

TWIN PEAKS CHARTER ACADEMY

BASIC FINANCIAL STATEMENTS

June 30, 2012

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JOHN CUTLER
& ASSOCIATES

Board of Directors
Twin Peaks Charter Academy
Longmont, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Twin Peaks Charter Academy, component unit of the St. Vrain Valley School District, as of and for the year ended June 30, 2012 which collectively comprise the basic financial statements of the Academy, as listed in the table of contents. These financial statements are the responsibility of Twin Peaks Charter Academy's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Twin Peaks Charter Academy, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i - iv and 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Twin Peaks Charter Academy's basic financial statements. The individual fund financial schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial schedule is fairly stated in all material respects in relation to the financial statements as a whole.

John Cutler & Associates, LLC

October 4, 2012

Management's Discussion and Analysis

As management of Twin Peaks Charter Academy, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Twin Peaks Charter Academy (TPCA) for the fiscal year ended June 30, 2012.

Financial Highlights

The fiscal year ending June 30, 2012 is the 15th year of operations for Twin Peaks Charter Academy. The assets of TPCA exceeded its liabilities at the close of the most recent fiscal year by \$2,908,001 (net assets).

The General Fund ending fund balance reached \$360,275 (including Tabor Reserve).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Twin Peaks Charter Academy's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) Fund financial statements, and 3) notes to the financial statements. This management report also contains other supplementary information in addition to the basic financial statements to give the reader a more detailed view of the School's financial performance.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Twin Peaks Charter Academy's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of TPCA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Academy is improving or deteriorating.

The statement of activities presents information showing how the Academy's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow changes in future fiscal periods (e.g., items purchased but not paid for).

The government-wide financial statements include instruction and supporting services of Twin Peaks Charter Academy.

The government-wide financial statements can be found on pages 1 - 2 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Twin Peaks Charter Academy, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Twin Peaks Charter Academy for the current year are governmental funds.

Governmental funds

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Academy's near-term financing requirements.

Twin Peaks Charter Academy maintains two individual governmental funds; the general fund and the capital reserve fund. Information is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Fund Balances. TPCA Building Corp. information is also presented separately as an Internal Service Fund.

Twin Peaks Charter Academy adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the School's financial position. In the case of Twin Peaks Charter Academy, on June 30, 2012 assets decreased by \$1,552,187 and liabilities decreased by \$1,323,436 respectively over June 30, 2011, its 15th year of operations.

Twin Peaks Charter Academy's Net Assets

	<u>11-12</u>	<u>10-11</u>
Assets		
Cash and Investments	\$ 877,818	\$1,805,479
Restricted Cash and Investments	2,061,045	3,126,468
Accounts Receivable	29,665	24,869
Prepaid Expenses	2,189	3,030
Bond Issuance Cost	461,314	477,595
Capital Assets, Not Depreciated	1,582,890	5,706,261
Capital Assets, Depreciated	<u>17,295,271</u>	<u>12,718,676</u>
Total Assets	22,310,192	23,862,378
Liabilities		
Current Liabilities	602,191	1,715,627
Long Term Liabilities	<u>18,800,000</u>	<u>19,010,000</u>
Total Liabilities	19,402,191	20,725,627
Net Assets		
Invested in Capital Assets	2,364,206	2,716,405
Restricted for Emergencies	192,506	152,403
Restricted for Working Capital	595,019	596,056
Unrestricted	<u>(243,730)</u>	<u>(328,113)</u>
Total Net Assets	<u>\$2,908,001</u>	<u>\$3,136,751</u>

Twin Peak Charter Academy's Change in Net Assets

Revenues:

	<u>11-12</u>	<u>10-11</u>
Program Revenues		
Operating Grants and Contributions	\$ 31,234	\$ 3,294
Charges for Services	1,801,275	1,490,197
Capital Grants and Contributions	<u>170,936</u>	<u>60,571</u>
Total Program Revenues	2,003,445	1,554,062
General Revenues		
Per Pupil Operating Revenue	5,685,534	4,481,655
Mill Levy Override	397,702	414,203
Investment Earnings	942	3,179
Capital Contributions	<u>854,998</u>	<u>1,119,238</u>
Total General Revenues	<u>6,939,176</u>	<u>6,018,275</u>
Total Revenues	<u>8,942,621</u>	<u>7,572,337</u>

Expenses:

Instructional	3,589,752	2,779,132
Supporting Services	4,310,104	3,918,247
Interest on Long-Term Debt	<u>1,271,515</u>	<u>1,041,388</u>
Total Expenses	9,171,371	7,738,767
Change in Net Assets	(228,750)	(166,430)
Net Assets, beginning of year	<u>3,136,751</u>	<u>3,303,181</u>
Net Assets, end of year	<u>\$2,908,001</u>	<u>\$3,136,751</u>

The decrease in Net Assets is due to an oversight of the Building Corp BOD to note the reserve requirements on the 2011A/B Bonds, leading to the reduction of General Fund reserves by approximately \$900,000 to fulfill construction expenses on the High School expansion beyond those monies provided with Bond proceeds.

Financial Analysis of the School's Funds

Governmental funds

In particular, unreserved fund balance is a useful measure of the School's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year Twin Peaks Charter Academy's governmental funds reported a combined ending fund balance of \$482,613 (incl. General Fund, Capital Reserve Fund, and Tabor Reserve). This represents approximately 5% of the total year's funding which will be available to the School in subsequent years. The Capital Reserve fund balance reflects a \$100,000 donation from the St. Vrain Valley School District and is allocated for expanded technology at TPCA.

General Fund Budgetary Highlights

The District approves a budget in June based on enrollment projections for the following school year. In October after enrollment stabilizes, adjustments are made to the budget. There was one budget revision made during the year.

The Academy's revised budget anticipated a (\$866,258) reduction to the General Fund balance to cover current year expenditures. The actual reduction to the General Fund balance was (\$943,586) which was an increase of (\$77,328) over the revised budget. This increase in expenditures from revised budget to actual is due primarily to the need to use General Fund reserves to meet the construction expenses for the High School expansion once 2011A/B Bond proceeds were expended.

Capital Assets and Debt Administration

As of June 30, 2012, capital assets consist primarily of the instructional facilities. In 2008 Twin Peaks Charter Academy funded the acquisition of 12+ acres including a 160,000 square foot building and construction improvements for the instructional facility incurring long-term debt totaling \$14.23 million. This bonding effort renovated 80,000 square feet for the K-8 including a cafeteria with kitchen, gymnasium, auditorium, grass field and playground. In 2011 Twin Peaks Charter Academy expanded to include a High School and renovated an additional 50,000 square feet including a band room, choir room, full gymnasium, cafetorium and 33 classrooms incurring long-term debt totaling \$4.78 million. The Academy also expended \$1.1 million of reserves for the purchase of 9+ acres of land for future athletic fields within walking distance of the instructional facilities. All remaining bond proceeds, as well as interest earned on the proceeds, are classified as restricted assets and as a reserved fund balance in the financial statements as their use is limited by applicable bond covenants.

The Academy may purchase an adjacent 2.4+ acres to join the instructional property with the 9+ acres purchased for athletic fields if appropriate terms can be negotiated. The academy may also elect to incorporate additional funds into the loan to augment \$200 thousand of Building Corporation funds to finance an additional 4 classrooms in support of High School enrollment growth. The Academy anticipates securing an interest only loan of \$700,000 with an annual financed cost of this purchase to be \$40 thousand per year.

Economic Factors and Next Year's Budget

The primary factor in budget development for the Academy is student enrollment. The Academy's enrollment was 707 students for the 2010-2011 school year as compared to 631 students for the 2009-2010 school year. The Academy has experienced an increase in enrollment to 937 students for the 2011-2012 school year. Based on historical trends and current projections, the Academy expects student enrollment to be 1015 for the 2012-2013 school year. The Academy also considers current economic projections in determining per pupil funding levels to be an important factor in developing its budget for fiscal year 2012.

Requests for Information

This financial report is designed to provide a general overview of Twin Peaks Charter Academy's finances for all those with an interest in the Academy. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Twin Peaks Charter Academy
Michele Mansanares
Financial Administrator
Twin Peaks Charter Academy
340 South Sunset St.
Longmont, Co. 80501

BASIC FINANCIAL STATEMENTS

TWIN PEAKS CHARTER ACADEMY

STATEMENT OF NET ASSETS

As of June 30, 2012

	GOVERNMENTAL ACTIVITIES	
	2012	2011
ASSETS		
Cash and Investments	\$ 877,818	\$ 1,805,479
Restricted Cash and Investments	2,061,045	3,126,468
Accounts Receivable	29,665	24,869
Prepaid Expenses	2,189	3,030
Deposits	-	-
Bond Issuance Costs	461,314	477,595
Capital Assets, Not Being Depreciated	1,582,890	5,706,261
Capital Assets, Depreciated, Net of Accumulated Depreciation	17,295,271	12,718,676
	<u>22,310,192</u>	<u>23,862,378</u>
TOTAL ASSETS		
LIABILITIES		
Accounts Payable	58,337	832,286
Retainage Payable	-	390,858
Interest Payable	173,738	172,572
Accrued Salaries and Benefits	286,242	236,698
Deferred Revenues	83,874	83,213
Noncurrent Liabilities		
Due in One Year	225,000	175,000
Due in More than One Year	18,575,000	18,835,000
	<u>19,402,191</u>	<u>20,725,627</u>
TOTAL LIABILITIES		
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	2,364,206	2,716,405
Restricted for Emergencies	192,506	152,403
Restricted for Working Capital	595,019	596,056
Unrestricted	(243,730)	(328,113)
	<u>\$ 2,908,001</u>	<u>\$ 3,136,751</u>
TOTAL NET ASSETS		

The accompanying notes are an integral part of the financial statements.

TWIN PEAKS CHARTER ACADEMY

STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			Net (Expenses) Revenues and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
					2012	2011
PRIMARY GOVERNMENT						
Governmental Activities						
Instructional	\$ 3,589,752	\$ 222,270	\$ -	\$ -	\$ (3,367,482)	\$ (2,596,034)
Supporting Services	4,310,104	1,579,005	31,234	170,936	(2,528,929)	(2,547,283)
Interest on Long-Term Debt	1,271,515	-	-	-	(1,271,515)	(1,041,388)
Total Governmental Activities	<u>\$ 9,171,371</u>	<u>\$ 1,801,275</u>	<u>\$ 31,234</u>	<u>\$ 170,936</u>	(7,167,926)	(6,184,705)
GENERAL REVENUES						
					5,685,534	4,481,655
					397,702	414,203
					942	3,179
					854,998	1,119,238
					<u>6,939,176</u>	<u>6,018,275</u>
TOTAL GENERAL REVENUES						
CHANGE IN NET ASSETS					(228,750)	(166,430)
NET ASSETS, Beginning					<u>3,136,751</u>	<u>3,303,181</u>
NET ASSETS, Ending					<u>\$ 2,908,001</u>	<u>\$ 3,136,751</u>

The accompanying notes are an integral part of the financial statements.

TWIN PEAKS CHARTER ACADEMY

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	GENERAL FUND	NON-MAJOR CAPITAL RESERVE FUND	TOTAL GOVERNMENTAL FUNDS	
			2012	2011
ASSETS				
Cash and Investments	\$ 755,480	\$ 122,338	\$ 877,818	\$ 1,805,479
Accounts Receivable	29,665	-	29,665	24,869
Prepaid Items	2,189	-	2,189	3,030
TOTAL ASSETS	\$ 787,334	\$ 122,338	\$ 909,672	\$ 1,833,378
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 56,943	\$ -	\$ 56,943	\$ 38,287
Accrued Salaries and Benefits	286,242	-	286,242	236,698
Deferred Revenues	83,874	-	83,874	83,213
	427,059	-	427,059	358,198
FUND BALANCES				
Restricted for Emergencies	192,506	-	192,506	152,403
Restricted for Working Capital	595,019	-	595,019	596,056
Unassigned	(427,250)	122,338	(304,912)	726,721
TOTAL FUND BALANCES	360,275	122,338	482,613	1,475,180
TOTAL LIABILITIES AND FUND BALANCES	\$ 787,334	\$ 122,338		

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	1,185,710	1,155,040
Internal Service funds are used by management to charge the lease costs to governmental funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.	1,239,678	506,531
Net assets of governmental activities	<u>\$ 2,908,001</u>	<u>\$ 3,136,751</u>

The accompanying notes are an integral part of the financial statements.

TWIN PEAKS CHARTER ACADEMY

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2012

	GENERAL FUND	NON-MAJOR CAPITAL RESERVE FUND	TOTAL GOVERNMENTAL FUNDS	
			2012	2011
REVENUES				
Local Sources	\$ 6,337,447	\$ 100,000	\$ 6,437,447	\$ 5,085,230
State Sources	70,936	-	70,936	60,571
TOTAL REVENUES	6,408,383	100,000	6,508,383	5,145,801
EXPENDITURES				
Current				
Instruction	3,511,636	78,116	3,589,752	2,779,132
Supporting Services	2,856,957	70,865	2,927,822	2,276,853
Capital Outlay	983,376	-	983,376	1,174,776
TOTAL EXPENDITURES	7,351,969	148,981	7,500,950	6,230,761
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(943,586)	(48,981)	(992,567)	(1,084,960)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	138,105
Transfers Out	-	-	-	(138,105)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	(943,586)	(48,981)	(992,567)	(1,084,960)
FUND BALANCES, Beginning	1,303,861	171,319	1,475,180	2,560,140
FUND BALANCES, Ending	\$ 360,275	\$ 122,338	\$ 482,613	\$ 1,475,180

The accompanying notes are an integral part of the financial statements.

TWIN PEAKS CHARTER ACADEMY

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (992,567)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount of capital outlay \$67,888 exceeded depreciation expense (\$37,218) for the year.	30,670
The Internal Service fund is used by management to charge the cost of lease payments to the governmental funds. The net revenue of the internal service fund is reported with the governmental activities.	<u>733,147</u>
Change in net assets of governmental activities	<u><u>\$ (228,750)</u></u>

The accompanying notes are an integral part of the financial statements.

TWIN PEAKS CHARTER ACADEMY

STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPES
 June 30, 2012

	Governmental Activities - Internal Service Fund	
	<u>2012</u>	<u>2011</u>
ASSETS		
Current Assets		
Restricted Cash and Investments	<u>\$ 2,061,045</u>	<u>\$ 3,126,468</u>
Total Current Assets	<u>2,061,045</u>	<u>3,126,468</u>
Long-term Assets		
Bond Issue Costs, net of Accumulated Amortization	461,314	477,595
Capital Assets, Not Depreciated	1,582,890	5,706,261
Capital Assets, Net of Accumulated Depreciation	<u>16,109,561</u>	<u>11,563,636</u>
Total Long-term Assets	<u>18,153,765</u>	<u>17,747,492</u>
TOTAL ASSETS	<u>20,214,810</u>	<u>20,873,960</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	1,394	793,999
Retainage Payable	-	390,858
Interest Payable	173,738	172,572
Loan Payable - Current Portion	<u>225,000</u>	<u>175,000</u>
Total Current Liabilities	<u>400,132</u>	<u>1,532,429</u>
Long-Term Liabilities		
Loan Payable	<u>18,575,000</u>	<u>18,835,000</u>
TOTAL LIABILITIES	<u>18,975,132</u>	<u>20,367,429</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	(629,394)	(4,319,896)
Unrestricted	<u>1,869,072</u>	<u>4,826,427</u>
TOTAL NET ASSETS	<u>\$ 1,239,678</u>	<u>\$ 506,531</u>

The accompanying notes are an integral part of the financial statements.

TWIN PEAKS CHARTER ACADEMY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND TYPES
Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund	
	2012	2011
OPERATING REVENUES		
Rent	\$ 1,579,005	\$ 1,307,099
TOTAL OPERATING REVENUES	1,579,005	1,307,099
OPERATING EXPENSES		
Purchased Services	13,704	212,534
Depreciation	399,591	275,954
Amortization	16,281	16,281
TOTAL OPERATING EXPENSES	429,576	504,769
OPERATING INCOME	1,149,429	802,330
NON-OPERATING EXPENSES		
Investment Income	235	199
Interest Expense	(1,271,515)	(1,041,388)
TOTAL NON-OPERATING EXPENSES	(1,271,280)	(1,041,189)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(121,851)	(238,859)
Capital Contribution	854,998	1,119,238
NET INCOME	733,147	880,379
NET ASSETS, Beginning	506,531	(373,848)
NET ASSETS, Ending	\$ 1,239,678	\$ 506,531

The accompanying notes are an integral part of the financial statements.

TWIN PEAKS CHARTER ACADEMY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES
 Year Ended June 30, 2012
 Increase (Decrease) in Cash

	Governmental Activities - Internal Service Fund	
	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Rental Operations	\$ 1,579,005	\$ 1,307,099
Cash Paid to Suppliers	(1,197,167)	(196,164)
Net Cash Provided by Operating Activities	<u>381,838</u>	<u>1,110,935</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	<u>235</u>	<u>199</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(822,145)	(4,071,404)
Loan Proceeds	-	4,775,000
Bond Principal Payments	(210,000)	-
Bond Issue Costs	-	(179,125)
Interest Expense	(1,270,349)	(989,455)
Capital Contributions	854,998	1,119,238
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,447,496)</u>	<u>654,254</u>
NET INCREASE (DECREASE) IN CASH	(1,065,423)	1,765,388
CASH, Beginning	<u>3,126,468</u>	<u>1,361,080</u>
CASH, Ending	<u>\$ 2,061,045</u>	<u>\$ 3,126,468</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	<u>\$ 1,149,429</u>	<u>\$ 802,330</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation Expense	399,591	275,954
Amortization Expense	16,281	16,281
Changes in Assets and Liabilities		
Accounts Payable	(792,605)	-
Retainage Payable	(390,858)	-
Deposits	-	1,370
Prepaid Expenses	-	15,000
Total Adjustments	<u>(767,591)</u>	<u>308,605</u>
Net Cash Provided by Operating Activities	<u>\$ 381,838</u>	<u>\$ 1,110,935</u>
NON CASH ITEMS		
Capital Assets Acquired with Accounts and Retainage Payable	<u>\$ -</u>	<u>\$ 1,184,856</u>

The accompanying notes are an integral part of the financial statements.

TWIN PEAKS CHARTER ACADEMY
 AGENCY FUND
 STATEMENT OF FIDUCIARY NET ASSETS
 As of June 30, 2012

	TOTAL	
	2012	2011
ASSETS		
Cash	\$ 59,877	\$ 43,403
Accounts Receivable	104	-
Prepaid Items	2,529	-
TOTAL ASSETS	\$ 62,510	\$ 43,403
LIABILITIES		
Accounts Payable	3,171	-
Deferred Revenue	3,713	15
Due to Student Groups	55,626	43,388
TOTAL LIABILITIES	62,510	43,403
TOTAL NET ASSETS	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

TWIN PEAKS CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Twin Peaks Charter Academy (the “Academy”) was formed in 1997 pursuant to the Colorado Charter Schools Act to form and operate a charter school. The accounting policies of the Academy conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the Academy and organizations for which the Academy is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the Academy. In addition, any legally separate organizations for which the Academy is financially accountable are considered part of the reporting entity. Financial accountability exists if the Academy appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the Academy.

Based upon the application of these criteria, the following organization is included in the Academy’s reporting entity.

TPCA Building Corporation

The TPCA Building Corporation (the “Building Corporation”) is considered to be financially accountable to the Academy. The Building Corporation was formed to support and assist the Academy to perform its function and to carry out its purpose, specifically to assist in the financing and construction of the Academy’s facilities. The Building Corporation is blended into the Academy’s financial statements as an Internal Service Fund. Separate financial statements are not available for the Building Corporation.

The Academy is a component unit of the St. Vrain Valley School District (the “District”).

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Academy. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

TWIN PEAKS CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period, not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Academy.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Internally dedicated resources are reported as general revenues rather than as program revenues.

TWIN PEAKS CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

When both restricted and unrestricted resources are available for use, it is the Academy's policy to use restricted resources first and the unrestricted resources as they are needed.

The Academy reports the following major governmental funds:

General Fund – This fund is the general operating fund of the Academy. It is used to account for all financial resources except those required to be accounted for in another fund.

Additionally, the Academy reports the following fund type:

Internal Service Fund – This fund is used to account for activities of the TPCA Building Corporation.

The *Agency Fund* is used to account of the resources used to support the Academy's student and fundraising activities. The Academy holds all resources in a purely custodial capacity.

Investments – Investments are recorded at fair value.

Capital Assets – Capital assets, which include land and construction in progress, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Academy as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: Buildings 40-50 years; Improvements 15-20 years; Equipment 10 years.

Long-term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

TWIN PEAKS CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Assets (Continued)

Deferred Revenues – Deferred revenues include tuition revenues that have been collected in advance for the succeeding school year.

Net Assets – In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Academy is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Academy has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Academy has also classified Working Capital Reserves as restricted as is required by the bond agreements.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Academy did not have any committed resources as of June 30, 2012.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Academy would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned fund balance.

TWIN PEAKS CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The Academy's policy allows employees to accumulate up to 240 hours in Paid Time Off (PTO). Compensated absences are recognized as current salary costs when paid. Accrued compensated absences are not paid upon termination, therefore no liability is reported on the financial statements.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Academy's financial position and operations. However, comparative data has not been presented in all statements because such inclusion would make certain statements unduly complex and difficult to understand. Also, certain amounts presented in the prior year data have been reclassified to be consistent with current year's presentation.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget is adopted for the General, Capital Reserve, and Pupil Activity funds on a basis consistent with generally accepted accounting principles.

Academy management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year end.

Legal Compliance

The actual expenditures of the Capital Reserve and Pupil Activity funds exceeded their budgeted amounts by \$12,492 and \$86,862 respectively. This may be a violation of State statute.

TWIN PEAKS CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 3: CASH AND INVESTMENTS

Cash and Investments at June 30, 2012 consisted of the following:

Cash on Hand	\$ 50
Deposits	614,036
Investments	<u>2,384,654</u>
Total	<u>\$ 2,998,740</u>

The above amounts are classified in the financial statements as follows:

Cash and Investments, Governmental Activities	\$ 877,818
Restricted Cash and Investments, Governmental Activities	2,061,045
Cash and Investments, Fiduciary Funds	<u>59,877</u>
Total	<u>\$ 2,998,740</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2012, State regulatory commissioners have indicated that all financial institutions holding deposits for the Academy are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The Academy has no policy regarding custodial credit risk for deposits.

At June 30, 2012, the Academy had deposits with financial institutions with a carrying amount of \$614,036. The bank balances with the financial institutions were \$621,385. Of these balances, \$250,000 was covered by federal depository insurance and \$371,385 was covered by collateral held by authorized escrow agents in the financial institution’s name (PDPA).

TWIN PEAKS CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments

Interest Rate Risk

The Academy does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. Government Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

State statutes limit the investments in money market funds to the highest rating issued by nationally recognized statistical rating organizations (NRSRO's), with a constant share price, and that invest only in securities allowed by State statutes. At June 30, 2012, the Academy had \$2,061,045 invested in a money market fund. The fund invests only in U.S. Treasury obligations and is rated Aaa by Moody's.

The Academy had invested \$323,609 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

TWIN PEAKS CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 3: CASH AND INVESTMENTS (Continued)

Restricted Cash and Investments

Deposits and investments in money market funds totaling \$2,061,045 are restricted in the Internal Service Fund for the construction the Academy's building and payment of the Academy's debt.

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2012, is summarized below.

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2012</u>
Governmental Activities				
Capital Assets, Not depreciated				
Land	\$ 1,571,238	\$ -	\$ -	\$ 1,571,238
Construction in Process	<u>4,135,023</u>	<u>11,652</u>	<u>4,135,023</u>	<u>11,652</u>
Total Capital Assets, Not depreciated	<u>5,706,261</u>	<u>11,652</u>	<u>4,135,023</u>	<u>1,582,890</u>
Capital Assets, Being Depreciated				
Buildings	12,950,264	4,945,516	-	17,895,780
Improvements	116,913	-	-	116,913
Machinery and Equipment	<u>255,568</u>	<u>67,888</u>	<u>-</u>	<u>323,456</u>
Total Capital Assets, Being Depreciated	<u>13,322,745</u>	<u>5,013,404</u>	<u>-</u>	<u>18,336,149</u>
Accumulated Depreciation				
Buildings	568,447	410,209	-	978,656
Improvements	10,274	5,845	-	16,119
Machinery and Equipment	<u>25,348</u>	<u>20,755</u>	<u>-</u>	<u>46,103</u>
Total Accumulated Depreciation	<u>604,069</u>	<u>436,809</u>	<u>-</u>	<u>1,040,878</u>
Total Capital Assets, Being Depreciated, Net	<u>12,718,676</u>	<u>4,576,595</u>	<u>-</u>	<u>17,295,271</u>
Net Capital Assets	<u>\$ 18,424,937</u>	<u>\$ 4,588,247</u>	<u>\$ 4,135,023</u>	<u>\$ 18,878,161</u>

Depreciation expense is charged to the supporting services program of the Academy.

TWIN PEAKS CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2012, were \$286,242. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

NOTE 6: LONG-TERM DEBT

Following is a summary of the Academy's long-term debt transactions for the year ended June 30, 2012:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>June 30, 2012</u>	Due In <u>One Year</u>
2009 Building Lease	\$14,235,000	\$ -	\$ 175,000	\$ 14,060,000	\$ 185,000
2011 Building Lease	<u>4,775,000</u>	<u>-</u>	<u>35,000</u>	<u>4,740,000</u>	<u>40,000</u>
Total	<u>\$ 19,010,000</u>	<u>\$ -</u>	<u>\$ 210,000</u>	<u>\$ 18,800,000</u>	<u>\$ 225,000</u>

2009 Building Lease

In November 2008, the Colorado Educational and Facilities Authority (CECFA) issued \$14,235,000 Charter School Revenue Bonds, Series 2008. Proceeds from the bonds were used to construct the Academy's building. The Academy is required to make equal lease payments to the Building Corporation for the use of the building. The Building Corporation is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrues at rates ranging from 5.75% to 7.00% per year. The lease matures in November, 2038.

2011 Building Lease

In April 2011, the Colorado Educational and Facilities Authority (CECFA) issued \$4,775,000 Charter School Revenue Bonds, Series 2011A and Series 2011B. Proceeds from the bonds were used to construct the improvements to the Academy's building. The Academy is required to make equal lease payments to the Building Corporation for the use of the building. The Building Corporation is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrues at rates ranging from 6.375% to 7.50% per year. The lease matures in March, 2043.

TWIN PEAKS CHARTER ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 6: LONG-TERM DEBT (Continued)

Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 225,000	\$ 1,278,457	\$ 1,503,457
2014	245,000	1,264,387	1,509,387
2015	255,000	1,249,319	1,504,319
2016	270,000	1,233,488	1,503,488
2017	290,000	1,216,657	1,506,657
2018-2022	1,740,000	5,777,527	7,517,527
2023-2027	2,430,000	5,076,644	7,506,644
2028-2032	3,395,000	4,082,441	7,477,441
2033-2037	4,810,000	2,645,965	7,455,965
2038-2042	4,440,000	715,455	5,155,455
2043	<u>700,000</u>	<u>22,750</u>	<u>722,750</u>
Total	<u>\$ 18,800,000</u>	<u>\$ 24,563,090</u>	<u>\$ 43,363,090</u>

NOTE 7: DEFINED BENEFIT PENSION PLAN

Plan Description. The Academy contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the Academy are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

TWIN PEAKS CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Funding Policy. The Academy is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the Academy are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 % and for the Academy it is 10.15 % of covered salary. A portion of the Academy's contribution (1.02 % of covered salary) is allocated to the Health Care Trust Fund (See Note 8). If the Academy rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions on the amounts paid for the retiree, and the member must contribute 8% of covered salary. The Academy is also required to pay an amortization equalization disbursement equal to 5.5 % of the total payroll for the calendar year 2012, (4.6% of total payroll for the calendar year 2011). For the years ending June 30, 2012, 2011, and 2010, the Academy's employer contributions for the SDTF were \$439,675, \$332,253 and \$287,487, respectively, equal to the required contributions for each year.

NOTE 8: **POSTEMPLOYMENT HEALTHCARE BENEFITS**

Plan Description. The Academy contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy. The Academy is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Academy are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. For the years ending June 30, 2012, 2011, and 2010, the Academy's employer contributions to the HCTF were \$29,481, \$23,581, and \$21,875, respectively, equal to the required contributions for each year.

TWIN PEAKS CHARTER ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

NOTE 9: RISK MANAGEMENT

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Academy participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The Academy does not maintain an equity interest in the self insurance pool. The Academy funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund. The Academy is fully self insured for unemployment compensation and has a \$1,000 deductible for property insurance.

The Academy continues to carry commercial insurance for all other risks of loss, including boiler and machinery coverage. Settled claims resulting from these risks have not exceeded commercial or Academy coverage's in any of the past three years.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The Academy participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Academy may be required to reimburse the grantor government. As of June 30, 2012, significant amounts of grant expenditures have not been audited, but the Academy believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Academy.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The Academy believes it has complied with the Amendment. As required by the Amendment, the Academy has established a reserve for emergencies. At June 30, 2012, the reserve of \$192,506 was recorded as a reservation of fund balance in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TWIN PEAKS CHARTER ACADEMY

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2012

	2012			VARIANCE	2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Per Pupil Revenue	\$ 5,602,447	\$ 5,659,152	\$ 5,685,534	\$ 26,382	\$ 4,481,655
Mill Levy Override	390,176	405,176	397,702	(7,474)	414,203
Tuition and Fees	200,575	201,127	222,270	21,143	183,098
Grants and Contributions	2,600	209,750	31,234	(178,516)	3,294
Interest	3,200	1,000	707	(293)	2,980
State Sources					
Grants and Donations	60,638	71,753	70,936	(817)	60,571
TOTAL REVENUES	6,259,636	6,547,958	6,408,383	(139,575)	5,145,801
EXPENDITURES					
Instruction					
Salaries	2,389,839	2,484,010	2,470,798	13,212	1,995,899
Employee Benefits	655,483	705,600	680,077	25,523	490,587
Purchased Services	252,941	285,338	278,000	7,338	209,264
Supplies and Materials	82,795	88,781	80,549	8,232	64,014
Property	10,000	10,000	8,774	1,226	6,910
Other	2,400	2,400	2,212	188	2,407
Total Instruction	3,393,458	3,576,129	3,520,410	55,719	2,769,081
Supporting Services					
School Administration					
Salaries	528,525	637,650	636,972	678	478,384
Employee Benefits	131,499	167,611	159,709	7,902	111,516
Purchased Services	1,870,096	1,916,490	1,911,386	5,104	1,398,948
Supplies and Materials	129,650	125,650	139,362	(13,712)	83,949
Property	141,638	985,686	974,602	11,084	1,167,866
Other	10,869	5,000	9,528	(4,528)	11,384
Contingency	214,928	194,624	-	194,624	-
Total Supporting Services	3,027,205	4,032,711	3,831,559	201,152	3,252,047
TOTAL EXPENDITURES	6,420,663	7,608,840	7,351,969	256,871	6,021,128
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(161,027)	(1,060,882)	(943,586)	117,296	(875,327)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	138,105
NET CHANGE IN FUND BALANCE	(161,027)	(1,060,882)	(943,586)	117,296	(737,222)
FUND BALANCE, Beginning	161,027	1,060,882	1,303,861	242,979	2,041,083
FUND BALANCE, Ending	\$ -	\$ -	\$ 360,275	\$ 360,275	\$ 1,303,861

See the accompanying independent auditors' report.

INDIVIDUAL FUND FINANCIAL STATEMENT

TWIN PEAKS CHARTER ACADEMY

CAPITAL RESERVE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2012

	2012			VARIANCE Positive (Negative)	2011 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Contributions	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -
TOTAL REVENUES	-	-	100,000	100,000	-
EXPENDITURES					
Current					
Instruction	-	-	78,116	(78,116)	16,961
Supporting Services	40,000	136,489	70,865	65,624	192,672
TOTAL EXPENDITURES	40,000	136,489	148,981	(12,492)	209,633
OTHER FINANCING SOURCES					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(138,105)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(138,105)
NET CHANGE IN FUND BALANCE	(40,000)	(136,489)	(48,981)	87,508	(347,738)
FUND BALANCE, Beginning	110,952	171,319	171,319	-	519,057
FUND BALANCE (DEFICIT), Ending	\$ 70,952	\$ 34,830	\$ 122,338	\$ 87,508	\$ 171,319

See the accompanying independent auditors' report.

TWIN PEAKS CHARTER ACADEMY
PUPIL ACTIVITY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2012

	2012		VARIANCE Positive (Negative)	2011 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Local Sources				
Student Groups	\$ 18,000	\$ 114,100	\$ 96,100	\$ 92,341
TOTAL REVENUES	18,000	114,100	96,100	92,341
EXPENDITURES				
Student Groups	15,000	101,862	(86,862)	94,976
TOTAL EXPENDITURES	15,000	101,862	(86,862)	94,976
NET CHANGE IN FUND BALANCE	3,000	12,238	9,238	(2,635)
FUND BALANCE (DEFICIT), Beginning	43,388	43,388	-	46,023
FUND BALANCE (DEFICIT), Ending	\$ 46,388	\$ 55,626	\$ 9,238	\$ 43,388

See the accompanying independent auditors' report.

TWIN PEAKS CHARTER ACADEMY

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
June 30, 2012

	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
ASSETS				
Cash	\$ 43,403	\$ 117,694	\$ 101,220	\$ 59,877
Accounts Receivable	-	104	-	104
Prepaid Items	-	2,529	-	2,529
TOTAL ASSETS	<u>\$ 43,403</u>	<u>\$ 120,327</u>	<u>\$ 101,220</u>	<u>\$ 62,510</u>
LIABILITIES				
Accrued Liabilities				
Accounts Payable	\$ -	\$ 3,171	\$ -	\$ 3,171
Deferred Revenue	15	3,713	15	3,713
Due to Student Groups	43,388	114,100	101,862	55,626
TOTAL LIABILITIES	<u>\$ 43,403</u>	<u>\$ 120,984</u>	<u>\$ 101,877</u>	<u>\$ 62,510</u>

See the accompanying independent auditors' report.