



**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 3, 2022  
**SUBJECT:** Third Quarter 2021-22 FBC Meeting Summary and Recommendations

The Finance and Budget Committee (FBC) met on Tuesday, May 3, 2022, for its third quarterly meeting of the 2021-22 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 virtually via Google Meet. Committee members present included: Lynne Allen, Jonathan Fung, Cathy Rein, Louise Peng, Kelly Reeser, Sam Todd, and Brian Boonstra. Eric Duran was unable to participate.

**1.) COLOTRUST EDGE Account**

Dylana Gross from COLOTRUST joined the meeting to explain the recent losses in EDGE investment option at COLOTRUST, which was opened last spring. This new investment option meets Public Deposit Protection Act regulations and was designed to generate higher interest earnings in the mid- to long-term than the existing “PLUS+” option that P2P also utilizes. EDGE was designed to complement the daily liquidity offered by PLUS+, and is best suited for funds not needed on a frequent or near-term basis. The account has suffered over \$27K in unrealized losses since December. After hearing Ms. Gross’s presentation, the FBC discussed the pros and cons of keeping the money in the EDGE account and ultimately felt that since more losses are anticipated that P2P should cut our losses and move almost all of the money back to the PLUS+ account, which has no risk of losses. Since interest rates are going up, we should be able to recoup the losses in the EDGE account by moving the money to PLUS+ account.

***RECOMMENDATION:*** *The FBC recommended to move all but \$100K in the COLOTRUST EDGE account (approximately \$4.4 million) to the COLOTRUST PLUS+ account.*

**2.) 2021-22 Supplemental Budget**

There are three new expenditures that have been added to the 2021-22 budget, which is necessitating the need to have a supplemental budget passed:

- \$345K in bus charging infrastructure costs
- \$213K in back pay for teachers and counselors for prior years’ experience
- \$100K in increased costs for PAL payouts at employee hourly pay rates vs. sub teacher pay rate

The result of these changes creates a \$591K shortfall in Fund 11. The board has already approved the bus infrastructure costs and the back pay for prior years' experience. 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 2021-22 supplemental budget should be passed by the board.

**RECOMMENDATION:** *The FBC recommended board approval of the supplemental budget with the above presented assumptions at the May 4<sup>th</sup> board meeting.*

### 3.) Q3 2020-21 Financial Reports

#### **General Fund 11**

- YTD revenues came in at \$14.4 million, or 73% of budget at the end of Q3.
- YTD expenses totaled \$13.2 million, or 67% of budget.
- A surplus of \$194K was generated in Q3, bringing the YTD total to \$1.2 million. The Fund 11 fund balance exceeded \$7.7 million at the end of Q3.

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

- YTD revenues were \$626K, or 93% of budget at the end of Q3.
- YTD expenses were \$535K, or 82% of budget.
- A surplus of \$134K was generated in Q3, bringing the YTD total to \$91K; which compares to an annual budgeted surplus of \$19K. The Fund 21 fund balance at the end of Q3 was \$129K.

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

- YTD revenues were \$1.2M, or 81% of budget at the end of Q3.
- YTD expenses were \$1.1M, or 76% of budget.
- A surplus of \$192K was generated in Q3, bringing the YTD total to \$120K; which compares to an annual budgeted surplus of \$71K. The Fund 65 fund balance at the end of Q3 was \$498K.

The FBC was satisfied with the positive Q3 financial results for 2021-22.

### 4.) Projected Q4/End-of-Year 2021-22 Financial Results

#### **General Fund 11**

- Total revenues and transferred-in net fundraising donations from Friends of P2P are projected to be \$19.3 million, or 97% of budget. Reasons for falling below budget:
  - o ESSER III revenues will not be completely spent this year and will come in under budget.
  - o Instructional and A&A fees will come in below budget due to refunds of field trip fees due to lack of buses.
- Total expenditures are projected to be \$19.5 million, or 99% of budget. Instructional salaries are expected to come in higher than budget due to back pay being granted for prior years' experience. In addition, unused PAL time will be paid out at employee's hourly rate instead of the sub teacher rate as was done in the past.

- A budget shortfall of \$200K is projected for the fiscal year, leaving the Fund 11 fund balance in good shape at \$6.4 million.

#### **Food Service Fund 21**

- Total revenues are projected to be \$821K, or 122% of budget. The program has been operating under the “free food for all students” with large reimbursements from the federal government.
- Total program expenses are projected to be \$727K, or 111% of budget.
- A budget surplus of about \$94K is projected for year-end, which compares to the budgeted surplus of \$19K. No transfer-in from Fund 11 will be necessary this year, leaving the Fund 21 year-end fund balance at \$132K.

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

- Total revenues are projected to be \$1.5 million, or 100% of budget.
- Total expenses are projected to be \$1.4M, or 97% of budget.
- A budget surplus of \$121K is projected for the fiscal year, leaving an ending fund balance of \$499K in Fund 65.

The FBC was comfortable with the projected Q4/year-end financial performance for 2021-22.

### **5.) 2022-23 Preliminary Budget**

The following assumptions are being budgeted for 2022-23:

#### **Revenues:**

- 6.1% increase in state PPR to \$9,444/student
- 0.8% overall increase in BVSD MLOs to \$3,885/student
- 4.1% increase in charter school capital construction funding to \$310/student
- 1% decrease in SpEd categorical funding to \$268/student
- 1% decrease in ELPA categorical funding to \$19/student
- Instructional fees are budgeted at \$307K

#### **Expenses:**

- 4% increase for all employees, except hourly support staff will receive a 5% increase
- 5.3% increase in BVSD purchased services to \$1,920/student
- 3.5% increase in health insurance premiums to \$7,920/employee
- 4.4% increase in dental insurance premiums to \$564/employee
- No increases in LTD, STD and life insurance premiums
- 2.6% increase in PERA employer contributions at 21.4%
- Bond debt service costs remain flat at \$1.44 million
- \$333K budgeted for capital projects

The state economy continues to recover from the pandemic, so the current projection of a 6.1% increase in PPR is considered very solid and expected to be passed by the legislature.

**RECOMMENDATION:** *The FBC recommended board approval of the budget with the above presented assumptions. The state legislature will be approving final funding for schools in early May. The board will be asked to approve the preliminary budget at the May 18<sup>th</sup> board meeting.*

**6.) 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 - \$242K with 301 donors
- Peak Gala - \$128K
- Run for the Peak - \$25K
- Ongoing fundraising - \$62K
- Major gifts - \$10K
- Marshall Fire Fund - \$28K
- A&A fundraising - \$9K
- Total - \$472K

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