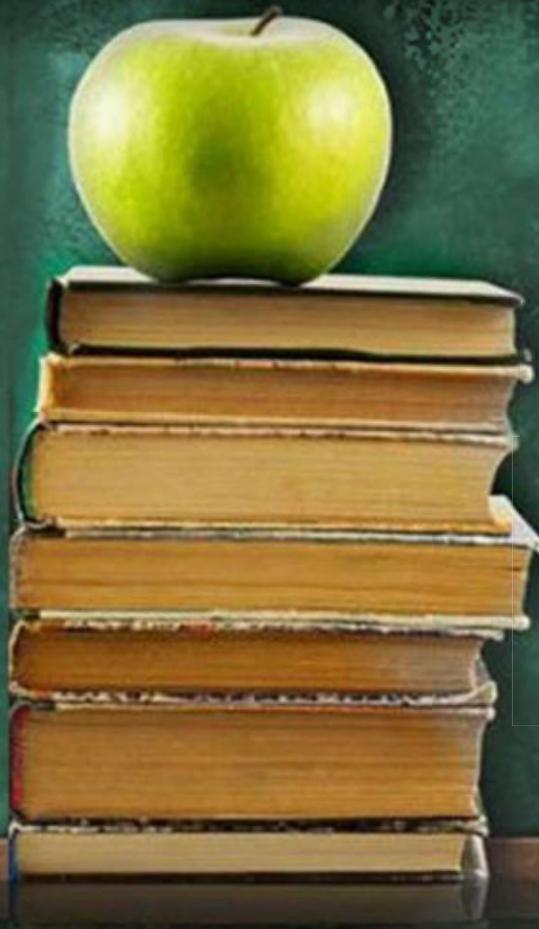


**WESTLAKE ACADEMY**  
**International Baccalaureate Charter School**

**FY 2011-2012**  
**ANNUAL**  
**OPERATING BUDGET**



“Continued  
Excellence  
in the  
Face of  
Change”



# Westlake Academy

## Adopted FY 2011-2012 Annual Operating Budget

### INTRODUCTORY SECTION

Executive Summary.....	1
Budget Presentation.....	2
Westlake Academy Mission, Vision & Values.....	3
Budget Framework - "Governing and Managing for Outcomes".....	4
Academy Approach.....	5
Explanation & Summary of Major Budget Components.....	6
Other Considerations.....	7
Financial Summary.....	8
Budget Trends.....	10
Service Level Adjustments.....	12
Individual Fund Summary.....	14
Informational Summary.....	16
Performance Results.....	19

### ORGANIZATIONAL SECTION

Board Members and Administration.....	25
Mission, Vision & Values.....	26
How did we get here?.....	27
Where are we going?.....	28
Achieving our Vision and Mission.....	29
Westlake Academy's Desired Outcomes.....	31
Projects for 2011-2012.....	32
Westlake Academy Organizational Structure.....	36
Financial Structure.....	38
Westlake Academy Cost Sharing Analysis.....	40
Financial Structure Summary.....	43
Legal Status.....	44
Westlake Academy Boundaries.....	45
Demographic and Miscellaneous Statistics.....	46
Budgets and Budgetary Information.....	47
2011-12 Budget Planning Timeline.....	56
Westlake Academy Budget Guide.....	57

## FINANCIAL SECTION

Combined Statement of Revenues, Expenditures and changes in Fund Balance – All Governmental Funds.....	68
All Governmental Funds - Total Revenues & Expenditures.....	69
All Funds - Revenue and Expenditures Graph.....	70
Combined Statement of Revenues, Expenditures and changes in Fund Balance – General Fund.....	71
Schedule of Expenditures by Function and Object Code - General Fund.....	72
Combining Statement of Revenues, Expenditures and changes in Fund Balance – General Fund.....	75
Statement of Revenues, Expenditures and Changes in Fund Balance – Transportation/Parking Fund 197.....	76
Statement of Revenues, Expenditures and Changes in Fund Balance – Athletics Activities Fund 198.....	77
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund 199.....	78
General Fund - Revenues and Expenditures Graph.....	79
General Fund - Expenditures by Function Graph.....	80
General Fund - Revenues and Expenditure Comparison.....	81
Combined Statement of Revenues, Expenditures and Changes in Fund Balance – All Special Revenue Funds.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – All Special Revenue Funds.....	83

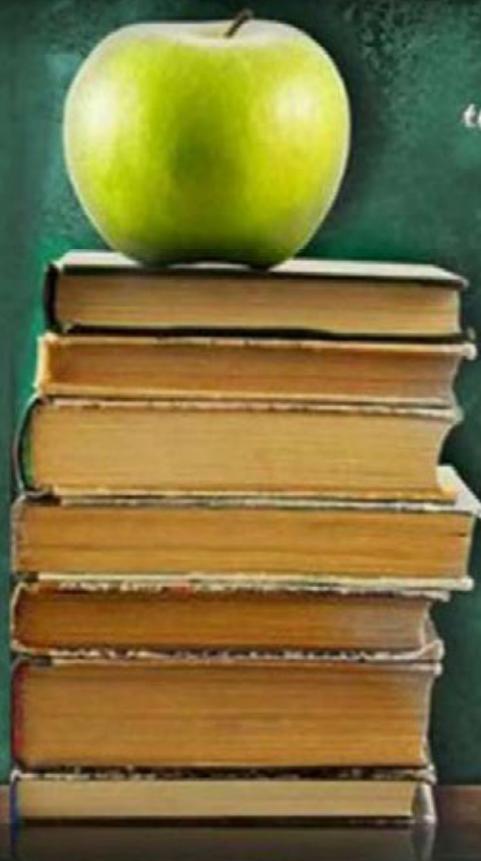
## INFORMATIONAL SECTION

Fiscal Stewardship.....	86
Five Year Financial Forecast.....	88
Enrollment & Employee Information.....	90
Other Information.....	93
Parent Survey Results.....	104
Community Profile.....	107
Westlake Academy School Calendar.....	110
Investment Policy.....	111
Glossary.....	116
Resoulution to Adopt FY 11-12 Budget.....	124

# WESTLAKE ACADEMY

International Baccalaureate Charter School

## INTRODUCTORY SECTION



“Continued  
Excellence  
in the  
Face of  
Change”



2600 Ottinger Road \* Westlake, Texas 76262  
[www.westlakeacademy.org](http://www.westlakeacademy.org)

Staff theme for the Westlake Academy FY 2011-2012 Budget:

***“One School, Together.”***

## Executive Summary

August 11, 2011

Honorable President & Board of Trustees  
Westlake Academy  
2600 J. T. Ottinger Road  
Westlake, TX 76262

**RE: Transmittal of FY 2011-2012 Westlake Academy Budget:**

**“Continued Excellence in the Face of Change”**

As Superintendent for Westlake Academy, I am submitting for your consideration the Budget for FY 2011-2012. This Budget for Westlake Academy encompasses all teaching and extra-curricular operating expenditures as well as State public school funding and private donations used to support the daily school operations of Westlake Academy in the 2011-12 school year.

This 2011-2012 General Fund Budget totals \$ 5,334,446 representing a 16% increase. The budget is balanced utilizing \$103,682 from available fund balance. A portion of this increase is due to Board discussion and direction from its June 9, 2011 budget retreat to add indirect costs into the Academy’s operating budget to reflect the full-cost basis. Please note that after indirect operating costs, as well as the costs attributed to the three leased portable buildings are accounted for, the operating budgets for both FY 10-11 and FY 11-12 require use of fund balance in order to achieve a balanced budget (e.g. they contain deficit spending). The five year forecast indicates that deficit spending will continue unless action is taken to increase revenues or reduce costs (see pages 86-89).

**Figure 1 – Budget Summary General Fund**

	Estimated Budget FY 10/11	Adopted Budget FY 11/12	\$\$ Increase (Decrease)	%% Increase (Decrease)
Beginning Fund Balance	\$ 767,491	\$ 760,220	\$ (7,270)	-1%
Revenues	4,590,104	5,244,068	653,964	14%
Expenditures	4,610,062	5,334,446	724,384	16%
Net Revenues over (under) Expenditures	(19,958)	(90,378)	(70,420)	
Other Resources	654,042	36,967	(617,075)	-94%
Other Uses	641,354	49,807	(591,547)	-92%
<b>Ending Fund Balance</b>	<b>\$ 760,220</b>	<b>\$ 657,002</b>	<b>\$ (103,218)</b>	<b>-14%</b>
Assigned	104,499	3,684	(100,815)	-96%
<b>Ending Fund Balance (Unassigned)</b>	<b>\$ 655,722</b>	<b>\$ 653,319</b>	<b>\$ (2,403)</b>	<b>-0.37%</b>
# Days Operating (Based on 365)	52	45	(7)	
Daily operating expense	\$ 12,630	\$ 14,615	1,985	16%

NOTE – the FY 10/11 Other Resources and Other Uses include insurance proceeds and expenditures related to the water damage experienced in January of 2011.

## ***Budget Presentation***

I welcome the opportunity to present and discuss operational plans and related financial impact with all interested parties. Interaction among interested groups consistently leads to operational and educational improvements which become available to the students and parents of Westlake Academy.

The development, review, and consideration of the 2011-2012 Governmental Fund Budgets (the General Fund, and Special Revenue Funds) were completed with a detailed and exhaustive review of every revenue and expenditure item within the context of the Academy's Vision, Mission and Values statements, Strategic Planning efforts, and Board Policy.

The budget document and the year-end annual audit are the primary vehicles to present the financial plan and the results of operations at the Academy. The budget document is organized into the following sections:

- **Introductory Section** – Introduces the reader to the document as a whole. It highlights important information contained in the budget. Users rely on this section to get an overview – a snapshot of what they can expect to find in the rest of the document.
- **Organizational Section** – Provides the context and framework within which the budget is developed and managed. The context for the budget is substantially predicated on the type and level of service to be provided the students of the Academy. The framework also includes the Academy's organizational and financial structure as well as the controls that direct and regulate the development and administration of the budget.
- **Financial Section** – Presents the heart of the Academy's budget document. The budget financial schedules present the adopted budget for the Academy compared with the results of past budget plans and with future projections.
- **Informational Section** – Contains information on past and future budgets and factors influencing the adopted budget. It puts the adopted budget into context and it explains past budget decisions.



## ***Westlake Academy Mission, Vision & Values***

Westlake Academy is a public charter school offering the International Baccalaureate (IB) curriculum. Founded in 2003, with a mission to achieve academic excellence and develop life-long learners who become well-balanced, responsible global citizens, Westlake Academy is the first and only municipally-owned school in the state to receive a charter designation. Westlake Academy is the fifth school of only ten in the United States, and the only public school, to offer the full IB curriculum for grades K-12.

During this year's budget retreat great care and consideration were given to the mission and vision of the Academy and the impact that these have on both the long-term goals of the Academy and its day-to-day operation. The following updated vision and mission statements represent the outcome of this discussion and evidence the Board's continued dedication to academic excellence and personal achievement. The values statements are currently being reviewed by the Board and are listed here for reference only.

### **MISSION:**

*"Westlake Academy is an IB World School whose mission is to provide students with an internationally minded education of the highest quality, so they are well-balanced and respectful life-long learners."*

### **VISION:**

*"Westlake Academy inspires students to achieve their highest individual potential in a nurturing environment that fosters the traits found in the IB learner profile."*

*~ Inquirers, Knowledgeable, Thinkers, Communicators, Principled,  
Open-minded, Caring, Risk-takers, Balanced, and Reflective~*

### **VALUES**

Maximizing Personal Development  
Academic Excellence  
Respect for Self and Others  
Personal Responsibility  
Compassion and Understanding

The following desired outcomes summarize the goals and objectives established by the Board of Trustees and leadership staff at the Academy. The vision, mission and organizational goals and objectives are discussed in greater detail in the Organizational section of this document (see pages 26-31).

### **Desired Outcomes**

High Student Achievement  
Strong Parent & Community Connections  
Financial Stewardship & Sustainability  
Student Engagement-Extracurricular Activities  
Effective Educators & Staff

## ***Budget Framework - “Governing and Managing for Outcomes”***

The budget document is but one part of a system designed to link together critical governance and management decision making tools. This system is called “**Governing and Managing for Outcomes**” and is designed to integrate:

- Strategic planning
- Five (5) year financial forecasting, budgeting, and performance measurement linked to priorities, objectives, and outcomes
- Reporting to monitor progress in outcome achievement and accountability for results
- Aligning resources to prioritized outcomes
- Long term approach to ensure financial sustainability
- Working within Board adopted financial policies for the Academy
- Maintaining core services

## ***Budget Process***

The process of projecting the budgeting needs of the Academy is a continual process that responds to the changing needs of the Academy students and staff as well as changes in the fiscal environment such as the current State funding reductions. The process of developing the Academy budget for fiscal year 2011-2012 began with the Westlake Board of Trustees meeting that was held in February of 2011. Following is a summary of the main steps taken in preparation of the adopted budget.

### ***BOARD OF TRUSTEE BUDGET REVIEW***

The Board of Trustees regularly receives quarterly budget updates, some of which are detailed in the trend analysis and the five-year financial forecast discussed later in this document. Upon receipt of the proposed annual budget, the Board holds budget workshops to review proposed changes, their associated outcomes for the next fiscal year, as well as their impact in a five (5) year financial forecast.

### ***BUDGET ADOPTION***

The Board of Trustees holds the required public meeting and adopts the budget in August prior to beginning the fiscal year which runs from September 1st to August 31st.

### ***BUDGET AMENDMENTS***

The Final Amended Budget for the Year Ending August 31, 2011 will be submitted at the August, 2011 Board meeting. It will reflect all amendments previously approved by the Board of Trustees plus any final amendments. Often, these amendments influence the shaping of the current budget as actual trends in revenues and expenditures are realized and accounted for.

Figure 2 Budget Process

<b>Timeline</b>	<b>Description of Activities</b>
October - December	Strategic Plan preparation process occurs
December	Westlake Academy Leadership Team (WALT) begins planning FY 11/12 Budget
January	WALT meets with WA affiliates for joint planning for FY 2011/12
January - March	Develop CIP, Five Year Projection & Personnel Cost Estimates
February	Broad overview of 2011/12 Budget with BOT
April	Develop improvement plans for each grade level/dept.
May	Strategic Plan preparation process occurs, preliminary budgets developed
June - July	Westlake Academy Parent Survey conducted/Current Budget Review
June 6th	BOT Budget Retreat
August 15th	BOT consideration/adoption of Westlake Academy FY 2011/12 Budget
September - August	Budget Amendments for FY 2011/12
Fall 2011	Begin strategic plan update/review process for FY 2012/13
January 2012	Annual Financial Report for FY 2010/11

### ***Academy Approach***

The Academy approach to coping with the combination of fast student growth in a restricted funding environment along with increasing academic standards requires that the budget process is instructionally driven and guided by the Academy's Strategic Plan. During the budget development process the staff reviewed all revenues and expenditures and focused on aligning the allocation of resources, both personnel and financial, with the accomplishment of established goals and objectives.



## ***Explanation & Summary of Major Budget Components***

### ***REVENUES***

The revenues received by Westlake Academy are classified into one of three broad categories: Federal, State or Local. State funding is the Academy's largest revenue source making up over 80% of revenues from all funds. Staff estimates that the base level of total state aid paid through the Foundation School Program (FSP) in FY 11-12 will be \$6,689 per student; approximately a 5% decrease from the FY 10-11 levels. As an open-enrollment charter school, Westlake Academy has the ability to establish specific class sizes and set limitations on secondary boundary enrollment. Enrollment for FY 2011-2012 is projected at 627 students in accordance with the current plan to attempt to maintain 20 students per class.

Federal funding is received through grants that support special education and accounts for less than 5% of revenues for all funds; this funding is projected to remain flat.

Local funding consists of two major sources, the Town and the Westlake Academy Foundation. As a municipally-owned charter school Westlake Academy does not have taxing authority; the Town of Westlake is responsible for debt service and capital improvements, these costs are estimated at \$1,498,450 for FY 11-12. The Westlake Academy Foundation is an independent non-profit organization that raises funds through donations and fund raising; the FY 11-12 forecast is \$1,000 per student, or approximately \$627,000.

### ***EXPENDITURES***

Compensation and benefits are the largest operating cost for Westlake Academy. The current teacher pay scale is based on the Board policy of being within 3% of the median of the nine (9) surrounding public school districts. Per Board direction, the salary scale will be held flat for FY 11-12; however, some salaries will increase according to the Step pay plan which recognizes employee tenure with small pay increases each year. The step increase for all applicable staff equals \$24,716 (approximately 1%).

Direct and indirect operating costs previously absorbed by the Town of Westlake municipal budget have been moved to the Academy operating budget. Direct costs totaling \$243,213 were transferred in FY 10-11 and indirect costs totaling \$303,695 have been transferred in the FY 11-12 budget. The following table reflects these transfers with the indirect costs included in the FY 11-12 adopted budget.

**Figure 3 - Overall Total Cost Summary – General Fund**

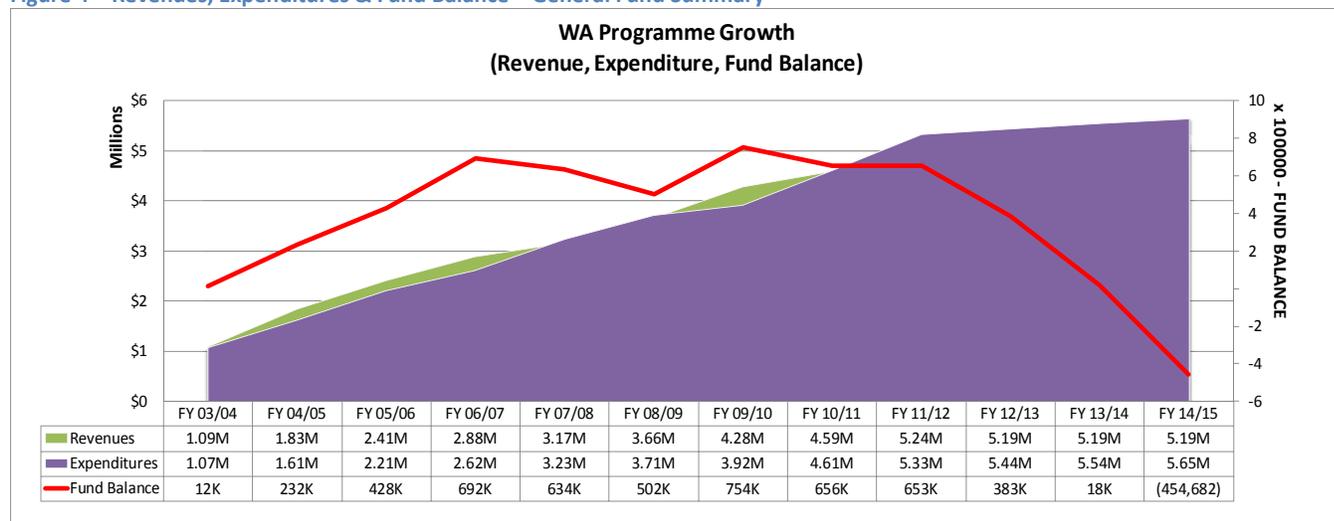
<b>Overall Cost Summary</b>	<b>Estimated FY 10-11</b>	<b>Adopted FY 11-12</b>
Proposed Westlake Academy Budget	\$ 4,610,062	\$ 5,334,446
Estimated Town Funded Indirect Operational Costs (Support Services)	324,607	-
Subtotal All Operating Costs	4,934,669	5,334,446
Annual Debt Service Payment	1,501,778	1,498,450
<b>Grand Total All Costs</b>	<b>\$ 6,436,447</b>	<b>\$ 6,832,896</b>

## Other Considerations

### MULTI-YEAR FINANCIAL FORECAST

The current financial forecast predicts full use of the Academy’s fund balance by FY 14/15. Unless revenues increase or operating costs are reduced, Westlake Academy’s estimated FY 11-12 General Fund Balance of \$ 653,318 will drop below the 45 operating day threshold established by policy in FY 12-13.

Figure 4 – Revenues, Expenditures & Fund Balance – General Fund Summary



*Historically, revenues and expenditures have increased at relatively the same rate which has dictated the need for a higher fund balance in order to sustain the 45-day minimum requirement established by Board policy.*

### PROGRAMS & FACILITIES

Over the past two years, Westlake Academy has expanded its course offerings and curriculum to include expanded technology classes, theater, environmental sciences and additional foreign languages (French). These additions have been funded in part by increased student enrollment which has placed greater demand on existing facilities. In an effort to diminish the effects of this demand, the Board authorized the lease of three (3) temporary buildings. The total cost for these buildings (3 year lease plus physical preparation work) is estimated at \$181,820; these buildings do not meet the criteria for a Capital expense and will be paid from the Westlake Academy’s operational budget (see pages 40-42 for further discussion).

## Financial Summary

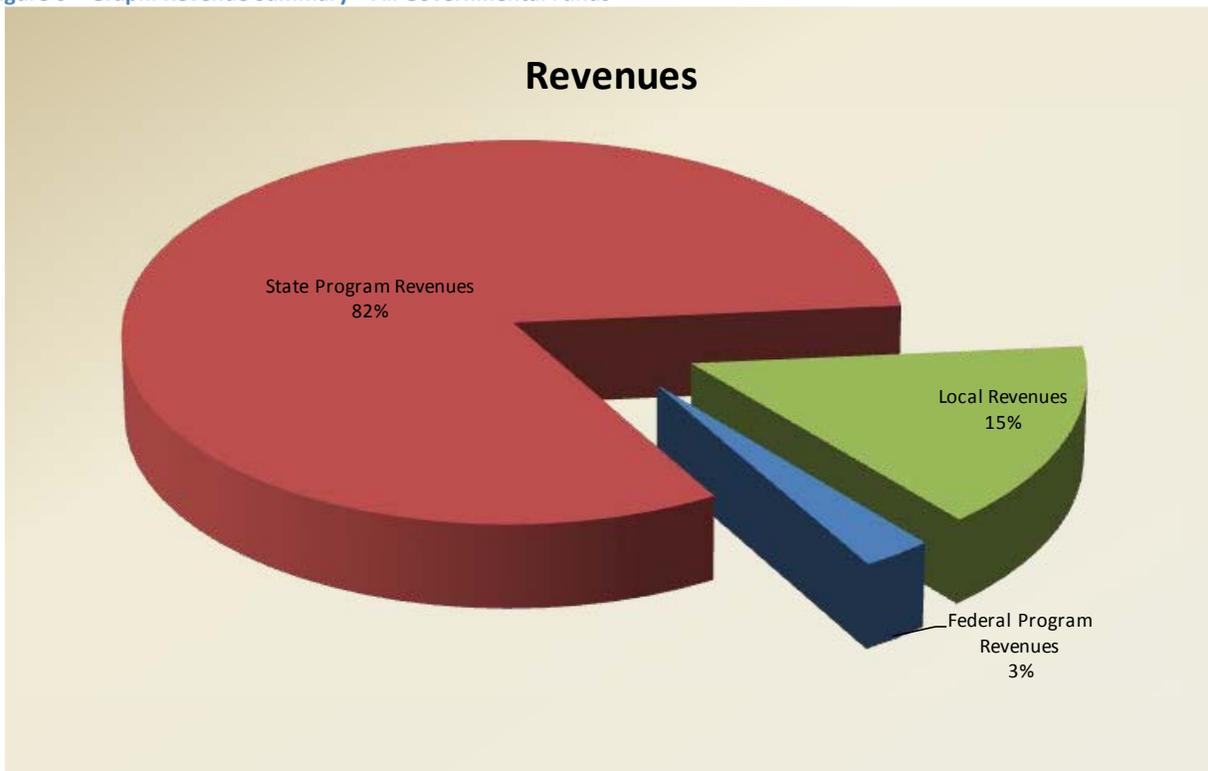
The budget is developed within the guidelines predicated by the Texas Education Agency and is organized into a series of accounts called funds. The total revenue for all funds for the Academy is estimated at \$5,484,842 and total expenditure appropriations amount to \$5,575,220 .

The following schedules present a comparison of revenues and expenditures for all Governmental Funds in the Academy’s Budget. Budgets for the General Fund, the Food Service Fund (a Special revenue Fund) and the Debt Service Fund must be included in the official district budget (legal or fiscal year basis). The Academy does not maintain a Food Service Fund or a Debt Service Fund; therefore; the only fund legally adopted will be the General Fund. For informational purposes only, budgets for Special Revenue Funds are included throughout the presentation.

Figure 5 – Table: Revenue Summary – All Governmental Funds

	Audited FY 07/08	Audited FY 08/09	Audited FY 09/10	Adopted Budget FY 10/11	Estimated Budget FY 10/11	Adopted Budget FY 11/12
<b>REVENUES</b>						
Federal Program Revenues	\$ 55,193	\$ 56,134	\$ 199,436	\$ 143,029	\$ 141,408	\$ 150,844
State Program Revenues	2,673,680	3,163,129	3,687,706	3,964,371	3,940,987	4,494,586
Local Revenues	519,061	538,992	656,508	647,381	798,803	839,412
<b>Total Revenues</b>	<b>3,247,934</b>	<b>3,758,255</b>	<b>4,543,649</b>	<b>4,754,781</b>	<b>4,881,198</b>	<b>5,484,842</b>

Figure 6 – Graph: Revenue Summary – All Governmental Funds

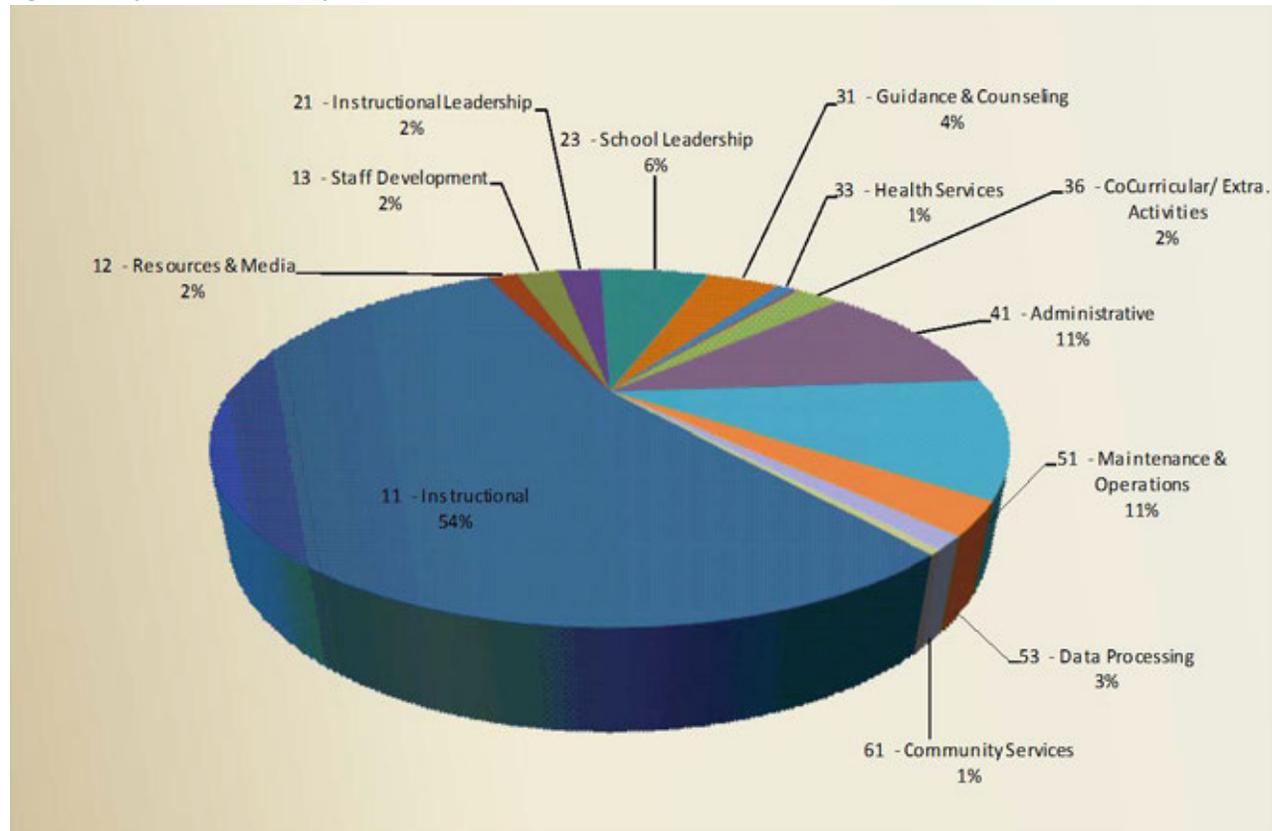


The largest revenue source for Westlake Academy is State Foundation School Program funding which makes up more than 80% of All Governmental fund revenues.

Figure 7 Table: Expenditure Summary – All Governmental Funds

EXPENDITURES (BY FUNCTION)	Audited	Audited	Audited	Adopted	Estimated	Adopted
	FY 07/08	FY 08/09	FY 09/10	Budget FY 10/11	Budget FY 10/11	Budget FY 11/12
11 - Instructional	\$ 1,922,926	\$ 2,120,372	\$ 2,428,184	\$ 2,595,282	\$ 2,717,030	\$ 3,029,625
12 - Resources & Media	60,914	62,513	87,511	93,256	83,950	90,134
13 - Staff Development	33,493	36,973	95,387	136,250	174,526	126,230
21 - Instructional Leadership	12,295	11,660	97,623	133,415	134,891	131,742
23 - School Leadership	141,829	179,554	286,307	298,877	298,639	333,805
31 - Guidance & Counseling	112,350	163,575	159,850	164,757	167,001	220,628
33 - Health Services	24,933	58,845	56,963	54,529	57,691	59,700
35 - Food Services	31,516	15,448	8,135	9,700	9,894	9,657
36 - CoCurricular/ Extra. Activities	49,484	111,738	116,808	114,096	109,330	134,726
41 - Administrative	510,966	527,000	318,624	279,300	283,540	601,746
51 - Maintenance & Operations	235,381	279,485	265,969	546,560	526,571	587,169
53 - Data Processing	103,498	88,720	157,923	158,851	152,621	159,874
61 - Community Services	65,635	66,822	59,592	64,949	70,477	66,244
71 - Debt Service	-	82,991	41,495	-	-	-
81 - Facility Acquisition/Construction	-	-	-	-	111,995	23,940
<b>Total Expenditures</b>	<b>\$ 3,305,220</b>	<b>\$ 3,805,696</b>	<b>\$ 4,180,369</b>	<b>\$ 4,649,822</b>	<b>\$ 4,898,156</b>	<b>\$ 5,575,220</b>

Figure 8 – Expenditure Summary – All Governmental Funds



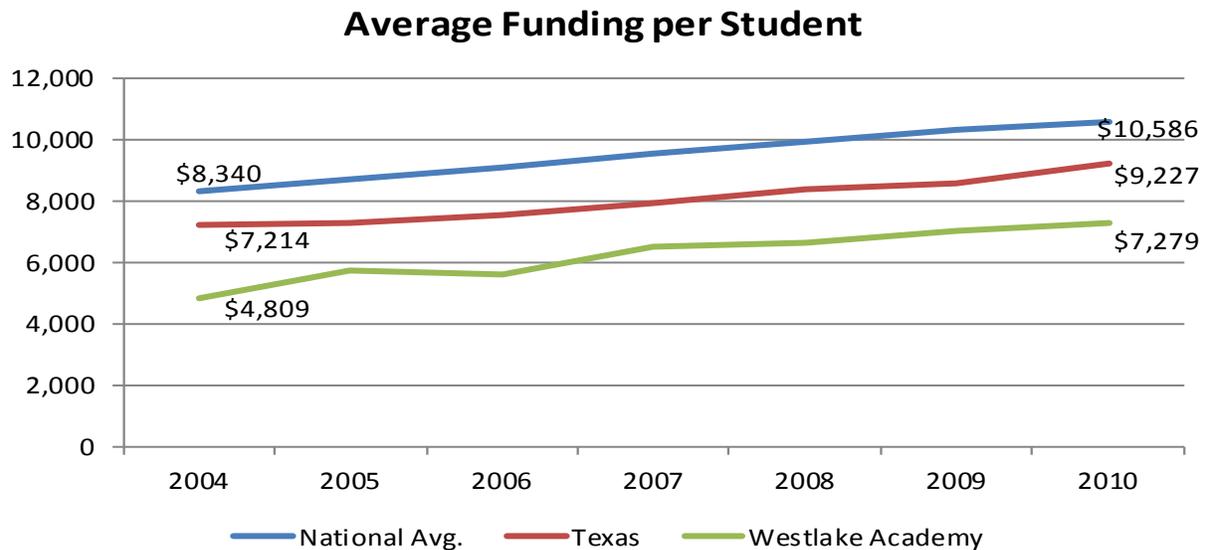
The largest expenditure category is Payroll & Related items which makes up approximately 75% of all Governmental fund expenditures.

## Budget Trends

### GENERAL FUND - STATE FUNDING

Despite a 4% average annual growth rate, the State of Texas continues to lag behind the national average for per pupil funding, providing \$1,000 to \$1,500 less per pupil than the national average. Due to its Charter status, Westlake Academy receives less State funding per student than other non-charter public schools because public charter schools in the State of Texas do not receive facility funding. The Academy's State funding per pupil has declined by approximately \$400 per pupil since FY 09-10.

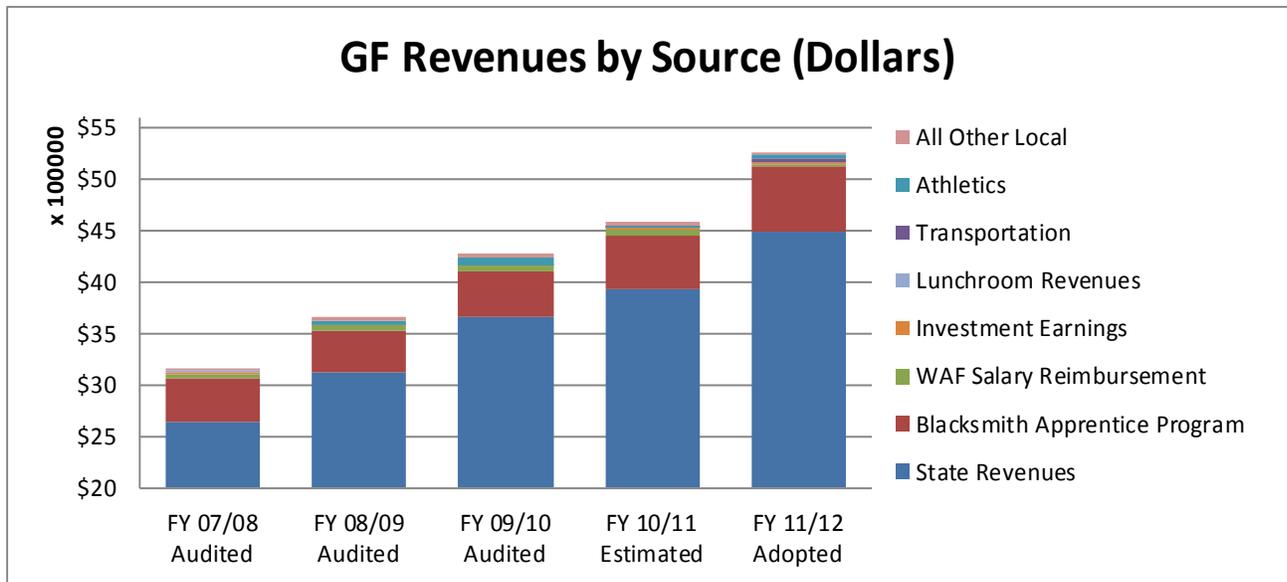
Figure 9 Average Funding per Student



*The difference between the amount of Texas State funding and Westlake Academy is the amount dedicated to facilities funding. Public charter schools in Texas do not receive facility funding.*

The largest funding sources for Westlake Academy continue to be State funding and the Blacksmith Apprentice Program. State funding has averaged between 84% and 86% of General Fund revenues from FY 07/08 to FY 11/12 while Blacksmith contributions have averaged between 10% and 12%.

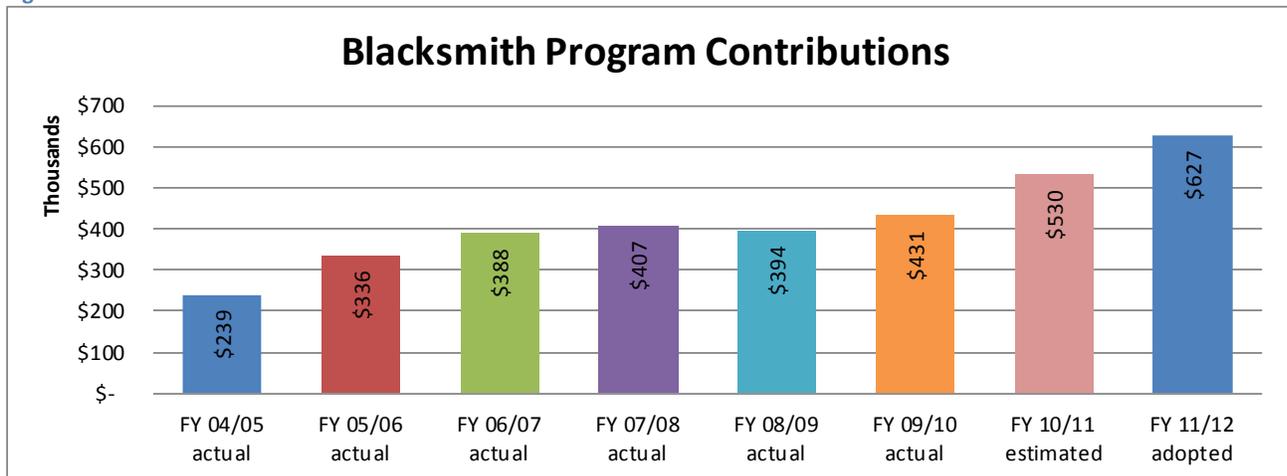
Figure 10 General Fund Revenues by Source



**GENERAL FUND - LOCAL FUNDING**

As the student population has grown, the Blacksmith annual program contributions have increased. However, the average contribution per student has been declining since FY 06-07.

Figure 11 Blacksmith Contributions



The FY 11/12 Blacksmith contributions of \$627,000 are based on an estimated per-student average donation of \$1,000.

## ***Service Level Adjustments***

This budget makes use of Service Level Adjustments (SLA's) to track any cost changes. These cost changes will fall into one of four categories: first, increased operating costs to maintain current levels of service; second, increased operating costs due to expanded levels of service; third, increased costs due to the development of new services, and fourth, cost savings. Cost savings may occur for any number of reasons, but primarily arise due to increased efficiency, service level reductions, or not expending the budgeted resources.

Generally speaking, Service Level Adjustments (SLA's) in this budget fall into the category of increased operating costs for existing programs. Some SLA's are due to existing program expansion, such as increasing the number of students in Grades 7 – 11.

In terms of SLA's involving new expenditure areas to target for recommendation to the Board for FY 11-12, staff recommended several areas: new positions, employee compensation, and absorbing in-direct operating costs previously paid by the Town of Westlake. In addition, 50% of the Executive Director of Westlake Academy Foundation/Director of Development is being absorbed by the Academy.

### **New Positions**

**Total: \$410,289**

Desired Outcome: *High Student Achievement*

In FY 11-12 we will have 67.85 full-time equivalent employees (FTE's), an increase of 8.4 FTE's. These additions are tied directly to the increased number of students being served in the Secondary Program.

- MYP/DP Theater Arts Teacher
- MYP/DP Humanities Teacher
- MYP/DP Math Teacher
- MYP English Teacher
- MYP Student Counselor
- MYP Coordinator
- IT Tech
- Secondary SPED Aide
- Primary SPED Aide
- Technology Integration Specialist
- Maintenance Engineer
- Exec. Dir. WAF/Dir. of Dev.
- Secondary Spanish

### **In-Direct Operating Costs (previously charged to the Town of Westlake)**

**Total: \$303,695**

Desired Outcome: *Financial Stewardship and Responsibility*

In FY 11-12 the Academy will pay the entire in-direct operating costs for administrative services shared with the Town of Westlake. This includes the Superintendent, Finance Director, Human Resources Director, Facilities Director, and support personnel. This has been paid by the Town of Westlake from the inception of the school in 2003. The amount represents \$325,000 less the 25% portion of the IT Tech and the Maintenance Engineer for time allocated to the Town.

**Facilities Maintenance and Operations****Total: \$44,858**Desired Outcome: *Financial Stewardship and Sustainability*

Increased utilization of the Academy campus will require additional resources for cleaning, maintaining, and operating. In the upcoming fiscal year, the Academy will begin to renovate existing classrooms to maintain the current high quality learning environment. In addition, there will be increased utility consumption and daily operating costs.

**Classroom/Instructional Supplies****Total: \$34,784**Desired Outcome: *High Student Achievement – Effective Educators and Staff*

With an approximate 20% increase in student enrollment at Westlake Academy, a proportionate increase in consumable classroom / instructional supplies are needed to maintain the current levels of service in each classroom.

**Employee Compensation and Benefits****Total: \$24,716**Desired Outcomes: *Effective Educators & Staff – High Student Achievement*

With over 70% of the Academy's expenditures being directly related to employee pay and benefits, it is important that we offer competitive salaries, wages, and benefits to attract and retain a strong faculty base, even in a difficult economy. Teacher's pay scale has been maintained at the prior fiscal year's level with all faculty and staff receiving a step increase.

**Rosetta Stone****Total: 15,000**Desired Outcome: *High Student Achievement*

The Texas Education Agency (TEA) has eliminated the Technology Allotment Grant which was used in the prior fiscal year to cover the cost of the campus site license for all students, teachers, and staff to access the full suite of Rosetta Stone products. This product is utilized as both an instructional and support tool for students to better learn and utilize their foreign language.

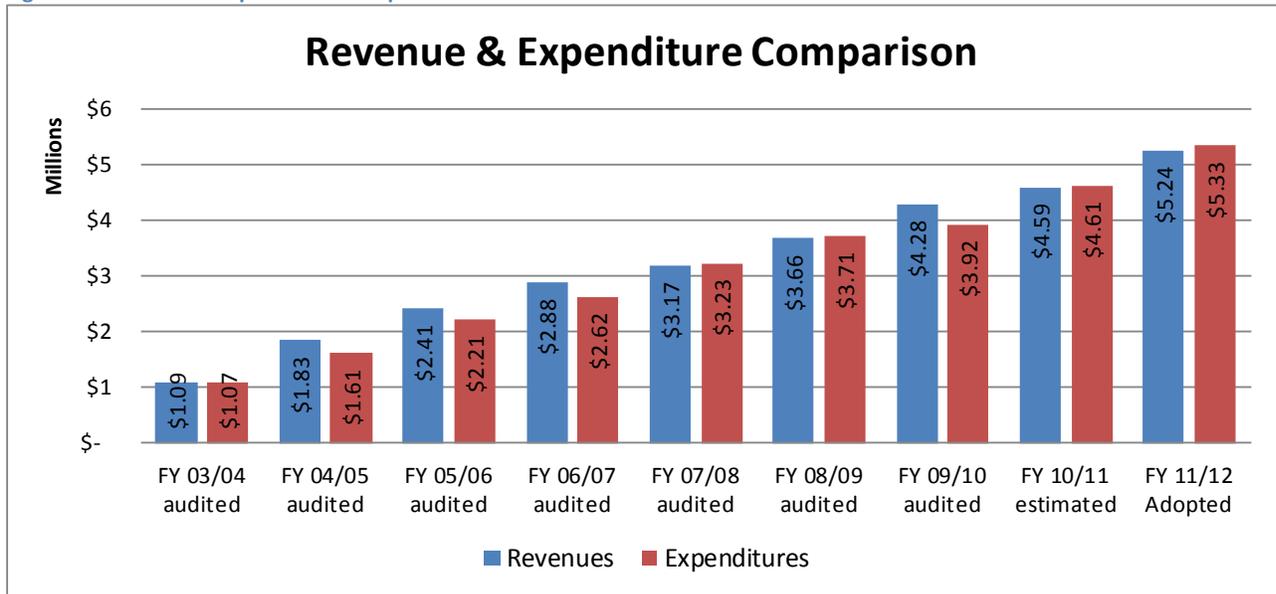
## Individual Fund Summary

### GENERAL FUND

The *General Fund* is a governmental fund with budgetary control which is used to show transactions resulting from operations of on-going organizations and activities from a variety of revenue sources.

FY 11-12 Adopted: Revenues = \$ 5,244,068 Expenditures = \$ 5,334,446

Figure 12 Revenue & Expenditure Comparison – General Fund



Over the last three fiscal years revenues have grown by approximately \$1.19 million. Over the same time period, expenditures have increased by \$1.08 million.

## ***SPECIAL REVENUE FUNDS***

The *Special Revenue Funds* are the funds that account for local, state and federally financed programs or expenditures legally restricted for specified purposes or where unused balances are returned to the grantor at the close of a specified project period. Some funds that were received in FY 10/11 will not be recognized until they are expended in FY 11/12 (i.e. funds 484, 485 & 486). The Academy has been very fortunate to have been awarded several grants from the Hudson Foundation; these grants have provided much needed resources that directly impact the quality of the Academy's programmes.

FY 11-12 Adopted: Revenues = \$ 240,774 Expenditures = \$ 240,774

**Figure 13 – Special Revenue Funds Comparison**

<b>Special Revenue Funds</b>		<b>Estimated FY 10/11</b>	<b>Adopted FY 11/12</b>
224	IDEA B - Formula	\$ 69,097	\$ 61,541
225	IDEA B - Preschool	175	-
266	ARRA Title XIV - SFSF Stimulus	72,136	-
287	Education Jobs	-	89,303
397	Advanced Placement Incentives	5,750	4,500
411	Technology Allotment	15,100	-
461	Campus Activities	15,000	12,000
481	Hudson Foundation	69,500	-
482	WAF Fund100	21,836	-
483	Hudson Technology	22,500	-
484	Hudson Teacher Internal Development Program	-	35,000
485	Hudson Teacher Create a Grant	-	10,000
486	Hudson Teacher Through Higher Level Job Preparation and Mentoring	-	28,430
<b>Total Special Revenue Fund</b>		<b>\$ 291,094</b>	<b>\$ 240,774</b>

*Special Revenues have decreased by approximately \$30,000 or 13% year-over-year.*

## ***Informational Summary***

### ***CHANGES IN DEBT***

Debt service for the Academy's capital infrastructure is included in the Town of Westlake's municipal budget. The amount of debt outstanding including interest is approximately \$30.7 million; this debt will be retired in 2021. The average annual debt service for Academy facilities paid by the Town of Westlake is approximately \$1,500,000. Discussion of current and future capital projects may be found in the Organizational Section of this document (see pages 40 & 41).

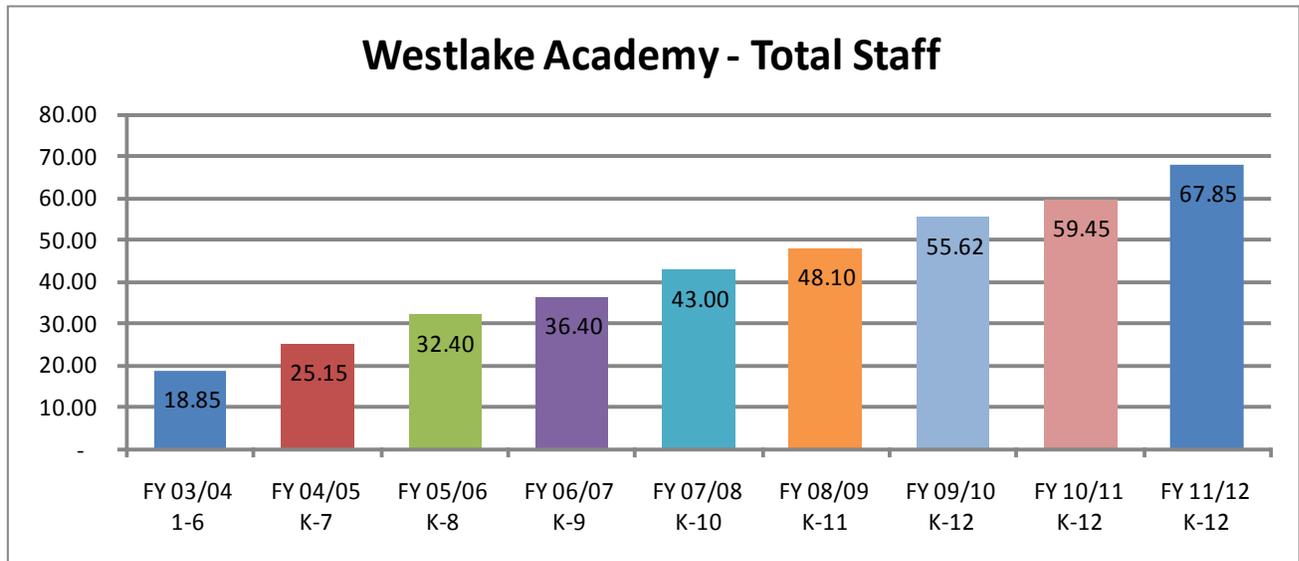
### ***FACILITIES***

The Academy was designed and built to service approximately 620 students, with the addition of almost 100 students; the facilities at the Academy are projected to reach full capacity at the beginning of the current school year. However, curriculum and course schedules play an equally important role in determining facility use; the IB curriculum places a unique demand on staff and resources. In addition to the permanent structures on the campus, the lease cost for three temporary buildings was added as a budget amendment to the FY 10/11 Academy budget. The buildings will be used to support expanded curriculum offerings in the DP programme. These buildings do not meet the criteria for "capital" expenses and are paid for from the Academy's operating budget. The 3 year lease includes a standard purchase option however, no commitment has been made at this time; the Board is currently discussing how this and other facility needs will be met in the future.

### ***PERSONNEL TRENDS***

The Academy has added personnel each year since its opening to support new grade levels and classes as well as curriculum expansion. The total number of full time equivalent (FTE) positions filled in FY 10-11 was 59.45. In FY 11-12 the Academy will add an additional 8.4 FTE positions to support additional course offerings and class expansions, the total number of FTE positions will increase to 67.85 (see page 92 in the Informational section for a complete list of all positions).

Figure 14 Westlake Academy FTE Staff



Staff levels have increased steadily since the Academy opened in FY 03/04. Including the recently adopted positions, the Academy has added 12.23 FTE positions since reaching full grade level expansion in FY 09/10.

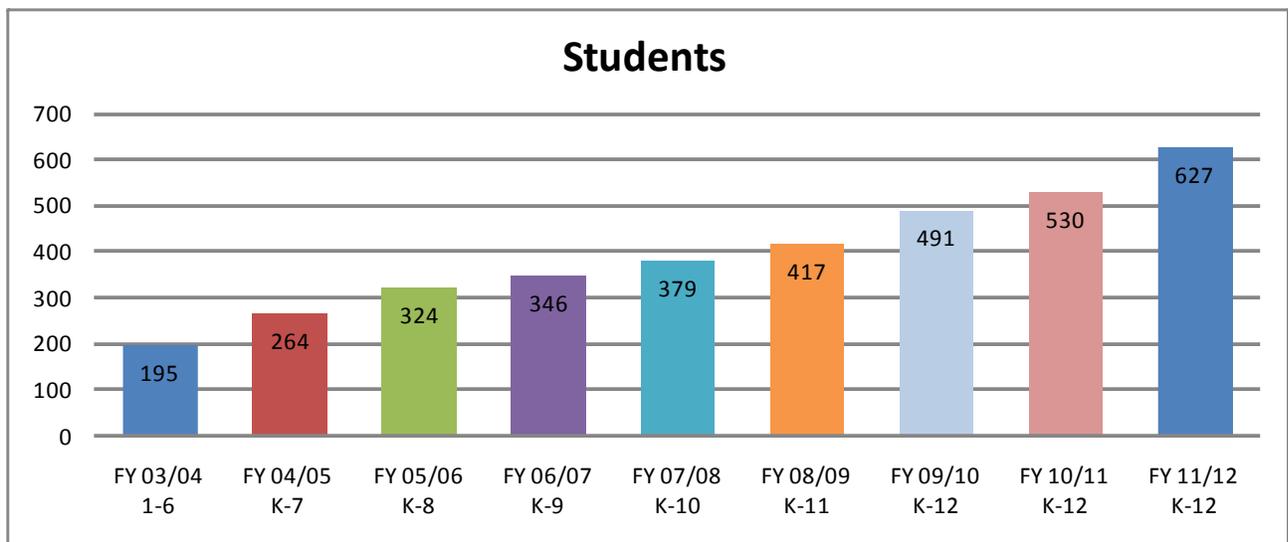


## STUDENT ENROLLMENT TRENDS

Westlake Academy's student enrollment is established by two sets of boundaries. The primary boundary encompasses the Town of Westlake and allows Westlake residents automatic entry into Westlake Academy. The secondary boundaries are comprised of 31 of the surrounding school districts. While any school-age child from these districts is allowed to attend the Academy, demand for entrance has exceeded the Academy's capacity necessitating an annual lottery system that is carried out according to the standards and practices dictated by Federal law.

Student enrollment has grown since the Academy's opening in FY 03-04 with the addition of one new grade level each year. The Academy opened with Grades 1 through 6 and completed adding grade levels in FY 09-10. The Academy's enrollment continued to expand in FY 10-11 with an increase in target class sizes of 20 pupils per class and the addition of a third section in the secondary programme. In FY 11-12 the campus facilities at the Academy are expected to reach full capacity (including the three portable buildings discussed earlier in this document). Any future growth in student population may necessitate building or leasing additional space.

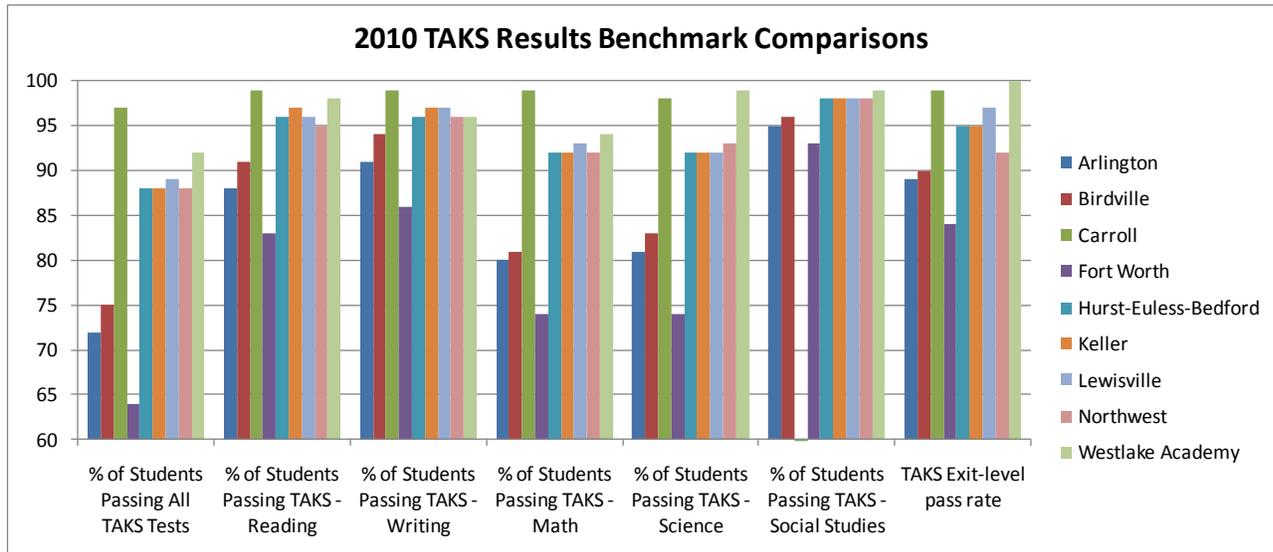
Figure 15 Westlake Academy Student Enrollment



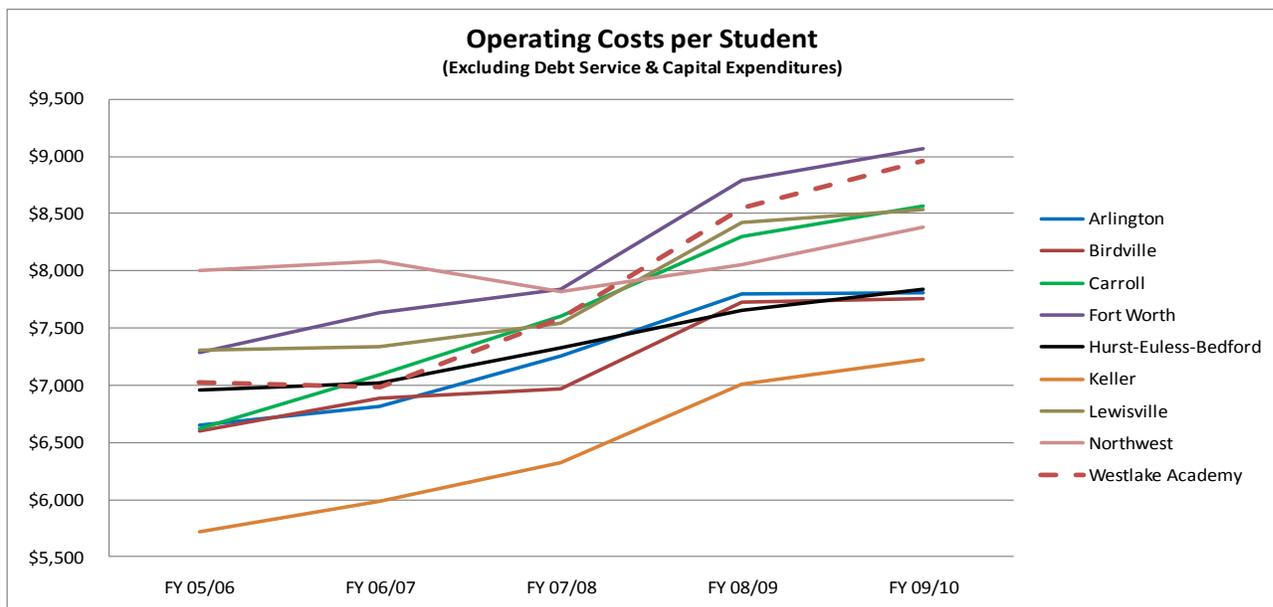
Total enrollment has increased steadily since FY 03/04 in harmony with the expansion of grade levels. The increase from 518 in FY 10/11 to 627 in FY 11/12 is due to the Board's decision to expand class sizes in an effort to increase State-funded revenues. Future enrollment increases or decreases are at the sole discretion of the Board.

## Performance Results

The State of Texas utilizes the Texas Assessment of Knowledge and Skills (TAKS) test to assess students' attainment of reading, writing, math, science, and social studies skills required under Texas education standards. Although the test was created before the passage of the No Child Left Behind Act (NCLBA), it complies with the law. The charts below utilize TEA data to compare Westlake Academy's performance with several benchmark school districts including the three districts that have boundaries within the Town of Westlake (Carroll ISD, Keller ISD and Northwest ISD).



*Of the school districts listed above, Westlake Academy had the highest or second-highest 2010 TAKS performance for every category except writing.*

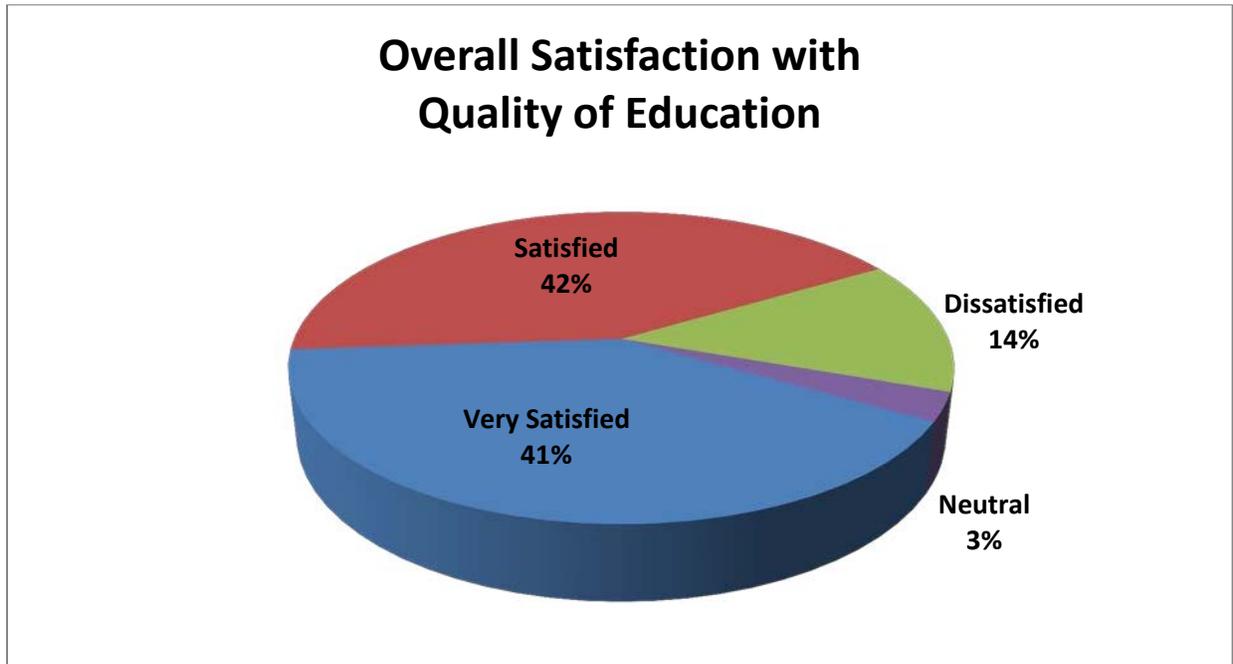


*Compared to the school districts listed, Westlake Academy had the second highest per student cost in FY 09/10.*

Recent enrollment increases have improved efficiencies and reduced the per student cost, the current estimate for FY 10-11 is \$8,698; the per student cost for the FY 11-12 adopted budget is \$8,507.

## **PARENT SURVEY RESULTS**

Westlake Academy is focused on delivering high quality educational services and depends upon the constant input from stakeholders. Each year Westlake Academy conducts an Annual Parent Survey to help identify any future needs and to prioritize resource allocation. The FY 2010-11 Westlake Academy Parent Survey was conducted in June 2011 and achieved significant improvements in satisfaction (>5%) in thirteen (13) of the nineteen (19) service areas and programs rated.



*83% of the parent's surveyed were very satisfied or satisfied with the overall quality of education Westlake Academy delivers to its students.*

## **AWARDS**

The Association of School Business Officials International (ASBO) presented a Meritorious Budget Award to Westlake Academy for its Annual Operating Budget for the fiscal year beginning September 1, 2010. This is the second year the Academy has been honored with this award. Additionally, the Academy received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA); representing the third year the Academy has received this award.

These awards represent a significant achievement that reflect the dedication and commitment the Board of Trustees and staff have given to meeting the highest principles of governmental accounting. These awards are valid for one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to ASBO and GFOA to determine its eligibility.

## ***SUMMARY***

While Westlake Academy continues to operate in an economic climate that presents challenges, it continues to grow in enrollment and perform at a high level in all areas of our student's education.

As with last year's budget, we continue the use of a theme to focus on the essence of what we do as an organization when we identify and prioritize our resources as we prepare and consider a budget. I would offer for FY 2011-2012 the theme "**Continued Excellence in the Face of Change**". While the ultimate impact of the State's budgetary cuts are not yet fully known, it is our collective responsibility to ensure that despite budget constraints, we continue to look to the future and strive towards the vision we have established for our school. For Westlake Academy, we expect "*Success and Nothing Less*"!

On behalf of the staff of Westlake Academy, as well as the municipal staff involved in providing support to the Academy, I would like to thank the Board for their leadership in pursuing educational excellence. I would like to recognize Finance Director Debbie Piper for her dedication, hard work, and diligent thoroughness in putting this budget together. Also, the Academy's Leadership Team, particularly Administrative Coordinator Ben Nibarger and Management & Budget Intern Scott Dixon, are to be commended for their involvement and input into this document.

A team is required if a school is to be successful as a learning community. And, that team must involve and consist of all the various facets of Westlake Academy; our faculty, administrators, parents, students, and the Board. Working as a team we can build our Westlake Academy learning community in a way that will make our students responsible global citizens in the twenty first century global market place in which they will live and work.



Thomas E. Brymer  
Town Manager/Superintendent Westlake Academy

Staff theme for the Westlake Academy FY 2011-2012 Budget:

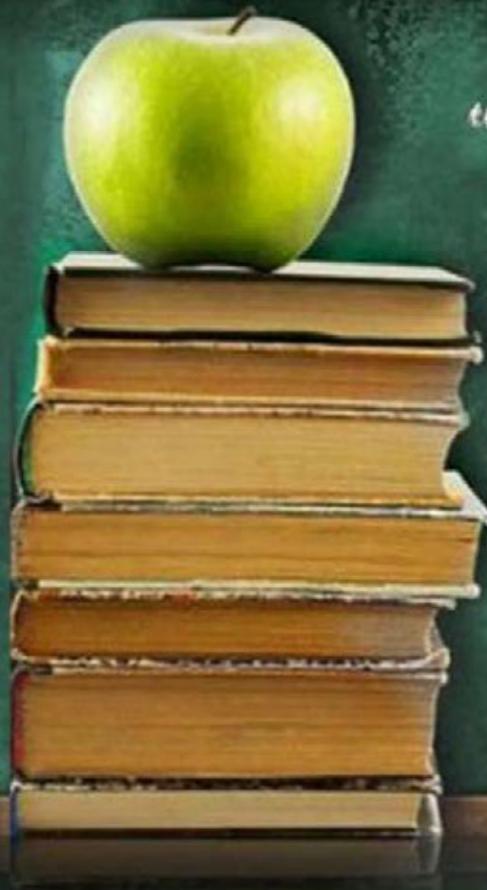
***“One School, Together”***

# WESTLAKE ACADEMY

International Baccalaureate Charter School



## ORGANIZATIONAL SECTION



“Continued  
Excellence  
in the  
Face of  
Change”



2600 Ottinger Road \* Westlake, Texas 76262  
[www.westlakeacademy.org](http://www.westlakeacademy.org)

Staff theme for the Westlake Academy FY 2011-2012 Budget:

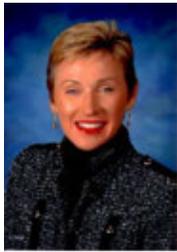
***“One School, Together”***

## ***Board Members and Administration***

The Westlake Academy Board of Trustees consists of five trustees and the Board President. Each member of the Board serves a two year term with two members and the president being elected on alternate years.

Several members of the Westlake Academy Leadership Team operate under a shared service agreement with the Town of Westlake and serve dual roles.

## **Board of Trustees**



**Laura  
Wheat**

Board President



**Clifton  
Cox**



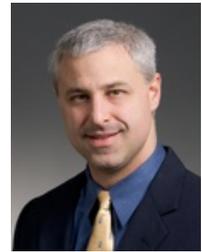
**Tim  
Brittan**



**Rick  
Rennhack**



**Carol  
Langdon**



**David  
Levitan**

-----Board of Trustees-----

## **Westlake Academy Leadership Team**

\*Thomas E. Brymer, Superintendent of Schools

Clint Calzini, Secondary Principal

Rod Harding, Primary Principal/Campus Director

Ja'cette Aguiar, Director of Athletics

Shelly Myers, Exec. Director of the WAF/Director of Development

Tracy Odom, MYP Coordinator

Alison Schneider, PYP Coordinator

Stacy Stoyanoff, DP Coordinator

Benjamin Nibarger, Administrative Coordinator

\*Ginger Awtry, Director of Communications & Community Affairs

\*Amanda DeGan, Assistant to the Town Manager

\*Troy Meyer, Director of Facilities

\*Debbie Piper, Director of Finance

\*Todd Wood, Director of Administrative Services

*\*Asterisk denotes shared services personnel between Westlake Academy and the Town of Westlake*

## Mission, Vision & Values

### MISSION:

*“Westlake Academy is an IB World School whose mission is to provide students with an internationally minded education of the highest quality, so they are well-balanced and respectful life-long learners.”*

### VISION:

*“Westlake Academy inspires students to achieve their highest individual potential in a nurturing environment that fosters the traits found in the IB learner profile.”*

*~ Inquirers, Knowledgeable, Thinkers, Communicators, Principled,  
Open-minded, Caring, Risk-takers, Balanced, and Reflective~*

### VALUES



Maximizing Personal Development



Academic Excellence



Respect for Self and Others



Personal Responsibility



Compassion and Understanding



The Academy’s vision and mission determine where resources are allocated and provide the basic road map to where we are going. The Board of Trustees’ provides this direction and the necessary resources to ensure that the Academy’s mission and vision are supported financially.

The administration supports the teachers in their never ending process of discovery in the classrooms. Using the framework of the International Baccalaureate programme, the administration and teachers are able to develop the systems and tools necessary to accomplish our mission and reach our vision. Our teachers are the frontline in this process, working with each student at their own level of understanding, helping each of them to reach their potential.

## *How did we get here?*

In September of 2003 the vision of many was made a reality when the Academy doors opened to the first class of Westlake Academy students. Many obstacles had to be traversed just to reach this point, but as the students and teachers entered the Academy for the first time, their expectations high, we realized that this decision will change the lives of hundreds of students and their lives will make an impact felt around the world.

Westlake Academy opened its doors in September 2003 when the Town of Westlake officials took advantage of the State of Texas' acceptance of chartered schools and thus, became the first and only municipality in the state to receive a chartered school designation. As a chartered school, Westlake Academy is an open enrollment public school. In 2008 the Texas Education Agency (TEA) renewed the Academy's charter until 2016. The officials who pioneered the school also decided to follow another brave path in offering the globally recognized International Baccalaureate (IB) curriculum which is now being provided in over 900 schools nationwide and over 2,300 in 128 countries worldwide.

Westlake Academy became an IB World School in 2006 after it was authorized for the Primary Years Programme (PYP); further accreditation followed in 2007 with the Middle Years Programme (MYP), and 2008 with the Diploma Programme (DP), making it the only school in Texas and one of only five schools in the United States to offer all three IB programmes.

The school graduated its first class in 2010 and became fully functional from Kindergarten through 12th grade. In 2008, this class became the first in Texas to graduate from the MYP programme. As well as this international accreditation, Westlake Academy also meets all applicable state standards for chartered schools. In FY 10/11, the Academy received an 'Exemplary' rating from the TEA for the Texas Assessment of Knowledge and Skills (TAKS) tests for the fourth consecutive year.

Westlake Academy is situated on a beautiful 23 acre site, in a 60,000 sq. ft. campus carefully designed to foster a love of learning. In 2009 this was further expanded with the opening of the new Sam and Margaret Lee Arts & Science Center.

An environment rich with heritage, the Westlake Academy mission is to provide students with an internationally minded education of the highest quality. The primary geographic service area for Westlake Academy is the Town limits of Westlake. As required by State and Federal standards, students from other locations may be considered if seats are available.

## *Where are we going?*

At Westlake Academy we spend our days with future leaders and provide a framework that allows each child to reach their potential. We help them to develop their natural curiosity and build skills that allow them to continue to learn as they grow. This natural inquiry leads to knowledge, a foundation on which they will be able to build thoughtful, reasoned and ethical decisions.

As they grow, we help them to better understand and express their ideas in writing, verbally, in multiple languages, and through their ability to work collaboratively with others. Their understanding and appreciation of the world helps them to become open-minded and caring, while having the courage to take risks, exploring new ideas and making a positive impact in the lives of others.

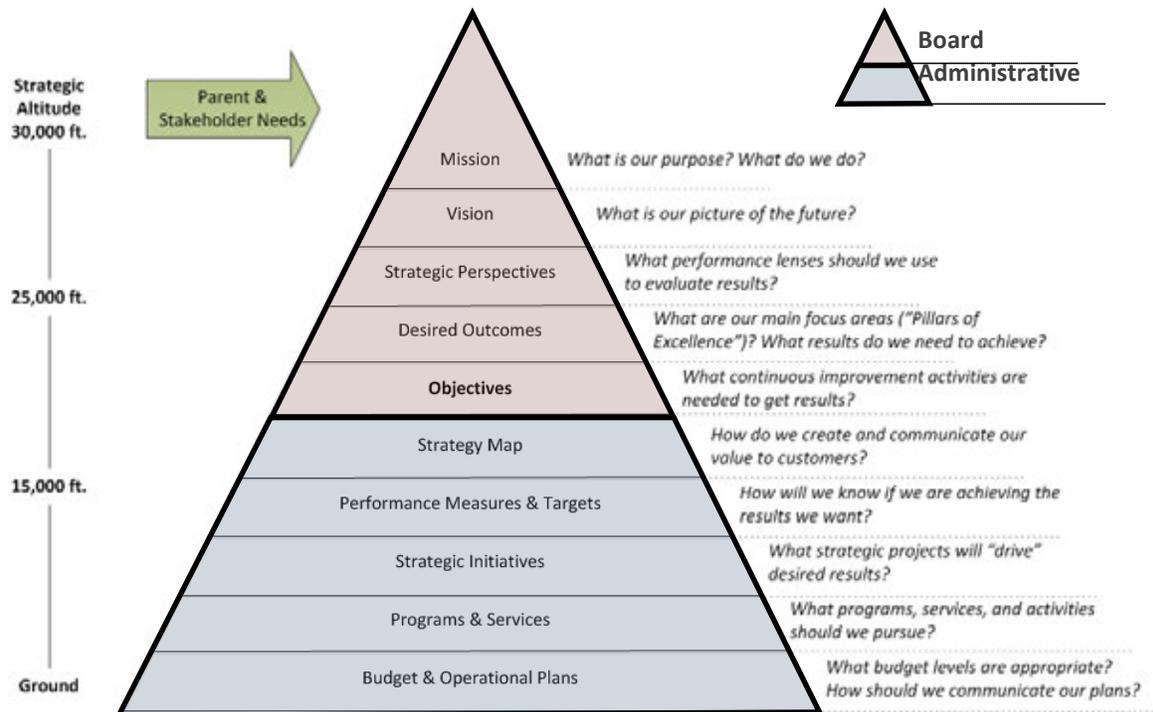
Most important, our future leaders must be well-balanced and reflective, understanding the importance of their strengths and limitations, and using them to their advantage as life-long learners.



## Achieving our Vision and Mission

In order to better achieve our mission and reach our vision of the future we are moving into a Balanced Scorecard system as a strategic and performance management tool. The Balanced Scorecard system provides a framework that aligns the work we do with our mission, vision, and strategy. It will help to communicate to internal and external stakeholders of the organization our strategic intent.

Figure 16 - Strategic Balanced Scorecard System Logic

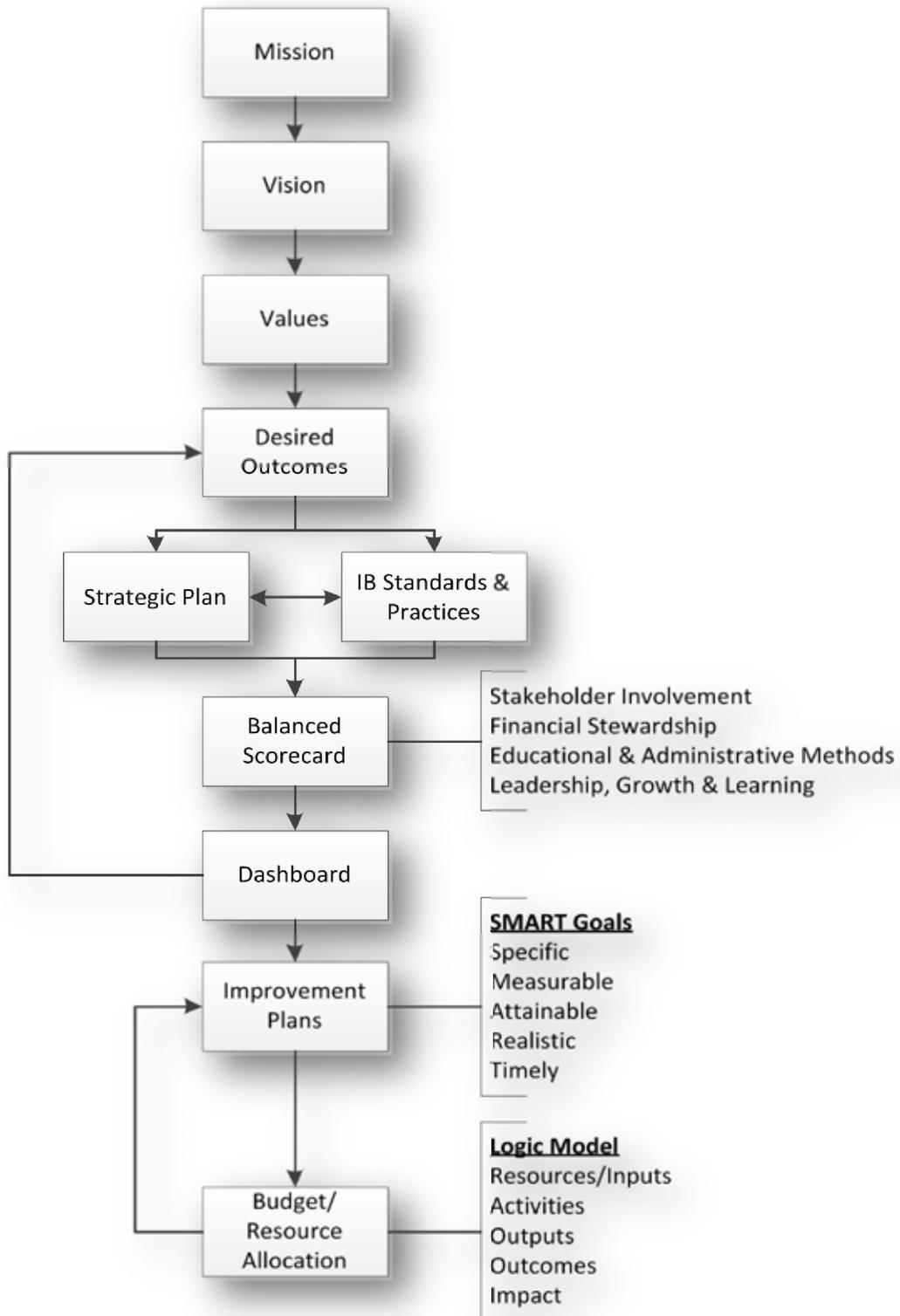


The Balanced Scorecard forces us to ask these questions: What are we trying to accomplish? Are we doing the right things? If we are doing the right things, are we doing them right? There are many advantages to creating an integrated system that aligns the financial and human resources of the Academy with its mission and vision.

By aligning the daily activities of the Academy to the available resources within a framework that provides feedback at every level of the organization, it is possible for all the faculty and staff members at the Academy to understand their impact on accomplishing the mission of the Academy, and reaching our vision for the future.

What we hope to accomplish with the implementation of the Balanced Scorecard at Westlake Academy is an alignment between the day-to-day operations and our mission and vision. As this is another system that utilizes continuous improvement, the process is never complete, but a loop that constantly reviews what we are doing, and whether or not we are doing it well.

### Organizational Decision Model



## ***Westlake Academy's Desired Outcomes***

Westlake Academy's strategic plan is the result of many hours of review and discussion with the Board of Trustees, and Westlake Academy staff, which spanned a year-long process where we gathered information, discussed our long-range goals and developed comprehensive guidelines to ensure student success.

The Board met, during a retreat in June of 2010, to develop Westlake Academy's mission / vision statement and identify the values that were important to the success of the Academy. The plan was then expanded to include five desired outcomes:

1. **High Student Achievement** - Develop inquiring, knowledgeable, caring and disciplined young people who use their unique talents to create a better and more peaceful world through intercultural understanding and respect.
2. **Strong Parent & Community Connections** - To involve all stakeholders in building a better Westlake Academy community.
3. **Financial Stewardship & Sustainability** - To ensure sufficient, well-managed resources to support and advance the mission of Westlake Academy.
4. **Student Engagement & Extracurricular Activities** - To ensure that all athletics, community service and extracurricular activities are held to the same standard of excellence as the curricula programs to promote well-balanced students.
5. **Effective Educators & Staff** - Recruit, develop and retrain a core faculty and staff with the personal qualities, skills and expertise to work effectively with the IB inquiry-based, student-centered curricula

The Westlake Academy Leadership Team has taken the groundwork which has been developed over the years by the Board of Trustees and Westlake Academy's faculty and staff and placed in an actionable format that allows for better implementation, tracking, and monitoring of the strategic plan.



## ***Projects for 2011-2012***

Chief among the projects slated for the FY 11-12 school year is the completion of Westlake Academy's Strategic Plan. The following timeline outlines the remaining activities for the completion of this project:



## ***Unit Goals & Objectives***

Significant work has already begun to align the Academy's programs, processes and strategic initiatives with the Vision and Mission established by the Board of Trustees. During the budget development process the Administration reviewed all revenues and expenditures and utilized a balanced scorecard approach to align the allocation of resources, both personnel and financial, with the accomplishment of the following goals and objectives. The following tables have been developed as companions to the Strategic Plan and are organized using the components of the balanced score card; although incomplete, they are indicative of the overall direction of the Strategic Plan and are representative of the types of unit-level goals and activities that we hope to implement.

### **Balanced Scorecard Guide:**

**Objectives** - An ends toward which we are directing our efforts, with measurable objectives for specific actions; an interim step in achieving our mission.

**Measures** - A quantifiable expression of the amount, cost, or result of activities indicating how well services are provided.

- Effectiveness Measures – A type of performance measure used to assess how well we have achieved our purpose or desired outcomes – Did we accomplish what we wanted?
- Efficiency Measures – A type of performance measure used to assess the cost of providing services – What is the cost per unit of service?
- Workload Measures – A type of performance measure used to assess the amount of work performed or services rendered – The number of students served in a program.

**Targets** - A specific measure of where the Academy would like to see their service level.

**Initiatives** - A detailed action step to help accomplish an objective.

**Date Due** - The time that we would like to accomplish a specific initiative by.

**SPIB S&P** - Alignment of our strategic plan with specific International Baccalaureate Standards and Practices.

## STAKEHOLDER INVOLVEMENT

Goals/Objectives	Measures	Targets	Initiatives	Date Due	SP/IB S&P
Teachers and staff are dedicated and satisfied	Staff Survey - Maintaining a positive workplace environment where people are highly motivated		Year round recruitment		A1, B2
			Fund100		B2.2
			Staff turnover	Recruitment profiles	B2.2
			Median Tenure of staff		B2.2
			Median salary	Salary Survey	B2.2
			Ratio of international teachers		A1.4, B2.2
			% of staff with professional development plan	Individual professional development plans	B2.2-3,C1.2
Students are engaged in learning and personifying the IB Learner Profile	Student Satisfaction Survey		Campus Leadership Team		A1, C1, C2, C3
			Student Recognition Programs		C1.9
			CAS		B2.1
			International Mindedness	International Sister Schools	A1.4
			# of students who receive an award	Random acts of kindness	A1.5
			# of students participating in residential trips	Don't Walk By	A1.5
Parents are actively involved and excited	Parent/Community Surveys		Community Education Program		A1, B2, C4
			Movie on the Green		B2.11
			Speakers Series		B2.11
			Community Networking Events		B2.11
			Friday Night Lights		B2.11
Donors are satisfied and committed	Level of giving				B1.6
			# of external donors		
			\$ amount of external donations		
			% of Blacksmith participation		
			\$ amount of Blacksmith		
			\$ amount of WA Baja		
			# of Baja participants		

Stakeholder Involvement

**FINANCIAL STEWARDSHIP**

Goals/Objectives	Measures	Targets	Initiatives	Date Due	SP/IB S&P
Financial Stewardship	Sound financial management	Annual Audit	Presents Fairly	08/2011	B1, B2.1
		Cost Savings		08/2011	
				Energy savings program	
				Growth management plan	
		Expenditure per student (\$)			
		Student attendance	97%		
		Expenditures within budget (%)		Annual Budget Development	
		Quarterly Reports		Budget Monitoring and Analysis	
		Change in per pupil revenue (%)			
		Change in private funds raised (%)			
		Change in external fundraising (%)			
	Ratio (budgeted vs. actual) (%)				

**LEADERSHIP, GROWTH & LEARNING**

Goals/Objectives	Measures	Targets	Initiatives	Date Due	SP/IB S&P	
Leadership, Growth & Learning	Teachers and staff are well trained and highly qualified	% of staff with IB level 1 training	Individual Professional Development Plans		B2.3	
		% of staff with IB level 2 training	Individual Professional Development Plans		B2.3	
		% of staff with IB level 3 training	Individual Professional Development Plans		B2.3	
		% of staff with graduate degrees				
	Board provides effective leadership	% of time spent on policy issues		Alignment of Mission/Vision/Values with IB philosophy		A1, B1.2; B2.1
				Policy supports the success of the Academy's mission		B1.5
	Administrative staff members are highly competent			Create employee profiles		A1.2; B1.3; B2.2
				Develop an Operations Guide		B1.2
				Individual Professional Development Plans		A1, B2, C4
	Satisfied donors	Parent/Community Survey				A1, B2, C4

**EDUCATIONAL & ADMINISTRATIVE METHODS**

Educational & Administrative Methods

Goals/Objectives	Measures	Targets	Initiatives	Date Due	SP/IB S&P
Curriculum is sound	Self Assessment	Operational	Performance Improvement Plan		B1, B2, C1-4
			Curriculum alignment with IB and TEA		
			Curriculum is accessible by stakeholders		
		PYP Student Quarterly Reports			C4.4:6-7
		MYP Student Quarterly Reports			C4.4:6-7
		DP Student Quarterly Reports			C4.4:6-7
		# of students entering college			
		High School Ranking (Newsweek)	Top 20		
		% of students entering college			
		ISA Assessment			
Instruction is effective	Self Assessment		Performance Improvement Plan		B1.7, C4.1
	Student Quarterly Reports		Performance Improvement Plan		C4.6
	STARR Assessment				
	% of students commended				
	PSAT		SAT Prep Courses		
	# of national merit scholars				
	SAT		SAT Prep Courses		
	ACT		ACT Prep Courses		
	% of students graduating				
	% of students graduating with IB Diploma		Student tutoring		A1.9, B2.12, C4.9
Focus on learning & character development	Self Assessment		Performance Improvement Plan		A1, B1.7, C1, C2, C3
	Grade level spanish proficiency		EOC assessment		A1.7
			Rossetta Stone		A1.7
	Grade level math proficiency		Mathathletics		
	Grade level science proficiency				
Facilities are safe and well maintained	Parent/Community Survey		Update facility master plan		B2.5
			Annual facility maintenance schedule		B2.5
			Major maintenance & replacement schedule		B2.5
Communication & marketing plan is developed and executed	# of lottery applications received		Create WA Marketing Plan		A1.6
	Parent/Community Survey				A1.3
	# of strategic partners				B2.11

## Westlake Academy Organizational Structure

The organizational structure for Westlake Academy is established by its charter which is granted through an authorizer on behalf of the State, the Texas Education Agency (TEA). Westlake Academy is governed by a six member Board of Trustees that also serves as the Town Council for the Town of Westlake, the entity that



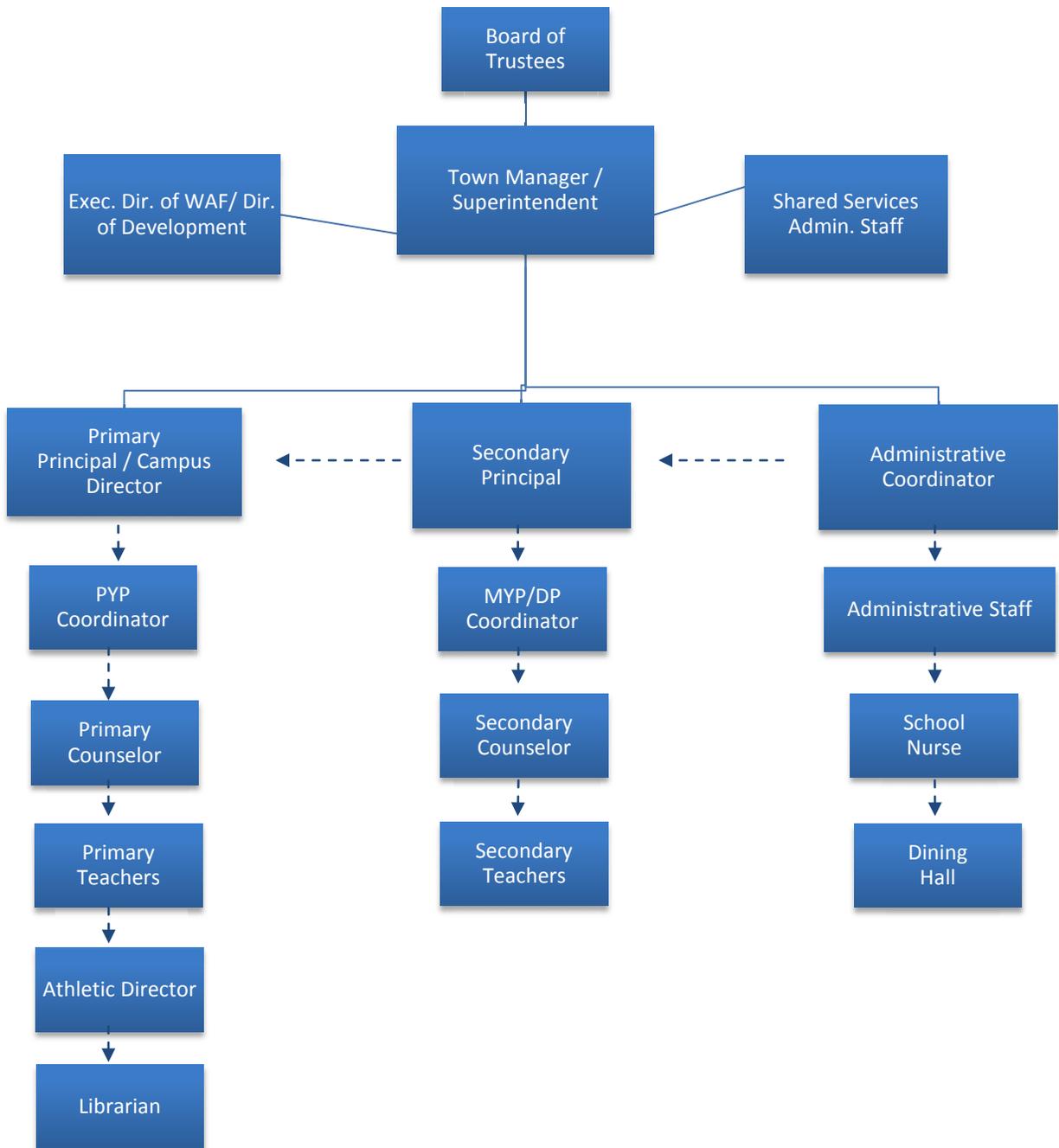
owns and operates the Academy. The Board of Trustees appoints a Superintendent to oversee the Academy's management and operations. The Superintendent also serves as Westlake's Town Manager. The Academy's organizational structure is based on research into management of municipally owned charter schools. The current structure was adopted by the Board in Resolution 09-23 on December 7, 2009.

The Superintendent is responsible for the implementation of the Board's policy agenda for Westlake Academy, facilitating the Board's strategic plan, formulating policy recommendations for Board consideration, as well as managerial oversight of the Academy's budget administration, finances, and budget preparation. Superintendent responsibilities also include selection of the principals for both the Primary and Secondary Years Programmes. The Academy's Superintendent oversees the Westlake Academy Leadership Team (WALT) which is charged with the responsibility of managing the school's on-going academic and extra-curricular operations. Each principal is responsible, with advisement from the Superintendent, for selection and evaluation of the faculty and staff involved in providing their Programme's academic services.

The following organizational chart is a visual depiction of the way work is distributed within Westlake Academy. It is also meant to be a tool to help enhance our working relationship with the parents and students of Westlake Academy, and to create clear channels of communication in order to better accomplish our goals and objectives.



Figure 17 - Organizational Chart



## **Financial Structure**

Westlake Academy operates as a blended component unit of the Town of Westlake and is a Texas non-profit Corporation under Chapter 12, Subchapter D of the Education Code to provide education.

***FINANCIAL REPORTING ENTITY:*** The Board of Trustees consists of six trustees (five trustees and the Board President) that also serve as the Town Council for the Town of Westlake, the entity that owns and operates the Academy. The Academy prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Government Accounting Standards Board (the "GASB") and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

The Board has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the Academy is a financial reporting entity as defined by the GASB in its Statement No. 14, *"The Financial Reporting Entity."*

The Academy's basic financial statements include a separate entity that is controlled by or dependent on the Academy. The determination to include separate entities is based on the criteria of GASB Statement No. 24, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units." GASB defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's ruling body must be appointed by the primary government, and either (a) the primary government be able to impose its will, or (b) the primary government may potentially benefit financially or be financially responsible for the component unit.

The Westlake Academy Foundation (the "Foundation") is a 501(c)3 nonprofit organization which was established exclusively for the purposes of supporting the Academy. This includes fundraising for and contributing raised funds to the Academy. The Foundation is discretely presented in the Westlake Academy financial statements and reported in a separate column to emphasize that it is legally separate from the Academy. Separate audited financial statements of the Foundation are prepared annually.

***BASIS OF BUDGETING:*** Legal requirements for charter budgets are formulated by the state and TEA. A Board typically adopts an "Appropriated budget" on a basis consistent with GAAP for the general fund, debt service fund and child nutrition program (which is included in special revenue funds). The Academy does not maintain a debt service nor child nutrition program; therefore, *only the General Fund is required to be adopted*. At a minimum, the Academy is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for the General Fund.

Budgets are prepared on the same basis of accounting as that used in the financial statements. The basis of budgeting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental fund types, the general fund and the special revenue funds, are budgeted using the current financial resources measurement focus and the modified accrual basis of accounting. The proprietary fund, our fiduciary fund, the agency fund, is not a budgeted fund.

***BASIS OF ACCOUNTING:*** The accounts of the Academy are organized and operated on a basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the Academy are classified into two categories: fiduciary and governmental.

**Fiduciary funds** consist of agency funds that are maintained in a custodial capacity for the benefit of student organizations (*see pg. 59 for more detail about Fiduciary funds*).

Governmental fund types are used to account for the Academy's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when it becomes susceptible to accrual, i.e., when it becomes "measurable and available". Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Academy considers revenues available if they are collected within 60 days after year-end. Expenditures are recognized when the related fund liability is incurred. Foundation State Program (FSP) funds are susceptible to accrual. Miscellaneous revenue items, which are not susceptible to accrual, are recognized as revenue only as they are received in cash. Entitlements and grants are recognized as revenue at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

**Governmental fund** types include the following:

**The General Fund** is the Academy's primary operating fund. It accounts for all financial resources of the Academy, except those required to be accounted for in another fund.

**Special Revenue Funds** account for the revenue sources that are legally restricted to expenditures for specific purposes. The Academy's special revenue funds are listed in the Organizational Section of this document (*see pages 57-60*).

***SIGNIFICANT ACCOUNTING POLICIES:*** The Board of Trustees has established and regularly updates a comprehensive set of financial policies for the Academy (*see pages 47 – 55*). Some of the key features of these policies include:

**Fund Balance:** The Academy shall strive to maintain the General Fund unassigned fund balance at 45 days of operation. Fund Balance will be targeted to only be used with Board approval for a specific list of uses.

**Salary:** The Academy shall strive to maintain competitive salary levels for faculty and staff (within 3% of the median of surrounding schools).

**Expenditure Control:** Budget adjustments among funds must be approved by the Board. The Academy shall operate on a current funding basis. Expenditures shall be controlled so as not to exceed revenues plus the planned use of fund balance accumulated through prior year savings.

## Westlake Academy Cost Sharing Analysis

### *Campus Facilities*

The land and buildings that comprise the Westlake Academy campus are owned by the Town of Westlake, a municipality incorporated under State law as a Type A general law city. Westlake Academy opened in 2003 with Grades 1 through 6 and has added a grade each subsequent year. With the commencement of the 2009-2010 school year, the final component was added with the 12th grade inaugural graduating class. The campus is located on twenty three (23) acres adjacent to J.T. Ottinger Road, which is near the intersection of State Highways 114 and 170. The original campus included three (3) stand-alone academic buildings with a total of twenty nine (29) classrooms, administrative offices, restrooms, a library, breakout area, a performance hall, dining and kitchen area, locker rooms, and a gym. These buildings total 52,600 square feet. The Academy interior design includes wood, vinyl covering, carpet and tile flooring. The hallways are lined with wooden lockers and carpet flooring. The Sam and Margaret Lee Arts & Sciences Center opened in August of 2009 and added another 8,400 square feet of building space to the campus. This facility includes one art room, two science labs, five offices, a workroom, conference room, restrooms and breakout space.

Following Board authorization, in FY10/11 the Academy signed a three (3) year lease agreement for three (3) portable buildings. The annual lease payments is \$23,940; the cost for site preparation (utilities, dirt work etc.), decking & skirting of the buildings, and furnishings is estimated at \$110,000 and will be paid out of the Academy's operational budget. These facilities will have a minimal impact on the on-going operational budget in the form of utilities and regular maintenance. These buildings will be utilized to provide classes for the DP students. Despite the addition of these buildings, campus facilities will be at operational capacity as of the start of FY 11-12; any significant enrollment growth or curricular expansions will require the lease or purchase of additional space.



## Capital Costs/Debt Service

The Town of Westlake has issued certificates of obligation and general obligation bonds to fund the construction of the campus. As of FY 2011-12 there is \$30,764,600 (principal and interest) of outstanding bonded indebtedness to retire these bonds. Included in this total, is the 2008 issuance of \$2.5 million in G.O. bond debt to fund a portion of the new \$5.1 million Sam and Margaret Lee Arts & Sciences Building.

Annual debt service payments are expensed to the Town's municipal budget and the revenue stream presently utilized to make the annual debt service payment is comprised of municipal sales tax. As the owner of the land and buildings that comprise the Westlake Academy, the Town of Westlake also assumes responsibility for all capital-related expenditures.

The following capital projects are in-progress or have been completed as of the close of FY 10-11:

**Westlake Academy Vehicular Entry Improvements** – This project will make lane adjustments and improvements to the north and south vehicular entries on Ottinger Rd. at Westlake Academy. This project is funded through the Deloitte/Hillwood developer agreement. The project costs have been estimated by Hillwood and are funded by a development agreement. This project is estimated at \$560,000 and will be completed by the end of September 2011.

**Westlake Academy Dining Hall Expansion** – Due to an increase in the number of students attending the Westlake Academy, the Board authorized the expansion of the current dining hall. The project retrofits an adjacent classroom to accommodate the room's use for meals as well as classes during non-meal periods. The estimated cost of the project is \$140,000. This project will not impact the on-going operational costs of the Academy.

The following capital projects have been presented to the Board of Trustees and are currently unfunded:

Figure 18 – Unfunded Capital Projects

DESCRIPTION	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	TOTALS
<b>UNFUNDED PROJECTS</b>						
Westlake Academy - New High School	\$ 31,291	\$ 469,359	\$ 4,863,258	\$ -	\$ -	\$ 5,363,908
Westlake Academy - New Middle School	25,819	387,281	3,855,921	-	-	4,269,020
Westlake Academy - New Media Center	9,317	139,753	858,380	-	-	1,007,450
Westlake Academy - New Multi-Purpose Building	9,826	147,394	1,470,435	-	-	1,627,655
Westlake Academy - New Performance Hall	10,393	155,897	1,311,309	-	-	1,477,599
Westlake Academy - Primary School Addition	9,578	143,671	1,230,275	-	-	1,383,524
Westlake Academy - Cover Existing Walkway	-	-	-	-	270,275	270,275
Westlake Academy - West Parking Improvements	-	-	-	115,500	-	115,500
<b>TOTAL UNFUNDED PROJECTS</b>	<b>\$ 96,224</b>	<b>\$ 1,443,353</b>	<b>\$ 13,589,579</b>	<b>\$ 115,500</b>	<b>\$ 270,275</b>	<b>\$ 15,514,931</b>

Any future additions to campus facilities will increase the operational costs of the Academy in conjunction with increases in casualty insurance, faculty and maintenance personnel. These projects include estimates of their related impacts to the operating budget in the Capital Improvement Plan which is available to the public on the Town's website.

## ***Direct Operating Costs***

In addition to owning the Westlake Academy campus facilities, the Town of Westlake is responsible for the daily maintenance costs of the campus grounds and buildings. Per Board direction from its June 2010 budget retreat, all direct costs to operate the campus were expensed to the Academy's operating budget in FY 10-11 (as opposed to the previous practice of expensing much of that cost in the Town's municipal budget). Direct costs moved from the municipal budget to the Academy's operating budget in FY 2010-2011 totaled \$243,213.

## ***Indirect Operating Costs***

Further, the Town of Westlake provides various administrative support services for the Academy to avoid duplication of costs. This fact was used as part of the charter application process with the TEA to help bolster the Town's case for having a community school without duplicating cost structures and required resources. These indirect operating costs are contained in the Town's municipal budget and are estimated to be approximately \$304,000 in FY 2011-2012. These support services for the Academy that generate indirect costs paid by the Town of Westlake are:

- Human resources
- Information technology
- Risk management
- Finance and accounting services
- Facility maintenance services
- General managerial oversight (Superintendent)
- Board support services including policy advisement and strategic planning (Superintendent)
- Official Board records maintenance and election administration (Town Secretary)

As the Academy's enrollment and staffing levels have increased, the level of demand for support services that the Town provides the Academy has also grown. Per Board direction at its June 2011 budget retreat, beginning in FY 2011-2012, indirect costs of approximately \$304,000 for these services provided by the Town will be expensed to the Academy operating budget.

## *Financial Structure Summary*

The direct and indirect operating costs previously absorbed by the Town of Westlake municipal budget described above have been moved to the Academy operating budget. Direct costs totaling \$243,213 were transferred in FY 10-11 and indirect costs totaling \$303,695 have been transferred in the FY 11-12 adopted budget. The following table reflects these transfers with the indirect costs included in the FY 11-12 adopted budget.

Figure 19 - Overall Total Cost Summary- General Fund

<b>Overall Cost Summary</b>	<b>Estimated FY 10-11</b>	<b>Adopted FY 11-12</b>
Proposed Westlake Academy Budget	\$ 4,610,062	\$ 5,334,446
Estimated Town Funded Indirect Operational Costs (Support Services)	324,607	-
Subtotal All Operating Costs	4,934,669	5,334,446
Annual Debt Service Payment	1,501,778	1,498,450
Grand Total All Costs	\$ 6,436,447	\$ 6,832,896



## Legal Status

In 2002, the Town of Westlake successfully petitioned the Texas Education Agency (TEA) to establish a municipally operated open-enrollment charter school under Subchapter D, Chapter 12 of the Texas Education Code (TEC). Subsequently, Westlake Academy became the only municipally operated charter school in the State of Texas. The Academy received its ten year charter renewal in 2006.

Charter schools are public schools that are operated under a contract called a charter. This contract is issued by the authorizing agent(s) in each state which are determined by the States Legislature. In Texas, the Texas Education Agency acts as the authorizing body.

As an open-enrollment charter school, Westlake Academy can only impose as a condition of enrollment, the location of the student's permanent residence. This requirement is established per a TEA approved Board of Trustees policy and is a condition of the Academy's charter.

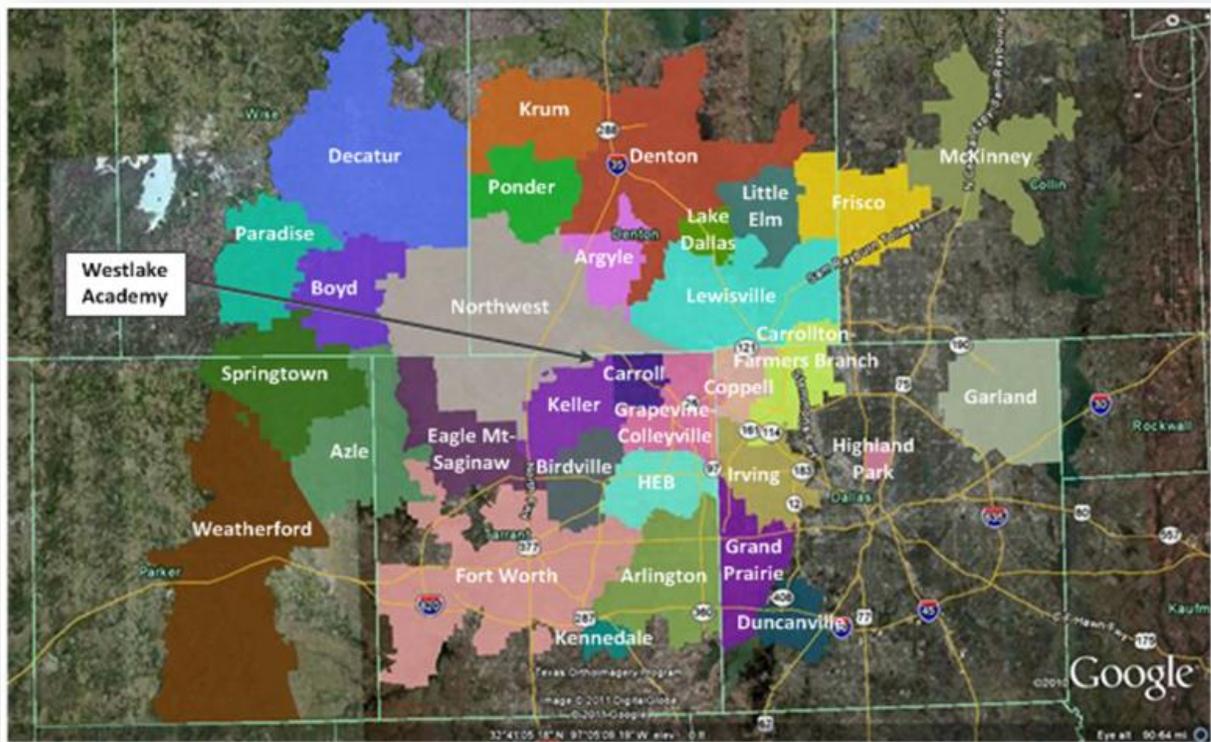


## Westlake Academy Boundaries

Westlake Academy's student enrollment is established by two sets of boundaries. The primary boundary encompasses the Town of Westlake and allows Westlake residents automatic entry into Westlake Academy. The secondary boundaries are comprised of 31 of the surrounding school districts. While any school-age child from these districts is allowed to attend the Academy, demand for entrance has exceeded the Academy's capacity necessitating an annual lottery system that is carried out according to the standards and practices dictated by Federal law.

Westlake Academy's secondary boundaries are comprised of the following Independent School District boundaries:

Argyle ISD, Arlington ISD, Azle ISD, Birdville ISD, Boyd ISD, Carroll ISD, Carrollton-Farmers Branch ISD, Coppell ISD, Decatur ISD, Denton ISD, Duncanville ISD, Eagle Mountain-Saginaw ISD, Fort Worth ISD, Frisco ISD, Garland ISD, Grand Prairie ISD, Grapevine-Colleyville ISD, Highland Park ISD, Hurst-Euless-Bedford ISD, Irving ISD, Keller ISD, Krum ISD, Lake Dallas ISD, Lewisville ISD, Little Elm ISD, McKinney ISD, Northwest ISD, Paradise ISD, Ponder ISD, Springtown ISD, and Weatherford ISD



## Demographic and Miscellaneous Statistics

Location:	32 deg. 58'57"N 97 deg.12'20"W Approximately 25 miles West of Dallas and 20 miles South of Denton
Date of Charter:	February 15, 2002
Population Served:	Over 2 million**
Area Served:	Over 1,000 Square miles **
Student Population:	627
Teaching Staff (FTE)	62.85
Average Class Size:	18 (kindergarten) 20 (all other grades)
Faculty holding master's degree or higher:	24

\*\* The secondary boundaries for Westlake Academy consist of the boundaries of 31 metro-area school districts. These school districts serve six counties: Collin, Dallas, Denton, Parker, Tarrant, and Wise.

## **Budgets and Budgetary Information**

Annual budgets are adopted for all governmental fund types; the budgets are all adopted on a basis consistent with generally accepted accounting principles. All appropriations lapse at fiscal year end.

On or before August 31<sup>st</sup> of each year, the Superintendent is to submit for review by the Board of Trustees a proposed budget for the school year commencing on that date. After reviewing the proposed budget and holding public meetings as necessary, the final budget is prepared and adopted.

The appropriated budget is prepared by fund and function. The Board may make transfers between functions within a fund, and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level.

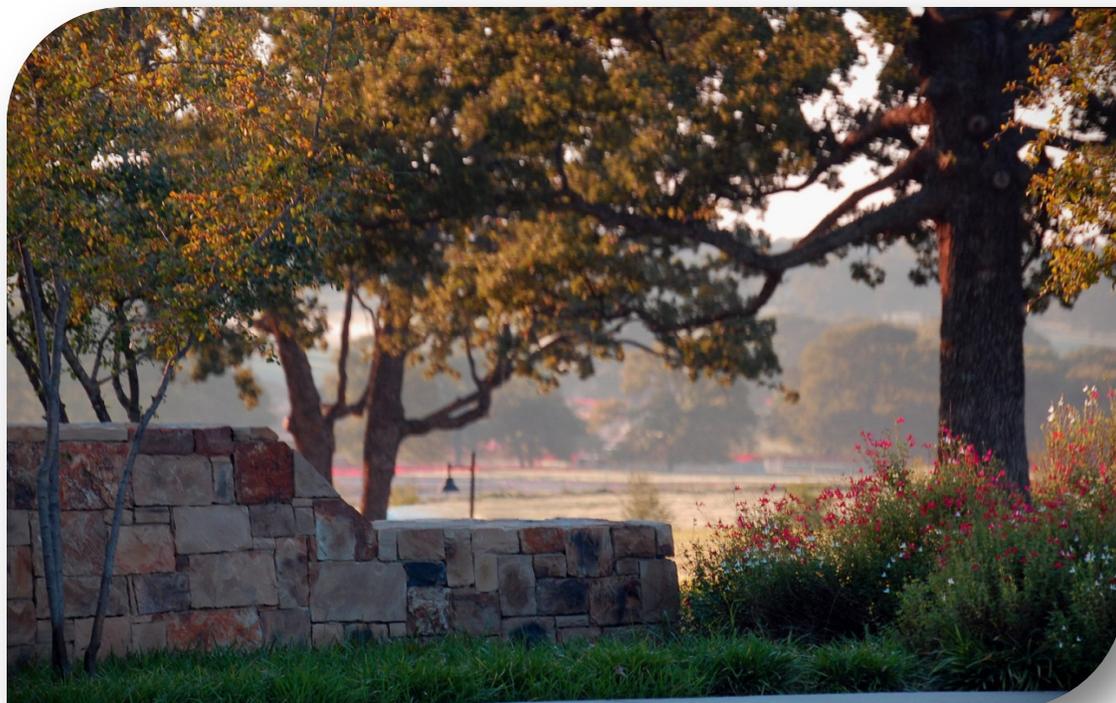
### ***Fiscal and Budgetary Policies***

#### **I. STATEMENT OF PURPOSE**

The broader intent of the following Fiscal and Budgetary Policy Statements is to enable the Academy to achieve a long-term stable and positive financial condition. The watchwords of the Academy's financial management include integrity, prudent, stewardship, planning, accountability, and full disclosure.

The more specific purpose is to provide guidelines to the Finance Director in planning and directing the Academy's day-to-day financial affairs and in developing recommendations to the Academy Superintendent or his designate and Academy Board of Trustees.

The scope of these policies generally span, among other issues, accounting, purchasing, auditing, financial reporting, internal controls, operating budgeting, revenue management, cash and investment management,



expenditure control, asset management, debt management, and planning concepts, in order to:

- Present fairly and with full disclosure the financial position and results of the financial operations of the Academy in conformity with generally accepted accounting principles (GAAP), and
- Determine and demonstrate compliance with finance related legal and contractual issues in accordance with provisions of the Texas Local Government Code and other pertinent legal documents and mandates.

The Academy Board of Trustees will annually review and approve the Fiscal and Budgetary Policy Statements as part of the budget process.

## **II. SUMMARY OF POLICY INTENDED OUTCOMES**

This policy framework mandates pursuit of the following fiscal objectives:

**Operating Budget:** Prepare conservatively, estimate revenues, present and adopt the Academy's annual operating plan.

**Revenues Management:** Design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired Academy services.

**Expenditure Control:** Identify priority services, establish appropriate service levels and administer the expenditure of available resources necessary to assure fiscal stability and the effective and efficient delivery of services.

**Fund Balance:** Maintain the fund balance of the various operating funds at levels sufficient to protect the Academy's creditworthiness as well as its financial position from emergencies.

**Intergovernmental Relationships:** Coordinate efforts with other agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support favorable legislation at the State and Federal level.

**Grants:** Seek, apply for and effectively administer Federal, State, and foundation grants-in-aid which address the Academy's current priorities and policy objectives.

**Fiscal Monitoring:** Prepare and present regular reports that analyze, evaluate, and forecast the Academy's financial performance and economic condition.

**Financial Consultants:** With available resources, seek out and employ the assistance of qualified financial advisors and consultants in the management and administration of the Academy's financial functions.

**Accounting, Auditing, and Financial Reporting:** Comply with prevailing Federal, State and local statutes and regulations. Conform to generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

**Internal Controls:** To establish and maintain an internal control structure designed to provide reasonable assurances that the Academy's assets are safeguarded and that the possibilities for material errors in the Academy's financial records are minimized.

### **III. OPERATING BUDGET**

**Preparation** – Budgeting is an essential element of the financial planning, control, and evaluation process. The “operating budget” is the Academy's annual financial operating plan related to educational service instructional costs.

The Academy operating budget is legally required to include the Academy's General, Debt Service, and Food Service Funds. Currently, Westlake Academy only has one fund, the General Fund, which must be legally adopted annually. The Academy budgets the Special Revenue Funds for informational purposes only.

Information to be prepared includes documentation related to Service Level Adjustments (SLAs) for increases to existing service levels or additional services, position control schedules, general and administrative cost implications, etc. will be submitted and reviewed during the budget process.

SLA's related to new position requests will include an assessment of their impact on additional internal services necessary to support these positions as it relates to General & Administrative (G&A) charges in the Academy budget ( subject to funding availability) to fund these costs.

A budget preparation calendar and timetable will be established and followed in accordance with State law.

**Revenue Estimates for Budgeting** - In order to maintain a stable level of services, the Academy shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, number of students, and trends in revenues. It will also include an assessment of the State legislative environment related to public charter school funding levels. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and should avoid mid-year service reductions.

**Balanced Budget** – A balanced budget is a budget with total expenditures not exceeding total revenues and monies available in the fund balance within an individual fund.

**Proposed Budget Content and Process** – A proposed budget shall be prepared by the Superintendent or his designate with the participation of the Academy's Leadership Team, Finance Director and Academy staff, and then submitted to the Superintendent for review. Following the Superintendent's review, the proposed budget will be presented to the Board for its consideration.

The proposed budget shall include five basic segments for review and evaluation: (1) personnel costs, (2) base budget for operations and maintenance costs, (3) service level adjustments for increases of existing service levels or additional services, (4) revenues, and (5) General Administrative (G&A) costs.

The proposed budget review process shall include Board of Trustees review of each of the four segments of the proposed budget and a public hearing to allow for citizen participation in the budget preparation process.

Concurrent with the Academy budget preparation, Town staff will identify and provide to the Board all direct Academy expenses contained in the Town's municipal budget.

The proposed budget process shall allow sufficient time to provide review as well as address policy and fiscal issues by the Board of Trustees.

A copy of the proposed budget shall be filed with the Town Secretary when it is submitted to the Board of Trustees as well as placed on the Academy's website.

**Budget Adoption** - Upon the determination and presentation of the final iteration of the proposed budget document as established by the Board of Trustees, a public hearing will be set and publicized. The Board will subsequently consider a resolution which, if adopted, such budget becomes the Academy's Annual Budget. The adopted budget will be effective for the fiscal year beginning September 1.

**Budget Amendments** – The Superintendent or his designate and Finance Department will monitor all financial operations. A school district must amend the official budget before exceeding a functional expenditure category, i.e., instruction, administration, etc. in the total budget. The budget team will decide whether to proceed with the budget amendment and, if so, will then present the request to the Board of Trustees. If the Board decides a budget amendment is necessary, the amendment is adopted in resolution format and the necessary budgetary changes are then made.

**Planning** – The budget process will be coordinated so as to identify major policy issues for the Board of Trustees by integrating it into the Board's overall strategic planning process for the Academy.

**Reporting** - Monthly financial reports will be prepared by the Finance Department and distributed to the Superintendent or his designate. Information obtained from financial reports and other operating reports is to be used by personnel to monitor and control the budget. Summary financial reports will be presented to the Board quarterly.

#### **IV. REVENUES MANAGEMENT**

**A. REVENUE DESIGN PARAMETERS.** The Academy will strive for the following optimum characteristics in its revenue system:

- **Simplicity** - The Academy, where possible and without sacrificing accuracy, will strive to keep the revenue system simple in order to reduce costs, achieve transparency, and increase parent and citizen understanding of Academy revenue sources.
- **Certainty** - A thorough knowledge and understanding of revenue sources increases the reliability of the revenue system.
- **Administration** - The benefits of a revenue source will exceed the cost of administering that revenue. Every effort will be made for the cost of administration to be reviewed annually for cost effectiveness as a part of the indirect cost and cost of service analysis.
- **Equity** - The Academy shall make every effort to maintain equity in its revenue system: i.e. the Academy shall seek to minimize or eliminate all forms of subsidization between entities.
- **Adequacy, Diversification and Stability** – To the extent practical, the Academy shall attempt to achieve a balance in its revenue system. The Academy shall also strive to maintain a balanced and

diversified revenue system to protect the Academy from fluctuations in any one source due to changes in local economic conditions which adversely impact that source.

**B. REVENUE CLASSIFICATION AND SOURCES.** The revenues received by Westlake Academy are classified into one of three broad categories: Federal, State or Local and come from the following sources :

- State Education funding
- State and Federal Grants
- General Donations – The Academy recognizes that private donations comprise a significant part of the Westlake Academy budget. All funds received will become part of the budget and be subject to appropriation for Academy general operations.
  - Westlake Academy Foundation
  - House of Commons
  - Westlake Academy Athletic Club
  - Local Merchants
- Specific Purpose Donations – Funds donated for a specific purpose

**C. REVENUE MONITORING.** Revenues as they are received will be regularly compared to budgeted revenues and variances will be investigated. This process will be summarized in the appropriate budget report.

## **V. EXPENDITURE CONTROL**

- **Appropriations** – The point of budgetary control is at the function level in the General Fund and Special Revenue Funds. When budget adjustments among functions are necessary, they must be approved by the Board of Trustees.
- **Current Funding Basis** - The Academy shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior year savings. (The use of fund balance shall be guided by the Fund Balance/Retained Earnings Policy Statements.)
- **Avoidance of Operating Deficits** - The Academy shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, or use of fund balance within the Fund. Use of fund balance must be recommended by the Superintendent and approved by the Board of Trustees.
  - ❖ Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget.
- **Periodic Program Reviews** - The Superintendent or his designate shall undertake periodic staff and third-party reviews of Academy programs for both efficiency and effectiveness. Where appropriate, privatization and contracting with other governmental agencies will be evaluated as alternative approaches to service delivery. Service delivery which is determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.
- **General and Administrative (G&A) Charges** – To the extent practical, an annual analysis of G&A charges will be performed and funding allocated, if available. The analysis shall involve an objective consideration of the service demands currently being met by municipal staff to support Academy

operations and a determination of factors that will continue to affect and increase the time needed for the performance of these services. For example, new Academy staff requires additional support staff time to perform tasks related to insurance, payroll, etc. Where feasible, G&A costs will be charged to all funds for services of indirect general overhead costs, which may include general administration, finance, facility use, personnel, technology, engineering, legal counsel, and other costs as deemed appropriate. The charges will be determined through an indirect cost allocation study following accepted practices and procedures.

- **Purchasing** - The Academy shall make every effort to maximize any discounts offered by creditors/vendors. Staff shall also use purchasing cooperatives as well as competitive bidding in accordance with State law to attain the best possible price on goods and services.
- **Prompt Payment** - All invoices will be paid within 30 days of receipt in accordance with the prompt payment requirements of State law.
- **Salary** - The Academy shall strive to maintain competitive salary levels for faculty and staff. A salary survey will be conducted annually, sampling surrounding Independent School Districts and Charter Schools, to create a comparison. The Academy will strive to maintain salary levels within three percent (3%) of the median of surveyed schools.

## **VI. FUND BALANCE**

- **Fund Balance Reporting** - The District shall report governmental fund balances per GASB 54 definitions in the balance sheet as follows: Nonspendable, Restricted, Committed, Assigned, and Unassigned.
- **General Fund Unassigned Fund Balance** - The Academy shall strive to maintain the General Fund unassigned fund balance at 45 days of operation.
- **Use of Fund Balance** - Fund Balance will be targeted to only be used with Board approval and can be only be used for the following: emergencies, non-recurring expenditures, such as technology/FF&E (furniture, fixtures and equipment), or major capital purchases that cannot be accommodated through current year savings. Should such use reduce the balance below the appropriate level set as the objective for that fund, recommendations will be made on how to restore it. The Board of Trustees shall approve all commitments by formal action. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action.

The Board of Trustees delegates the responsibility to assign funds to the Superintendent or his/her designee. The Board of Trustees shall have the authority to assign any amount of funds. Assignments may occur subsequent to fiscal year-end.

The Board of Trustees will utilize funds in the following spending order: Restricted, Committed, Assigned, Unassigned

## **VII. INTERGOVERNMENTAL RELATIONSHIPS**

- **Inter-local Cooperation in Delivering Services** - In order to promote the effective and efficient delivery of services, the Academy shall actively seek to work with other local entities in joint purchasing consortium, sharing facilities, sharing equitably the costs of service delivery, and developing joint programs to improve service to its students.

- **Legislative Program** - The Academy shall cooperate with other entities to actively oppose any state or federal regulation or proposal that mandates additional Academy programs or services and does not provide the funding to implement them. Conversely, as appropriate, the Academy shall support legislative initiatives that provide additional funding.

## **VIII. GRANTS**

- **Grant Guidelines** - The Academy shall apply, and facilitate the application by others, for only those grants that are consistent with the objectives and high priority needs previously identified by Academy Board of Trustees. The potential for incurring ongoing costs, to include the assumption of support for grant funded positions from local revenues, will be considered prior to applying for a grant.
- **Grant Review** - All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the Academy's policy objectives. If there are cash match requirements, the source of funding shall be identified prior to application. Staff will focus on one-time grants to avoid long-term implications related to additional expenditures in future years.
- **Grant Program Termination** - The Academy shall terminate grant funded programs and associated positions when grant funds are no longer available unless alternate funding is identified and obtained.

## **IX. FISCAL MONITORING**

- **Financial Status and Performance Reports** - Quarterly reports comparing expenditures and revenues to current budget, noting the status of fund balances to include dollar amounts and percentages, and outlining any remedial actions necessary to maintain the Academy's financial position shall be prepared for review by the Superintendent and the Board of Trustees. Student roster information will also be included in the quarter reports submitted to the Board of Trustees.
- **Compliance with Board Policy Statements** - The Fiscal and Budgetary Policies will be reviewed annually by the Board of Trustees and updated, revised or refined as deemed necessary. Policy statements adopted by the Board of Trustees are guidelines, and occasionally, exceptions may be appropriate and required. However, exceptions to stated policies will be specifically identified, and the need for the exception will be documented and fully explained.

## **X. FINANCIAL CONSULTANTS**

The Academy employs the assistance of qualified financial advisors and consultants as needed in the management and administration of the Academy's financial functions. These areas include but are not limited to investments, debt administration, financial accounting systems, program evaluation, and financial impact modeling. Advisors shall be selected on a competitive basis using objective questionnaires and requests for proposals based on the scope of the work to be performed.

## **XI. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING**

The Academy strives to comply with prevailing local, state, and federal regulations relative to accounting, auditing, and financial reporting. Accounting practices and financial reporting shall conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants, (AICPA), and the Government Finance Officers

Association (GFOA). The Board shall select an independent firm of certified public accountants to perform an annual audit of all operations. Required Texas Education Agency (TEA) account coding will be used for all revenue and expenditure reporting.

- **Accounting** - Currently, the Education Service Center (Region XI) books all revenues and expenditures, and prepares bank reconciliations. Academy staff is responsible for all coding and approval of expenditures and revenues. Documentation and coding of deposits are forwarded to the Town's Finance Department for review and preparation of deposit slips. Town's Finance Director and staff are responsible for review and transfer of invoices and other documentation to the Service Center for processing as well as the physical deposit of funds. It is the responsibility of the Superintendent or his designate and Academy staff to review the monthly reports for any discrepancies and report to the Town's Finance Director for analysis and re-class of questioned bookings, if appropriate.
- **External Auditing** - Academy will be audited annually by outside independent accountants (auditors). The auditors must be a CPA firm and must demonstrate significant experience in the field of local government auditing. They must conduct the Academy's audit in accordance with generally accepted auditing standards. The auditors' report on Academy's financial statements will be completed within a timely period of the Academy's fiscal year-end. The auditor will jointly review the management letter with the Academy Board of Trustees, if necessary. In conjunction with this review, the Finance Director shall respond in writing to the Academy Board of Trustees regarding the auditor's Management Letter, addressing the issues contained therein. The Academy will not require auditor rotation, but will circulate request for proposal for audit services on a periodic basis as deemed appropriate.
- **Responsibility of Auditor to Academy Board of Trustees** - The auditor is retained by and is accountable directly to the Academy Board of Trustees and will have access to direct communication with the Academy Board of Trustees if the Academy Staff is unresponsive to auditor recommendations or if the auditor considers such communication necessary to fulfill its legal and professional responsibilities.
- **Internal Financial Reporting** - The Finance Department will prepare internal financial reports sufficient for management to plan, monitor, and control Academy's financial affairs.

## **XII. INTERNAL CONTROLS**

- **Written Procedures** - Whenever possible, written procedures will be established and maintained by the Finance Director and utilized by all Academy personnel for all functions involving purchasing, cash handling and/or accounting throughout the Academy. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.
- **Academy Staff Responsibilities** - The Superintendent or his designate, in consultation with the Finance Director, will be responsible for ensuring that appropriate internal controls are followed throughout the Academy, that all directives or internal controls are implemented, and that all independent auditor internal control recommendations are addressed. Staff will develop and periodically update written internal control procedures.

## **XIII. ASSET MANAGEMENT**

- **Investments** – The Finance Director shall promptly invest all Academy funds with the depository bank in accordance with the provisions of the current Bank Depository Agreement or in any negotiable

instrument authorized by the Academy Board of Trustees. The Academy Board of Trustees has formally approved a separate Investment Policy for the Academy of Westlake that meets the requirements of the Public Funds Investment Act (PFIA), Section 2256 of the Texas Local Government Code. The Academy's investment practices will be conducted in accordance with this policy. The Finance Director will issue quarterly reports on investment activity to the Academy Board of Trustees.

- **Cash Management** - Academy's cash flow will be managed to maximize the cash available to invest. Such cash management will entail the centralization of cash collections, where feasible, including field trips, and other collection offices as appropriate. Periodic review of cash flow position will be performed to determine performance of cash management and conformance to investment policies. The underlying theme will be that idle cash will be invested with the intent to (1) safeguard assets, (2) maintain liquidity, and (3) maximize return.
- **Fixed Assets and Inventory** - Such assets will be reasonably safeguarded and properly accounted for and prudently insured. The fixed asset inventory will be updated regularly.
- **Capital Assets** – Currently all capital assets of Westlake Academy are owned and purchased by the Town of Westlake. In subsequent years, additional asset purchases may be paid with Westlake Academy funds.
- **Capitalization Criteria** – For purposes of budgeting and accounting classification, the following criteria must be capitalized:
  - The asset is owned by the Westlake Academy
  - The expected useful life of the asset must be longer than one year, or extend the life on an identifiable existing asset by more than one year
  - The original cost of the asset must be at least \$5,000
  - The asset must be tangible
  - On-going repairs and general maintenance are not capitalized
  - New Purchases – All costs associated with bringing the asset into working order will be capitalized as a part of the asset cost. This includes startup costs, engineering or consultant type fees as part of the asset cost once the decision or commitment to purchase the asset is made. The cost of land acquired should include all related costs associated with its purchase
  - Improvements and Replacement – Improvement will be capitalized when they extend the original life of an asset or when they make the asset more valuable than it was originally. The replacement of assets components will normally be expenses unless they are a significant nature and meet all the capitalization criteria.
- **Computer System/Data Security** – The Academy shall provide security of its computer/network system and data files through physical and logical security systems that will include, but are not limited to: network user authentications, firewalls, content filtering, spam/virus protection, and redundant data backup.

## 2011-12 Budget Planning Timeline

Figure 20 – FY 11-12 Budget Calendar

### ~ Westlake Academy FY 2011-12 ~

#### ~ BUDGET CALENDAR ~

- Feb-11** Preliminary discussion of WA's 2011-12 Budget
- Mar-11** Develop Academy CIP  
Five Year Projection Scenarios distributed  
HR prepare actual costs associated with personnel requests
- Apr-11** Develop improvement plans for each grade level/department  
Staff input and development of annual Parent Survey
- May-11** Orientation and overview of FY 2011-12 budget process  
Present Parent Survey to BOT for approval  
Staff resource requests
- Strategic Planning Retreat  
Presentation of 5-year forecast  
Prepare first draft of function level budgets  
IT prepare actual costs associated with technology requests  
Year-end estimate spreadsheet distributed
- Jun-11** First Draft to Town Manager for review  
Superintendent and Finance begin detail reviews with administration  
Review Current-Year Estimated year-end budget with Council  
Budget Retreat
- Jul-11** Power point presentation work  
Superintendent review of final budget
- Aug-11** Publish Notice of Public Hearing on Budget  
Public Hearing on Budget  
Present Proposed FY 11-12 Westlake Academy Budget for Board approval
- Sep-11** Fiscal Year 2011-2012 begins

## ***Westlake Academy Budget Guide***

### ***GOVERNMENTAL FUND TYPES***

#### **GENERAL FUND**

The *General Fund* is comprised of three subordinate funds: General, Athletic Activities, and Transportation. This fund accounts for the majority of the operational activities required to maintain the Academy's facilities and pay its employees. The fund is supported by State and local revenues.

#### Fund 199 – General Fund

This classification must be used for funds in which the local governing board designates. The local governing board has wide discretion in their use as provide by law. This fund usually includes transactions as a result of revenues from local sources and Foundation School Program Sources. Any locally defined code that is used at the local option is to be converted to Fund 199 for PEIMS reporting.

#### Fund 198 – Athletic Activities

This locally defined fund code is used to account for expenditures for athletics that normally involve competition between schools (and frequently involve offsetting gate receipts or fees such as football, baseball, volleyball, track, tennis and golf). This fund is converted to Fund 199 for PEIMS reporting.

#### Fund 197 – Transportation/Parking

This locally defined fund code is used to account for revenues and expenditures related to transportation for students as well as to collect parking fees and remit them to the Town of Westlake as a reimbursement for the expense of the new parking lot built in the summer of 2010 (funded by the Town). This fund is converted to Fund 199 for PEIMS reporting.

#### **SPECIAL REVENUE FUNDS**

The *Special Revenue Funds* are the funds that account for local, state and federally financed programs or expenditures legally restricted for specified purposes or where unused balances are returned to the grantor at the close of a specified project period; approximately 63% of these funds are federally funded, 35% are State funded.

#### Fund 224 IDEA-B Formula (Federally Funded)

Fund is used, on a project basis, for funds granted to operate educational programs for children with disabilities.

#### Fund 225 IDEA-B Preschool (Federally Funded)

Fund is used, on a project basis, for funds granted to operate educational programs for preschool children with disabilities.

#### Fund 266 ARRA, Title XIV, State Fiscal Stabilization Fund (Stimulus Funds)

Fund was used to account, on a project basis, for funds granted to improve basic programs authorized by the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001; the Individuals with Disabilities Education Act (IDEA); the Adult and Family Literacy Act; the Carl D. Perkins and Technical Education Act of 2006, or for the modernization, renovation, and repairs that

are consistent with a recognized green building rating system. (84.394) This grant was funded by the American Recovery and Reinvestment Act (ARRA) of 2009, Title XIV.

Fund 287 Education Jobs – (Federally Funded)

This federally defined fund is designated for compensation and benefits and other expenses, such as support services, necessary to retain existing school-level employees, to recall or rehire former school-level employees, and to hire new school-level employees, in order to provide early childhood, elementary, or secondary educational and related services.

Fund 397 Advanced Placement/IB Awards (State Funded)

Fund is used to account, on a project basis, for funds awarded under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, Texas Education Code. The purpose of this incentive program is to recognize and reward those students, teachers, and schools that demonstrate success in achieving the state’s educational goals.

Fund 411 Technology Allotment (State Funded)

Fund is to be used to account, on a project basis, for funds awarded to purchase technological software or equipment that contributes to student learning, or to pay for training for educational personnel involved in the use of these materials.

Fund 461 Campus Activities (Locally Funded)

Fund is to be used to account for transactions related to a principal’s activity fund if the monies generated are not subject to recall by the school district’s Board of Trustees into the general fund. These funds provide after-school activities at Westlake Academy.

Fund 481 Hudson Foundation Grant (Locally Funded)

This locally defined fund is used to account for grants received from the Hudson Foundation. Their focus for Education is partnering with organizations that use innovative methods to reduce the dropout rate, increase academic performance and help young adults make better choices and prepare for the future. This includes all areas of formal education, with a primary focus on kindergarten through high school. The funds will be used to advance the Academy’s professional development efforts as well as the completion of a Master Facilities Plan to ensure effective and efficient use of the physical space.

Fund 482 Fund 100 (Locally Funded)

This locally defined fund is used to account for grants awarded to the Academy by the Westlake Academy Foundation to be used to develop, retain, and recruit “legacy teachers”; educators who make a positive and lasting difference in the lives of students they teach.

Fund 483 Hudson Foundation Grant - Technology (Locally Funded)

This grant from the Hudson Foundation will fund a computer cart to improve student access to lap top computer technology for class room learning purposes.

Fund 484 Hudson Foundation Grant – Teacher Development (Locally Funded)

This grant from the Hudson Foundation will fund teacher training that is designed to improve teacher development on learning differentiation, and peer coaching in a school based learning community.

### Fund 485 Hudson Foundation Grant – Teacher Grant (Locally Funded)

This grant from the Hudson Foundation will encourage teacher creativity by funding innovative practical class room based programs that improve student learning and achievement via enhanced student creativity.

### Fund 486 Hudson Foundation Grant – Teacher Internship (Locally Funded)

This grant from the Hudson Foundation provides a program entitled *TIP the Scales for Students Success (Teacher Internship-Development Program)* which targets improving the learning environment and developing high-performance teachers through the integration of an intense mentoring program designed to convey the practical hands-on experience of master teachers to new teachers.

The Academy reports the following proprietary fund:

### **FIDUCIARY FUND**

The **agency fund** accounts for resources held in a custodial capacity by the Academy, and consist of funds that are the property of students or others. These are not budgeted funds. The Academy’s budget process integrates with its strategic planning process and covers the financial cycle starting with budget planning and ending with the audited financial report:



**OVERVIEW OF ACCOUNT CODES**

Section 44.007 of the Texas Education Code (Code or TEC) requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform to Generally Accepted Accounting Principles (GAAP). This section further requires that a report be provided at the time that the school district budget is filed, showing financial information sufficient to enable the state board of education to monitor the funding process and to determine educational system costs by school district, campus and program.

The Texas Education Code, Section 44.008, requires each school district to have an annual independent audit conducted that meets the minimum requirements of the state board of education, subject to review and comment by the state auditor. The annual audit must include the performance of certain audit procedures for the purpose of reviewing the accuracy of the fiscal information provided by the district through the Public Education Information Management System (PEIMS). The audit procedures are to be adequate to detect material errors in the school district’s fiscal data to be reported through the PEIMS system for the fiscal period under audit.

A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all school districts in accordance with generally accepted accounting principles.

**ACCOUNT CODE STRUCTURE**

**XXX - X - XX - XXX - XX - XXX XXXX - XX**

Fund Code	Year Code	Function Code	Organization Code	Program Intent Code	Local Option Code	Object Code	Sub-Object Code
(1xx-8xx)  Account Groups (9xx)	(0-9)	(11-99)	(001-999)	(11-99)	(xxx)	Assets (1xxx) Liabilities (2xxx) Fund Equity (3xxx) Clearing Accounts (4xxx) Revenues/Income (5xxx) Expenditures (6xxx) Other Resources/Non Operating Revenues/Residual Equity Transfers In (7xxx) Other Uses/Non Operating Expenses/Residual Equity Transfers Out(8xxx)	(xx)

**FUNCTIONS**

A function code represents a general operational area at the Academy and groups together related activities. The assignment and use of function numbers is based on the financial accountability standards established by the Texas Education Agency in accordance with the Texas Administrative Code. The function code is a 2-digit number that follows the 3-digit fund code and single digit year code in the accounting number scheme.

**OBJECTS**

The object number is a 4-digit code that describes the type of expenditure incurred and is comprised of the fifteenth through eighteenth digits in the code structure.

Figure 21 – Account Coding Matrix

## Account Coding Matrix

Function Code	Function Code Description
11	Instruction & Related
12	Instructional Resources & Media Sources (Library)
13	Curriculum Development & Inst. Staff Development
21	Instructional Leadership
23	School Leadership (Principal)
31	Guidance, Counseling & Evaluation Services
32	Social Work Services
33	Health Services
34	Student (Pupil) Transportation
35	Food Services
36	Cocurricular/extracurricular activities
41	General Administration (Superintendent/Board)
51	Plant Maintenance and Operations
52	Security and Monitoring Services
53	Data Processing Services
61	Community Services
71	Debt Service
81	Facilities Acquisition and Construction

Object Codes	Object Code Description
61XX	Payroll and Payroll Related
62XX	Professional & Contracted Services
63XX	Supplies and Materials
64XX	Other Operating Costs
65XX	Debt Service
66XX	Capital

## ***FUNCTION CODES – GENERAL DESCRIPTIONS***

### **10 Instruction and Instructional Related Services**

#### *Function 11 - Instruction*

This function is used for activities that deal directly with the interaction between teachers and students. This function includes expenditures for direct classroom instruction and other activities that deliver, enhance, or direct the delivery of learning situations to students. Expenditures for the delivery of instruction in regular program basic skills, bilingual and ESL programs, compensatory, remedial or tutorial programs, gifted and talented education programs, and vocational education programs are classified in function 11. For example, function 11 includes classroom teachers, teacher assistants, and graders, but does not include curriculum development (function 13) or principals (function 23).

#### *Function 12 - Instructional Resources and Media Services*

This function is used for expenditures that are directly and exclusively used for resource centers, establishing and maintaining libraries, and other major facilities dealing with educational resources and media. For example, function 12 includes librarians, but does not include textbooks (function 11) or reference books in the classroom (also function 11).

#### *Function 13 - Curriculum Development and Instructional Staff Development*

This function is used for expenditures that are directly and exclusively used to aid instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. This function also includes expenditures related to research and development activities that investigate, experiment and/or follow-through with the development of new or modified instructional methods, techniques, procedures, service, etc. For example, this function includes staff that research and develop innovative, new, or modified instruction and staff who prepare in-service training for instructional staff, but does not include salaries of instructional staff when attending in-service training (function 11 or 12).

### **20 Instructional and School Leadership**

#### *Function 21 - Instructional Leadership*

This function encompasses those district-wide activities which have as their purpose managing, directing, and supervising the general and specific instructional programs and activities. For example, function 21 includes instructional supervisors but does not include principals (function 23).

#### *Function 23 - School Leadership*

This function includes expenses for directing, managing, and supervising a school. It includes salaries and supplies for the principal, assistant principal, and other administrative and clerical staff, including attendance clerks.

## 30 Support Services – Student

### *Function 31 - Guidance, Counseling, and Evaluation Service*

This function includes expenses for testing and assessing students' abilities, aptitudes, and interests with respect to career and educational goals and opportunities. It includes psychological services, testing, and counseling.

### *Function 32 - Social Work Services*

This function includes expenditures which directly and exclusively promote and improve school attendance. Examples include social workers, non-instructional home visitors, home visitor aides, and truant officers.

### *Function 33 - Health Services*

This function embraces the area of responsibility providing health services which are not a part of direct instruction. It includes medical, dental, and nursing services.

### *Function 34 - Student Transportation*

This function includes the cost of providing management and operational services for transporting students to and from school. Function 34 includes transportation supervisors and bus drivers, but does not include field trips (function 11) or student organization trips (function 36).

### *Function 35 - Food Services*

This function includes the management of the food service program at the schools and the serving of meals, lunches, or snacks in connection with school activities. Function 35 includes cooks and food purchases, but does not include concession stands (function 36).

### *Function 36 - Co-curricular/Extracurricular Activities*

This function incorporates those activities which are student and curricular related, but which are not necessary to the regular instructional services. Examples of co-curricular activities are scholastic competition, speech, debate, and band. Examples of extracurricular activities are football, baseball, etc. and the related activities (drill team, cheerleading) that exist because of athletics. Function 36 includes athletic salary supplements paid exclusively for coaching, directing, or sponsoring extracurricular athletics, but does not include salaries for teaching physical education (function 11).

## 40 Support Services - Administrative

### *Function 41 - General Administration*

This function includes expenses incurred for the overall administrative responsibilities of the District. It includes expenses for the school board, superintendent's office, personnel services, and financial services.

## 50 Support Services - Non Student Based

### *Function 51 - Plant Maintenance*

This function deals with expenditures made to keep buildings, grounds, and equipment safe for use and in efficient working condition. This function also includes expenditures associated with

warehousing services. Examples include janitors, facility insurance premiums, utilities, and warehouse personnel.

*Function 52 - Security and Monitoring Services*

This function is used for expenditures that are for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus, or participating in school-sponsored events at another location.

*Function 53 - Data Processing Services*

This function is for non-instructional data processing services which include computer facility management, computer processing, systems development, analysis, and design. Personal computers that are stand alone are to be charged to the appropriate function. Peripherals including terminals and printers are also to be charged to the appropriate function.

60 Ancillary Services

*Function 61 - Community Services*

This function encompasses all other activities of the school district, which are designed to provide a service or benefit to the community as a whole or a portion of the community. Examples would include recreation programs, natatorium, and parenting programs.

70 Debt Service

*Function 71 - Debt Service*

This function includes expenditures for bond and lease purchase principal, and all types of interest paid.

80 Capital Outlay

*Function 81 – Capital Acquisition & Construction*

This function includes expenditures that are acquisitions, construction, or major renovation of Academy facilities.



Staff theme for the Westlake Academy FY 2011-2012 Budget:

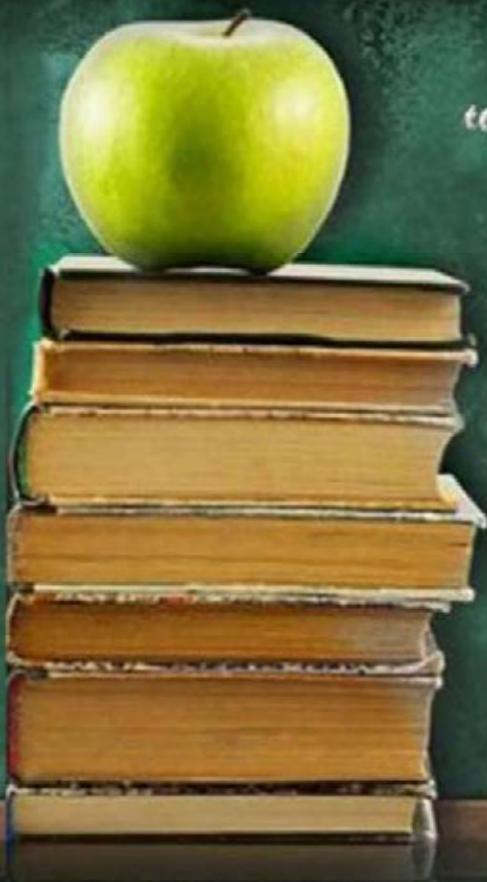
***“One School, Together”***

# WESTLAKE ACADEMY

International Baccalaureate Charter School



## FINANCIAL SECTION



"Continued  
Excellence  
in the  
Face of  
Change"



2600 Ottinger Road \* Westlake, Texas 76262  
[www.westlakeacademy.org](http://www.westlakeacademy.org)

Staff theme for the Westlake Academy FY 2011-2012 Budget:

***“One School, Together”***

**WESTLAKE ACADEMY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ALL GOVERNMENTAL FUNDS**  
**For the Year Ending August 31, 2012**

	<b>Audited FY 07/08</b>	<b>Audited FY 08/09</b>	<b>Audited FY 09/10</b>	<b>Adopted Budget FY 10/11</b>	<b>Estimated Budget FY 10/11</b>	<b>Adopted Budget FY 11/12</b>	<b>Variance Estimated to Adopted</b>
<b>REVENUES</b>							
Federal Program Revenues	\$ 55,193	\$ 56,134	\$ 199,436	\$ 143,029	\$ 141,408	\$ 150,844	\$ 9,436
State Program Revenues	2,673,680	3,163,129	3,687,706	3,964,371	3,940,987	4,494,586	553,599
Local Revenues	519,061	538,992	656,508	647,381	798,803	839,412	40,609
	<u>3,247,934</u>	<u>3,758,255</u>	<u>4,543,649</u>	<u>4,754,781</u>	<u>4,881,198</u>	<u>5,484,842</u>	<u>603,644</u>
<b>EXPENDITURES (BY FUNCTION)</b>							
11 - Instructional	1,922,926	2,120,372	2,428,184	2,595,282	2,717,030	3,029,625	312,595
12 - Resources & Media	60,914	62,513	87,511	93,256	83,950	90,134	6,184
13 - Staff Development	33,493	36,973	95,387	136,250	174,526	126,230	(48,296)
21 - Instructional Leadership	12,295	11,660	97,623	133,415	134,891	131,742	(3,149)
23 - School Leadership	141,829	179,554	286,307	298,877	298,639	333,805	35,166
31 - Guidance & Counseling	112,350	163,575	159,850	164,757	167,001	220,628	53,627
33 - Health Services	24,933	58,845	56,963	54,529	57,691	59,700	2,009
35 - Food Services	31,516	15,448	8,135	9,700	9,894	9,657	(237)
36 - CoCurricular/ Extra. Activities	49,484	111,738	116,808	114,096	109,330	134,726	25,396
41 - Administrative	510,966	527,000	318,624	279,300	283,540	601,746	318,206
51 - Maintenance & Operations	235,381	279,485	265,969	546,560	526,571	587,169	60,599
53 - Data Processing	103,498	88,720	157,923	158,851	152,621	159,874	7,253
61 - Community Services	65,635	66,822	59,592	64,949	70,477	66,244	(4,233)
71 - Debt Service	-	82,991	41,495	-	-	-	-
81 - Facility Acquisition/Construction	-	-	-	-	111,995	23,940	(88,055)
<b>Total Expenditures</b>	<u>3,305,220</u>	<u>3,805,696</u>	<u>4,180,369</u>	<u>4,649,822</u>	<u>4,898,156</u>	<u>5,575,220</u>	<u>677,064</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(57,286)</u>	<u>(47,441)</u>	<u>363,280</u>	<u>104,959</u>	<u>(16,958)</u>	<u>(90,378)</u>	<u>(73,420)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
79 - Other Resources	-	117,640	-	86,432	654,042	36,967	(617,075)
89 - Other Uses	-	200,000	100,000	99,272	641,354	49,807	(591,547)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(82,360)</u>	<u>(100,000)</u>	<u>(12,840)</u>	<u>12,688</u>	<u>(12,840)</u>	<u>(25,528)</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>(57,286)</u>	<u>(129,801)</u>	<u>263,280</u>	<u>92,119</u>	<u>(4,270)</u>	<u>(103,218)</u>	<u>(98,948)</u>
<b>FUND BALANCE, BEGINNING</b>	<u>691,740</u>	<u>634,454</u>	<u>504,654</u>	<u>767,934</u>	<u>767,934</u>	<u>763,663</u>	<u>(4,270)</u>
<b>FUND BALANCE, ENDING</b>	<u>634,454</u>	<u>504,654</u>	<u>767,934</u>	<u>860,053</u>	<u>763,663</u>	<u>660,445</u>	<u>(103,218)</u>
Assigned - Tech/FF&E Replacemt	-	-	-	100,000	100,000	-	(100,000)
Assigned - Uniforms/Equip Rep.	-	2,332	13,718	10,833	4,499	3,684	(815)
Assigned - Facility Maintenance/FFE	-	-	-	-	-	-	-
<b>FUND BALANCE, UNASSIGNED</b>	<u>\$ 634,454</u>	<u>\$ 502,322</u>	<u>\$ 754,215</u>	<u>\$ 749,219</u>	<u>\$ 659,165</u>	<u>\$ 656,762</u>	<u>\$ (2,403)</u>

**All Governmental Funds - Total Revenues**

	<b>Audited FY 07/08</b>	<b>Audited FY 08/09</b>	<b>Audited FY 09/10</b>	<b>Adopted Budget FY 10/11</b>	<b>Estimated Budget FY 10/11</b>	<b>Adopted Budget FY 11/12</b>	<b>Variance Estimated to Adopted</b>
General Fund	\$ 3,168,968	\$ 3,661,645	\$ 4,280,723	\$ 4,530,013	\$ 4,590,104	\$ 5,244,068	\$ 653,964
Special Revenue Funds	78,966	96,610	262,926	224,768	291,094	240,774	(50,320)
<b>Total Governmental Funds</b>	<b>\$ 3,247,934</b>	<b>\$ 3,758,255</b>	<b>\$ 4,543,649</b>	<b>\$ 4,754,781</b>	<b>\$ 4,881,198</b>	<b>\$ 5,484,842</b>	<b>\$ 603,644</b>

**All Governmental Funds - Total Expenditures**

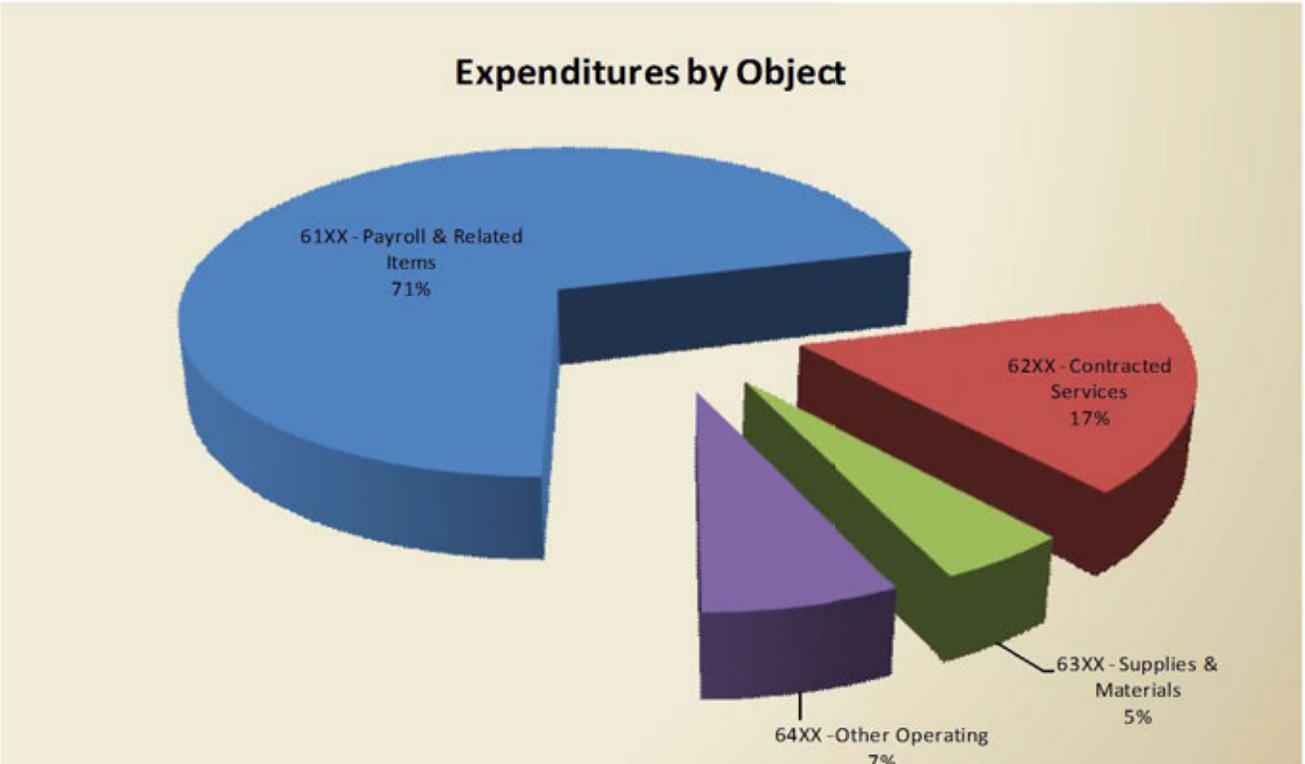
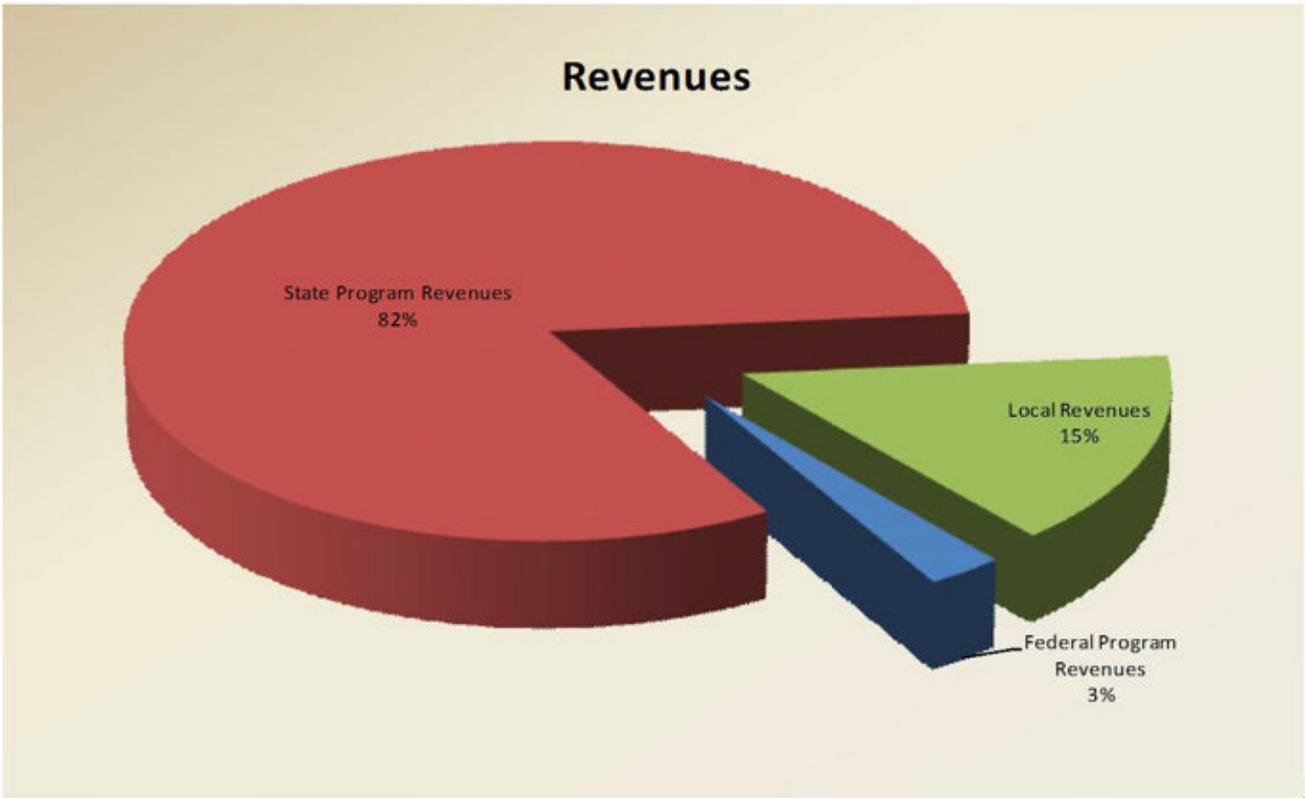
	<b>Audited FY 07/08</b>	<b>Audited FY 08/09</b>	<b>Audited FY 09/10</b>	<b>Adopted Budget FY 10/11</b>	<b>Estimated Budget FY 10/11</b>	<b>Adopted Budget FY 11/12</b>	<b>Variance Estimated to Adopted</b>
General Fund	\$ 3,226,254	\$ 3,709,086	\$ 3,917,886	\$ 4,425,054	\$ 4,610,062	\$ 5,334,446	\$ 724,384
Special Revenue Funds	78,966	96,610	262,483	224,768	288,094	240,774	(47,320)
<b>Total Governmental Funds</b>	<b>\$ 3,305,220</b>	<b>\$ 3,805,696</b>	<b>\$ 4,180,369</b>	<b>\$ 4,649,822</b>	<b>\$ 4,898,156</b>	<b>\$ 5,575,220</b>	<b>\$ 677,064</b>

**All Governmental Funds - Expenditures by Object Code**

<b>Expenditures by Object</b>	<b>Audited FY 07/08</b>	<b>Audited FY 08/09</b>	<b>Audited FY 09/10</b>	<b>Adopted Budget FY 10/11</b>	<b>Estimated Budget FY 10/11</b>	<b>Adopted Budget FY 11/12</b>	<b>Variance Estimated to Adopted</b>
61XX - Payroll & Related Items	\$ 2,588,528	\$ 2,779,660	\$ 3,146,497	\$ 3,396,645	\$ 3,478,482	\$ 3,957,924	\$ 479,442
62XX - Contracted Services	468,539	542,003	488,230	641,745	772,441	971,025	198,584
63XX - Supplies & Materials	118,233	260,912	258,991	258,287	301,868	260,447	(41,421)
64XX - Other Operating	129,919	140,131	245,156	353,145	345,365	385,824	40,459
65XX - Debt Service	-	82,991	41,495	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,305,220</b>	<b>\$ 3,805,696</b>	<b>\$ 4,180,369</b>	<b>\$ 4,649,822</b>	<b>\$ 4,898,156</b>	<b>\$ 5,575,220</b>	<b>\$ 677,064</b>

This table provides historic, current, and adopted revenues and expenditures in the aggregate for all of the budgeted funds utilized by the Academy. The bottom table lists all expenditures by the use of the funds (object code).

**Westlake Academy**  
**All Fund Revenues and Expenditures**  
**Fiscal Year 2010/2011**



**WESTLAKE ACADEMY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ending August 31, 2012**

	Audited FY 07/08	Audited FY 08/09	Audited FY 09/10	Adopted Budget FY 10/11	Estimated Budget FY 10/11	Adopted Budget FY 11/12	Variance Estimated to Adopted
<b>REVENUES</b>							
State Program Revenues	\$ 2,649,907	\$ 3,122,653	\$ 3,669,363	\$ 3,944,632	\$ 3,920,137	\$ 4,490,086	\$ 569,949
Local Revenues	519,061	538,992	611,360	585,381	669,967	753,982	84,015
<b>Total Revenues</b>	<b>3,168,968</b>	<b>3,661,645</b>	<b>4,280,723</b>	<b>4,530,013</b>	<b>4,590,104</b>	<b>5,244,068</b>	<b>653,964</b>
<b>EXPENDITURES (BY FUNCTION)</b>							
11 - Instructional	1,849,710	2,028,112	2,219,605	2,438,264	2,547,372	2,839,281	291,909
12 - Resources & Media	60,914	62,513	87,511	93,256	83,950	90,134	6,184
13 - Staff Development	27,743	32,623	48,757	68,500	68,090	87,800	19,710
21 - Instructional Leadership	12,295	11,660	97,623	133,415	134,891	131,742	(3,149)
23 - School Leadership	141,829	179,554	286,307	298,877	298,639	333,805	35,166
31 - Guidance & Counseling	112,350	163,575	159,850	164,757	167,001	220,628	53,627
33 - Health Services	24,933	58,845	56,963	54,529	57,691	59,700	2,009
35 - Food Services	31,516	15,448	8,135	9,700	9,894	9,657	(237)
36 - CoCurricular/ Extra. Activities	49,484	111,738	109,533	114,096	97,330	122,726	25,396
41 - Administrative	510,966	527,000	318,624	279,300	283,540	601,746	318,206
51 - Maintenance & Operations	235,381	279,485	265,969	546,560	526,571	587,169	60,599
53 - Data Processing	103,498	88,720	157,923	158,851	152,621	159,874	7,253
61 - Community Services	65,635	66,822	59,592	64,949	70,477	66,244	(4,233)
71 - Debt Service	-	82,991	41,495	-	-	-	-
81 - Facility Acquisition/Construction	-	-	-	-	111,995	23,940	(88,055)
<b>Total Expenditures</b>	<b>3,226,254</b>	<b>3,709,086</b>	<b>3,917,886</b>	<b>4,425,054</b>	<b>4,610,062</b>	<b>5,334,446</b>	<b>724,384</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,286)	(47,441)	362,837	104,959	(19,958)	(90,378)	(70,420)
<b>OTHER FINANCING SOURCES (USES)</b>							
79 - Other Resources	-	117,640	-	86,432	654,042	36,967	(617,075)
89 - Other Uses	-	200,000	100,000	99,272	641,354	49,807	(591,547)
<b>Total Other Financing</b>	<b>-</b>	<b>(82,360)</b>	<b>(100,000)</b>	<b>(12,840)</b>	<b>12,688</b>	<b>(12,840)</b>	<b>(25,528)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>(57,286)</b>	<b>(129,801)</b>	<b>262,837</b>	<b>92,119</b>	<b>(7,270)</b>	<b>(103,218)</b>	<b>(95,948)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>691,740</b>	<b>634,454</b>	<b>504,654</b>	<b>767,491</b>	<b>767,491</b>	<b>760,220</b>	<b>(7,270)</b>
<b>FUND BALANCE, ENDING</b>	<b>634,454</b>	<b>504,654</b>	<b>767,491</b>	<b>859,610</b>	<b>760,220</b>	<b>657,002</b>	<b>(103,218)</b>
Assigned - Tech/FF&E Replacem	-	-	-	100,000	100,000	-	(100,000)
Assigned - Uniforms/Equip Rep.	-	2,332	13,718	10,833	4,499	3,684	(815)
Assigned - Facility Maintenance/FFE	-	-	-	-	-	-	-
<b>FUND BALANCE, UNASSIGNED</b>	<b>\$ 634,454</b>	<b>\$ 502,322</b>	<b>\$ 753,772</b>	<b>\$ 748,776</b>	<b>\$ 655,722</b>	<b>\$ 653,319</b>	<b>\$ (2,403)</b>

**WESTLAKE ACADEMY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**For the Year Ending August 31, 2012**

	<b>Adopted FY 11/12</b>			
	<b>197 Transportation/ Parking Fund FY 11/12</b>	<b>198 Athletic Activities FY 11/12</b>	<b>199 General Fund FY 11/12</b>	<b>Total General Fund FY 11/12</b>
<b>REVENUES</b>				
State Program Revenues	\$ -	\$ -	\$ 4,490,086	\$ 4,490,086
Local Revenues	37,840	37,980	678,162	753,982
<b>Total Revenues</b>	<b>37,840</b>	<b>37,980</b>	<b>5,168,248</b>	<b>5,244,068</b>
<b>EXPENDITURES (BY FUNCTION)</b>				
11 - Instructional	-	-	2,839,281	2,839,281
12 - Resources & Media	-	-	90,134	90,134
13 - Staff Development	-	-	87,800	87,800
21 - Instructional Leadership	-	-	131,742	131,742
23 - School Leadership	-	-	333,805	333,805
31 - Guidance & Counseling	-	-	220,628	220,628
33 - Health Services	-	-	59,700	59,700
35 - Food Services	-	-	9,657	9,657
36 - CoCurricular/Extracurricular Activities	25,000	72,451	25,274	122,726
41 - Administrative	-	-	601,746	601,746
51 - Maintenance & Operations	-	-	587,169	587,169
53 - Data Processing	-	-	159,874	159,874
61 - Community Services	-	-	66,244	66,244
71 - Debt Service	-	-	-	-
81 - Facility Acquisition/Construction	-	-	23,940	23,940
<b>Total Expenditures</b>	<b>25,000</b>	<b>72,451</b>	<b>5,236,995</b>	<b>5,334,446</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,840	(34,471)	(68,747)	(90,378)
<b>OTHER FINANCING SOURCES (USES)</b>				
79 - Other Resources	-	36,967	-	36,967
89 - Other Uses	12,840	-	36,967	49,807
<b>Total Other Financing Sources (Uses)</b>	<b>(12,840)</b>	<b>36,967</b>	<b>(36,967)</b>	<b>(12,840)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>-</b>	<b>2,496</b>	<b>(105,714)</b>	<b>(103,218)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>-</b>	<b>4,499</b>	<b>755,721</b>	<b>760,220</b>
<b>FUND BALANCE, ENDING</b>	<b>-</b>	<b>6,995</b>	<b>650,008</b>	<b>657,002</b>
Assigned - Technology/FF&E Replacement	-	-	-	-
Assigned - Uniform/Equipment Replacement	-	3,684	-	3,684
Assigned - Facility Maintenance/FFE	-	-	-	-
<b>ENDING FUND BALANCE (UNASSIGNED)</b>	<b>\$ -</b>	<b>\$ 3,311</b>	<b>\$ 650,008</b>	<b>\$ 653,319</b>

**WESTLAKE ACADEMY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**TRANSPORTATION/PARKING FUND - 197**  
**For the Year Ending August 31, 2012**

	Audited FY 07/08	Audited FY 08/09	Audited FY 09/10	Adopted Budget FY 10/11	Estimated Budget FY 10/11	Adopted Budget FY 11/12	Variance Estimated to Adopted
<b>REVENUES</b>							
State Program Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Revenues	-	-	-	32,840	22,000	37,840	15,840
<b>Total Revenues</b>	-	-	-	32,840	22,000	37,840	15,840
<b>EXPENDITURES (BY FUNCTION)</b>							
11 - Instructional	-	-	-	10,000	-	-	-
12 - Resources & Media	-	-	-	-	-	-	-
13 - Staff Development	-	-	-	-	-	-	-
21 - Instructional Leadership	-	-	-	-	-	-	-
23 - School Leadership	-	-	-	-	-	-	-
31 - Guidance & Counseling	-	-	-	-	-	-	-
33 - Health Services	-	-	-	-	-	-	-
35 - Food Services	-	-	-	-	-	-	-
36 - CoCurricular/Extracurricular Activities	-	-	-	10,000	7,120	25,000	17,880
41 - Administrative	-	-	-	-	-	-	-
51 - Maintenance & Operations	-	-	-	-	-	-	-
53 - Data Processing	-	-	-	-	-	-	-
61 - Community Services	-	-	-	-	-	-	-
71 - Debt Service	-	-	-	-	-	-	-
81 - Facility Acquisition/Construction	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	20,000	7,120	25,000	17,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	12,840	14,880	12,840	(2,040)
<b>OTHER FINANCING SOURCES (USES)</b>							
79 - Other Resources	-	-	-	-	-	-	-
89 - Other Uses	-	-	-	12,840	14,880	12,840	(2,040)
Total Other Financing Sources (Uses)	-	-	-	(12,840)	(14,880)	(12,840)	2,040
<b>NET CHANGES IN FUND BALANCE</b>							
	-	-	-	-	-	-	-
<b>FUND BALANCE, BEGINNING</b>							
	-	-	-	-	-	-	-
<b>FUND BALANCE, ENDING</b>							
Assigned - Parking	-	-	-	-	-	-	-
Assigned - Transportation	-	-	-	-	-	-	-
<b>ENDING FUND BALANCE (UNASSIGNED)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*NOTE – There is no information for FY 07/08 through FY 09/10 because this fund was established in FY 10/11.

**WESTLAKE ACADEMY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ATHLETIC ACTIVITIES FUND - 198**  
**For the Year Ending August 31, 2012**

	Audited FY 07/08	Audited FY 08/09	Audited FY 09/10	Adopted Budget FY 10/11	Estimated Budget FY 10/11	Adopted Budget FY 11/12	Variance Estimated to Adopted
<b>REVENUES</b>							
State Program Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Revenues	-	32,743	67,200	51,953	37,980	37,980	-
<b>Total Revenues</b>	<b>-</b>	<b>32,743</b>	<b>67,200</b>	<b>51,953</b>	<b>37,980</b>	<b>37,980</b>	<b>-</b>
<b>EXPENDITURES (BY FUNCTION)</b>							
11 - Instructional	-	-	-	-	-	-	-
12 - Resources & Media	-	-	-	-	-	-	-
13 - Staff Development	-	-	-	-	-	-	-
21 - Instructional Leadership	-	-	-	-	-	-	-
23 - School Leadership	-	-	-	-	-	-	-
31 - Guidance & Counseling	-	-	-	-	-	-	-
33 - Health Services	-	-	-	-	-	-	-
35 - Food Services	-	-	-	-	-	-	-
36 - CoCurricular/Extracurricular Activities	-	30,411	54,708	38,000	65,915	72,451	6,536
41 - Administrative	-	-	-	-	-	-	-
51 - Maintenance & Operations	-	-	-	-	-	-	-
53 - Data Processing	-	-	-	-	-	-	-
61 - Community Services	-	-	-	-	-	-	-
71 - Debt Service	-	-	-	-	-	-	-
81 - Facility Acquisition/Construction	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>30,411</b>	<b>54,708</b>	<b>38,000</b>	<b>65,915</b>	<b>72,451</b>	<b>6,536</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	2,332	12,492	13,953	(27,935)	(34,471)	(6,536)
<b>OTHER FINANCING SOURCES (USES)</b>							
79 - Other Resources	-	-	-	-	17,610	36,967	19,357
89 - Other Uses	-	-	-	7,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,000)</b>	<b>17,610</b>	<b>36,967</b>	<b>19,357</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>-</b>	<b>2,332</b>			<b>(10,325)</b>	<b>2,496</b>	<b>12,821</b>
<b>FUND BALANCE, BEGINNING</b>	<b>-</b>	<b>-</b>	<b>2,332</b>	<b>14,824</b>	<b>14,824</b>	<b>4,499</b>	<b>(10,325)</b>
<b>FUND BALANCE, ENDING</b>	<b>-</b>	<b>2,332</b>	<b>2,332</b>	<b>14,824</b>	<b>4,499</b>	<b>6,995</b>	<b>2,496</b>
Assigned - Technology/FF&E Replacement	-	-	-	-	-	-	-
Assigned - Uniform/Equipment Replacement	-	2,332	13,718	10,833	4,499	3,684	-
Assigned - Facility Maintenance/FFE	-	-	-	-	-	-	-
<b>ENDING FUND BALANCE (UNASSIGNED)</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ (11,386)</b>	<b>\$ 3,991</b>	<b>\$ 0</b>	<b>\$ 3,311</b>	<b>\$ 3,311</b>

\*NOTE – There is no information for FY 07/08 because this fund was established in FY 08/09.

**WESTLAKE ACADEMY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND - 199**  
**For the Year Ending August 31, 2012**

	Audited FY 07/08	Audited FY 08/09	Audited FY 09/10	Adopted Budget FY 10/11	Estimated Budget FY 10/11	Adopted Budget FY 11/12	Variance Estimated to Adopted
<b>REVENUES</b>							
State Program Revenues	\$ 2,649,907	\$ 3,122,653	\$ 3,669,363	\$ 3,944,632	\$ 3,920,137	\$ 4,490,086	\$ 569,949
Local Revenues	519,061	506,249	544,160	500,588	642,824	678,162	35,338
<b>Total Revenues</b>	<b>3,168,968</b>	<b>3,628,902</b>	<b>4,213,523</b>	<b>4,445,220</b>	<b>4,562,961</b>	<b>5,168,248</b>	<b>605,287</b>
<b>EXPENDITURES (BY FUNCTION)</b>							
11 - Instructional	1,849,710	2,028,112	2,219,605	2,428,264	2,547,372	2,839,281	291,909
12 - Resources & Media	60,914	62,513	87,511	93,256	87,650	90,134	2,484
13 - Staff Development	27,743	32,623	48,757	68,500	68,090	87,800	19,710
21 - Instructional Leadership	12,295	11,660	97,623	133,415	134,891	131,742	(3,149)
23 - School Leadership	141,829	179,554	286,307	298,877	298,639	333,805	35,166
31 - Guidance & Counseling	112,350	163,575	159,850	164,757	167,001	220,628	53,627
33 - Health Services	24,933	58,845	56,963	54,529	57,691	59,700	2,009
35 - Food Services	31,516	15,448	8,135	9,700	9,894	9,657	(237)
36 - CoCurricular/Extracurricular Activities	49,484	81,326	54,825	66,096	19,515	25,274	5,759
41 - Administrative	510,966	527,000	318,624	279,300	283,540	601,746	318,206
51 - Maintenance & Operations	235,381	279,485	265,969	546,560	526,571	587,169	60,599
53 - Data Processing	103,498	88,720	157,923	158,851	152,621	159,874	7,253
61 - Community Services	65,635	66,822	59,592	64,949	70,477	66,244	(4,233)
71 - Debt Service	-	82,991	41,495	-	-	-	-
81 - Facility Acquisition/Construction	-	-	-	-	111,995	23,940	(88,055)
<b>Total Expenditures</b>	<b>3,226,254</b>	<b>3,678,674</b>	<b>3,863,178</b>	<b>4,367,054</b>	<b>4,535,947</b>	<b>5,236,995</b>	<b>701,047</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,285)	(49,772)	350,345	78,166	27,014	(68,747)	(95,761)
<b>OTHER FINANCING SOURCES (USES)</b>							
79 - Other Resources	-	117,640	-	86,432	654,042	36,967	(617,075)
89 - Other Uses	-	200,000	100,000	79,432	641,354	49,807	(591,547)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(82,360)</b>	<b>(100,000)</b>	<b>7,000</b>	<b>12,688</b>	<b>(12,840)</b>	<b>(25,528)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>(57,285)</b>	<b>(132,132)</b>	<b>250,345</b>	<b>85,166</b>	<b>39,702</b>	<b>(81,587)</b>	<b>(121,289)</b>
<b>FUND BALANCE, BEGINNING</b>	<b>691,740</b>	<b>634,454</b>	<b>504,654</b>	<b>752,667</b>	<b>767,491</b>	<b>760,220</b>	<b>(7,270)</b>
<b>FUND BALANCE, ENDING</b>	<b>634,455</b>	<b>502,322</b>	<b>754,999</b>	<b>837,833</b>	<b>807,193</b>	<b>678,634</b>	<b>(128,559)</b>
Assigned - Technology/FF&E Replacement	-	-	-	100,000	100,000	-	(100,000)
Assigned - Uniform/Equipment Replaceme	-	2,332	13,718	10,833	4,499	3,684	(815)
Assigned - Facility Maintenance/FFE	-	-	-	-	-	-	-
<b>ENDING FUND BALANCE (UNASSIGNED)</b>	<b>\$ 634,455</b>	<b>\$ 499,990</b>	<b>\$ 741,280</b>	<b>\$ 727,000</b>	<b>\$ 702,694</b>	<b>\$ 674,950</b>	<b>\$ (27,744)</b>

**WESTLAKE ACADEMY**  
**SCHEDULE OF EXPENDITURES BY FUNCTION & OBJECT CODE**  
**GENERAL FUND**  
**For the Year Ending August 31, 2012**

	Audited FY 07/08	Audited FY 08/09	Audited FY 09/10	Adopted Budget FY 10/11	Estimated Budget FY 10/11	Adopted Budget FY 11/12	Variance Estimated to Adopted
<b>EXPENDITURES</b>							
<b>11 Instructional</b>							
6100 Payroll	\$ 1,763,189	\$ 1,803,049	\$ 1,989,008	\$ 2,224,064	\$ 2,278,009	\$ 2,589,797	\$ 311,788
6200 Contracted Services	33,932	41,131	44,103	48,450	57,319	54,650	(2,669)
6300 Supplies & Materials	51,960	178,469	151,089	130,500	171,856	155,284	(16,572)
6400 Other Operating	630	5,462	35,406	35,250	40,188	39,550	(638)
<b>Total Instructional</b>	<b>1,849,710</b>	<b>2,028,112</b>	<b>2,219,605</b>	<b>2,438,264</b>	<b>2,547,372</b>	<b>2,839,281</b>	<b>291,909</b>
<b>12 Resource &amp; Media</b>							
6100 Payroll	55,430	55,817	74,569	79,006	75,306	79,694	4,388
6200 Contracted Services	-	600	4,131	3,750	1,640	1,640	-
6300 Supplies & Materials	5,485	6,095	8,811	8,000	6,989	6,500	(489)
6400 Other Operating	-	-	-	2,500	15	2,300	2,285
<b>Total Resource &amp; Media</b>	<b>60,914</b>	<b>62,513</b>	<b>87,511</b>	<b>93,256</b>	<b>83,950</b>	<b>90,134</b>	<b>6,184</b>
<b>13 Staff Development</b>							
6100 Payroll	-	-	-	-	-	-	-
6200 Contracted Services	70	3,250	540	500	200	500	300
6300 Supplies & Materials	265	-	733	500	390	-	(390)
6400 Other Operating	27,408	29,373	47,484	67,500	67,500	87,300	19,800
<b>Total Staff Development</b>	<b>27,743</b>	<b>32,623</b>	<b>48,757</b>	<b>68,500</b>	<b>68,090</b>	<b>87,800</b>	<b>19,710</b>
<b>21 Instructional Leadership</b>							
6100 Payroll	12,295	11,660	97,515	133,415	133,415	126,342	(7,073)
6400 Other Operating	-	-	108	-	1,476	5,400	3,924
<b>Total Instructional Leadership</b>	<b>12,295</b>	<b>11,660</b>	<b>97,623</b>	<b>133,415</b>	<b>134,891</b>	<b>131,742</b>	<b>(3,149)</b>
<b>23 School Leadership</b>							
6100 Payroll	131,442	165,714	249,086	269,127	269,499	295,305	25,806
6200 Contracted Services	10,301	13,004	29,286	26,750	26,750	29,000	2,250
6300 Supplies & Materials	86	836	1,057	1,500	750	-	(750)
6400 Other Operating	-	-	6,879	1,500	1,640	9,500	7,860
<b>Total School Leadership</b>	<b>141,829</b>	<b>179,554</b>	<b>286,307</b>	<b>298,877</b>	<b>298,639</b>	<b>333,805</b>	<b>35,166</b>
<b>31 Guidance &amp; Counseling</b>							
6100 Payroll	89,488	132,615	122,925	119,257	129,257	175,128	45,871
6200 Contracted Services	20,158	30,238	36,170	42,500	32,470	40,000	7,530
6300 Supplies & Materials	2,703	722	584	2,500	4,500	5,000	500
6400 Other Operating	-	-	172	500	774	500	(274)
<b>Total Guidance &amp; Counseling</b>	<b>112,350</b>	<b>163,575</b>	<b>159,850</b>	<b>164,757</b>	<b>167,001</b>	<b>220,628</b>	<b>53,627</b>

**WESTLAKE ACADEMY**  
**SCHEDULE OF EXPENDITURES BY FUNCTION & OBJECT CODE**  
**GENERAL FUND**  
**For the Year Ending August 31, 2012**

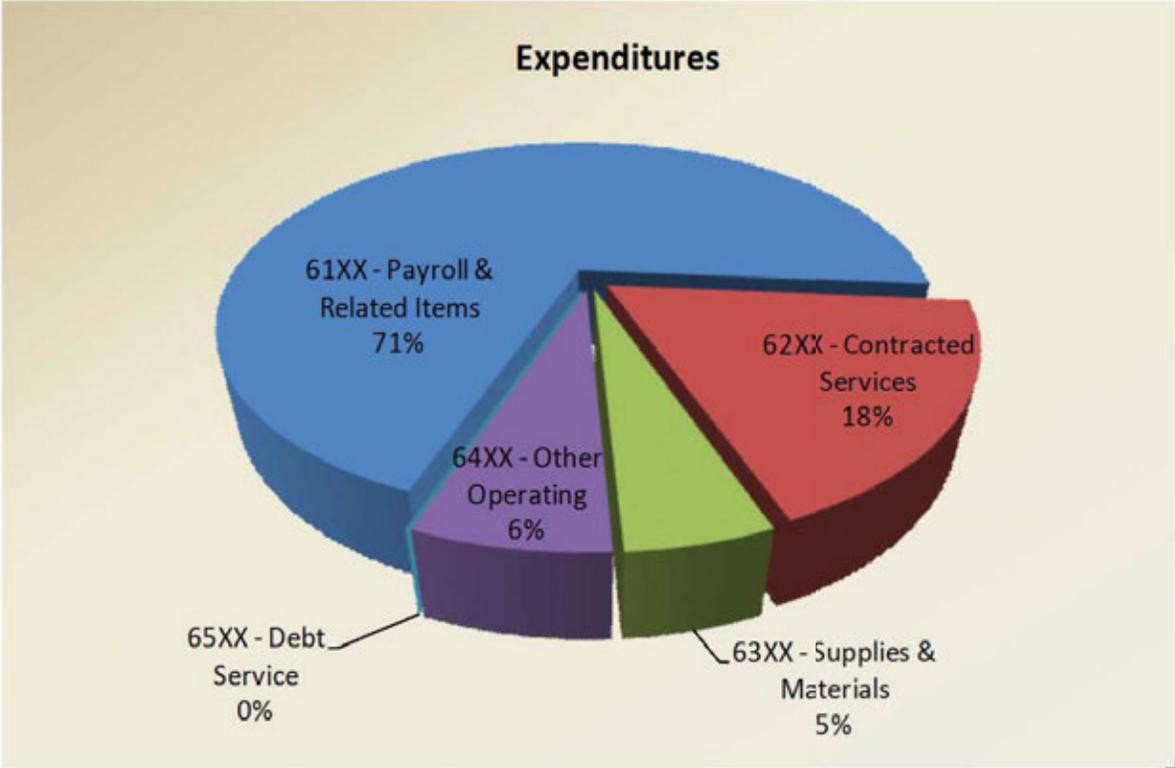
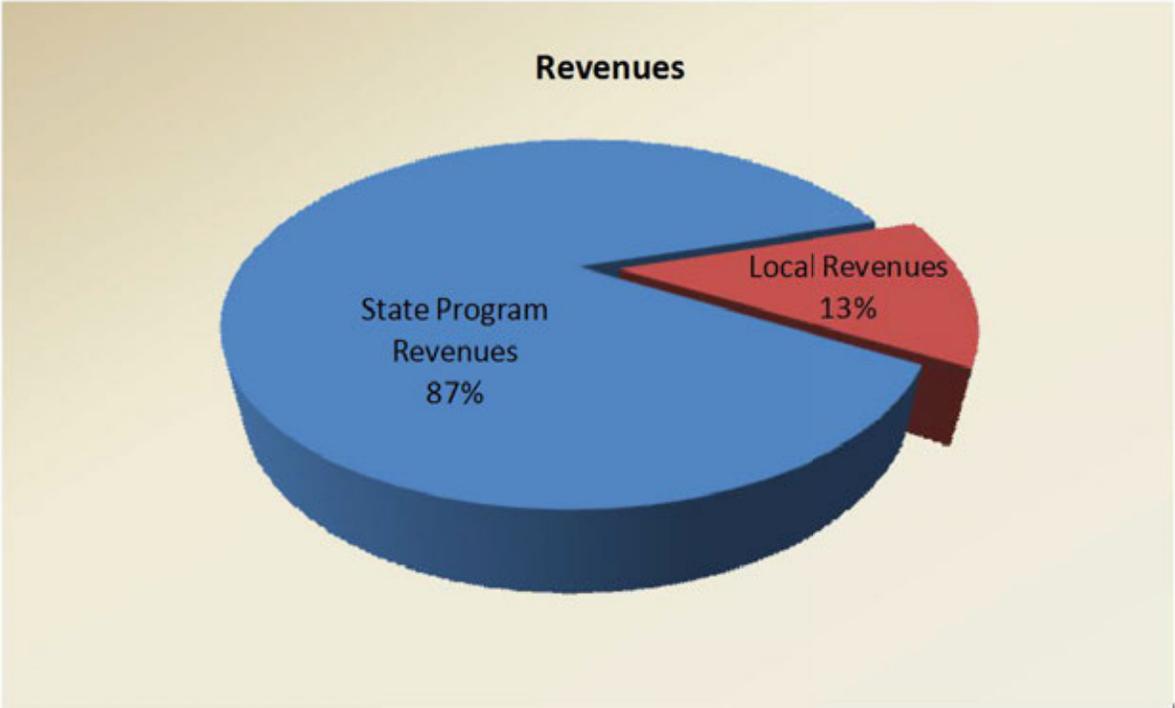
	Audited	Audited	Audited	Adopted	Estimated	Adopted	Variance
	FY 07/08	FY 08/09	FY 09/10	Budget	Budget	Budget	Estimated to
				FY 10/11	FY 10/11	FY 11/12	Adopted
<b>33 Health Services</b>							
6100 Payroll	\$ 23,895	\$ 58,314	\$ 55,236	\$ 52,179	\$ 55,691	\$ 57,600	\$ 1,909
6200 Contracted Services	755	-	65	250	-	-	-
6300 Supplies & Materials	283	531	1,662	2,000	2,000	2,000	-
6400 Other Operating	-	-	-	100	-	100	100
<b>Total Health Services</b>	<b>24,933</b>	<b>58,845</b>	<b>56,963</b>	<b>54,529</b>	<b>57,691</b>	<b>59,700</b>	<b>2,009</b>
<b>35 Food Services</b>							
6100 Payroll	15,421	10,739	8,067	9,200	9,270	9,157	(113)
6300 Supplies & Materials	15,845	4,459	68	500	624	500	(124)
6400 Other Operating	250	250	-	-	-	-	-
<b>Total Food Services</b>	<b>31,516</b>	<b>15,448</b>	<b>8,135</b>	<b>9,700</b>	<b>9,894</b>	<b>9,657</b>	<b>(237)</b>
<b>36 CoCurricular Activities</b>							
6100 Payroll	11,515	44,588	42,664	44,272	50,419	68,046	17,627
6200 Contracted Services	32,640	41,463	15,053	22,750	16,045	15,250	(795)
6300 Supplies & Materials	179	15,076	38,654	29,500	22,200	18,945	(3,255)
6400 Other Operating	5,150	10,611	13,162	17,574	8,666	20,485	11,819
<b>Total CoCurricular Activities</b>	<b>49,484</b>	<b>111,738</b>	<b>109,533</b>	<b>114,096</b>	<b>97,330</b>	<b>122,726</b>	<b>25,396</b>
<b>41 Administrative</b>							
6100 Payroll	296,090	307,205	119,774	114,875	114,875	115,267	392
6200 Contracted Services	148,540	155,903	138,582	105,000	105,080	416,600	311,520
6300 Supplies & Materials	9,916	8,510	14,272	10,500	12,680	10,500	(2,180)
6400 Other Operating	56,420	55,383	45,996	48,925	50,905	59,379	8,474
<b>Total Administrative</b>	<b>510,966</b>	<b>527,000</b>	<b>318,624</b>	<b>279,300</b>	<b>283,540</b>	<b>601,746</b>	<b>318,206</b>
<b>51 Maintenance &amp; Operations</b>							
6100 Payroll	-	109	11,871	13,801	21,385	50,126	28,741
6200 Contracted Services	190,000	237,528	192,692	374,995	380,195	372,445	(7,750)
6300 Supplies & Materials	11,070	7,145	12,499	48,218	46,816	49,218	2,402
6400 Other Operating	34,311	34,703	48,906	109,546	78,175	115,380	37,205
<b>Total Maintenance &amp; Operations</b>	<b>235,381</b>	<b>279,485</b>	<b>265,969</b>	<b>546,560</b>	<b>526,571</b>	<b>587,169</b>	<b>60,599</b>
<b>53 Data Processing</b>							
6100 Payroll	68,937	67,076	121,658	129,471	129,471	139,374	9,903
6200 Contracted Services	32,142	18,885	20,335	16,800	8,000	8,000	-
6300 Supplies & Materials	2,419	2,760	15,516	10,580	15,000	10,500	(4,500)
6400 Other Operating	-	-	414	2,000	150	2,000	1,850
<b>Total Data Processing</b>	<b>103,498</b>	<b>88,720</b>	<b>157,923</b>	<b>158,851</b>	<b>152,621</b>	<b>159,874</b>	<b>7,253</b>

**WESTLAKE ACADEMY**  
**SCHEDULE OF EXPENDITURES BY FUNCTION & OBJECT CODE**  
**GENERAL FUND**  
**For the Year Ending August 31, 2012**

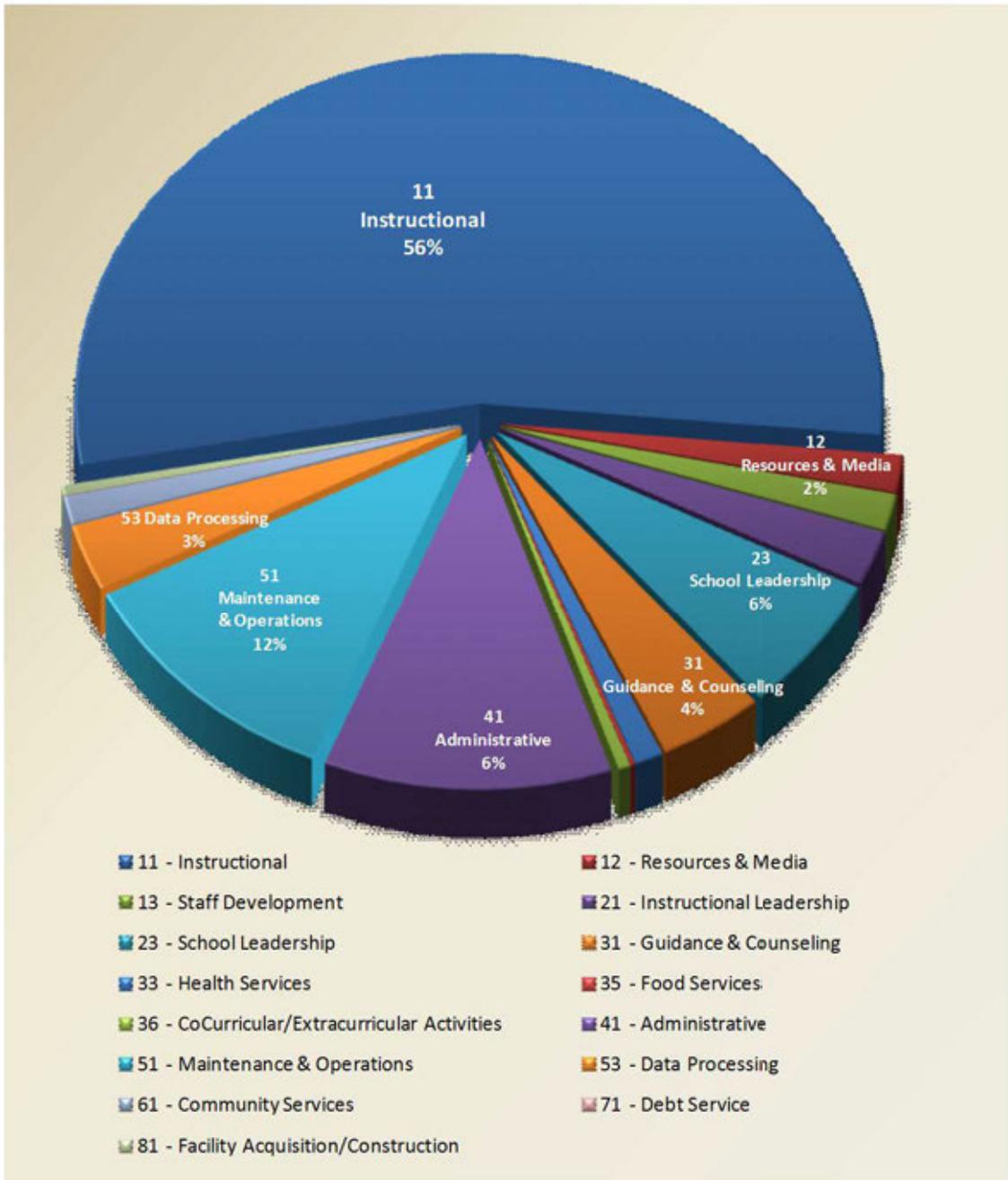
	Audited FY 07/08	Audited FY 08/09	Audited FY 09/10	Adopted Budget FY 10/11	Estimated Budget FY 10/11	Adopted Budget FY 11/12	Variance Estimated to Adopted
<b>61 Community Services</b>							
6100 Payroll	\$ 65,635	\$ 66,822	\$ 59,592	\$ 64,949	\$ 70,477	\$ 66,244	\$ (4,233)
<b>Total Community Service</b>	65,635	66,822	59,592	64,949	70,477	66,244	(4,233)
<b>71 Debt Service</b>							
6500 Debt Service	-	82,991	41,495	-	-	-	-
<b>Total Debt Service</b>	-	82,991	41,495	-	-	-	-
<b>81 Facility Acquisition/Construction</b>							
6200 Contracted Services	-	-	-	-	111,995	23,940	(88,055)
<b>Total Facility Acquisition/Construction</b>	-	-	-	-	111,995	23,940	(88,055)
<b>Total Expenditure</b>	<b>\$ 3,226,254</b>	<b>\$ 3,709,086</b>	<b>\$ 3,917,886</b>	<b>\$ 4,425,054</b>	<b>\$ 4,610,062</b>	<b>\$ 5,334,446</b>	<b>\$ 724,384</b>

	Audited FY 07/08	Audited FY 08/09	Audited FY 09/10	Adopted Budget FY 10/11	Estimated Budget FY 10/11	Adopted Budget FY 11/12	Variance Estimated to Adopted
<b>EXPENDITURES BY OBJECT CODE</b>							
61XX - Payroll & Related Items	\$ 2,533,335	\$ 2,723,708	\$ 2,951,964	\$ 3,253,616	\$ 3,337,074	\$ 3,772,080	\$ 435,006
62XX - Contracted Services	\$ 468,539	\$ 542,003	\$ 480,955	\$ 641,745	\$ 739,694	\$ 962,025	\$ 222,331
63XX - Supplies & Materials	\$ 100,210	\$ 224,604	\$ 244,945	\$ 244,298	\$ 283,805	\$ 258,447	\$ (25,358)
64XX - Other Operating	\$ 124,169	\$ 135,781	\$ 198,527	\$ 285,395	\$ 249,489	\$ 341,894	\$ 92,405
65XX - Debt Service	\$ -	\$ 82,991	\$ 41,495	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 3,226,254</b>	<b>\$ 3,709,086</b>	<b>\$ 3,917,886</b>	<b>\$ 4,425,054</b>	<b>\$ 4,610,062</b>	<b>\$ 5,334,446</b>	<b>\$ 724,384</b>

**Westlake Academy  
General Fund Revenues and Expenditures  
Fiscal Year 2011/2012**

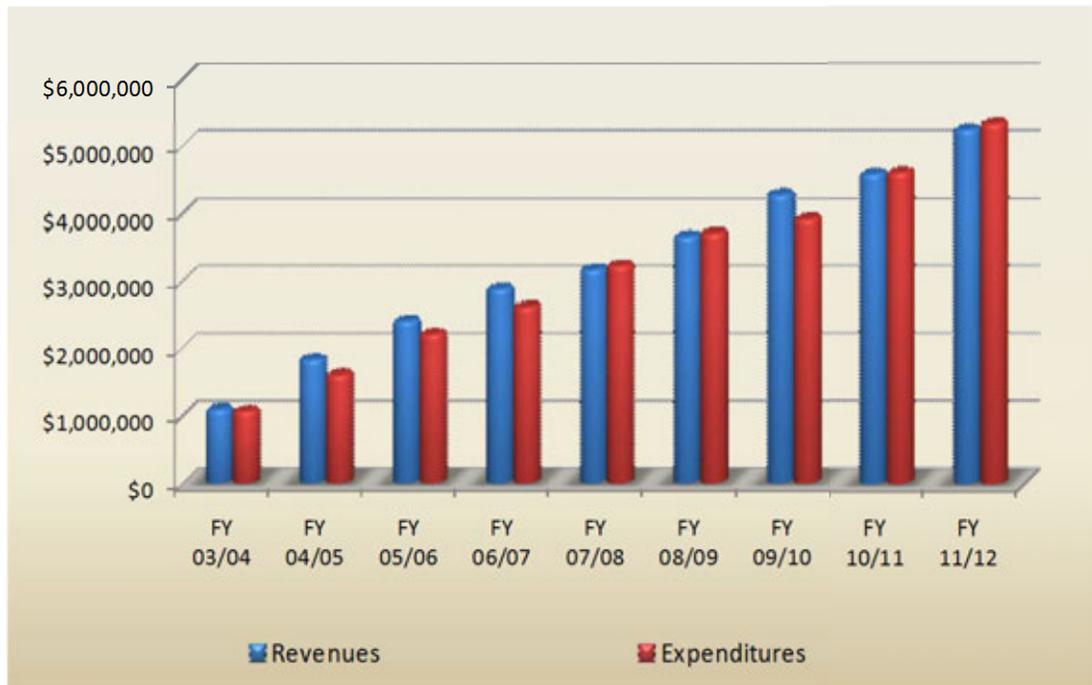


**Westlake Academy  
General Fund Expenditures by Function  
Fiscal Year 2011/2012**



**Westlake Academy**  
**General Fund - Revenue and Expenditure Comparison**  
**Fiscal Year 03/04 through 11/12**

Fiscal Year	Revenues	inc %	Expenditures	inc %	Net Change
FY 03/04 audited	\$1,094,608		\$1,068,857		\$25,751
FY 04/05 audited	\$1,831,898	67%	\$1,612,198	51%	\$219,700
FY 05/06 audited	\$2,407,526	31%	\$2,211,897	37%	\$195,629
FY 06/07 audited	\$2,879,531	20%	\$2,615,511	18%	\$264,020
FY 07/08 audited	\$3,168,968	10%	\$3,226,254	23%	-\$57,286
FY 08/09 audited	\$3,661,645	16%	\$3,709,086	15%	-\$47,441
FY 09/10 audited	\$4,280,723	17%	\$3,917,886	6%	\$362,837
FY 10/11 estimated	\$4,590,104	7%	\$4,610,062	18%	-\$19,958
FY 11/12 Proposed	\$5,244,068	14%	\$5,334,446	16%	-\$90,378



**WESTLAKE ACADEMY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ALL SPECIAL REVENUE FUNDS**  
**For the Year Ending August 31, 2012**

	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>	<u>Adopted</u>	<u>Estimated</u>	<u>Adopted</u>	<u>Variance</u>
	<u>FY 07/08</u>	<u>FY 08/09</u>	<u>FY 09/10</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Estimated to</u>
				<u>FY 10/11</u>	<u>FY 10/11</u>	<u>FY 11/12</u>	<u>Adopted</u>
<b>REVENUES</b>							
Federal Program Revenues	\$55,193	\$56,134	\$ 199,436	\$ 143,029	\$141,408	\$150,844	\$ 9,436
State Program Revenues	23,773	40,476	18,343	19,739	20,850	4,500	(16,350)
Local Program Revenues	-	-	45,148	62,000	128,836	85,430	(43,406)
Total Revenues	<u>78,966</u>	<u>96,610</u>	<u>262,926</u>	<u>224,768</u>	<u>291,094</u>	<u>240,774</u>	<u>(50,320)</u>
<b>EXPENDITURES (BY FUNCTION)</b>							
11 - Instructional	73,216	92,260	208,579	157,018	169,658	190,344	20,686
13 - Staff Development	5,750	4,350	46,630	67,750	106,436	38,430	(68,006)
36 - Extracurricular Activities	-	-	7,275	-	12,000	12,000	-
Total Expenditures	<u>78,966</u>	<u>96,610</u>	<u>262,483</u>	<u>224,768</u>	<u>288,094</u>	<u>240,774</u>	<u>(47,320)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	443	-	3,000	-	(3,000)
<b>NET CHANGES IN FUND BALANCE</b>	-	-	443	-	3,000	-	(3,000)
<b>FUND BALANCE, BEGINNING</b>	-	-	-	443	443	3,443	3,000
<b>FUND BALANCE, ENDING</b>	-	-	443	443	3,443	3,443	-
Assigned - Hudson Foundation Grant	-	-	-	-	-	-	-
<b>FUND BALANCE, ENDNG (Unassigned)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443</u>	<u>\$ 443</u>	<u>\$ 3,443</u>	<u>\$ 3,443</u>	<u>\$ -</u>

	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>	<u>Adopted</u>	<u>Estimated</u>	<u>Adopted</u>	<u>Variance</u>
	<u>FY 07/08</u>	<u>FY 08/09</u>	<u>FY 09/10</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Proposed to</u>
				<u>FY 10/11</u>	<u>FY 10/11</u>	<u>FY 11/12</u>	<u>Adopted</u>
<b>EXPENDITURES BY OBJECT CODE</b>							
61XX - Payroll & Related Items	\$ 55,193	\$ 55,952	\$ 194,533	\$ 143,029	\$ 141,408	\$ 185,844	\$ 44,436
62XX - Contracted Services	-	-	7,275	-	32,747	9,000	(23,747)
63XX - Supplies & Materials	18,023	36,308	14,046	13,989	18,063	2,000	(16,063)
64XX - Other Operating	5,750	4,350	46,630	67,750	95,876	43,930	(51,946)
Total Expenditures	<u>\$78,966</u>	<u>\$96,610</u>	<u>\$ 262,483</u>	<u>\$ 224,768</u>	<u>\$288,094</u>	<u>\$240,774</u>	<u>\$ (47,320)</u>

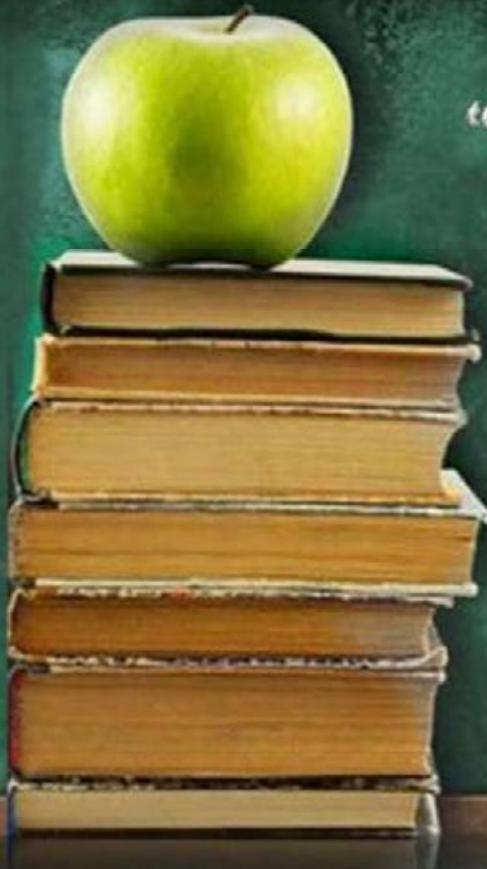
**WESTLAKE ACADEMY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ALL SPECIAL REVENUE FUNDS**  
**For the Year Ending August 31, 2012**

	IDEA-B	IDEA-B	Title XIV SFSF Fund	Advanced Education	Advanced Placement	Campus Technology	Campus Activity	Hudson Foundation	WAF Fund100	Hudson Technology	Hudson Teacher Development	Hudson Teacher Grant	Hudson Teacher Internship	Total Special Revenue Funds
	224	225	266	287	397	411	461	481	482	483	484	485	486	
<b>REVENUES</b>														
Federal Program Revenues	\$61,541	\$ -	\$ -	\$ 89,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,844
State Program Revenues	-	-	-	-	4,500	-	-	-	-	-	-	-	-	4,500
Local Program Revenues	-	-	-	-	-	-	12,000	-	-	-	35,000	10,000	28,430	85,430
Total Revenues	61,541	-	-	89,303	4,500	-	12,000	-	-	-	35,000	10,000	28,430	240,774
<b>EXPENDITURES (BY FUNCTION)</b>														
11 - Instructional	61,541	-	-	89,303	-	-	-	-	-	-	-	10,000	-	160,844
13 - Staff Development	-	-	-	-	4,500	-	-	-	-	-	35,000	-	28,430	67,930
36 - Co-Curricular Activities	-	-	-	-	-	-	12,000	-	-	-	-	-	-	12,000
Total Expenditures	61,541	-	-	89,303	4,500	-	12,000	-	-	-	35,000	10,000	28,430	240,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET CHANGES IN FUND BALANCE</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCE, BEGINNING</b>	-	-	-	-	-	-	3,443	-	-	-	-	-	-	-
<b>FUND BALANCE, ENDNG</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# WESTLAKE ACADEMY

International Baccalaureate Charter School

## INFORMATIONAL SECTION



"Continued  
Excellence  
in the  
Face of  
Change"



2600 Ottinger Road \* Westlake, Texas 76262  
[www.westlakeacademy.org](http://www.westlakeacademy.org)

Staff theme for the Westlake Academy FY 2011-2012 Budget:

***“One School, Together”***

## Fiscal Stewardship

The Superintendent and Board of Trustees is devoted to developing safeguards to keep the school system from having financial problems and is committed to improving the financial condition of the Westlake Academy. To achieve these results, a General Fund – Fund Balance of at least 45 days of daily operating costs or 12% of annual expenditures is needed.

There are four primary reasons to maintain an adequate fund balance:

- **Cash Flow** – It is essential for the Board of Trustees to have enough cash on hand for payroll and other obligations to be made timely because most state and federal grants require the Academy to make payment first before the grant will make reimbursement.
- **Unforeseen Events** – Reserves often act as a contingency to meet unbudgeted and unexpected needs, thus allowing time to make permanent changes to the budget and preventing fiscal problems from needlessly worsening.
- **Financial Security** – A fund reserve demonstrates a sign of financial strength and security to banking and financial institutions allowing the Town to borrow funds and sell bonds when additional facilities need to be built or renovated at more favorable rates, thus saving the taxpayers money.
- **Interest Earning** – Having a fund balance allows the Academy to earn additional revenues without having to tax citizens.

It is anticipated that by the 2011-2012 fiscal year-end, the fund balance to total expenditures will be 12%.

Figure 22 –Fund Balance Analysis - General Fund

Fiscal Year		Revenues	Expenditures	Unassigned Fund Balance		Daily Cost	Min. \$\$	Min %
					%			
FY 03/04	audited	\$1,094,608	\$1,068,857	\$12,391	1%	\$2,928	\$131,777	12%
FY 04/05	audited	\$1,831,898	\$1,612,198	\$232,091	14%	\$4,417	\$198,764	12%
FY 05/06	audited	\$2,407,526	\$2,211,897	\$427,720	19%	\$6,060	\$272,700	12%
FY 06/07	audited	\$2,879,531	\$2,615,511	\$691,740	26%	\$7,166	\$322,460	12%
FY 07/08	audited	\$3,168,968	\$3,226,254	\$634,454	20%	\$8,839	\$397,757	12%
FY 08/09	audited	\$3,661,645	\$3,709,086	\$502,322	14%	\$10,162	\$457,285	12%
FY 09/10	audited	\$4,280,723	\$3,917,886	\$753,772	19%	\$10,734	\$483,027	12%
FY 10/11	estimated	\$4,590,104	\$4,610,062	\$655,722	14%	\$12,630	\$568,364	12%
FY 11/12	Adopted	\$5,244,068	\$5,334,446	\$653,319	12%	\$14,615	\$657,671	12%

The table above lists the revenues and expenditures for each year since the Academy began operating. The Fund Balance column lists the accumulated ending fund balance (the chart does not show transfers in/out which influence the fund balance each year); the percentage that follows this column represents the ratio of fund balance to annual expenditures i.e. in FY 04/05, 14% correlates to the \$232,091 fund balance that was equal to approximately 14% of annual expenditures of \$1,612,198 for the same fiscal year. Daily cost is calculated by dividing the annual expenditure amount by 365 days. The minimum dollar and minimum percentage amounts are calculated based on the Board’s financial policy of maintaining a minimum of 45 days of operating costs in fund balance i.e. daily cost multiplied by 45.

## ***Future Board Direction and Financial Forecast***

The Board, at its June 18, 2010 planning retreat, directed staff to include the following in FY 2010-2011:

- Add all Academy related direct operating costs, previously in the municipal budget, into the Academy's operating budget
- Increase class size to an average of twenty (20)

Beginning in FY 2011-2012 the Board directed:

- Move all indirect Academy operating costs now expensed in the municipal budget to the Academy operating budget.
- Budget Blacksmith funding at \$1,000 per student

The following financial forecast was created to reflect these directives and supply the Board with a conservative estimate of how these decisions will affect future revenues. The key assumptions used to calculate future revenues are listed below.

This five year forecast indicates that once conservative estimates for expenditures and revenues have been calculated; there will be a budget shortfall in future years.

### ***FORECAST ASSUMPTIONS***

Basic Assumptions:

- 18 students per class in Kindergarten
- 20 students per class in G1-G6
- 20 students per section in G7-G10
- Average Daily Attendance rate of 97%

Revenues:

- 100% use of Blacksmith (\$1,000/student)
- 5% & 8% reduction in FSP funding
- 3% annual growth in FSP funding beginning FY 15/16

Expenditure:

- Personnel costs & Professional Services increase by 2% annually
- Supplies increase by 1 ½% annually
- Other operating costs increase by 1% annually

Figure 23 – Five (5) Year Forecast

<b>Westlake Academy - General Fund</b>							
<b>Five Year Financial Forecast - FY 2011-12 thru FY 2015-16</b>							
	Audited FY 09/10	Estimated FY 10/11	Adopted FY 11/12	Projected FY 12/13	Projected FY 13/14	Projected FY 14/15	Projected FY 15/16
<b>GENERAL FUND BEG. BALANCE</b>	\$ 504,654	\$ 767,491	\$ 760,220	\$ 657,002	\$ 397,691	\$ 32,810	\$ (439,844)
<b>REVENUES</b>							
<b>Local Revenues</b>							
WAF Salary Reimbursement	59,056	64,858	31,662	32,295	32,941	33,600	34,272
Other Local Revenue	42,287	4,316	15,000	15,450	15,914	16,391	16,883
WAF Blacksmith	431,409	530,000	627,000	630,000	629,000	628,000	625,000
Interest Earned	908	1,700	1,500	1,520	1,314	795	66
Food Services	-	3,000	3,000	3,090	3,183	3,278	3,377
Donations	10,500	38,950	-	-	-	-	-
Athletic Activities	67,200	20,036	37,980	37,800	37,740	37,680	37,500
Transportation/Parking	-	7,106	37,840	38,597	39,369	40,156	40,959
<b>Total Local Revenues</b>	<b>611,360</b>	<b>669,967</b>	<b>753,982</b>	<b>758,752</b>	<b>759,460</b>	<b>759,901</b>	<b>758,056</b>
<b>State Revenue</b>							
TEA - FSP Funds	3,485,909	3,748,836	4,281,649	4,200,605	4,193,937	4,187,270	4,292,285
TRS On-behalf/Medicare Part B	183,454	171,301	208,437	230,851	235,468	240,178	244,981
<b>Total State Revenues</b>	<b>3,669,363</b>	<b>3,920,137</b>	<b>4,490,086</b>	<b>4,431,456</b>	<b>4,429,406</b>	<b>4,427,447</b>	<b>4,537,266</b>
<b>TOTAL REVENUES</b>	<b>4,280,723</b>	<b>4,590,104</b>	<b>5,244,068</b>	<b>5,190,209</b>	<b>5,188,866</b>	<b>5,187,348</b>	<b>5,295,322</b>
<b>EXPENDITURES</b>							
Object Code 61XX - Salaries	2,951,964	3,337,074	3,772,080	3,847,521	3,924,472	4,002,961	4,083,020
Object Code 62XX - Prof. Contracted Services	480,955	739,694	962,025	981,266	1,000,891	1,020,909	1,041,327
Object Code 63XX - Supplies & Materials	244,945	283,805	258,447	262,324	266,259	270,252	274,306
Object Code 64XX - Other Operating Costs	198,527	249,489	341,894	345,313	348,766	352,254	355,776
Object Code 65XX - Debt Service	41,495	-	-	-	-	-	-
Object Code 66XX - Capital Assets	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,917,886</b>	<b>4,610,062</b>	<b>5,334,446</b>	<b>5,436,424</b>	<b>5,540,387</b>	<b>5,646,376</b>	<b>5,754,430</b>
<b>OTHER RESOURCES/USES</b>							
Other Resources	-	654,042	36,967	37,706	38,460	39,230	40,014
Other Uses	100,000	641,354	49,807	50,803	51,819	52,856	53,913
<b>Excess Revenues Over (Under) Expenditures</b>	<b>262,837</b>	<b>(7,270)</b>	<b>(103,218)</b>	<b>(259,312)</b>	<b>(364,880)</b>	<b>(472,654)</b>	<b>(473,006)</b>
<b>GENERAL FUND ENDING BALANCE</b>							
Assigned - Technology/FFE	-	100,000	-	-	-	-	-
Assigned - Uniform/Equipment Replacement	13,718	4,499	3,684	14,838	14,838	14,838	14,838
Assigned - Facility Maintenance/FFE	-	-	-	-	-	-	-
<b>ENDING FUND BALANCE (Unassigned)</b>	<b>753,772</b>	<b>655,722</b>	<b>653,319</b>	<b>382,853</b>	<b>17,972</b>	<b>(454,682)</b>	<b>(927,688)</b>
<b># of Operating Days (365)</b>	<b>70</b>	<b>52</b>	<b>45</b>	<b>26</b>	<b>1</b>	<b>(29)</b>	<b>(59)</b>

## ***Economic Outlook***

Currently, there is an enormous amount of economic uncertainty both at the federal and state levels which has caused many to question what the future will hold in terms of federal and state funding for public schools like Westlake Academy. While each economic recession is unique, the effects they have on the market prices of goods and services are substantially similar; the staff has utilized regression analysis to estimate revenues and expenditures which helps mitigate uncertainty by taking into account past trends.

### **Revenues**

Unlike most other public school districts, Westlake Academy itself does not have taxing authority. As State funding makes up over 85% of General Fund revenues, the Academy is greatly affected by the State's decisions regarding public charter school funding. The five year forecast has been prepared based on the expectation that once the current funding reductions are realized, it will take at least two years for the State to authorize an increase due to the biennium budget cycle. It is also important to note that many of the Academy's major revenues are a function of the total number of students enrolled at the Academy. Thus, as enrollment has increased, revenues have also increased; this trend is expected to end in FY 11-12 when the Academy reaches full enrollment capacity.

### **Expenditures**

Similar to the Academy's revenues, its expenditures have also increased relative to increases in student enrollment. To some extent, student population is indicative of the demand for teachers and support personnel; the largest expenditure category is salaries and benefits for the Academy's faculty and staff. The current forecast assumes no further expansions of curriculum or other programme areas that would necessitate additional staff; no increases in personnel are included in the forecast. Other costs including utilities, supplies, professional services and payroll and related expenses are escalated at a maximum of 2% annually. This inflationary estimate is based on the Fed's current policy of maintaining low interest rates in order to prevent high rates of inflation.

### **Fund Balance**

The purpose of a financial forecast is to project current funding decisions into the future so that fiscal and budgetary consequences can be recognized and addressed; they are an 'early warning system' for elected leaders and staff. The current five-year forecast estimates the fund balance in the General Fund will drop below the target 45 operating day threshold established under current Board policy and will be completely exhausted by the end of FY 14/15. Deficit spending which is projected to begin with the estimated FY 10/11 budget and continue through the last year of the forecast causes fund balance to become reduced. The Westlake Academy Board of Trustees and staff are currently working on several plans that will address both revenues and expenditures; preservation of the Academy's culture, quality, vision and mission are of paramount importance in this process.

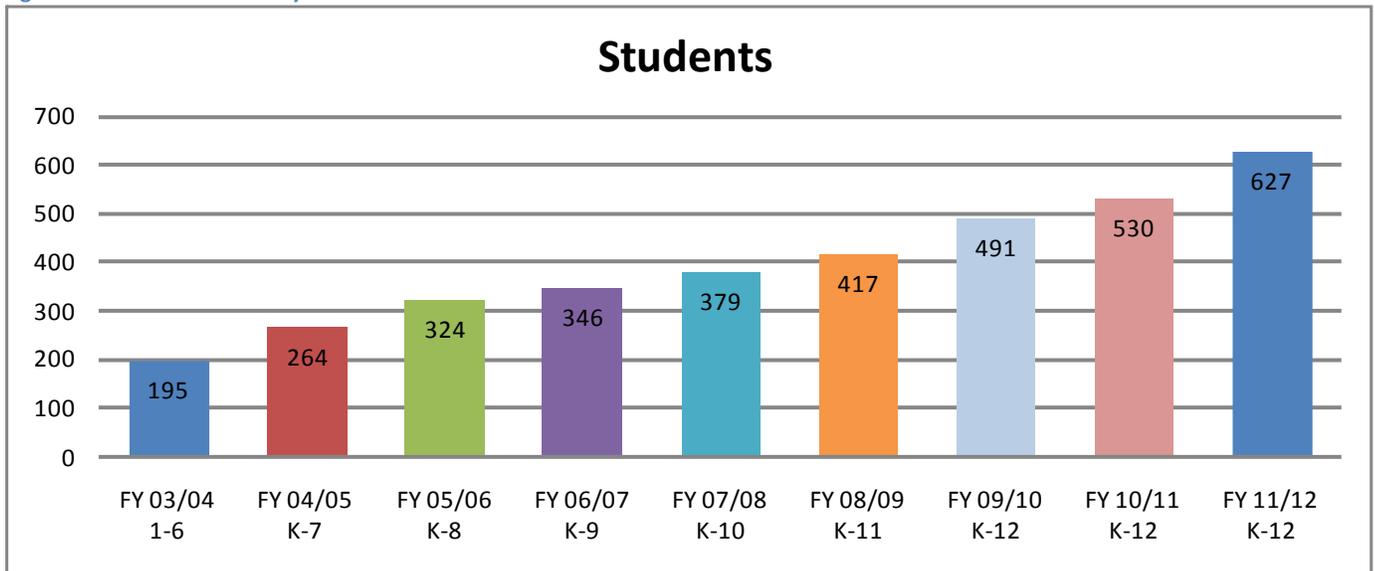
## Enrollment & Employee Information

### *Enrollment History and Methodology*

In past years, student enrollment at Westlake Academy has increased in concert with the expansion of grade level offerings. In the 2009-10 fiscal year the Academy completed its grade-level expansion such that the Academy now offers all grades, K–12. In FY 2010-2011, student enrollment increased to an average of 20 students per class (Kindergarten, Grade 11, and Grade 12 excepted). Additionally, a third section in Grade 6 will be added in FY 2011-2012.

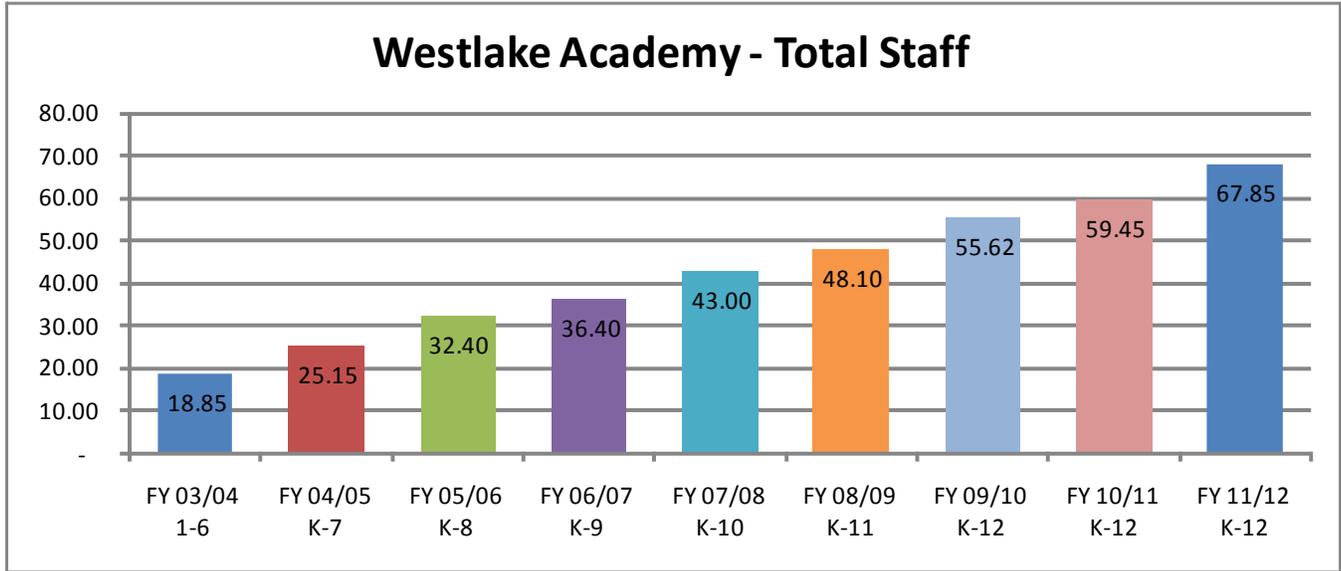
FY 11/12 enrollment will also see a slight increase due to one additional section per grade, a total of three sections per grade, in Grade 7 – 10, and an additional section in G 11-12 during the following two years. An increase in enrollment in future years (Beyond FY 13/14) is not planned at this time and is at the sole discretion of the Board.

Figure 24 - Westlake Academy Student Enrollment



## Number of Full Time Employees

Figure 25 - Westlake Academy Total Staff Count



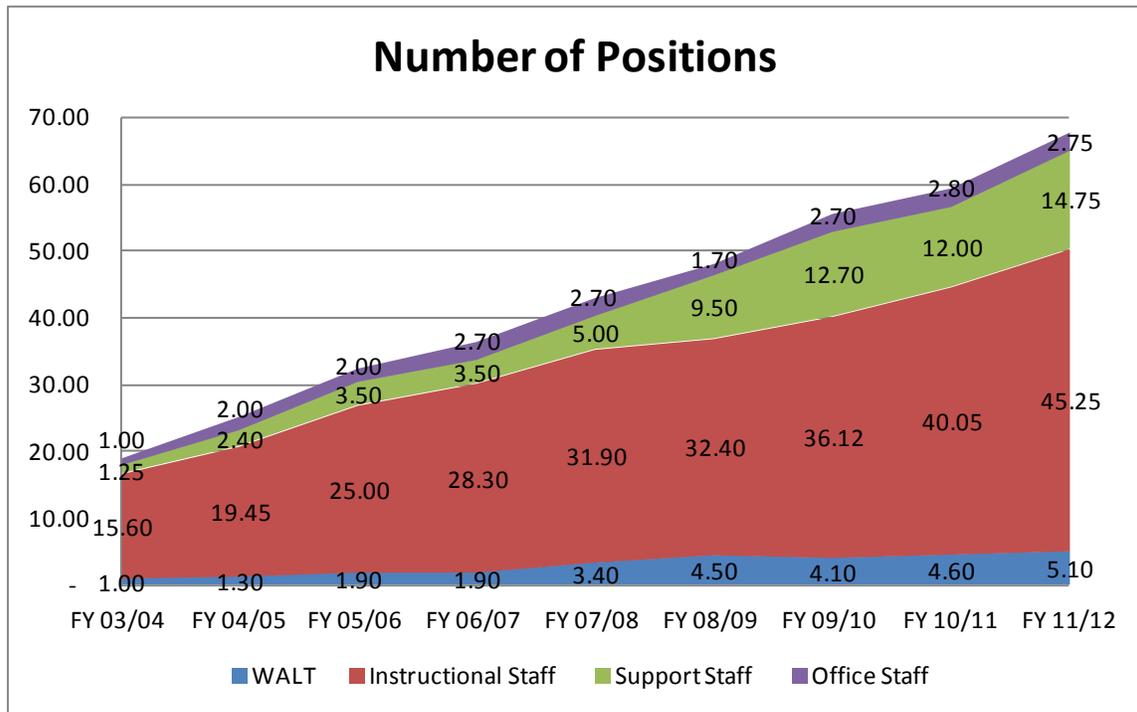
The employee growth is directly correlated with the growth in student population. The school offered G1 – G6 in 2003 and has grown by one grade each year. In 2009 the Academy graduated its first class of students and is adding an additional section (approximately 20 students per grade) in G7 – G11.

## Position Summary

Position Summary										
Fiscal Year	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	Increase
	Actual	Proposed								
Classes Served	1-6	K-7	K-8	K-9	K-10	K-11	K-12	K-12	K-12	
Head of School	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Primary Principal	-	-	-	-	1.00	1.00	1.00	1.00	1.00	-
Secondary Principal	-	-	-	-	-	0.50	1.00	1.00	1.00	-
Admin Coordinator	-	-	-	-	-	1.00	1.00	1.00	1.00	-
PYP Coordinator	-	0.30	0.50	0.50	1.00	0.50	0.60	0.60	0.60	-
MYP Coordinator	-	-	0.40	0.40	0.40	0.50	0.50	1.00	1.00	-
DP Coordinator	-	-	-	-	-	0.50	0.50	0.40	0.40	-
Primary - K	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-
Primary 1	2.00	2.00	2.00	2.00	2.00	2.00	1.70	2.00	2.00	-
Primary 2	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-
Primary 3	2.00	2.00	3.00	2.00	2.60	2.00	2.00	2.00	2.00	-
Primary 4	2.00	1.70	2.50	2.00	2.00	2.00	2.00	2.00	2.00	-
Primary 5	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.00	(1.00)
Primary 6	2.00	2.00	2.00	2.00	2.00	2.00	1.80	2.00	3.00	1.00
Primary - PE	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	-
Primary - Reading Spec.I	-	-	-	-	-	-	0.40	1.00	1.00	-
Primary - Art	0.80	0.80	0.60	0.80	0.80	0.80	0.90	1.00	1.00	-
Primary - Music	0.80	0.40	0.80	1.00	1.00	1.00	1.00	1.00	1.00	-
Primary - Spanish	1.00	1.00	1.00	1.00	1.00	1.00	1.20	1.00	1.00	-
Primary - IT	-	-	-	-	-	-	-	0.40	0.40	-
Special Education	-	-	1.00	2.00	2.00	2.00	2.00	2.00	3.00	1.00
Secondary - Art	-	-	0.60	0.60	1.00	0.80	1.00	0.85	0.85	-
Secondary English	-	-	1.00	2.00	2.00	2.00	3.00	3.00	3.00	-
Secondary - Humanities	-	1.00	0.60	0.60	1.60	2.00	3.10	3.00	4.00	1.00
Secondary - IT	-	-	-	0.30	0.30	0.30	0.30	0.20	1.00	0.80
Secondary - Math	-	0.40	1.00	1.50	2.00	1.75	2.00	2.00	3.00	1.00
Secondary - Science	-	0.50	1.00	1.50	2.00	2.50	3.25	3.60	3.60	-
Secondary - Spanish	-	0.40	0.50	1.00	1.00	1.50	2.00	2.60	3.00	0.40
Secondary - PE	-	0.25	0.40	1.00	1.00	1.25	0.72	1.50	1.50	-
Secondary - CAS	-	-	-	-	0.60	-	0.25	-	-	-
Secondary - Theater Arts	-	-	-	-	-	-	-	-	1.00	1.00
Strings Staff	-	-	-	-	-	-	0.25	0.33	0.33	-
Librarian	-	0.40	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Counselors	-	0.50	1.00	1.00	1.50	2.00	2.00	2.00	3.00	1.00
Athletic Director	-	-	-	-	-	-	0.75	-	-	-
Teaching Aides	-	0.60	-	-	-	2.50	3.70	3.67	4.67	1.00
Nurse	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	-
IT Tech	-	-	-	0.70	0.70	0.70	1.70	1.80	1.75	(0.05)
Asst. to Head of School	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Registrar	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Office Aide	-	-	0.60	0.60	1.60	2.60	3.00	3.00	3.00	-
Lunchroom Personnel	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	-
Day Porter	-	-	-	-	-	-	0.60	0.60	0.60	-
Maintenance Engineer	-	-	-	-	-	-	-	-	0.75	0.75
Exec. Dir. WAF/Dir. of Dev.	-	-	-	-	-	-	-	-	0.50	0.50
<b>Total Positions</b>	<b>18.85</b>	<b>25.15</b>	<b>32.40</b>	<b>36.40</b>	<b>43.00</b>	<b>48.10</b>	<b>55.62</b>	<b>59.45</b>	<b>67.85</b>	<b>8.40</b>

\*The table above lists each position in terms of the number of FTE (full time equivalent)staff currently employed.

## Selective Staff to Pupil Ratios



The WALT (Westlake Academy Leadership Team) consists of the principals, administrative coordinator, and programme coordinators. The instructional staff consists of all teachers in GK – G12. The support staff consists of the librarian, counselors, athletic director, teaching aides, nurse, and IT. The office staff consists of the administrative support staff.

## Other Information

### *Performance Data – Selected School Report Card Data*

Student performance on the Texas Assessment of Knowledge and Skills (TAKS) test continues to be well above the State average. The Academy has been recognized as an “exemplary” school for the fifth time by the Texas Education Agency (TEA). This designation is given to schools that meet all four of the following criteria:

- **TAKS™ Test Passing** – At least 90 percent of all students must pass the TAKS test overall **and** each of the test’s five subsections (Reading/ELA, Writing, Social Studies, Mathematics, and Science). Additionally 90 percent of each ethnic/racial “subgroup” must also pass the overall test and each subsection
- **SDAA II Test Passing** - At least 90 percent of all students must pass the State-Developed Alternative Assessment II (SDAA II) test, which is required for only those students whom the TAKS test is not an acceptable measurement
- **Completion Rate** – At least 95 percent of all students as well as 95 percent of each “subgroup” must either have completed or are continuing their education four years after entering high school
- **Dropout Rate** – No more than .2 percent of all students as well as no more than .2 percent of each “subgroup” can have dropped out of school

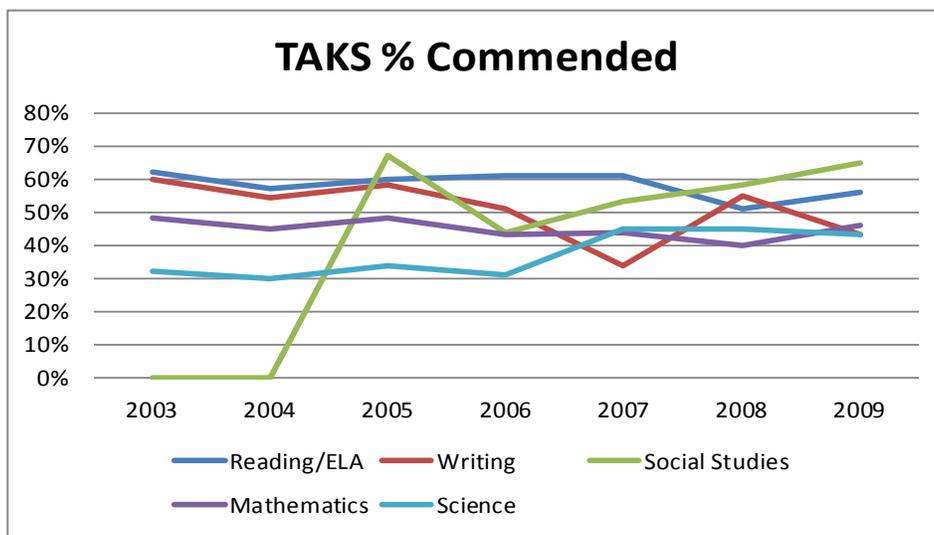
This chart shows the Academy's State mandated TAKS (Texas Assessment of Knowledge and Skills) results over time by subject area as well as the campus ratings by the Texas Education Agency (TEA):

Figure 26 Westlake Academy TEA Performance Data

Description	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Reading/ELA	98%	98%	99%	98%	99%	100%	98%	99%
Writing	97%	97%	99%	91%	93%	100%	96%	99%
Social Studies	N/A	N/A	99%	95%	98%	100%	99%	99%
Mathematics	97%	91%	95%	91%	93%	98%	94%	96%
Science	93%	85%	78%	88%	96%	99%	99%	99%
Texas Accountability Rating	Exemplary	Recognized	Recognized	Recognized	Exemplary	Exemplary	Exemplary	Exemplary

% Commended	2003	2004	2005	2006	2007	2008	2009	2010
Reading/ELA	-	62%	57%	60%	61%	61%	51%	56%
Writing	-	60%	54%	58%	51%	34%	55%	43%
Social Studies	-	-	-	67%	44%	53%	58%	65%
Mathematics	-	48%	45%	48%	43%	44%	40%	46%
Science	-	32%	30%	34%	31%	45%	45%	43%

Westlake Academy maintained or improved in each of the five (5) TAKS test categories. The percentage receiving commended status rose in Reading/ELA, Social Studies and Mathematics and fell in Writing and Science.



Westlake Academy has been rated recognized three times and exemplary five times since the inception of the school in 2003. More importantly, the measurement of students commended focuses on the students who have mastered the content in each subject area.

In addition to state-mandated testing, as a member of the International Baccalaureate Organization, Westlake Academy's students have the option of taking IB tests to earn an IB diploma. In FY 10/11 twenty-nine (29) of Westlake Academy's thirty-two (32) graduating seniors elected to sit for these exams; of these, twenty-four (24) will receive IB diplomas.

## ***Academic & Athletic Programs***

Westlake Academy is authorized by the International Baccalaureate (IB) to offer:

- *The IB Primary Years Programme (grades K-6)*
- *The IB Middle Years Programme (grades 7-10)*
- *The IB Diploma Programme (grades 11-12)*

These three curricula combine synergistically to form the IB Continuum which is the cornerstone of the educational efforts pursued by Westlake Academy to produce IB diploma graduates. The IB programmes encourage students to be active learners, well-rounded individuals and engaged community members. Universities and colleges actively recruit IB graduates, often offering them credit or advanced standing for their IB work. Leading public and private universities and government officials recognize IB as excellent preparation for success in post secondary education and in life. Students who earn an IB diploma are equipped with the knowledge, skills, and abilities to compete with students around the world. The IB continuum is not only a pathway for students to an academically-rigorous, internationally recognized education. It prepares students for success in college or university by:

- *Focusing on the transference of learning with understanding to worthy tasks;*
- *Fostering critical thinking, intellectual, and emotional maturity; and*
- *Learning intellectual coherence through the alignment of what is taught and what is tested.*

When schools implement the full continuum of IB programmes, they realize several benefits:

- *An increased number of students prepared for and applying to the Diploma Programme as well as IB Diploma graduates;*
- *Improved standardized test scores;*
- *An understanding and appreciation of the world's cultures and histories among their students; and*
- *A sense of community and shared goals among parents, students, teachers, and administrators.*

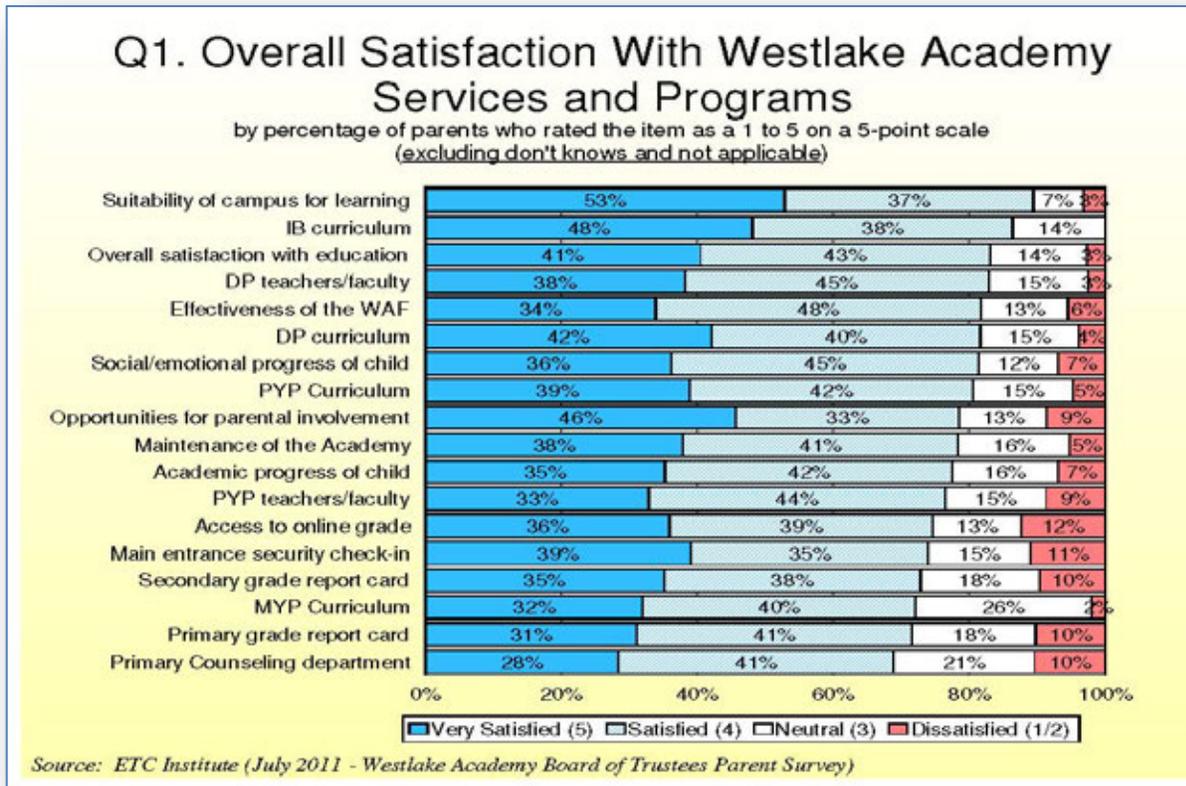
### ***COST FOR MAINTAINING THE IB PROGRAMMES***

The IB programme related costs contained in this budget total \$25,830 and are comprised of the annual fees described in the table below.

<b><u>Cost for Maintaining the IB Programmes</u></b>	<b><u>PYP</u></b>	<b><u>MYP</u></b>	<b><u>DP</u></b>	<b><u>Total</u></b>
Annual Fees	\$7,350	\$8,400	\$10,080	\$25,830
Evaluation Costs	\$3,500	\$3,500	\$3,500	\$10,500
Scheduled Evaluation Visits	FY 13/14	FY 14/15	FY 12/13	

\*Evaluation visits occur every five (5) years after the initial visit.

The IB programme continues to be the top reason parents seek out Westlake Academy for their child's education as evidenced in the 2011 Parent's survey:



## ***IB LEARNER PROFILE***

Westlake Academy will follow the tenants of the International Baccalaureate Organization. IB idealistically fosters the development of universal human values and includes them in the curriculum. These are outlined in the IB Learner Profile, which helps teachers and students to establish goals, plan units of inquiry, and assess performance.

### **IB learners strive to be:**

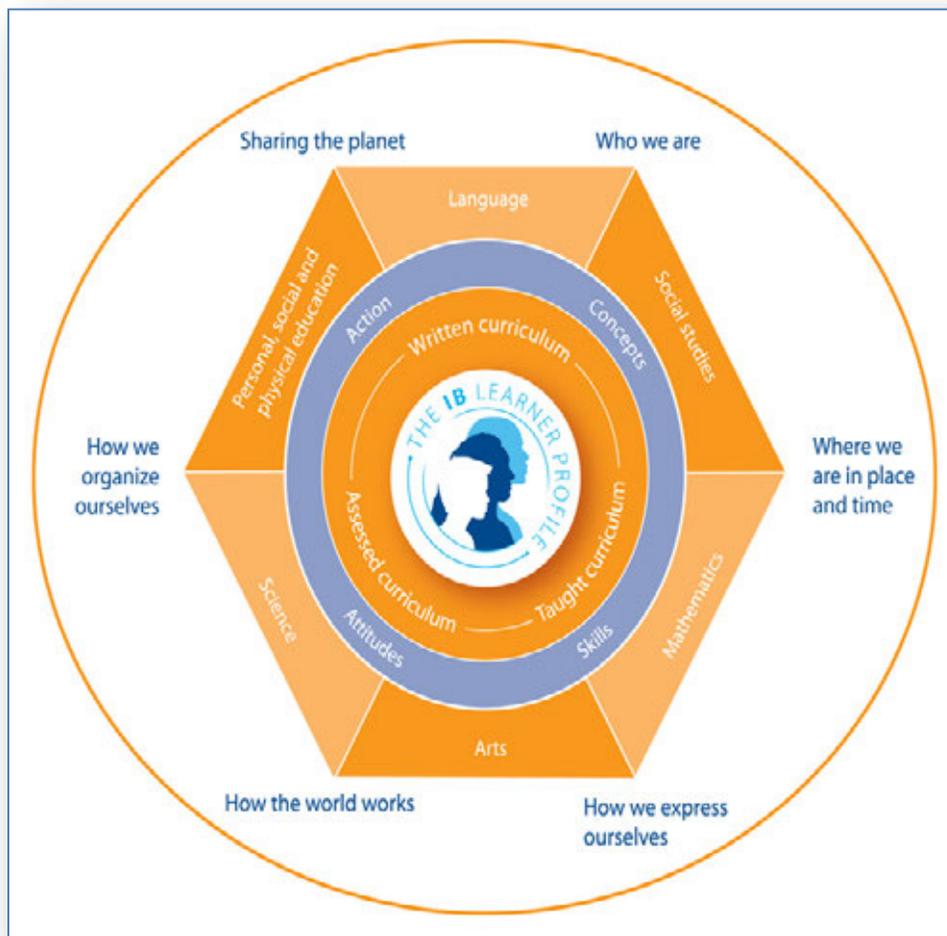
- **Inquirers** - They develop their natural curiosity. They acquire the skills necessary to conduct inquiry and research and show independence in learning. They actively enjoy learning and this love of learning will be sustained throughout their lives.
- **Knowledgeable** - They explore concepts, ideas and issues that have local and global significance. In so doing, they acquire in-depth knowledge and develop understanding across a broad and balanced range of disciplines.
- **Thinkers** - They exercise initiative in applying thinking skills critically and creatively to recognize and approach complex problems, and make reasoned, ethical decisions.
- **Communicators** - They understand and express ideas and information confidently and creatively in more than one language and in a variety of modes of communication. They work effectively and willingly in collaboration with others.
- **Principled** - They act with integrity and honesty, with a strong sense of fairness, justice and respect for the dignity of the individual, groups and communities. They take responsibility for their own actions and the consequences that accompany them.
- **Open-minded** - They understand and appreciate their own cultures and personal histories, and are open to the perspectives, values and traditions of other individuals and communities. They are accustomed to seeking and evaluating a range of points of view, and are willing to grow from the experience.
- **Caring** - They show empathy, compassion and respect towards the needs and feelings of others. They have a personal commitment to service, and act to make a positive difference to the lives of others and to the environment.
- **Risk-takers** - They approach unfamiliar situations and uncertainty with courage and forethought, and have the independence of spirit to explore new roles, ideas and strategies. They are brave and articulate in defending their beliefs.
- **Balanced** - They understand the importance of intellectual, physical and emotional balance to achieve personal well-being for themselves and others.
- **Reflective** - They give thoughtful consideration to their own learning and experience. They are able to assess and understand their strengths and limitations in order to support their learning and personal development.

## **PRIMARY YEARS PROGRAMME**

Westlake Academy has been successfully implementing the Primary Years Programme (PYP) since 2003 and achieved IB authorization in July 2006.

The Primary Years Programme, a curriculum framework for children aged 3 - 12, focuses on inquiry-based learning. By emphasizing knowledge, skills, critical thinking and the fostering and development of universal human values, the PYP is a powerful means of going beyond subject domains, asking students to use their knowledge and skills to solve real life problems. Thus students become responsible for their own learning and must work collaboratively with peers and build on each member's strength.

All of the IB programmes are flexible enough to enable teachers to respond to local requirements; thus the Academy addresses all the TEKS but endeavors to do so within a much more transdisciplinary manner and without 'teaching to the test'.



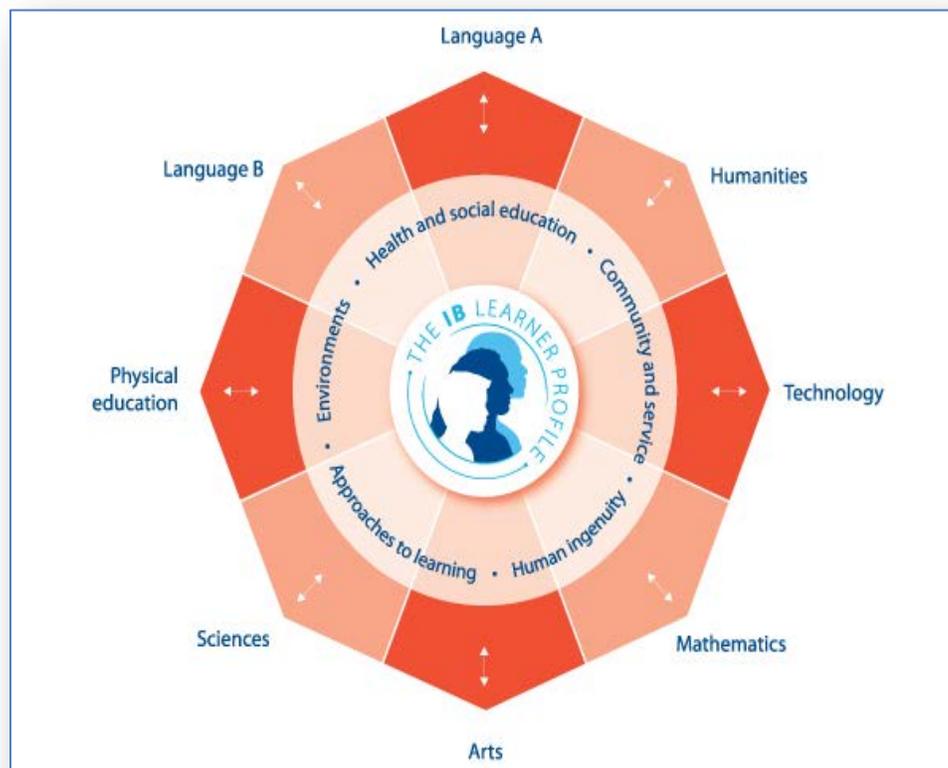
## ***MIDDLE YEARS PROGRAMME***

Westlake Academy first began implementing the International Baccalaureate Middle Years Programme (MYP) in August 2004, and gained authorization to offer the IB Middle Years Programme in July 2007.

The MYP programme is one that offers a truly global and holistic approach in its delivery with a highly dedicated, cohesive and qualified teaching staff. Westlake Academy's goal is to add an additional grade for each year of the programme (Grades 7, 8, 9 & 10) and to have the students prepared for the International Baccalaureate Diploma programme (Grades 11 & 12).

The International Baccalaureate is an organization that has grown in stature since its introduction over five decades ago. The IB Diploma is the most prestigious high school diploma in the world. It is the only diploma recognized internationally. More than 400 colleges and universities in the United States provide admission, scholarships and advanced placement opportunities for IB students. Although there are certain similarities with the AP programme, the IB Diploma offers a more rounded programme of studies.

The Middle Years staff at Westlake Academy has great confidence in the students, the facilities, the programme and the support from parents and the administration, in order to implement the IB Middle Years Programme successfully over the course of the next four years.



## ***DIPLOMA PROGRAMME***

The International Baccalaureate (IB) Diploma Programme (DP) is a challenging two-year curriculum, primarily aimed at students aged 16 to 19. It leads to a qualification that is widely recognized by the world's leading universities.

Students learn more than a collection of facts. The Diploma Programme prepares students for university and encourages them to:

- Ask challenging questions
- Learn how to learn
- Develop a strong sense of their own identity and culture
- Develop the ability to communicate with and understand people from other countries and cultures.

The curriculum contains six subject groups together with a core made up of three separate parts. This is illustrated by a hexagon with the three parts of the core at its centre.



## DIPLOMA PROGRAMME MODEL

Students study six subjects selected from the subject groups. Normally three subjects are studied at higher level (courses representing 240 teaching hours), and the remaining three subjects are studied at standard level (courses representing 150 teaching hours). All three parts of the core requirements, "extended essay, theory of knowledge and creativity, action, service" are compulsory and are central to the philosophy of the Diploma Programme.

### **Subject Groups:**

#### **\*Extended essay**

The extended essay has a prescribed limit of 4,000 words. It offers the opportunity to investigate a topic of individual interest, and acquaints students with the independent research and writing skills expected at university.

#### **\*Theory of knowledge (TOK)**

The interdisciplinary TOK course is designed to provide coherence by exploring the nature of knowledge across disciplines, encouraging an appreciation of other cultural perspectives.

#### **\*Creativity, action, service (CAS)**

Participation in the school's CAS programme encourages students to be involved in artistic pursuits, sports and community service work, thus fostering students' awareness and appreciation of life outside the academic arena.

### **How are students assessed?**

At the end of the two-year programme, students are assessed both internally and externally in ways that measure individual performance against stated objectives for each subject.

#### **Internal assessment**

In nearly all subjects at least some of the assessment is carried out internally by teachers, who mark individual pieces of work produced as part of a course of study. Examples include oral exercises in language subjects, projects, student portfolios, class presentations, practical laboratory work, mathematical investigations and artistic performances.

#### **External assessment**

Some assessment tasks are conducted and overseen by teachers without the restrictions of examination conditions, but are then marked externally by examiners. Examples include world literature assignments for language A1, written tasks for language A2, essays for theory of knowledge and extended essays.

Because of the greater degree of objectivity and reliability provided by the standard examination environment, externally marked examinations form the greatest share of the assessment for each subject.

The grading system is criterion based (results are determined by performance against set standards, not by each student's position in the overall rank order); validity, reliability and fairness are the watchwords of the Diploma Programme's assessment strategy.

### ***FY 10-11 ACADEMIC ACHIEVEMENTS***

- Westlake Academy was ranked # 19 in the United States in the Washington Post Challenge Index
- In 2011, WA students achieved the IB Diploma well above the world rate with 86% of the students earning the diploma.
- Westlake Academy's TAKS (Texas Assessment of Knowledge and Skill) scores are notably higher than the average state scores.
- Westlake Academy earned an Exemplary rating, the highest category recognized by the state's accountability system.
- Westlake Academy received the Distinguished Budget Presentation Award from the Government Finance Officers Association.
- The Academy received the Meritorious Budget Award from the Association of School Business Officials International (ASBO).
- For the past two years, WA students have consistently had a higher overall AP pass rate when compared to both Texas and the World.
- In 2011, over a third of the students who took AP exams earned the distinction of being an AP Scholar, AP Scholar with Honors, or AP Scholar with Distinction.

#### **Staff Accomplishments:**

- Several faculty members continue to represent the International Baccalaureate as Workshop Leaders, Site Visitors and Consultants.
- One faculty member continues to serve as an IB Diploma Assistant Examiner for HL Biology

#### **Student Accomplishments:**

- Twenty-five WA graduates from the Class of 2011 received the prestigious IB Diploma. In addition, these students scored above the world average.
- The entire Senior class of 32 students received \$4.2 million in scholarship and grant offers. All 32 were accepted into respected colleges/universities across the State and the U.S. including an invitation into the U.S. Air Force Academy.
- Nine WA students received the distinguished honor of AP Scholar for scoring 3 or higher on three or more AP exams.
- A Westlake Academy graduating Senior was awarded the Congressional Award – Bronze Medal by U.S. Congressman Michael Burgess, M.D. in recognition for her commitment to public service and personal development.

## ***WESTLAKE ACADEMY ATHLETICS***

While mentioning our academic programs, we must also take a moment and focus on our athletics for the coming school year. Athletics at the Academy are intended to round out our students' education and compliment their class room work. One of the Academy's athletic program's special features is that it offers all our students an opportunity to actually play at least one sport of their choosing (many play several). Another special attribute of Westlake Academy athletics is the tremendous core of talented parents who volunteer as coaches and assistant coaches, as well as serve in the Westlake Academy Athletic Club (WAAC).



### ***FY 10-11 ATHLETIC ACHIEVEMENTS***

#### **Varsity Cross Country**

Women's Team- State Champions  
Women's Team- 1<sup>st</sup> Place- Corey Timmerman  
Men's Team- Runner Up- Ramsey Timmerman

#### **Varsity Volleyball**

1<sup>st</sup> Round State Tournament

#### **Varsity Co-Ed Soccer**

State Tournament- Final Four

#### **Junior High Co-Ed Soccer**

District Champions  
1<sup>st</sup> Place Regional Tournament

#### **Varsity Women's Basketball**

State Tournament- Final Four  
District Champions

#### **Varsity Men's Basketball**

1<sup>st</sup> Round State Tournament

#### **Junior Varsity Men's Basketball**

Regional Champions

#### **Varsity Baseball**

2<sup>nd</sup> Place State Tournament  
District Champions

#### **Varsity Softball**

State Tournament- Final Four  
2<sup>nd</sup> Place District

#### **Tennis**

Men's State Champion  
Patrick Watson

## Parent Survey Results

The Board of Trustees and Staff of Westlake Academy are dedicated to the success of Westlake Academy. The Board recognizes the critical role Westlake Academy's parents play in this endeavor and to that end, has instituted an annual parent survey.

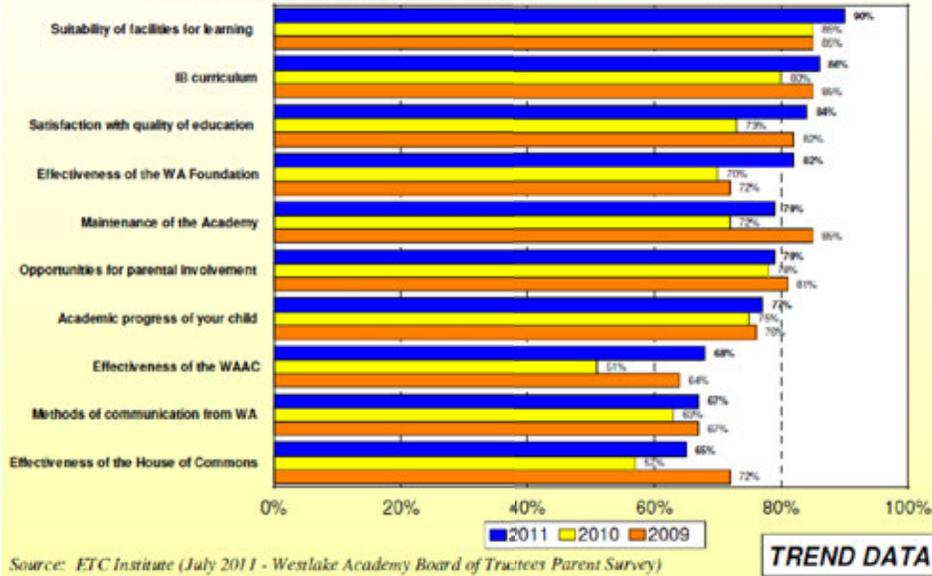
This survey allows parents an opportunity to provide valuable feedback about their perspectives on everything from communication to curriculum. In June of 2011, the Academy conducted the Westlake Academy Board of Trustees Parent Survey for the third consecutive year. These surveys have each helped to build a basis of comparison as well as performance metrics that help the faculty and Board gauge our progress in achieving the vision and mission of Westlake Academy. The results from these surveys provide insight into parent's concerns and help make Westlake Academy a better place for its students by helping us recognize our weaknesses and continually improve.

The feedback we received this year was very positive; none of the nineteen (19) services and programs rated decreased in satisfaction. In fact, thirteen (13) services and programs had significant increases (greater than 5%) in levels of satisfaction.

1. Satisfaction with the effectiveness of the WAAC increased 17% from 51% to 68%
2. Satisfaction with Westlake Academy Foundation increased 12% from 70% to 82%
3. Satisfaction with communications regarding issues/problems increased 12% from 52% to 64%
4. Satisfaction with opportunities for parental input increased 12% from 50% to 62%
5. Satisfaction with the quality of education increased 11% from 73% to 84%
6. Satisfaction with the quality of extra-curricular sports programs increased 11% from 53% to 64%
7. Satisfaction with the college preparation process increased 11% from 52% to 63%
8. Satisfaction with the quality of other extra-curricular programs increased 9% from 48% to 57%
9. Satisfaction with the effectiveness of the HOC increased 8% from 57% to 65%
10. Satisfaction with the maintenance of the Academy increased 7% from 72% to 79%
11. Satisfaction with the IB Curriculum increased 6% from 80% to 86%
12. Satisfaction with the school lunch program increased 6% from 31% to 37%
13. Satisfaction with the suitability of facilities for learning increased 5% from 85% to 90%

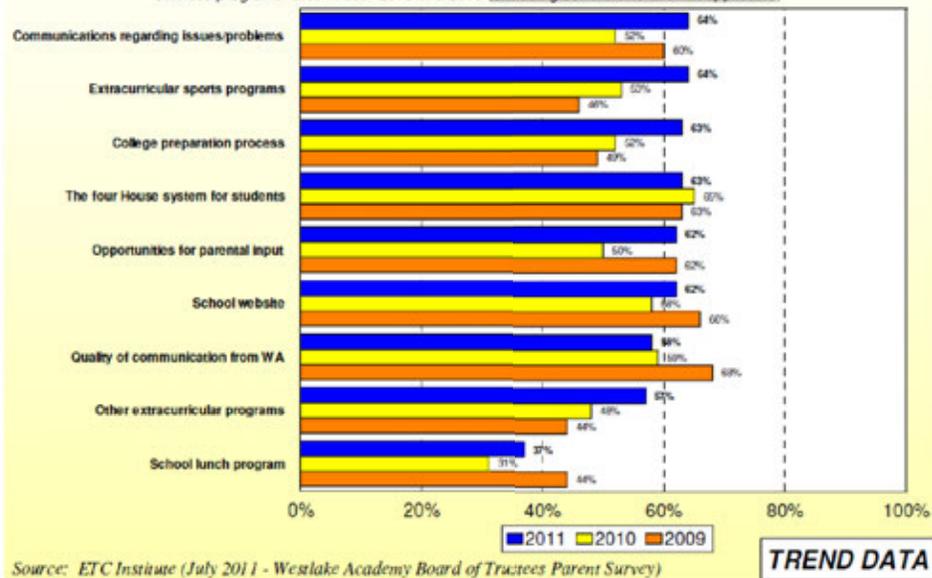
## Q1. Overall Satisfaction With Westlake Academy Services and Programs (2011-2009)

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale; chart only includes services/programs rated in both 2010 and 2009 (excluding don't knows and not applicable)



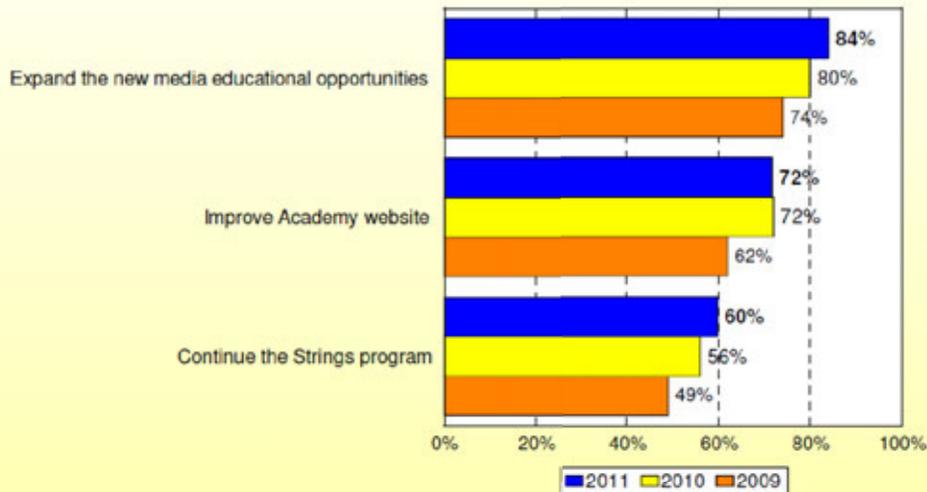
## Q1. (CONT.) Overall Satisfaction With Westlake Academy Services and Programs (2011-2009)

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale; chart only includes services/programs rated in both 2010 and 2009 (excluding don't knows and not applicable)



## Trends: Importance of Westlake Academy Expanding Various Academy Programs Assuming the Resources Are Available (2011-2009)

by percentage of parents who rated the item as a 5, 4 or 3 on a 5-point scale; chart only includes services/programs rated in both 2010 and 2009 (excluding don't knows and not applicable)



Source: ETC Institute (July 2011 - Westlake Academy Board of Trustees Parent Survey)

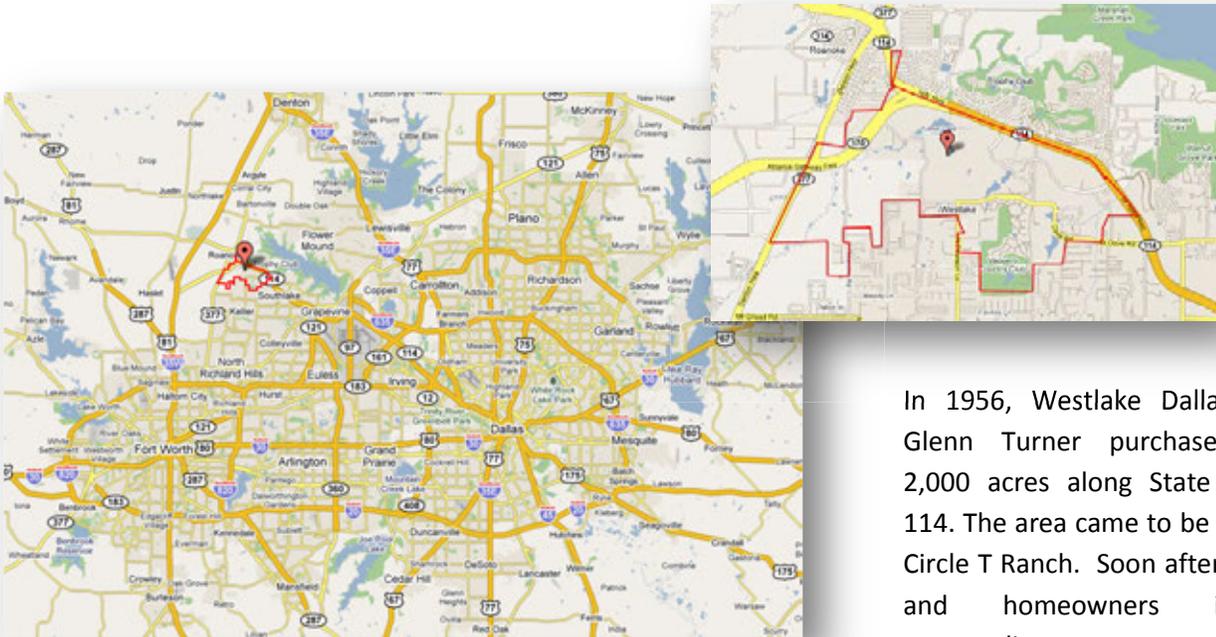
**TREND DATA**

## Community Profile

### *History of Westlake*

The Town of Westlake has a short but fascinating history. The geographic region, known as the place where the cross timbers met the prairie, holds tales of settlers from the Peters Colony, Indian treaties signed by Sam Houston, tremendous archeological treasures, and some of the oldest settlements in north Texas. The region has always been known for its natural bounty, its trade value, and its wonderful people. The Town of Westlake and northeast Tarrant County has maintained that distinction over the years, becoming one of the most desirable and sought after places to live in America.

The Town has seen much change since its original incorporation. During the early years, our Mayor and Board members met to discuss Town business in the comfort of each other's living rooms – an interesting contrast to how our Town operates today.



In 1956, Westlake Dallas lawyer Glenn Turner purchased about 2,000 acres along State Highway 114. The area came to be known as Circle T Ranch. Soon after, ranches and homeowners in the surrounding community incorporated, taking the name

Westlake. The area included what is known today as Westlake, plus the area north, to the northern shore of Denton Creek. This northern land was later disannexed from Westlake and formed Trophy Club. By 1952, Denton Creek was dammed and Lake Grapevine was formed.

In the early 1970s, Houston developers Johnson and Loggins and professional golfer Ben Hogan approached Westlake about building a golf course, country club, and a housing development. Residents' interests differed. In 1973, Westlake disannexed that area, clearing the way for the upscale housing development.

In the mid-1970s, the Circle T Ranch was purchased by oil millionaire Nelson Bunker Hunt. The ranch became known for its glamorous parties attended by celebrities from all over the world. By 1989, Hunt had declared bankruptcy and the ranch was up for sale. It was purchased by Ross Perot Jr. in 1993.

## ***Location***

Minutes from downtown Fort Worth and DFW International Airport, the Town of Westlake is home to several upscale residential communities and Fortune 500 companies, all of which share a unique character and charm, along with a commitment to excellence. The Town is located in northeast Tarrant County and may be conveniently accessed by several major thoroughfares, including SH 114 and US 377.

While nearby cities are easily accessible, staying in Town for dining and entertainment is just as easy. Local restaurants serve up Italian and Tex-Mex specialties, and choices even include a delicatessen.

## ***Commercial Development***

In the mid-1980s, IBM built Solana, the multi-use office complex. IBM maintained a large presence until the mid-1990s. At that time, several of the office buildings became available for use by other corporations. Eventually, IBM sold its partnership interest.

The turn of the century has seen the addition of several major corporations to the Westlake landscape. These include Fidelity Investments, Daimler-Chrysler, and First American Title. In 2008, pre-development meetings were conducted for the Deloitte LLP Learning and Leadership Development Center and for Westlake Corners at

South-SH 114 & US 377. The Deloitte facility project which is currently the largest privately-funded construction project in Texas is scheduled to become fully operational in the Fall of 2011. Throughout the years, Westlake has proven to be an ideal and innovative business location.



## ***Westlake Academy***

The Westlake Academy is an Open Enrollment Charter School that opened September 1, 2003. Westlake Academy distinguishes itself among neighboring educational offerings with a particular focus on

international-style academics.

The programs of the International Baccalaureate Organization (Primary Years Program, Middle Years Program, and Diploma Program) have been selected as the educational model. Educational technology will be pervasive and will infuse the classroom curriculum.



An environment rich with heritage, the Westlake Academy mission is to provide educational opportunities to each child in keeping with his or her individual needs.

The primary geographic service area for Westlake Academy is the town limits of Westlake; students from other locations may be considered if seats are available.

Westlake Academy serves as a full K-12 charter school and graduated their first class of seniors in the 2009-2010 school year.

Westlake Academy is a premier learning establishment that is ranked in the top three (3%) percent of all public schools in the State of Texas and prides itself on providing a learning environment where students have the resources and facilities to excel.





## Investment Policy

### **I. POLICY STATEMENT**

It is the policy of the Westlake Academy (the "Academy") that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the Academy and conforming to all applicable state and Academy statutes governing the investment of public funds. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity.

It is the intent of the Academy to be in complete compliance with local law and the Texas Public Funds Investment Act (the "Act", Texas Government Code 2256). The earnings from investments will be used in a manner that best serves the public trust and interests of the Academy.

### **II. SCOPE**

This Investment Policy applies to all the financial assets and funds held of the Academy.

Any new funds created by the Academy will be managed under the provisions of this Policy unless specifically exempted by the Academy Board of Trustees and this Policy.

### **III. OBJECTIVES AND STRATEGY**

It is the policy of the Academy that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield. These objectives encompass the following.

#### Safety of Principal

Safety of principal is the foremost objective of the Academy. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. The suitability of each investment decision will be made on the basis of safety.

#### Liquidity

The Academy's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated. Investment decisions will be based on cash flow analysis of anticipated expenditures.

#### Diversification

Diversification is required in the portfolio's composition. Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of broker/dealers or banks for diversification and market coverage. Competitive bidding will be used on each sale or purchase.

#### Yield

The Academy's investment portfolio shall be designed with the objective of attaining a reasonable market yield, taking into account the Academy's risk constraints and cash flow needs. A reasonable market yield for the portfolio will be defined as the six month (180 day) U.S. Treasury Bill which compares to the portfolio's maximum weighted average maturity of six months.

The authorized investment purchased will be of the highest credit quality and marketability supporting the objectives of safety and liquidity. Securities, when not matched to a specific liability, will be short

term to provide adequate liquidity. The portfolio shall be diversified to protect against market and credit risk in any one sector.

The maximum weighted average maturity of the portfolio will be no more than 180 days and the maximum stated maturity of any security will not exceed two years. The funds are combined for investment purposes but the unique needs of all the funds in the portfolio are recognized and represented.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The Academy shall maintain a cash management program which includes timely collection of accounts receivable, prudent investment, disbursement of payments within invoice terms and the management of banking services.

#### **IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY**

Specific investment parameters for the investment of public funds in Texas are stipulated in the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act"). The Act is attached as Exhibit A.

The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits. The Collateral Act is attached as Exhibit B.

The Interlocal Cooperation Act, Chapter 791, Texas Government Code, authorizes local governments in Texas to participate in a Texas investment pool established thereunder.

#### **V. DELEGATION OF INVESTMENT AUTHORITY**

The Finance Director of the Town of Westlake, acting on behalf of the Board of Trustees, is designated as the Investment Officer of the Academy and is responsible for all investment management decisions and activities. The Board of Trustees is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. Procedures will include safekeeping, wire transfers, banking services contracts, and other investment related activities.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff.

The Investment Officer shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Investment Officer and approved by the Superintendent.

**VI. PRUDENCE**

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. This standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

Limitation of Personal Liability

The Investment Officer and those delegated investment authority, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change are reported in a timely manner and that appropriate action is taken to control adverse market effects.

**VII. INTERNAL CONTROLS**

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the Academy. The controls shall be designed to prevent loss of public funds due to fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees of the Academy.

**VIII. AUTHORIZED INVESTMENTS**

Acceptable investments under this policy shall be limited to the instruments listed below. The choice of high-grade government investments and high-grade, money market instruments are designed to assure the marketability of those investments should liquidity needs arise.

- A. Obligations of the United States Government, its agencies and instrumentalities, not to exceed two (2) years to stated maturity and excluding mortgage backed securities;
- B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed one year to stated maturity;
- C. No-load, SEC registered money market mutual funds. No more than 80% of the entity's monthly average balance may be invested in money market funds and;
- D. Constant dollar, AAA-rated Texas Local Government Investment Pools as defined by the Public Funds Investment Act.

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment until this Policy has been amended and the amended version adopted by the Board of Aldermen.

Delivery versus Payment

All investment security transactions shall be conducted on a delivery versus payment (DVP) basis to assure that the Academy has control of its assets and/or funds at all times.

## **IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

Securities broker/dealers may be *primary* or regional broker/dealers and will meet other criteria as determined by the Investment Officer including state registration and completion of an Academy Broker/Dealer questionnaire (attached as Exhibit D). The following criteria must be met by authorized firms.

- annual provision of an audited financial statement,
- proof of certification by the National Association of Securities Dealers (NASD)
- proof of current registration with the Texas State Securities Commission, and
- completion of the Academy's broker/dealer questionnaire.

Every bank and broker/dealer with whom the Academy transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. The firm will be required to return a signed copy of the Certification Form (attached as Exhibit C) certifying that the Policy has been received and reviewed and only those securities approved by the Policy will be sold to the Academy.

## **X. DIVERSIFICATION AND MATURITY LIMITATIONS**

It is the policy of the Academy to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed.

## **XI. SAFEKEEPING AND COLLATERALIZATION**

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by either an approved, independent third party financial institution or the Academy's designated depository.

### Securities Owned by the Academy

All safekeeping arrangements shall be approved by the Investment Officer and an agreement of the terms executed in writing. The safekeeping bank may not be within the same holding company as the bank from which the securities are purchased. The custodian shall be required to issue original safekeeping receipts to the Academy listing each specific security, rate, description, maturity, cusip number, and other pertinent information.

### Collateral

Collateralization shall be required on all bank time and demand deposits for principal and accrued interest amounts over the FDIC insurance coverage of \$100,000 (by tax identification number). In order to anticipate market changes and provide a level of additional security for all funds, collateral with a market value equal to 102% of the total deposits are required. The pledging bank will be made contractually liable for monitoring and maintaining the collateral levels at all times. All collateral will be held by an independent third party bank outside the holding company of the bank, pledged to the Academy.

Authorized collateral will include only:

- Obligations of the US Government, its agencies and instrumentalities to include mortgage backed securities which pass the bank test,
- Municipal obligations rated at least A by two nationally recognized rating agencies.

The custodian shall be required to provide original safekeeping receipts clearly marked that the security is pledged to the Academy.

## **XII. REPORTING**

The Investment Officer shall submit quarterly reports to the Board of Trustees containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and in full compliance with the Act. At a minimum the report shall contain:

- Beginning and ending market value of the portfolio by market sector and total portfolio
- Beginning and ending book value of the portfolio by market sector and total portfolio
- Change in market value during the period
- Detail on each asset (book, market, description, par ad maturity date)
- Earnings for the period
- Overall weighted average maturity of the portfolio

The report will be prepared jointly by all involved in the investment activity and be signed by the Investment Officer. It will contain all elements as required by the Act and be signed by the Investment Officers as in compliance with the Act and this Policy. Market prices for assignment of market values will be obtained from an independent source.

## **XIII. DEPOSITORIES**

The Academy will designate one banking institution through a competitive process as its central banking services provider at least every five years. This institution will be used for normal banking services including disbursements, deposits, and safekeeping of Academy owned securities. Other banking institutions from which the Academy may purchase only certificates of deposit will also be designated as a depository.

All banking arrangements will be in written form in accordance with FIRREA which requires a resolution of approval of the agreement by the Bank Council or Bank Loan Committee.

## **XIV. INVESTMENT POLICY ADOPTION BY BOARD**

The Academy's Investment Policy and its incorporated strategies shall be adopted by resolution annually by the Board. The approval and any changes made to the Policy will be noted in the approving resolution.

## Glossary

**Account:** A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object or source.

**Accounting Period:** A period of the end of which, and for which, financial statements are prepared; for example, September 1 through August 31. See also FISCAL PERIOD

**Accounting Procedure:** The arrangement of all processes which discover, record, and summarize financial information used to produce financial statements and reports and to provide internal control.

**Accounting System:** The total structure of records and procedures which discover record, classify and report information on the financial position and operations of a school district or any of its funds, balanced account groups, and organizational components.

**Accrual Basis of Accounting:** The basis of accounting, under which revenues are recorded when earned, and expenditures are recorded as soon as they result in liabilities, regardless of when revenue is actually received or a payment is actually made.

**Accrue:** To record revenues when earned or when levies are made and to record expenditures as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes, the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest on bonds.

**ADA:** Average Daily Attendance is based on the number of days of instruction in the school year. The aggregate day's attendance is divided by the number of days of instruction to compute average daily attendance. ADA is used in the formula to distribute funding to Texas public school districts.

**Administration:** Those activities which have as their purpose the general regulation, direction, and control of the affairs of the local education agency that are system-wide and not confined to one school subject, or narrow phase of school activity.

**Appropriation:** An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

**Academic Excellence Indicators System (AEIS):** A system of indicators established by the Legislature and adopted by the State Board of Education to help determine the quality of learning on a campus and in a school district. The indicators include passing rates on the state assessment tests, attendance, graduation rates, dropout rates, and scores on college entrance exams. The state will assess district and school performance compared with state-level standards. AEIS is the foundation for a school district's accountability rating.

**Accountability Ratings:** The Accountability Ratings System ranks campuses and districts as *exemplary*, *recognized*, *acceptable*, and *low performing* based on the percentage of students who pass the state assessment instruments and the dropout rate.

**Accrual Basis of Accounting:** A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

**Assigned Fund Balance:** reports amounts that are constrained by the government's intent that they will be used for specific purposes. Decision making with regard to these amounts may be made by a committee or other governmental official. Compared to *Committed* Fund Balance, the resources represented by the Assigned Fund Balance can be more easily redeployed and the constraints are not as stringent. Except for the General Fund, fund balance amounts that are not labeled as non-spendable, restricted or committed would be reported in the Assigned Fund Balance category. Therefore, the Assigned Fund Balance becomes the residual amount for the Special Revenue Fund, Capital Project Fund and Debt Service Funds.

**Association of School Business Officials International (ASBO):** The Association of School Business Official' International, founded in 1910, is a professional association which provides programs and services to promote the highest standards of school business management practices, professional growth, and the effective use of educational resources.

**Audit:** A comprehensive review of the manner in which the government's resources were actually utilized. A certified public accountant issues an opinion over the presentation of financial statements, tests the controls over the safekeeping of assets and makes recommendations for improvements for where necessary.

**Balanced Budget:** A balanced budget is a budget with total expenditures not exceeding total revenues and monies available in the fund balance within an individual fund.

**Balance Sheet:** A summarized statement, as of a given date, of the financial position of a local education agency per fund and/or all funds combined showing assets, liabilities, reserves, and fund balance.

**Budget:** A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them. The budget usually consists of three parts. The first part contains a message from the budget-making authority together with a summary of the proposed expenditures and the means of financing them. The second part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect. The third part consists of schedules supporting the summary. These schedules show in detail the proposed expenditures and means of financing them together with information as to past years' actual revenues and expenditures and other data used in making the estimates.

**Budgetary Control:** The control management of the business affairs of the school district in accordance with an approved budget with a responsibility to keep expenditures within the authorized amounts.

**Basic Allotment:** The basic allotment is the initial or starting number that, after adjustment, is used to calculate foundation program costs and state aid to school districts and charters.

**Budgetary Basis of Accounting:** The method used to determine when revenues and expenditures are recognized for budgetary purposes.

**Capital Expenditures:** Capital expenditures are defined as charges for the acquisition at the delivered price including transportation, costs of equipment, land, buildings, or improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of \$5,000 and a useful life expectancy of greater than 1 year.

**Classification, Function:** A function represents a general operational area in a school district and groups together related activities; for example, instruction, campus administration, maintenance and operations, etc.

**Classification, Object:** An object has reference to an article or service received; for example payroll costs, professional and contracted services, supplies and materials, and other operating expenses.

**Co-curricular Activities:** Direct and personal services for public school pupils such as interscholastic athletics, entertainments, publications, clubs, and strings, which are managed or operated by the student body under the guidance and direction of an adult, and are not part of the regular instructional program.

**Coding:** A system of numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals quickly certain required information.

**Consultant:** A resource person who provides assistance to the regular personnel through conference, demonstration, research, or other means.

**Contracted Services:** Labor, material and other costs for services rendered by personnel who are not on the payroll of the Academy.

**Committed Fund Balance:** represents amounts that have internally imposed restrictions mandated by formal action of the government's highest level of decision-making authority. The committed amounts cannot be redeployed for other purposes unless the same type of formal action is taken by the highest level of decision-making authority to reserve or modify the previously imposed restriction.

**Comprehensive Annual Financial Report (CAFR):** A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the governmental unit's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

**Cost of Education Index (CEI) or Adjustment:** An index the state uses to adjust the basic allotment to account for geographic or other cost differences beyond local school district control. The current index has not been updated since 1990.

**Current Budget:** The annual budget prepared for and effective during the present fiscal year.

**Current Expenditures per Pupil:** Current expenditures for a given period of time divided by a pupil unit of measure (average daily attendance, etc.)

**Debt:** An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, leases, etc.

**Education Service Center (ESC):** Twenty intermediate education units located in regions throughout Texas that assist and provide services for local school districts.

**Estimated Revenue:** This term designates the amount of revenue expected to be earned during a given period.

**Expenditures:** This includes total charges incurred, whether paid or unpaid, for current expense, capital outlay, and debt service. (Transfers between funds, encumbrances, exchanges of cash for other current assets such as the purchase stores and investment of cash in U.S. Bonds, payments of cash in settlement of liabilities already accounted as expenditures, and the repayment of the principal of current loans are not considered as expenditures.)

**Fiduciary Funds:** Fiduciary Funds account for assets held in a trustee or agent capacity for outside parties, including individuals, private organizations, and other governments.

**Fiscal Period:** Any period at the end of which a local education agency determines its financial position and the results of its operations. The period may be a month, or a year, depending upon the scope of operations and requirements for managerial control and reporting.

**Fiscal Year:** A twelve-month period of time to which the annual budget applies and at the end of which a local education agency determines its financial position and the results of its operations. The District's fiscal year is July 1 through June 30.

**Foundation School Program (FSP):** A program for the support of a basic instructional program for all Texas school children. Money to support the program comes from the Permanent School Fund, Available School Fund, Foundation School Fund, state general revenue, and local property taxes. Currently, the FSP described in the Texas Education Code consists of three parts or tiers. The first tier provides funding for a basic program. The second tier provides a guaranteed-yield system so that school districts have substantially equal access to revenue sufficient to support an accredited program. The third tier equalizes debt service requirements for existing facilities debt.

**Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on in accordance with special regulations, restrictions, or limitations.

**Fund Balance:** The excess of assets of a fund over its liabilities and reserves. During the fiscal year prior to closing, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations. These assets are added to any other assets and/or resources remaining from prior years and are available to be budgeted.

**Furniture:** Those moveable items used for school operation that are not of a mechanical nature. Chairs, tables, desks, file cabinets, pictures, chalkboards, lamps, lockers and carpets, etc., are examples of furniture.

**General Fund:** A fund group with budgetary control used to show transactions resulting from operations of ongoing organizations and activities from a variety of revenue sources for which fund balance is controlled by and retained for the use by the local education agency. The General Fund is used to finance the ordinary operations of a governmental unit except those activities required to be accounted for in another fund.

**Government Finance Officers Association (GFOA):** A professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. The association's nearly 15,000 members are dedicated to the sound management of government financial resources.

**Governmental Funds:** Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

**Grant:** A contribution by one governmental unit to another. The contribution is usually made to aid in the support of specified function (for example, job training), but it is sometimes also for general purposes.

**Independent Audit:** An audit performed by an independent auditor.

**Individual Education Plan (IEP):** A document required by federal law that details the special education requirements for each disabled student and explains how the school intends to address the student's needs. An IEP is intended to help ensure that disabled students have equal access to public education in the least restrictive environment.

**Individuals with Disabilities Education Act (IDEA):** The 1997 IDEA strengthens academic expectations and accountability for the nation's 5.4 million children with disabilities.

**Modified Accrual Basis of Accounting:** Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

**Non-spendable Fund Balance:** includes amounts that cannot be spent and are, therefore, not included in the current year appropriation. Two components: 1) *Not in spendable form* – previously recorded disbursements and include items that are not expected to be converted into cash, i.e. inventories, pre-paid items, etc. and 2) *Legally or contractually required to be maintained intact* – refers to an amount that has been received that must be invested indefinitely, i.e. a donation received by the government from a citizen, the principal of which is to be invested in a permanent fund and the earnings used for general governmental purposes.

**Object Code:** As applied to expenditures, this term has reference to an article or service received; for example, payroll costs, purchased and contracted services, materials and supplies.

**Open-Enrollment Charters:** Open-enrollment charter schools may be established by private nonprofit organizations, colleges and universities, and other governmental entities that apply to the State Board of Education. The law authorizes the State Board to approve up to 215 open-enrollment charter schools. Law also provides for creation of college or university charter schools at "public senior colleges and universities." There is no limit on the number of these charter schools that may be granted. Other charter programs include home-rule school district charters and campus or campus program charters.

**Personnel, Full-Time:** Academy employees who occupy positions with duties which require them to be on the job on school days throughout the school year, or at least the number of hours the school is in session.

**Personnel, Part-Time:** Personnel who occupy positions with duties which require less than full-time service.

**Proprietary Funds:** Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**Public Education Information Management System (PEIMS):** A data management system that includes information on student demographics, performance, teacher salaries, etc. The information for PEIMS is transmitted from local school districts to the Texas Education Agency by the education service centers.

**Public Information Act (PIA):** PIA defines public information as information collected, assembled, or maintained under a law or in connection with a governmental body's transaction of official business. PIA provides that public information must be made available to the public upon request during the normal business hours of the district, unless an exception applies that allows or requires that the information not be made public.

**Refined ADA:** Refined Average Daily Attendance is based on the number of days of instruction in the school year. The aggregate eligible day's attendance is divided by the number of days of instruction to compute the refined average daily attendance. See also ADA.

**Restricted Fund Balance:** reports on resources that have spending constraints that are either: 1) externally imposed by creditors, grantors, contributors or laws and regulations of other governments, i.e. grants, etc. -or- 2) imposed by law through constitutional provision or enabling legislation. The amounts represented by this fund balance category have very stringent conditions imposed by external parties or by law. Therefore, the amounts are restricted to very specific purposes and cannot be redeployed for other purposes. The government can be compelled by an external party to undertake the spending requirements represented by the Restricted Fund Balance.

**School Board Authority:** Statute gives local school boards the exclusive power and duty to govern and oversee the management of the public schools. Powers and duties not specifically delegated to the Texas Education Agency or the State Board of Education are reserved for local trustees.

**Special Revenue Funds:** Funds that are used to account for funds awarded to the Academy for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements.

**State Board for Educator Certification (SBEC):** SBEC is a quasi-independent body that gives educators more authority to govern the standards of their profession. SBEC regulates and oversees all aspects of the certification, continuing education, and standards of conduct of public school educators. As a state agency, SBEC is responsible for certification testing, accountability programs for educator preparation programs, and certification of teachers and administrators.

**State Board of Education (SBOE):** A 15-member body elected by general election (staggered, four-year terms) from various regions statewide to provide leadership and to adopt rules and policies for public education in the state. The board's primary responsibility is to manage the Permanent School Fund.

**Teacher Retirement System (TRS):** TRS delivers retirement and related benefits authorized by law for members and their beneficiaries.

**Technology Allotment:** This allotment is part of the state textbook fund and can be used to purchase electronic textbooks or technological equipment that contributes to student learning or teacher training. The allotment is \$30 per ADA.

**Texas Assessment of Academic Skills (TAAS):** A state-developed test administered each year to students in grades 3 through 8 and 10 (exit-level) to determine student achievement levels on state-established learning objectives. Replaced by the Texas Assessment of Knowledge and Skills (TAKS) effective for the 2002-03 school year.

**Texas Assessment of Knowledge and Skills (TAKS):** TAKS replaces the Texas Assessment of Academic Skills (TAAS), a criterion-referenced test used in Texas schools for 12 years. TAKS began in spring 2003, with tests in reading in grades 3 through 9; language arts in grades 10 and 11; mathematics in grades 3 through 11. The 11<sup>th</sup> grade exit-level test will assess English III, algebra I, geometry, biology, integrated chemistry and physics, early American and U.S. history, world geography, and world history. TAKS will be a more challenging examination for Texas students, according to the results of field tests.

**Texas Education Agency (TEA):** The administrative and regulatory unit for the Texas public education system managed by the commissioner of education. TEA is responsible for implementing public education policies as established by the Legislature, State Board of Education, and commissioner of education.

**Texas Education Code (TEC):** This code applies to all educational institutions supported in whole or in part by state tax funds.

**Texas Essential Knowledge and Skills (TEKS):** Subject-specific state learning objectives adopted by the State Board of Education. The State's academic tests. [see Texas Assessment of Knowledge and Skills (TAKS)] are aligned with the TEKS.

**Texas Open Meetings Act (TOMA):** TOMA makes school board meetings to discuss and decide public business accessible. The TOMA Decision requires governmental entities to provide prior public notice of what is to be discussed and where and when discussion will take place. Closed meetings are permitted only when specifically authorized by law. Civil and criminal penalties can result when a board violates provisions of this act.

**Unassigned Fund Balance:** the residual fund balance for the General Fund. It represents the amount of fund balance remaining after allocation to the Non-spendable, restricted, committed and assigned fund balances. This amount reflects the resources that are available for further appropriation and expenditure for general governmental purposes.

**Weighted Students in Average Daily Attendance (WADA):** In Texas, students with special educational needs are weighted for funding purposes to help recognize the additional costs of educating those students. Weighted programs include special education, career and technology, bilingual, gifted and talented, and compensatory education. A weighted student count is used to distribute guaranteed-yield funding and establish Chapter 41 thresholds.

**WESTLAKE ACADEMY**

**RESOLUTION NO. 11-17**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE WESTLAKE ACADEMY TO ADOPT THE REVISED OPERATING BUDGET FOR FISCAL YEAR ENDING AUGUST 31, 2011 AND THE PROPOSED BUDGET FOR FISCAL YEAR ENDING AUGUST 31, 2012 INCLUDING INVESTMENT POLICY, FISCAL AND BUDGETARY POLICIES, COMMITTED AND ASSIGNED FUND BALANCES.**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WESTLAKE ACADEMY:**

**WHEREAS**, Section 44.002 of the Education Code of the Texas Education Agency Texas School Law Bulletin states the budget must be prepared according to generally accepted accounting principles, and

**WHEREAS**, the budget must be approved by the Board of Trustees prior to August 31<sup>st</sup> according to Texas Education Agency's Financial Accountability System Resource Guide, Section 2.6.2 – TEA Legal Requirements; and

**WHEREAS**, the Board of Trustees held a Public Hearing on August 15th, 2011; and

**WHEREAS**, the Board of Trustees finds that the passage of this Resolution is in the best interest of the citizens of Westlake as well as the students, their parents, and faculty of Westlake Academy.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WESTLAKE ACADEMY:**

**SECTION 1:** That, all matters stated in the recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

**SECTION 2:** That the Board of Trustees hereby adopts the revised Westlake Academy Operating Budget for the fiscal year ending August 31, 2011 and the proposed Westlake Academy Annual Operating Budget for the fiscal year ending August 31, 2012 and appropriates the funds contained therein attached to this resolution as ***Exhibit "A"***.

**SECTION 3:** That the Board of Trustees hereby adopts the Fiscal and Budgetary Policies, Investment Policies, and the Committed and Assigned Fund Balance designations as presented in ***Exhibit "A"***.

**SECTION 4:** That a copy of the official adopted 2011-2012 Budget shall be kept on file in the office of the Town Secretary.

**SECTION 5:** If any portion of this resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

**SECTION 6:** That this resolution shall become effective from and after its date of passage.

**PASSED AND APPROVED ON THIS 15<sup>th</sup> DAY OF AUGUST, 2011.**

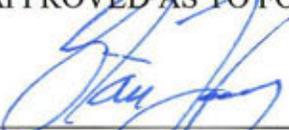
  
\_\_\_\_\_  
Laura Wheat, President

ATTEST:

  
\_\_\_\_\_  
Kelly Edwards, Board Secretary

  
\_\_\_\_\_  
Thomas E. Brymer, Superintendent

APPROVED AS TO FORM:

  
\_\_\_\_\_  
L. Stanton Lowry or Janet S. Bubert,  
School Attorney