



**PEAK TO PEAK**  
CHARTER SCHOOL  
800 Merlin Drive • Lafayette, CO 80026

**FROM:** Sam Todd, EDO  
**TO:** Finance and Budget Committee Members and Peak to Peak Board of Directors  
**DATE:** May 1, 2023  
**SUBJECT:** Third Quarter 2022-23 FBC Meeting Summary and Recommendations

The Finance and Budget Committee (FBC) met on Monday, May 1, 2023, for its third quarterly meeting of the 2022-23 fiscal year. Please see below a summary of the FBC discussions and the recommendations the FBC is offering the Peak to Peak board of directors. The meeting was held in person with some members joining virtually via Google Meet. Committee members present included: Lynne Allen, Brian Boonstra, Jen Douglas, Jennie Klein, Dan Koerner, Cathy Rein, Louise Peng, Sam Todd, and Marcus Watkins. Eric Duran and Jonathan Fung were unable to participate.

**1.) COLOTRUST EDGE Account**

Dan Koerner informed the FBC that a little over \$100K remains in the COLOTRUST EDGE account. Since the PLUS+ account is generating high interest earnings, Dan Koerner recommended that these funds be transferred to the PLUS+ account at COLOTRUST. Members of the FBC voiced agreement with the recommendation.

***FBC RECOMMENDATION:*** *The FBC recommended to transfer the remaining \$100K in the COLOTRUST EDGE account to the COLOTRUST PLUS+ account.*

**2.) Stock Donations**

Each year, Peak to Peak receives several stock donations from parents. These stock donations are then sold by a brokerage and the proceeds are transferred to Friends of Peak to Peak. In the past, we have utilized RW Baird as our broker. However, since Baird is a full-service brokerage, the fees are very expensive, which lowers the net donation to P2P. Dan Koerner has researched other options for processing stock donations and recommended that the school utilize Fidelity as our brokerage service. Fidelity is a discount broker with much lower fees.

***FBC RECOMMENDATION:*** *The FBC recommended utilizing Fidelity as the broker of record in processing all future stock donations to the school.*

**3.) ACH Payments**

Dan Koerner and Nina Hankla, AP Specialist, have been exploring options to increase efficiency of our accounts payable process. Currently, we either cut checks or utilize commercial credit cards to make vendor payments. Cutting checks is labor-intensive and less secure than using newer and more prevalent automated payment solutions. Since many

vendors do not accept credit card payments, Dan recommended that P2P start to move from manual payments by check to ACH payments through Chase Bank. This will streamline payments and increase efficiency. ACH payments will also allow for up to two levels of approval. In order to do this Dan recommended a revision of P2P's Financial Policy Manual to amend the policy to update payment authorizations to allow for electronic payments and electronic approvals for expenditures, both under and over \$10k.

***FBC RECOMMENDATION:*** *The FBC reviewed the 1<sup>st</sup> draft of a revised written payment approval policy and recommended transitioning to safer and a more current EFT/ACH payments AP process.*

#### **4.) Q3 2022-23 Financial Reports**

##### **General Fund 11**

- YTD revenues came in at \$16 million, or 77% of budget at the end of Q3.
- YTD expenses totaled \$14.6 million, or 68% of budget.
- A surplus of \$20.5K was generated in Q3, bringing the YTD total to \$1.5 million. The Fund 11 fund balance exceeded \$8.2 million at the end of Q3.

##### **Food Services Fund 21**

- YTD revenues were \$671K, or 115% of budget at the end of Q3.
- YTD expenses were \$501K, or 77% of budget.
- A surplus of \$14K was generated in Q3, bringing the YTD total to \$170K; which compares to an annual budgeted loss of (\$68K). The Fund 21 fund balance at the end of Q3 was \$349K.

##### **Operations and Technology Fund 65**

- YTD revenues were \$1.2M, or 75% of budget at the end of Q3.
- YTD expenses were \$1.4M, or 80% of budget.
- A surplus of \$34K was generated in Q3, bringing the YTD total to (\$128K); which compares to an annual budgeted loss of (\$60K). The Fund 65 fund balance at the end of Q3 was \$492K.

The FBC was satisfied with the Q3 financial results.

#### **5.) Projected Q4/End-of-Year 2022-23 Financial Results**

##### **General Fund 11**

- Total revenues and transferred-in net fundraising donations from Friends of P2P are projected to be \$21.4 million, or 102% of budget.
  - o Instructional fees and will exceed budget due to Peak Week fees collected, but not budgeted.
  - o Net Fundraising will come in above budget due to exceptional fundraising by FP2P.
- Total expenditures are projected to be \$21.5 million, or 100% of budget. All salaries are expected to come in slightly higher than budget due to unused PAL time to be paid out .
- A budget shortfall of (51K) is projected for the fiscal year, leaving the Fund 11 fund balance in good shape at \$6.7 million.

### **Food Service Fund 21**

- Total revenues are projected to be \$830K, or 142% of budget. The food program has received several grants and the program has remained very popular, despite the Federal Free Food for all program ending the previous FY.
- Total program expenses are projected to be \$766K, or 117% of budget.
- A budget surplus of about \$64K is projected for year-end, which compares to the budgeted deficit of (\$68k). No transfer-in from Fund 11 will be necessary this year, leaving the Fund 21 year-end fund balance at \$243K.

### **Operations & Technology Fund 65**

- Total revenues are projected to be \$1.6 million, or 100% of budget.
- Total expenses are projected to be \$1.7M, or 101% of budget.
- A budget deficit of (\$71K) is projected for the fiscal year, leaving an ending fund balance of \$549K in Fund 65.

The FBC was satisfied with the projected 2022-23 Q4/year-end financial performance.

### **6.) 2022-23 Supplemental Budget**

After Sam and Dan conducted an analysis of the Q3 financial results and developed the year-end financial projections, it became obvious that a supplemental budget will need to be passed by the board in order to avoid any chance of overspending the board-approved revised budget expenditure appropriations. The primary reasons for the supplemental budget include the following:

- \$200K in increased costs for PAL payouts at employee hourly pay rates vs. sub teacher pay rate
- Peak Week expense not anticipated in the prior budgets.

The result of these changes creates a (\$592K) shortfall in Fund 11. The PAL payouts at employee hourly pay rate are now required by a recent court ruling. With these considerations in mind, the FBC agreed that the 2022-23 supplemental budget should be passed by the board.

***FBC RECOMMENDATION:*** *The FBC recommended board approval of the 2022-23 supplemental budget with the above presented assumptions at the May 3<sup>rd</sup> board meeting.*

### **7.) Administrative and Salaried Support Staff Market Compensation Study**

Sam Todd shared that much has been done to address compensation for teachers/counselors and hourly support staff over the past few years, but little attention has been given to administrative employees. P2P hired a school compensation expert, Teresa Lange, to conduct a market compensation study for administrative and salaried support staff this year. The consultant compared 26 P2P admin positions with several surrounding school districts and charter schools and developed salary ranges for each position. Each P2P employee was then placed on their position range based on years of experience. For those employees below market rates, pay adjustments were calculated. The total of these adjustments was about \$117K. The pay adjustments were then loaded into the preliminary budget, which still has about a \$200K surplus after the pay adjustments.

***FBC RECOMMENDATION:*** *The FBC supports the pay adjustments and recommended that they be added to the 2023-24 preliminary budget.*

#### **8.) 2023-24 Preliminary Budget**

The following assumptions are being budgeted for 2023-24:

##### **Revenues:**

- 10.4% increase in state PPR to \$10,488/student
- 9.4% overall increase in BVSD MLOs to \$4,322.34/student
- 2.2% decrease in charter school capital construction funding to \$354/student
- 22% increase in SpEd categorical funding to \$438/student
- 11% increase in ELPA categorical funding to \$22/student
- 4% increase in local program revenue.

##### **Expenses:**

- Teacher and Hourly pay increasing 10%
- Admin pay increasing 9%
- 8.2% increase in BVSD purchased services to \$2146/student
- 5.2% increase in health insurance premiums to \$8335/employee
- 0% increase in dental insurance premiums to \$564/employee
- No increases in LTD, STD and life insurance premiums
- No increase in PERA employer contributions at 21.4%
- Bond debt service costs remain flat at \$1.43 million

The current projection of a 10.4% increase in has been approved by the State Legislature

***FBC RECOMMENDATION:*** *The FBC recommended board approval of the 2023-24 preliminary budget with the above presented assumptions. The state legislature has approved final funding for schools. The board will be asked to approve the preliminary budget at the May 17<sup>th</sup> board meeting.*

#### **9.) 2022-23 Fundraising Review**

Rachel Hirt, P2P fundraising and community relations manager, provided a review of this year's fundraising activities. Below is a summary of this year's fundraising:

- Annual Fund - \$205K with over 300 donors
- Peak Gala - \$134K
- Run for the Peak - \$35K
- Other fundraising - \$62K
- Major gifts - \$20K
- Designated donations - \$48K
- Innovation fund - \$31K
- Scholarship fund - \$3K
- Total - \$487K

FBC members had high praise for Rachel's work and the excellent fundraising results that were achieved this year.