



PEAK TO PEAK
CHARTER SCHOOL
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FROM: Sam Todd, EDO
TO: Finance and Budget Committee Members and Peak to Peak Board of Directors
DATE: May 1, 2019
SUBJECT: Third Quarter 2018-19 FBC Meeting Summary and Recommendations

The Finance and Budget Committee (FBC) met on Monday, April 29, 2019, for its third quarterly meeting of the 2018-19 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.

1.) Q3 Financial Reports

General Fund 11

- YTD revenues came in at \$13.3 million, or 76.8% of budget at the end of Q3.
- YTD expenses totaled \$11.7 million, or 68.8% of budget.
- A surplus of \$223K was generated in Q3, bringing the YTD total to \$1.5 million; which compares to an annual budgeted surplus of \$248K.

Food Services Fund 21

- YTD revenues were \$429K, or 79.6% of budget at the end of Q3.
- YTD expenses were \$409K, or 72.3% of budget.
- A surplus of \$3K was generated in Q3, bringing the YTD total to \$20K; which compares to an annual budgeted shortfall of \$27K.

Operations and Technology Fund 65

- YTD revenues were \$874K, or 103.2% of budget at the end of Q3.
- YTD expenses were \$643K, or 76.2% of budget.
- A surplus of \$277K was generated in Q3, bringing the YTD total to \$231K; which compares to an annual budgeted surplus of \$3K.

Friends of P2P Fund 26

- YTD revenues were \$492K, or 73.9% of budget at the end of Q3.
- YTD expenses were \$162K, or 75% of budget.
- A surplus of \$221K was generated in Q3, bringing the YTD total to \$313K; which compares to an annual budgeted surplus of \$449K.

The FBC was satisfied with the positive financial results for 2018-19.

2.) Projected End of Year 2018-19 Financial Results

General Fund 11

- Total revenues and transferred-in net fundraising donations from Friends of P2P are projected to be \$17.7 million, or 102% of budget.
- Total expenditures are projected to be \$16.8 million, or 98.4% of budget.
- A budget surplus of \$700K is projected for the fiscal year after transfers, leaving the Fund 11 fund balance in good shape at nearly \$4.8 million.

Food Service Fund 21

- Total revenues are projected to be \$534K, or 99% of budget.
- Total program expenses are projected to be \$536K, or 95% of budget.
- A budget shortfall of about \$2K is projected for year-end, which compares to the budgeted shortfall of \$27K. The year-end fund balance will be about \$25K.

Operations & Technology Fund 65

- Total revenues are projected to be \$1.17 million, or 138% of budget.
- Total expenses are projected to be \$813K, or 96% of budget. The reason for the large overage of revenues is due to BVSD increasing the 2016 MLO by 1 mil in December last year, after the P2P budget had been approved.
- A budget surplus of \$353K is projected for the fiscal year, leaving an ending fund balance of \$382K in Fund 65.

Friends of P2P Fund 26

- Total revenues are projected to be \$626K, or 94% of budget.
- Total expenses are projected to be \$179K, or 83% of budget.
- A budget surplus of about \$447K is projected for year-end, which compares to the budgeted surplus of \$449K. The year-end fund balance will be about \$1.57M.

The FBC was also pleased with the projected year-end financial performance for 2019-20.

3.) 2019-20 Preliminary Budget

The preliminary budget includes the following assumptions:

- 4% increase in PPR
- 3% overall decrease in MLOs
- 2.2% decrease in charter school capital construction funding
- 9% decrease in instructional fees
- 3.7% increase in BVSD purchased services
- 4% pay increase for admin staff
- 5% pay increase for teachers
- 6.7% pay increase for salaries support staff
- 10% pay increase for hourly support staff
- 5% increase in health insurance premiums
- 5% increase in dental insurance premiums

- No increases in LTD, STD and life insurance premiums
- PERA will reach its maximum employer contribution level of 20.4%

The 2019-20 budget is in good shape with adequate funding for employee pay increases and capital projects. The biggest change in this year's budget is the increased student FTE associated with full-day Kindergarten being funded by the state, which will increase P2P's funded student FTE from 1,414.8 to 1,445. This will require a change to our charter contract with BVSD.

RECOMMENDATION: The FBC recommended that the board adopt the preliminary 2019-20 budget as presented.

4.) External Fundraising Discussion

The FBC discussed the vacancy with the major gifts officer position and the potential for external fundraising at Peak to Peak. The general consensus of the group was that the potential to raise external funds at P2P is real and should be pursued, especially considering the ambitious undertakings of the school and the outcomes of the listening campaign. The group was not unanimous in its view on the major gifts officer position. Some thought it was wise to move forward with the hire, while others wondered if major gifts fundraising could be handled by existing leaders, board members and staff. The issue will be taken up again at the special board session scheduled for May 22nd. External FBC members were invited to participate in this meeting.