

## Annual Budget; Budget Priorities

The Annual Budget is the financial plan for the operation of Twin Peaks Charter Academy. It provides the framework for both expenditures and revenues for the fiscal year and is based upon the educational programs and priorities of the TPCA Board. The TPCA Board of Directors retains primary responsibility and authority for establishing the TPCA budget and a final budget must be formally adopted by the TPCA Board of Directors.

The TPCA Board shall establish and approve a budget, in consultation with the Principal and Business Manager and through the Finance Committee. Such budget shall be established in accordance with the rules of the Governmental Accounting Standards Board (GASB) and in observance of any applicable State law and shall conform to the funding parameters found in the contract between TPCA and the Saint Vrain Valley School District. Insofar as possible, the budget adopted by the TPCA Board shall be sufficient to implement the programs and policies that the TPCA Board has approved.

The budget shall be prepared in both a detailed format in conformance with the Colorado Department of Education state chart of accounts codes and a summary format which is understandable by any lay person reviewing the summary budget. The detailed format shall include three distinct components; the operating budget, the reserve budget, and supplemental budgets. The operating budget shall itemize revenues and expenditures for the current fiscal year, the reserve budget shall itemize surplus funds from previous fiscal years, and the supplemental budget shall itemize any reserve budget funds specifically approved for expenditure by the TPCA Board, or any change in the Operating Budget made after October 15 must be reflected in the supplemental budget.

The summary budget format shall itemize revenues and expenditures of TPCA by student and fund. It shall describe revenue and expenditure and show the amount budgeted for the current fiscal year.

The Academy shall operate in the black, and budget accordingly.

It is the intent of the Board of Directors that the Reserve budget should maintain a balance in excess of \$500,000 to be used for emergencies or other extraordinary or unforeseen expenses that may be incurred from time to time.

The Academy shall avoid reliance on inconsistent funding sources, such as one-time grants and donations, to fund ongoing expenditures, such as salary, mortgage/leasing, and utility costs.

The budget shall limit the amount of money spent on salary and benefits to 92% of the operating funds (PPOR less statutory funds), received from the District. The budget shall also include a line item for performance pay. The amount of this line item shall not exceed 5% of the current fiscal year budgeted payroll. The line item may only be funded through available current fiscal year operating funds, rollover unused performance pay funds from the previous fiscal year, and with Board approval, available surplus funds from the previous fiscal year.

As required by Twin Peaks Charter Academy by-laws, the Principal and Business Manager shall provide the TPCA Board of Directors with financial reports including but not limited to a Balance Sheet and a Statement of Revenues, Expenditures and Change in Funds Balance and shall inform the Board of any anticipated modifications to budgeted revenues and expenditures which may be required.

Annually, the Principal and Business Manager shall provide the TPCA Board with a financial report including but not limited to a Statement of Net Assets and a Statement of Activities.

Following final approval, the TPCA Board will provide a copy of the TPCA budget in summary format to the Saint Vrain Valley School District. Such summary format shall categorize revenues and expenditures in conformance with the Colorado Department of Education state chart of accounts codes.

Approved: November 29, 1999

Revised May 17, 2001

Revised April 25, 2002

Revised March 4, 2004