$ 2,932	9.1%	\$ 32,136	Enrichment staff salaries
Enrichment Benefits (Fund 54)	\$ 1,883	\$ 1,871	16.0%	\$ 1,871	16.0%	\$ 11,716	Enrichment staff employee benefits
Enrichment Program Expenses (Fund 54)	\$ 2,010	\$ 3,662	10.5%	\$ 3,662	10.5%	\$ 35,000	Transportation, program costs and supplies for enrichment
Revolving Grant Expenses (Fund 73)	\$ -	\$ 75		\$ 75		\$ -	Revolving Grant Expenses
<b>Total Local Expenses</b>	<b>\$ 230,314</b>	<b>\$ 185,446</b>	<b>14.4%</b>	<b>\$ 185,446</b>	<b>14.4%</b>	<b>\$ 1,284,386</b>	
<b>Total Expenses</b>	<b>\$ 2,096,249</b>	<b>\$ 2,237,403</b>	<b>18.6%</b>	<b>\$ 2,237,403</b>	<b>18.6%</b>	<b>\$ 12,037,622</b>	
<b>Total BVSD Purchased Services</b>	<b>\$ 563,349</b>	<b>\$ 565,393</b>	<b>24.5%</b>	<b>\$ 565,393</b>	<b>24.5%</b>	<b>\$ 2,306,503</b>	Services purchased from BVSD: SpEd, ELL, Legal, Business, IT, HR, TAG
<b>Grand Total Expenses</b>	<b>\$ 2,659,598</b>	<b>\$ 2,802,796</b>	<b>19.5%</b>	<b>\$ 2,802,796</b>	<b>19.5%</b>	<b>\$ 14,344,125</b>	
<b>RESERVES</b>							
Increase (Decrease) in Fund Balance	\$ 713,676	\$ 816,997		\$ 816,997		\$ 1,310	Total Revenues less Total Expenses
ADD Soccer Field Reserves	\$ 234,908			\$ 267,870		\$ 267,961	Balance in Soccer Field Reserve Account (Great Western)
ADD P2P Financial Reserves	\$ 2,629,179			\$ 1,788,880		\$ 2,055,446	Balance in Financial Reserve Accounts (Chase/Great Western)
ADD Beginning TABOR Balance	\$ 386,283			\$ 415,357		\$ 415,406	Beginning Balance in TABOR
<b>Grand Total Ending Reserves</b>	<b>\$ 3,964,046</b>			<b>\$ 3,289,104</b>		<b>\$ 2,740,123</b>	Includes TABOR Reserve