

Legacy Academy

FINANCIAL REPORT - UNAUDITED

October, 2008 Information

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OVERVIEW

Attached are:

- A. Balance Sheet dated October 31st;
- B. Detailed Income Statement representing activity for July-October, 2008;
- C. Budget vs. Actual reports for the Capital Reserve Fund, the Walton Grant and General Fund (General Fund includes "all other school information" other than the Capital Reserve Fund);
- D. Cash Flow Statement.

A draft audit for 6/30/08 has been received; there were no adjusting entries for the school; there was one adjustment for the building corp. to make long-term interest current. There have been modifications submitted to the auditors (on 12/1), including the submission of a Management Discussion and Analysis (MD&A), a revision to the grants receivable amount of \$7,914 to match the actual receipt of ECEA grant funds July, 2008 and a change to the notes regarding bond interest rates. It is anticipated that receipt of a final 6/30/08 audit will occur by the end of the fiscal year.

BALANCE SHEET

The Balance Sheet represents Legacy Academy's financial status at a stated moment in time. This statement illustrated what is owned (assets), what is owed (liabilities), and what remains (QB presents this as "Equity").

Assets – On October 31st Legacy Academy had total assets of \$864,381; all cash.
For comparison, total assets October 31, 2007: \$673,376.

Liabilities – On October 31st Legacy Academy had the following liabilities: \$3,022 Retirement Bonus Liability; \$2,735 in Deferred Revenue (Walton Grant); Accrued Salaries & Benefits of \$50,093 (4/12 of July, 2009 payroll – salaries and benefits); \$45,818 in Other Current Liabilities (this is the amount over-paid in PPR by the school district through 10/31 that is refunded as part of the 11/7/08 transfer from the district) and PR Liabilities of \$25,935. Total Liabilities were \$127,603.

For comparison, total liabilities October 31, 2007: \$75,175.

Equity – Total Equity as of October 31st was \$736,778; \$86,000 is reserved for TABOR requirement.
For comparison, total equity October 31, 2007: \$598,201, with \$99,995 reserved for TABOR.

INCOME STATEMENT

The Income Statement quantifies financial activity over a given period of time. This statement illustrates the amount of income earned (by source of income), the amount spent, and the remaining balance (Net Income or Net Loss). While a Balance Sheet measures financial status on a given date (typically the end of a month), an income statement denotes changes in financial position that occur in between balance sheet dates.

Income – Total income for the period of July 1, 2008 – October 31, 2008 was \$904,864. The majority of income is from PPR (\$828,566; PPR funds received in excess of what should have received have been posted on the Balance Sheet as a liability as of 10/31/08). Earnings on investments were \$5,985; Student Fees were \$8,874; Field Trips were \$6,794; Rentals/Lease income was \$900; Fundraising Revenue was \$12,198; and Lunch Program receipts were \$18,778. Inter-fund transfers net to \$0; Walton Grant funds of \$4,945 have been posted as income August and September, 2008. The balance of CDE grant revenue was posted August, 2008.

Expense- Total Expenses for the period of July 1, 2008 – October 31, 2008 were \$865,942. Salaries and benefits were \$515,221, purchased professional and technical services were \$35,153, purchased property services were \$180,042 other purchased services were \$25,609, materials and supplies were \$91,909, property was \$17,027 and other expenses were \$980.

Net Income – As of October 31st Legacy Academy recorded net income of \$38,922.

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BUDGET VERSUS ACTUAL

The Budget to Actual Report measures income and expenditures for a given period and compares the actual amounts to budgeted amounts by category.

There are Budget to Actual Reports for the General Fund (includes Walton) and the Capital Reserve Fund. Individual budget to actual for the Walton has also been provided; this information is included in the General Fund budget to actual report.

Walton Grant income and expenses are included in the 2008 / 2009 Budget to Actual Report; it is also reported separately. The report time for Walton Grant is July 2005 through current period.

GENERAL FUND (includes Walton Grant; based on ORIGINAL approved budget; actual data through 10/31/08 has also been presented with the updated budget proposal presented):

Income - For the period of July - October, 2008, 89% of total income budgeted for this time had been received. PPR received 89% of the amount budgeted (based on original student count data; or, 100% of current projected PPR based on student count; there is a liability on the Balance Sheet for the amount that will be due back to the district as-of 10/31/08). Earnings on investments received 59% of the amount budgeted; the lunch program received 125% of the amount budgeted; rentals/leases received 100%; fundraising revenue received 203% of budget; student fees received 20% of budget allocated for this timeframe.

Expenses – For the period of July - October, 2008, 78% of total expenses budgeted for this time had been paid or encumbered. Salaries were 79% of budget, benefits were 83%, purchased professional and technical services were 75%, purchased property services were 29% other purchased services were 70%, materials and supplies were 101%, property was 112% and other was 20%.

WALTON GRANT: The Budget to Actual Report for the Walton Grant is normally produced for the viewing period 7/1/2005 – 10/31/08 to view progress against the original budget for this grant. As of 10/31/08, \$2,735 remains from the original \$60,000 Walton Grant Budget. A report is not presented for October as there was no change from September reporting.

CAPITAL RESERVE FUND:

Income - For the period of July – October, 2008, 100% of total income budgeted for this time had been received.

Expenses – For the period of July – October, 2008, 100% of total expenses budgeted for this time had been paid or encumbered.

CASH FLOW STATEMENT

A statement of cash flows shows the increases and decreases in cash for a given period. With accrual accounting, increases and decreases in cash do not necessarily coincide with income and expenditures.

Net running cash should always be positive. Income and expenses are actual data. Notes are included at bottom of statement. The district adjusted the November 7th PPR transfer for the full over-payment July – October.