WESTLAKE ACADEMY

International Baccalaureate World School

Adopted Operating Budget

Fiscal Year 2022-2023



IB Education for ALL: Empowering Students in a Changing Global Society

Westlake Academy * 2600 Ottinger Road * Westlake, Texas 76262 * Tarrant County

www.westlakeacademy.org

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TABLE OF CONTENTS

Westlake Academy, IBO Charter School* 2600 Ottinger Road * Tarrant County, Westlake Texas 76262

AWARDS AND ACKNOWLEDGEMENTS

ASBO Meritorious Budget Award

1. EXECUTIVE SECTION

Board of Trustees & Administrative Personnel 3
Organizational Overview 4
Consolidated General Fund Five-Year Forecast 8
Informational Overview 9

2. ORGANIZATIONAL

Legal Autonomy 13
Westlake Academy Overview 14
Administrative Team 16
Mission, Vision, & Values 17
Fund Balance Components 18
Budget Overview & Process 19

3. FINANCIAL

Financial Forecast Assumptions 27
Combining Statement All General Funds 28
Westlake Academy Foundation Blacksmith Contributions 29
Transportation & Parking Fund 30
Athletic Activities Fund 31
General Operating Fund 32

4. INFORMATIONAL

Fiscal & Budgetary Policies 35
Investment Policy 44
Glossary of Terms 49
Acronyms 55



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

This Meritorious Budget Award is presented to

WESTLAKE ACADEMY

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2021–2022.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.

MERITORIOUS BUDGET AWARD

William A. Sutter
President

David J. Lewis
Executive Director

MERITORIOUS BUDGET AWARD

Westlake Academy has been awarded the Meritorious Budget Award by the Association of School Business Officials (ASBO) for the preparation and issuance of the 2021-2022 annual budget. The award has been received annually since September 2010.

This award is the highest form of recognition and a significant achievement that reflects the commitment of the governing body and staff in meeting the highest principles of academic budgeting.

The Meritorious Budget Award (MBA) recognizes school districts that demonstrate proficiency in creating clear, sound budgets while enhancing skills in developing, analyzing, and presenting a clear and effective budget.

To receive this award, Westlake Academy must publish a budget document that meets program criteria such as:

- Understanding the importance of presenting an accurate and transparent budget year after year;
- Discovering best practices in budgeting that will improve the budget's accuracy and transparency;
- Developing a reader-friendly document that presents clear budget guidelines;
- Promoting communication between departments and the community;
- Encouraging short- and long-range budget goals; and
- Supporting effective use of educational resources.

Congratulations to Ginger Awtry, Finance Director; Marlene Rutledge, Academic Finance Manager; Dr. Mechelle Bryson, Executive Director, and the Instructional Leadership Team for preparing this award-winning budget for Westlake Academy.

Section 1

EXECUTIVE SUMMARY

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WESTLAKE ACADEMY

Westlake Academy is an open enrollment charter school that offers the full IB curriculum for grades K-12 in Westlake, TX. In FY 2022-2023 the Academy will be serving approximately 875 students.

ADDRESS
2600 JT Ottinger Road
Westlake, TX 76262
www.westlakeacademy.org

BOARD OF TRUSTEES
Sean Kilbride, President
Chandrika Dasgupta
Kim Greaves
David Quint
Anna White
Vacant Seat TBD

ADMINISTRATIVE PERSONNEL
Sean Wilson, Head of School

Campus Administration
Rod Harding, PYP Principal
Carolyn Anderson, PYP Assistant Principal
Alison Schneider, PYP Curriculum Coordinator
Maxwell Ituah, MYP Principal
Elizabeth Hughes, MYP Assistant Principal
Sarah Stack, MYP Curriculum Coordinator
Dr. James Owen, DP Principal/Coordinator
Gary Ponder, Interim Director of Athletics
Dr. Shelly Myers, WAF Executive Director

Shared Services
Jarrod Greenwood, Deputy Town Manager
Troy Meyer, Assistant Town Manager
Amy Piukana, Town Secretary
Sandy Garza, Director of Human Resources
Amber Karkauskas, Director of Finance
Marlene Rutledge, Academic Finance Manager
Joel Valverde, Accountant I
Jason Power, Director of Information Technology
Jon Sasser, Director of Community Engagement
Erin Spicer, Communications Manager
Joe Durdin, Communications Specialist

ORGANIZATIONAL OVERVIEW

BUDGET OVERVIEW

Budgeting is an essential element of the financial planning, control, and evaluation process. The "operating budget" is the Academy's annual financial operating plan. The budget includes all the operating departments of the Academy included in the General Fund and Special Revenue funds. The budget is prepared with the cooperation of all Academy departments and is submitted to the Head of School, who makes any necessary changes and transmits the document to the Board of Trustees. A budget preparation calendar and timetable are established and followed in accordance with State law.

A "bottom-up" approach is used to solicit input from the Instructional Leadership Team as to their operational needs with an emphasis on:

- Identifying costs to provide the current level of services.
- Identifies additional cost increases needed to maintain the current level of service.
- Additional resources necessary to provide new or increased levels of service.
- Delineating changes in fund balance levels for each fund.

The following procedures, which are guided by generally accepted budgeting practices, have been established:

- The annual operating budget presents appropriations of expenditures and estimates of revenues for all government funds. These revenues include federal, state, and local revenues.
- The annual operating budget illustrates expenditures, anticipated revenues, and the estimated impact on reserves.
- Budgets for each function are broken down into specific object codes, including payroll and payroll related, professional and contracted services, supplies and materials, other operating costs, and debt service.
- Revenue projections are prepared for each revenue source based on an analysis of historical revenue trends and current fiscal conditions.
- Goals and objectives have been developed and are incorporated into the evaluation of employees and performance of the organization.
- A budget message summarizing local financial conditions and principal budget issues is presented to the governing board along with the annual budget.

BUDGET PROCESS

The Academy's fiscal year begins each year on September 1st and ends on August 31st of the following calendar year. Prior to the beginning of the fiscal year, the Head of School must submit a budget to the Board of Trustees which includes:

- A budget message;
- A consolidated statement of anticipated revenues and expenditures for all funds;
- Resources for General Fund and Special Revenue Funds in detail;
- A summary of expenditures by function and object code; and
- Detailed estimates of expenditures shown separately to support expenditures.

The budget preparation process begins early in the calendar year with the establishment of overall Academy goals, objectives, and analysis of current year operations compared to expenditures.

- Budget policies and procedures are reviewed at the same time to reduce errors and omissions.
- In May, the Finance Department prepares budget forms and instructions for estimating revenues and expenditures.

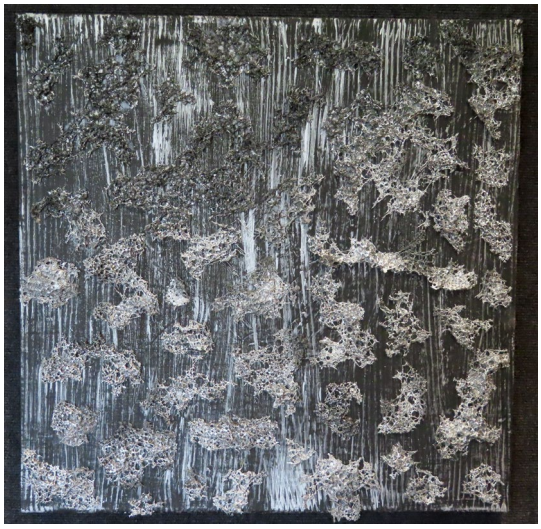
ORGANIZATIONAL OVERVIEW

- The Instructional Leadership Team submits baseline expenditures for current service levels and any additional one-time or on-going request they may have for their department.
- A round-table meeting is subsequently held with the Head of School, the Finance staff, and the Instructional Leadership Team for review.
- After all funding levels are established and agreed upon the budget is presented to the Board of Trustees.
- A public hearing on the budget is conducted in accordance with state and local law.
- This meeting is held after the Board has reviewed the budget during a workshop.
- The Board of Trustees approves a level of expenditure (or appropriation) for each fund to go into effect on September 1st, prior to the expenditure of any Academy funds for that budget year.

BUDGET TIMELINE

The budget timeline covers the financial cycle, starting with budget planning and ending with the audited annual financial report.

Timeline	Description of Activities
October - December	Strategic Plan review and development occurs
December	Westlake Academy Instructional Leadership Team (ILT) begins planning upcoming budget
January	ILT meets with Westlake Academy affiliates for joint planning
Jan - March	Review and develop Capital Improvement Plan, Five-Year Projection, and Personnel Cost Estimates
April	Develop improvement plans for each grade level and department
May	Strategic Plan preparation process occurs; preliminary budgets developed
June	Board of Trustees (BOT) Budget Retreat
June	Current budget review; budget amendments for current year if necessary
August	BOT consideration and adoption of Westlake Academy Budget for Upcoming School Year
October	Annual financial audit



SIGNIFICANT CHANGES IN THE BUDGET PROCESS

There were no significant changes from the current year in the budget process and/or budget policies.

"Burnt Leaves"
Artist: A Pak, Grade 8
Working in all recycled packaging

ORGANIZATIONAL OVERVIEW

MAJOR GOALS & OBJECTIVES

The Academy utilizes a Balanced Scorecard System for strategic planning and performance management. This system aligns operational activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. The Board of Trustees and staff utilize this methodology to implement and review our existing strategic framework, along with the vision, mission, and values statement of the Academy.

BALANCED SCORECARD FRAMEWORK

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 college bound students to achieve their highest individual potential in a nurturing environment that fosters the traits found in the IB Learner Profile.

VALUES: Maximizing Personal Development; Academic Excellence; Respect for Self and Others; Personal Responsibility; Compassion; and Understanding.

IB LEARNER PROFILE: Inquirer; Knowledgeable; Open-Minded; Principled; Thinkers; Caring; Balanced; Reflective; Communicators; and Risktakers.

PERFORMANCE MANAGEMENT

The Academy has identified performance measures to help determine the quantity and quality of our work. The Academy consistently evaluates its work and performance quarterly. As the Academy continues to develop measurement units, data sources and targets will be refined. Through quarterly performance reviews, trends are also tracked over time through budget documents.

DESIRED OUTCOMES

Five desired outcomes have been identified and linked to the Academy's strategic planning efforts:

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.
Strong Parent and Community Connections	To involve all stakeholders in building a better Westlake Academy community.
Financial Stewardship and Sustainability	To ensure sufficient, well-managed resources to support and advance the mission of Westlake Academy.
Student Engagement and 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.
Effective Educators and Staff	Recruit, develop and retain a core faculty and staff with the personal qualities, skills, and expertise to work effectively with the IB inquiry-based, student-centered curricula.

ORGANIZATIONAL OVERVIEW

ALLOCATION OF RESOURCES TO ACHIEVE OBJECTIVES

Utilizing the balanced scorecard approach, the Academy identifies the cost of each objective by function code within the General Fund for Fiscal Year 2022/2023, as follows:

PERSPECTIVES	OBJECTIVES	FUNCTION	COST
CITIZENS, STUDENTS, AND STAKEHOLDERS	**Increase the Future Readiness of All Students**	31 - Guidance & Counseling 33 - Health Services	**$ 628,809**
	Increase Stakeholder Satisfaction	61 - Community Services	**145,978**
	Enhance Westlake Academy's Unique Sense of Place	36 - Extra-/Co-Curricular Activities	**284,447**
FINANCIAL STEWARDSHIP	**Increase External Revenues Sources** **Improve Financial Stewardship**	N/A (Shared Services Model)	**0.00**
ACADEMIC OPERATIONS	**Optimize Student Potential**	71 - Debt Service (iPad Leases)	**225,488**
	Improve Efficiencies of Operational Systems	53 - Data Processing	**283,666**
	Strengthen our Westlake Academy Culture	41 - General Administration 23 - School Leadership	**1,543,931**
	Strengthen IB Philosophy and Implementation	12 - Resource & Media	**175,488**
PEOPLE, FACILITIES, AND TECHNOLOGIES	**Attract, Recruit, Retain & Develop the Highest Quality Workforce**	11 - Instructional 21 - Instructional Leadership	**5,467,302**
	Increase the Capacity of Teachers and Staff	13 - Staff Development	**81,200**
	Improve Technology, Facilities & Equipment	51 - Maintenance & Operations 52 - Security and Monitoring Services	**995,827**
		TOTAL	**$9,832,136**

WESTLAKE ACADEMY

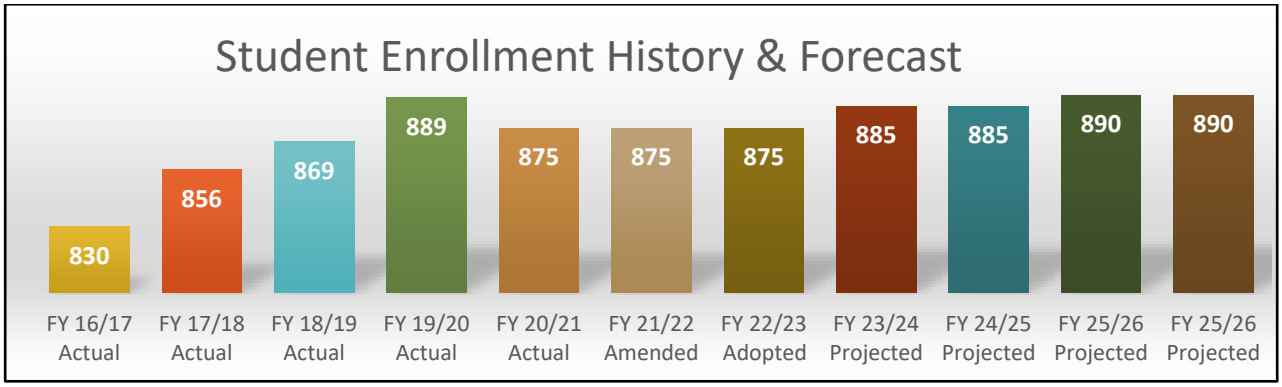
Consolidated General Fund 5-Year Forecast FY 2022/2023 through FY 2026/2027

		Audited FY 20/21	Adopted FY 21/22	Amended FY 21/22	Adopted FY 22/23	Change Inc/(Dec)	Projected FY 23/24	Projected FY 24/25	Projected FY 25/26	Projected FY 26/27
1	**REVENUE**									
2	Transportation	$ 275	$ 10,500	$ 10,500	$ 10,500	$ -	$ 10,500	$ 10,500	$ 10,500	$ 10,500
3	Parking	24,325	15,000	15,000	15,000	-	15,000	15,000	15,000	15,000
4	Athletic Activities	87,319	88,100	88,100	100,850	12,750	100,850	100,850	100,850	100,850
5	Athletic Donations	-	-	-	-	-	-	-	-	-
6	Interest Earned	2,422	5,000	5,000	5,000	-	5,000	5,000	5,000	5,000
7	Municipal Transfer: WAF Blacksmith Donations	989,392	1,030,000	1,146,000	1,030,000	(116,000)	1,030,000	1,030,000	1,030,000	1,030,000
8	Municipal Transfer: WAF Salary Reimbursement	64,256	71,771	71,771	145,978	74,207	147,438	148,912	73,946	74,685
9	Municipal Transfer: WA Operations	-	-	-	418,634	418,634	418,634	418,634	418,634	418,634
9	Other Local Revenue (sub, tech, prnt, misc)	79,432	35,000	35,000	36,100	1,100	36,100	36,100	36,100	36,100
10	Food Services	4,000	7,000	7,210	7,931	721	8,168	8,168	8,168	8,168
11	**Total Local Revenues**	1,251,421	1,262,371	1,378,581	1,769,993	391,412	1,771,690	1,773,164	1,698,198	1,698,937
12	***Percent of total revenues***	***13%***	***13%***	***15%***	***18%***		***18%***	***18%***	***17%***	***17%***
13	TEA - Available School Funds	428,907	336,158	456,584	529,927	73,343	339,520	342,915	346,344	349,807
14	TEA - Foundation School Funds (incl accr)	7,136,676	6,646,293	6,446,124	6,397,807	(48,317)	6,712,756	6,779,883	6,847,682	6,916,159
15	CTE Funding (addt'l TEA-FSP Funds)	263,366	466,175	473,358	456,511	(16,847)	470,837	475,545	480,301	485,104
16	Facilities Allotment (addt'l TEA-FSP Funds)	160,500	154,507	153,256	148,624	(4,632)	154,507	154,507	154,507	154,507
17	TEA - Advanced Placement Training	-	6,750	6,750	6,750	-	6,750	6,750	6,750	6,750
18	SB-500 SPED Services	3,163	-	-	-	-	-	-	-	-
19	TRS On-behalf/Medicare Part B	410,070	499,492	494,897	522,524	27,627	527,749	533,027	538,357	519,773
20	**Total State Revenues**	8,402,682	8,109,375	8,030,969	8,062,143	31,174	8,212,118	8,292,627	8,373,941	8,432,100
21	***Percent of total revenues***	***87%***	***87%***	***85%***	***82%***		***82%***	***82%***	***83%***	***83%***
22	**TOTAL REVENUES**	**$ 9,654,103**	**$ 9,371,746**	**$ 9,409,550**	**$ 9,832,136**	**$ 422,586**	**$ 9,983,808**	**$ 10,065,791**	**$ 10,072,139**	**$ 10,131,038**
23	**EXPENDITURES by OBJECT**									
24	Object Code 61XX - Salaries	$ 7,395,168	$ 7,428,869	$ 7,428,869	$ 7,928,194	$ 499,325	$ 8,007,476	$ 8,087,551	$ 8,168,426	$ 7,726,199
25	Object Code 62XX - Contracted Services	1,097,572	999,529	999,529	919,165	(80,364)	919,165	919,165	919,165	1,009,524
26	Object Code 63XX - Supplies & Materials	256,766	368,920	378,053	309,500	(68,553)	309,500	309,500	309,500	372,609
27	Object Code 64XX - Other Operating Costs	369,019	427,743	444,225	449,789	5,564	431,887	431,887	431,887	436,206
28	Object Code 65XX - Debt Service	207,922	207,922	222,222	225,488	3,266	207,922	207,922	207,922	210,001
29	**TOTAL EXPENDITURES by OBJECT**	**$ 9,326,447**	**$ 9,432,983**	**$ 9,472,898**	**$ 9,832,136**	**$ 359,238**	**$ 9,875,950**	**$ 9,956,025**	**$ 10,036,900**	**$ 9,754,539**
30	**EXPENDITURES by FUNCTION**									
31	Function 11 - Instructional	$ 5,058,615	$ 4,884,668	$ 4,977,173	$ 5,231,405	$ 254,232				
32	Function 12 - Resources & Media	65,972	135,797	184,754	175,488	(9,266)				
33	Function 13 - Curriculum & Staff Development	30,932	55,795	93,417	81,200	(12,217)				
34	Function 21 - Instructional Leadership	177,683	225,326	222,822	235,897	13,075				
35	Function 23 - School Leadership	1,132,112	1,258,754	1,265,782	1,349,981	84,199				
36	Function 31 - Guidance & Counseling	604,121	618,426	535,792	551,771	15,979				
37	Function 33 - Health Services	91,521	81,257	73,989	77,038	3,049				
38	Function 36 - Co/Extracurricular Activities	253,839	228,089	226,485	284,447	57,962				
39	Function 41 - Administrative	260,236	245,864	246,764	193,950	(52,814)				
40	Function 51 - Maintenance & Operations	1,066,795	967,763	960,227	967,327	7,100				
41	Function 52 - Security & Monitoring	15,542	26,800	26,000	28,500	2,500				
42	Function 53 - Data Processing	223,858	352,979	299,756	283,666	(16,090)				
43	Function 61 - Community Services	137,299	143,543	137,715	145,978	8,263				
44	Function 71 - Debt Service	207,922	207,922	222,222	225,488	3,266				
45	**TOTAL EXPENDITURES by FUNCTION**	**$ 9,326,447**	**$ 9,432,983**	**$ 9,472,898**	**$ 9,832,136**	**$ 359,238**				
46	Transfer in - Athletics (198)	90,000	45,000	90,000	90,000	-	90,000	90,000	90,000	90,000
47	Transfer out - Academy General Fund (199)	(90,000)	(45,000)	(90,000)	(90,000)	-	(90,000)	(90,000)	(90,000)	(90,000)
48	**NET OTHER RESOURCES & USES**	-	-	-	-	-	-	-	-	-
49	**REVENUES OVER(UNDER) EXP**	**$ 327,656**	**$ (61,237)**	**$ (63,348)**	**$ -**	**$ 63,348**	**$ 107,859**	**$ 109,766**	**$ 35,238**	**$ 376,499**
50	**FUND BALANCE BEGINNING**	1,751,177	2,078,833	2,078,833	2,015,485	(63,348)	2,015,485	2,123,343	2,233,110	2,268,347
51	**FUND BALANCE ENDING**	2,078,833	2,017,596	2,015,485	2,015,485	-	2,123,343	2,233,110	2,268,347	2,644,846
52	Less: Assigned for Bus Maintenance	(19,000)	(19,000)	(17,000)	(16,150)	850	(15,343)	(14,575)	(13,847)	(13,847)
53	Less: Assigned for Technology R & M	(56,621)	(79,782)	(79,782)	(75,793)	3,989	(72,003)	(68,403)	(64,983)	(64,983)
54	Less: Assigned for Ath Uniform/Equip Rplcmnt	(15,000)	(15,000)	(15,000)	(15,000)	-	(15,000)	(15,000)	(15,000)	(15,000)
55	**FUND BALANCE ENDING (Unassigned)**	**$ 1,988,212**	**$ 1,903,814**	**$ 1,903,703**	**$ 1,908,542**	**$ 4,839**	**$ 2,020,998**	**$ 2,135,130**	**$ 2,174,518**	**$ 2,551,017**
56	**Number of Operating Days**	**78**	**74**	**73**	**71**	**(3)**	**75**	**78**	**79**	**95**
57	Dollars per Operating Day	$ 25,552	$ 25,844	$ 25,953	$ 26,937	984	$ 27,057	$ 27,277	$ 27,498	$ 26,725
58	Total Students Enrolled	889	875	875	875	-	885	885	885	890
59	TEA Funding per Student	$ 8,806	$ 8,689	$ 8,605	$ 8,609	4	$ 8,675	$ 8,760	$ 8,846	$ 8,883
60	Operating Cost per Student (Academic Only)	$ 10,491	$ 10,781	$ 10,826	$ 11,237	411	$ 11,159	$ 11,250	$ 11,341	$ 10,960
61	Teachers	71.01	69.34	69.34	70.01	0.67	70.01	70.01	70.01	70.01
62	Student/Teacher Ratio	12.52	12.62	12.62	12.50	0.01	12.64	12.64	12.64	12.71
63	ALL Faculty & Staff	101.84	103.50	103.50	105.84	2.34	105.84	105.84	105.84	105.84

INFORMATIONAL OVERVIEW

STUDENT ENROLLMENT TRENDS & FORECASTS

The Academy will be serving approximately 875 students in the 2022/23 school year. The Academy's student enrollment history and forecast is as follows:



Enrollment forecasting is based on resident growth and those residents choosing the Academy, lottery waiting list, and facility master plan. These items are reviewed continually to assess to appropriate enrollment for each school year.

PERSONNEL RESOURCE CHANGES

Employee compensation and benefits are Westlake Academy's largest operating expenditures. Board policy states a desire to maintain a salary scale within three percent (3%) of the districts surveyed for market comparison purposes. In keeping with this policy, the Board of Trustees approved an average of 6% in salary increases for Teachers, Counselors, Librarians, Nurses, & Diagnosticians, Administrators, and Support Staff. The combined total financial impact is estimated at $500K.



Below are total FTEs by Employee Type.

Employee Type	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22 Amended	FY 22/23 Proposed	Change
Principals	4.50	4.75	4.75	5.50	5.50	5.50	-
Coordinators	3.50	4.25	4.58	5.33	6.83	7.83	1.00
Primary	28.00	27.50	28.50	27.50	26.50	26.75	0.25
Secondary	34.26	34.92	37.55	37.51	36.67	38.01	1.34
Support	13.00	13.00	13.00	13.50	15.33	16.00	0.67
Specialist	5.00	4.75	5.25	6.00	6.17	5.67	(0.50)
Foundation	1.50	1.50	1.50	1.50	1.50	1.50	-
Facilities	2.00	2.00	4.00	3.00	3.00	3.00	-
IT Dept	2.00	2.00	2.00	2.00	2.00	2.00	-
Total Staff	**93.76**	**94.67**	**101.13**	**101.84**	**103.50**	**106.26**	**2.76**
Total Teachers	**67.26**	**67.17**	**71.30**	**71.01**	**69.34**	**70.43**	**1.09**

INFORMATIONAL OVERVIEW

BENCHMARK DATA

For 2020, Westlake Academy was awarded ★★★★½ (4.5) star rating from Texas State Comptroller's FAST School District Rating System for providing quality education at a reasonable per student cost. Benchmarking against surrounding Tarrant County charter schools, Westlake Academy's composite academic progress exceeds its peers while its adjusted spending per student is slightly higher. As Westlake's enrollment increases, efficiencies will further improve and will reduce per student cost.

District Name	Total Students	Composite Academic Progress Percentile	Adjusted Spending Per Student	Smart Score	% English Language Learner	% Special Education
Treetops School International	391	87%	$7,444	5.0	1.6%	5.4%
Arlington Classics Academy	1,550	91%	$6,487	5.0	6.1%	3.3%
Westlake Academy	**879**	**98.0%**	**$9,817**	**4.5**	**1.5%**	**4.9%**
Fort Worth Academy of Fine Arts	576	64%	$8,202	4.5	1.1%	5.9%
East Fort Worth Montessori Academy	302	9%	$8,097	2.0	28.9%	5.7%
Texas School of the Arts	332	83%	$7,324	4	11.2%	7.3%
Chapel Hill Academy	647	31%	$8,627	2.5	8.2%	8.0%
Newman International Academy	3,005	36%	$7,475	3.5	14.4%	6.6%

Note: FY2021 and FY2022 data currently unavailable

INTERNATIONAL BACCALAUREATE (IB) DIPLOMA RATE

All Westlake Academy seniors are required to sit for the IB Exam. Please see the IB diploma recipient rate below:

1st Graduating Class ---->



Graduation Year	IB Diplomas Earned	Diploma Recipient Rate	World Average Pass Rate
2010	12 out of 21	57.1%	78.1%
2011	25 out of 29	86.2%	77.9%
2012	24 out of 27	88.9%	78.5%
2013	29 out of 35	82.9%	79.0%
2014	38 out of 48	79.2%	79.3%
2015	34 out of 51	66.7%	80.8%
2016	38 out of 61	62.3%	79.3%
2017	45 out of 64	70.3%	78.4%
2018	50 out of 62	80.6%	78.2%
2019	57 out of 63	90.5%	77.4%
2020	67 out of 74	90.5%	78.0%
2021	53 out of 59	89.8%	88.9%
2022	58 out of 63	92.10%	85.6%

Section 1

ORGANIZATIONAL

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LEGAL AUTONOMY

Westlake Academy is owned and operated by the Town of Westlake. It is the only municipally owned and operated open enrollment K-12 charter school in the State of Texas. The Texas Education Agency (TEA) awarded the Town of Westlake a Generation 7 Charter for Westlake Academy in the spring of 2001, allowing the doors to open in the fall of 2003 with 232 students. The TEA renewed the charter in 2016 for another 10 years. With over 875 students, the school is the largest operating department of the town.

Westlake Academy is governed by a six (6) member Board of Trustees comprised of the Board President and five (5) Trustees. Members of the Board of Trustees also serve concurrently as members the Town Council, the governing body for municipal government of the Town of Westlake. The President of the Board of Trustees is also the Town's Mayor. Town Council members/Trustees serve two (2) year overlapping terms of office and are responsible for the governance of Westlake Academy, including adopting policies related to its educational services and programs, as well as establishing its finances via approval of the Academy and Town annual budgets.

While Westlake Academy is a department of the Town government it is its own **financial reporting entity as defined by the GASB in its Statement No. 14, *"The Financial Reporting Entity*."** The Academy prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB) and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants. It also complies with the Texas Education Agency's Financial Accountability System Resource Guide, the terms of contracts and grants from which it receives funds.

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

- the primary government can impose its will, or
- the primary government may potentially benefit financially or be financially responsible for the component unit.

WESTLAKE ACADEMY OVERVIEW

Westlake Academy is an open enrollment charter school that offers the full IB curriculum for grades K-12. For FY23 the Academy will be able to serve approximately 875 students.

Westlake Academy is a premier learning establishment and prides itself on providing a learning environment where students have the resources and facilities to excel. The programs of the International Baccalaureate Organization (Primary Years Program, Middle Years Program, Diploma Program) have been selected as the educational model utilized at the Academy. Educational technology will be pervasive and will infuse the classroom curriculum. Westlake Academy continues to have excellent academic and extra-curricular results and is ranked among the best high schools in America. Westlake Academy distinguishes itself among neighboring educational offerings with a particular focus on producing students who are globally minded.



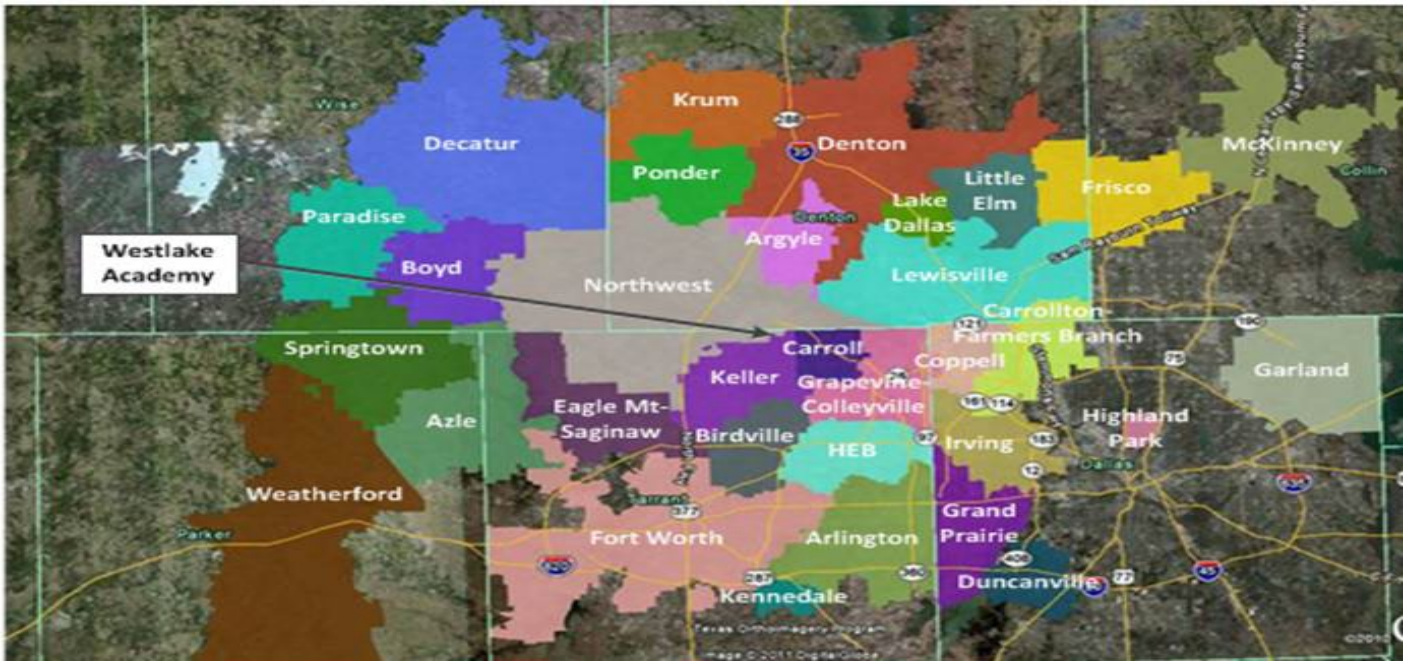
Geographic Area Served

As an open enrollment charter school, the only requirement for admittance into the Academy is based upon student residency. Westlake Academy admits students from two distinct geographic areas called "primary" and "secondary" boundaries:

- PRIMARY boundary: concurrent with geographic boundary of the Town of Westlake
- SECONDARY boundary: adopted by the Board of Trustees and approved by the Texas Education Agency in June 2008 currently includes these specific Independent School Districts:

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

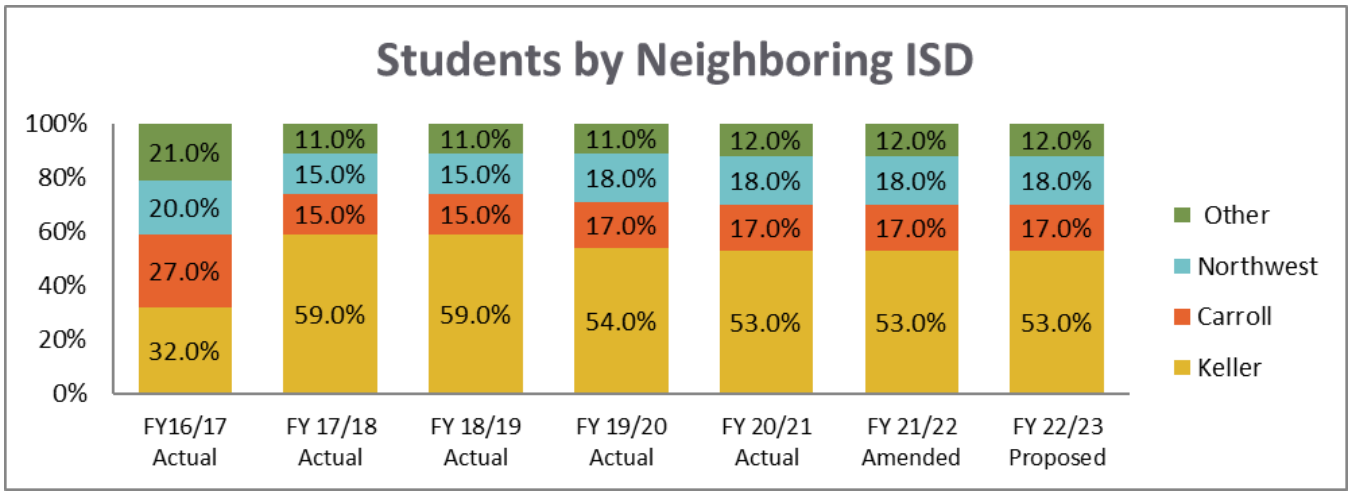
WESTLAKE ACADEMY OVERVIEW



Students residing in the primary boundary are admitted upon the completion of the Westlake Residency Application and upon Town of Westlake approval of the enrollment packet. While any school-age child residing within Westlake can attend the Academy, demand for entrance exceeding capacity may necessitate that child being placed on the waiting list.

Applications from students residing in the secondary boundaries are accepted beginning December 1 through January 31 for the upcoming school year. The random selection lottery is held in mid-February. Applications may be submitted anytime, however, if they are submitted after January 31, those applicants will be placed at the bottom of the grade level lists. While any school-age child residing within these district boundaries can attend the Academy, demand for entrance exceeding capacity may necessitate that child being placed on the waiting list.

Westlake Academy does not discriminate in admissions based on gender, national origin, ethnicity, religion, disability, academic, artistic, athletic ability, or the district the child would otherwise attend.



Updated Students by Neighboring ISD information unavailable for FY 2022-23

WESTLAKE ACADEMY ADMINISTRATIVE TEAM

The Board of Trustees appoints a Head of School to oversee the Academy's management and operations. The Head of School 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, and is a key participant in the Academy's budget administration, finances, and budget preparation.

The Head of school oversees the academic administrative personnel and works closely with the Town Manager who oversees the shared services administrative personnel. Academic administrative personnel are responsible for managing the school's on-going academic and extracurricular operations. Shared services administrative personnel provide human resources, financial, facilities, communications, information technology and administrative support services to the Academy. Each principal is responsible, with advisement from the Head of School, for selection and evaluation of the faculty and staff involved in providing their Programme's academic services.

SHARED SERVICES DIRECTORS	ACADEMIC ADMINISTRATIVE PERSONNEL
Town Manager TBD	**Sean Wilson** Head of School
Jarrod Greenwood Deputy Town Manager	**Rod Harding** PYP Principal
Troy Meyer Assistant Town Manager	**Carolyn Anderson** PYP Assistant Principal
Amber Karkauskas Director of Finance	**Alison Schneider** PYP Curriculum Coordinator
Jason Power Director of Information Technology	**Maxwell Ituah** MYP Principal
Sandy Garza Director of Human Resources	**Elizabeth Hughes** MYP Assistant Principal
Amy Piukana Town Secretary	**Sarah Stack** MYP Curriculum Coordinator
Jon Sasser Director of Community Engagement	**Dr. James Owen** DP Principal/Curriculum Coordinator
Dr. Shelly Myers Executive Director of the WAF	**Gary Ponder** Interim Director of Athletics

MISSION, VISION, & VALUES

The Academy's mission, vision and values are reviewed annually during the budget retreat. The mission, vision, and value statements below represent the outcome of these discussions and confirm the Board's continued dedication to academic excellence and personal achievement.

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 college bound 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.

DESIRED OUTCOMES

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

FUND BALANCE COMPONENTS

In February 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement established five components of fund balance and because circumstances differ among governments, not everyone will report all components. GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to "the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent."

- **Fund Balance Reporting -** The Academy shall report governmental fund balances per GASB 54 definitions in the balance sheet as follows: Non-spendable, Restricted, Committed, Assigned, 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 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.
- **Approval of Commitments** - 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 after 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 Head of School or his/her designee.
    - The Board of Trustees shall have the authority to assign any number of funds.
    - Assignments may occur after fiscal year-end.
    - The Board of Trustees will utilize funds in the following spending order: Restricted, Committed, Assigned, and Unassigned.

The following items are Assigned in the Westlake Academy Budget; Technology, Furniture, Fixtures & Equipment Replacement, and Uniforms & Equipment Replacement

NONSPENDABLE FUND BALANCE	RESTRICTED FUND BALANCE	ASSIGNED FUND BALANCE	UNASSIGNED FUND BALANCE	COMMITTED FUND BALANCE
• Portion of net resources that cannot be spent because of their form and because they must be maintained intact.	• This term will is used to describe net fund resources subject to externally enforceable legal restrictions.	• This term is used to describe the portion of fund balance that reflects a government's intended use of resources.	• The residual net resources in excess of what is properly categorized in one of the other four categories.	• The portion of fund balance constrained by limitations imposed by government at its highest level and remains binding unless removed in the same manner.

BUDGET OVERVIEW AND PROCESS

Projecting the budget allocations of the Academy is a continual process that responds to the changing needs of the Academy students and staff as well as variations in the fiscal environment such as State funding. The development of the Academy budget for fiscal year 2022/23 began in February 2022, presented at a Westlake Board of Trustees meeting in June 2022 for additional input, and adopted in August 2022.

The Academy approach to balancing the combination of fast student growth in a restricted funding environment along with increasing academic standards requires that the budget process be 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 outcome objectives contained in our Strategy Map.

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 adopted annual budget, the Board holds budget workshops to review adopted changes, their associated outcomes for the next fiscal year, as well as their impact in a five (5) year financial forecast.

Following is a summary of the nine main steps taken in preparation of the adopted budget:

1. *Budget Preparation*
2. *Fund Types and Structure*
3. *Basis of Accounting and Budgeting*
4. *The Budget Process*
5. *Balanced Budget*
6. *Budget Amendments*
7. *Budget Adoption*
8. *Long Term Forecasting*
9. *Budget Calendar*



BUDGET PREPARATION

As in previous years, efforts have been made to control expenditures while continuing to deliver an excellent level of service to our citizens. Concentrated efforts have been made to produce a document that clearly illustrates the uses of Academy resources in a format that may be utilized as a resource tool by the Board of Trustees, Academy staff, and the citizens of Westlake. Our budget preparation process continues to be refined on an annual basis, operating within clearly defined budget preparation guidelines.

Budgeting is an essential element of the financial planning, control, and evaluation process. The "operating budget" is the Academy's annual financial operating plan. The budget includes all the operating departments of the Academy included in the General Fund and Special Revenue funds. The budget is prepared with the cooperation of all Academy departments and is submitted to the Head of School who makes any necessary changes and transmits the document to the Board of Trustees. A budget preparation calendar and timetable are established and followed in accordance with State law.

A "bottom-up" approach is used to solicit input from the staff leadership team as to their operations' needs with an emphasis on:

- Identifying costs to provide the current level of services.
- Identifies additional cost increases needed to maintain the current level of service.
- Additional resources necessary to provide new or increased levels of service.
- Delineating changes in fund balance levels for each fund.

BUDGET OVERVIEW AND PROCESS

The following procedures, which are guided by generally accepted budgeting practices, have been established:

- The annual operating budget presents appropriations of expenditures and estimates of revenues for all government funds. These revenues include federal, state, and local revenues.
- The annual operating budget illustrates expenditures, anticipated revenues, and the estimated impact on reserves.
- Budgets for each function are broken down into specific object codes, including payroll and payroll related, professional and contracted services, supplies and materials, other operating costs, and debt service.
- Revenue projections are prepared for each revenue source based on an analysis of historical revenue trends and current fiscal conditions.
- Goals and objectives have been developed and are incorporated into the evaluation of employees and performance of the organization.
- A budget message summarizing local financial conditions and principal budget issues is presented to the governing board along with the annual budget.

BUDGET CALENDAR

The Budget Process covers the financial cycle starting with budget planning and ending with the audited annual financial report.

Timeline	Description of Activities
October - December	Strategic Plan review and development occurs
December	Westlake Academy Instructional Leadership Team (ILT) begins planning upcoming budget
January	ILT meets with Westlake Academy affiliates for joint planning
Jan - March	Review and develop Capital Improvement Plan, Five-Year Projection, and Personnel Cost Estimates
April	Develop improvement plans for each grade level and department
May	Strategic Plan preparation process occurs; preliminary budgets developed
June	Board of Trustees (BOT) Budget Retreat
July	Current budget review; budget amendments for current year if necessary
August	BOT consideration and adoption of Westlake Academy Budget for Upcoming School Year
October	Annual financial audit

BALANCED BUDGET

As per State Law, current operating revenues will be sufficient to support current operating expenditures. Annually recurring revenue will not be less than annually recurring operating budget expenditures. Debt or bond financing will not be used to finance current expenditures.

FUND TYPES AND STRUCTURE

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 per 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.

BUDGET OVERVIEW AND PROCESS

Academy funds are classified into the following two categories:

- **GOVERNMENTAL FUNDS -** The funds 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.
    - **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.

- **FIDUCIARY FUNDS -** The fund's account for resources that are held in trust for individuals or other governments, in this case monies that are held in a custodial capacity for the benefit of student organizations

BASIS OF BUDGETING AND ACCOUNTING

The term basis of budgeting is used to describe when events or transactions are recorded and recognized.

In the Modified Accrual Basis -

- revenues are recognized in the period when they became available and measurable
- expenditures are recognized when the liability is incurred

In the Accrual Basis -

- revenues are recorded when earned
- expenses when the liability is incurred

The basis of budgeting and accounting is shown in the chart to the right:	Governmental Fund	Annual Operating Budget	Audited Financial Statements
	General Fund	Modified Accrual	Modified Accrual
	Special Revenue Funds	Modified Accrual	Modified Accrual

Budgets are prepared on the same basis of accounting that is used in financial statements. The basis of budgeting refers to when revenues and expenditures are recognized in the corresponding accounts and reported in financial statements. Governmental fund types, including the general fund, are budgeted using the Current Financial Resources Measurement Focus and the Modified Accrual Basis of Accounting. Westlake Academy's only Fiduciary Fund (the Agency Fund, described below) is not a budgeted fund.

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.

BUDGET OVERVIEW AND PROCESS

THE BUDGET PROCESS

The Academy's fiscal year begins each year on September 1st and ends on August 31st of the following calendar year. Prior to the beginning of the fiscal year, the Head of School must submit a budget to the Board of Trustees which includes:

- A budget message
- A consolidated statement of anticipated revenues and expenditures for all funds
- Resources for General Fund and Special Revenue Funds in detail
- A summary of expenditures by function and object code
- Detailed estimates of expenditures shown separately to support expenditures

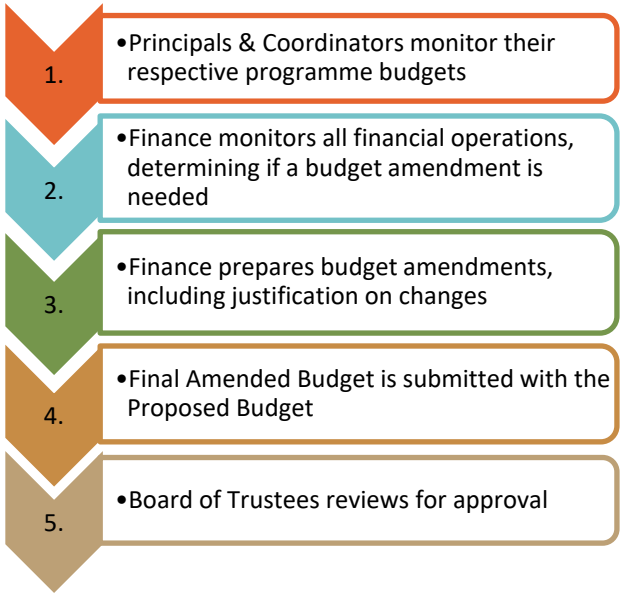
The budget preparation process begins early in the calendar year with the establishment of overall Academy goals, objectives, and analysis of current year operations compared to expenditures.

- Budget policies and procedures are reviewed at the same time to reduce errors and omissions.
- In May, the Finance Department prepares budget forms and instructions for estimating revenues and expenditures.
- Leadership Team members submit baseline expenditures for current service levels and any additional one-time or on-going request they may have for their department.
- A round-table meeting is subsequently held with the Head of School, the Finance team, and the Instructional Leadership Team for review.
- After all funding levels are established and agreed upon the budget is presented to the Board of Trustees.
- A public hearing on the budget is conducted in accordance with state and local law.
- This meeting is held after the Board has reviewed the budget during a workshop.
- The Board of Trustees approves a level of expenditure (or appropriation) for each fund to go into effect on September 1st, prior to the expenditure of any Academy funds for that budget year.

BUDGET AMENDMENT PROCESS

The Head of School may request that the current year budget be amended at the function level. In this process:

- Budget amendments moving funds between functions will be approved by the Board of Trustees.
- Often, these amendments influence the shaping of the current budget as actual trends in revenues and expenditures are realized and accounted for at that time. Program principals and coordinators are responsible for monitoring their respective programme budgets.
- The Finance Department will monitor all financial operations and will decide whether to proceed with a budget amendment.
- The Final Amended Budget for the Year Ending August 31, 2021 will be submitted at the August 2021 Board meeting.



BUDGET OVERVIEW AND PROCESS

LONG TERM FORECASTING

Most annual operating budget documents focus on a single 12-month period where spending and revenue decisions made today will have effects that extend beyond that fiscal year. Because of that, the Academy requires that long-term forecasting be made part of the Annual Operating Budget document.

The purpose of the policy is to:

- Ensure on-going financial sustainability beyond a single fiscal year or budget cycle
- Achieve the Academy's mission and vision
- Systematically link the annual budget to a multi-year master financial plan.

Should long term forecasts and analysis show that the school system does not have a "positive operating balance" over the multi-year period, the Academy shall bring this to the attention of the Head of School. A "positive operating balance" means that the ending fund balance meets or exceeds the minimum levels prescribed in the Academy's reserve policies. The policy states the Academy shall strive to maintain the General Fund unassigned fund balance at 45 days of operation. As can be seen below, the fund balance, if as projected, will decline yet remain more than the desired 45 days.

Fiscal Year	Positive Operating Balance	Fund Balance (unassigned)	Dollars Per Operating Day	Operating Days
FY 18/19 Audited	YES	1,334,747	23,784	56
FY 19/20 Audited	YES	1,712,087	26,379	65
FY 20/21 Audited	YES	1,988,212	25,552	78
FY 21/22 Amended	YES	1,903,703	25,953	73
FY 22/23 Proposed	YES	1,908,542	26,937	71
FY 23/24 Projected	YES	2,020,998	27,057	75
FY 24/25 Projected	YES	2,135,130	27,277	78
FY 25/26 Projected	YES	2,174,518	27,498	79

BUDGET ADOPTION

Legal requirements for charter school budgets are formulated by the state and the 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). However, **the Academy does not maintain a debt service fund or a child nutrition program; therefore, only the General Fund is legally required to be adopted. Special Revenue Funds are not adopted by the governing body but are shown for informational purposes only.**

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. The Board of Trustees conducts 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 OVERVIEW AND PROCESS

Annual Budget	A budget is required to be adopted annually for the General Fund (Westlake Academy does not maintain a Debt Service Fund or child nutrition program). The budget is adopted on a basis consistent with generally accepted accounting principles. All appropriations lapse at fiscal year-end. On or before August 31st of each year, the Head of School submits for review by the Board of Trustees a budget for the upcoming school year. After reviewing the 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.
Key Revenues	Public charter schools in the State of Texas do not have taxing authority, nor do they receive facility funding. Consequently, the Academy receives most General Fund revenues via the State Funded Foundation School Program (FSP) and is disproportionately affected by changes in FSP funding levels set by the Texas legislature. State funding of public education was decreased by the State Legislature in 2001. While it has increased somewhat since then, the allocation has not kept pace with basic cost increases. And, in the Legislature's most recent 2017 session, the per student funding for public education was not increased for the next biennium. Note that the amount of state aid received through the Foundation School Program is a function of the total number of students enrolled at the Academy as well as the additional funding from Career and Technical Education classes.
Key Expenditures	Compensation and benefits are the largest operating cost for Westlake Academy, comprise most total operating expenditures. The current forecast assumes no further expansions of curriculum or other programme areas that would necessitate additional staff. Other costs including utilities, supplies, and professional services are held at 1% unless additional revenue sources are realized.
Fund Balance	The Head of School and Board of Trustees are devoted to safeguarding and improving the financial condition of Westlake Academy. The Academy shall strive to maintain an unassigned General Fund Balance of 45 days of operation, and Fund Balance monies will only be used with Board approval for specific needs. Board policy stipulates that all future increases in expenditures must be offset by new or additional revenues. A full listing of Fund Balance policies can be found at the end of this section.

Section 1

FINANCIAL

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FINANCIAL FORECAST ASSUMPTIONS

Student Enrollment Assumptions:

- Maintain an 875-student enrollment count from FY 2021-22 for FY 2022-23
- Student enrollment is expected to increase in future years due to continued residential growth.
- Expected Average Daily Attendance (ADA) rate of 97%.



Revenues:

- 100% use of Westlake Academy Foundation (WAF) Annual Program revenues (adopted $1.03 million).
- Future revenue projections are based on the student ADA, which is used to calculate the cost of public education for the next biennium. With the aftermath of the pandemic, revenues are expected to remain flat for FY 2022-23 and are calculated based on the ADA from the prior year. Although preliminary projections show an $8K decrease over the prior year, this will change when FY 2022-23 ADA calculations become available.
- Charter schools do not have taxing authority, making them reliant upon state and local funding sources.
- As an open enrollment charter school all State funding is determined each legislative session and channeled to Westlake Academy through the Foundation School Program (FSP).

Charter schools are funded based on their weighted average daily attendance (WADA). A school's WADA is determined not only by the number of students attending, but by their participation in special programs, such as special education and career and technology

- Most Academy General Fund revenue is derived from the Texas Foundation School Program.
- Secondary sources include Westlake Academy Foundation's Blacksmith Campaign, which is expected to raise $1.03M in FY 2022-23
- Growth in local revenues has been significant and is a result of strong parent and community support of the Academy.

Expenditures:

- Personnel costs are estimated to increase by an average 6% for Teachers, Counselors, Librarians, Nurses & Diagnosticians, Administrators and Support Staff.
- Due to the uncertainty of state funding, professional services, supplies and other operating expenditures are expected to decrease by $140K over the prior year. These expenditures are being held flat in outer years and will only increase if revenues increase to offset additional expenditures.
- House Bill 3 mandates remain in effect as the grade kindergarten through 3rd Reading Academy training continues in FY 2022-23 and will continue as needed for new teachers.
- ESSER III-Supplement funds were granted to the Academy in FY 2021-22 and will continue through FY 2022-23. Funds are used for intensive education supports for students not performing satisfactorily due to the pandemic. Supplemental funds will also be used to address accelerated instruction for lost instructional time. Funding needed after FY23 will need to be absorbed in the General Fund, if needed. For more information on ESSER funding, go to: https://www.westlakeacademy.org/about-us/financial-transparency/esser.



WESTLAKE ACADEMY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ending August 31, 2023

	FY 22/23 Adopted General Funds				
	196 Westlake Academy Foundation FY 22/23	197 Transportation/ Parking Fund FY 22/23	198 Athletic Activities FY 22/23	199 General Fund FY 22/23	Total General Fund FY 22/23
REVENUES					
Local Revenues	$ 1,030,000	$ 25,500	$ 100,850	$ 613,643	$ 1,769,993
State Program Revenues	-	-	-	8,062,143	$ 8,062,143
Total Revenues	1,030,000	25,500	100,850	8,675,786	9,832,136
EXPENDITURES (BY FUNCTION)					
11 - Instructional	-	4,500	-	5,571,086	5,575,586
12 - Resources & Media	4,000	-	-	144,723	148,723
13 - Staff Development	76,400	-	-	4,800	81,200
21 - Instructional Leadership	4,000	-	-	188,168	192,168
23 - School Leadership	10,000	-	-	1,196,339	1,206,339
31 - Guidance & Counseling	7,000	-	-	410,622	417,622
33 - Health Services	-	-	-	80,407	80,407
36 - Extra-/Co-Curricular Activities	1,000	49,948	196,201	14,956	262,105
41 - General Administration	8,500	-	-	185,450	193,950
51 - Maintenance & Operations	1,500	-	-	1,057,672	1,059,172
52 - Security and Monitoring Services	1,500	-	-	27,000	28,500
53 - Data Processing	4,000	-	-	244,515	248,515
61 - Community Services	-	-	-	112,361	112,361
71 - Debt Service	225,488	-	-	-	225,488
Total Expenditures	343,388	54,448	196,201	9,238,099	9,832,136
Excess (Deficiency) of Revenues Over (Under) Expenditures	686,612	(28,948)	(95,351)	(562,313)	-
OTHER FINANCING SOURCES (USES)					
79 - Other Resources	-	-	90,000	-	90,000
89 - Other Uses	-	-	-	(90,000)	(90,000)
Total Other Financing Sources (Uses)	-	-	90,000	(90,000)	-
NET CHANGES IN FUND BALANCE	686,612	(28,948)	(5,351)	(652,313)	-
FUND BALANCE, BEGINNING	766,911	39,618	65,757	1,143,199	2,015,485
FUND BALANCE, ENDING	1,453,523	10,670	60,406	490,886	2,015,485
Assigned - Bus Maintenance	-	(16,150)	-	-	(16,150)
Assigned - Technology/FF&E Replacement	-	-	-	(75,793)	(75,793)
Assigned - Uniform/Equipment Replacement	-	-	(15,000)	-	(15,000)
ENDING FUND BALANCE (UNASSIGNED)	$ 1,453,523	$ (5,480)	$ 45,406	$ 415,093	$ 1,908,542

WESTLAKE ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WESTLAKE ACADEMY FOUNDATION BLACKSMITH CONTRIBUTIONS - 196
For the Year Ending August 31, 2023

	Audited FY 17/18	Audited FY 18/19	Audited FY 19/20	Audited FY 20/21	Adopted Budget FY 21/22	Amended Budget FY 21/22	Adopted Budget FY 22/23
REVENUES							
Local Revenues	$ -	$ -	$ -	$ -	$ 1,030,000	$ 1,146,000	$ 1,030,000
State Revenues	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	1,030,000	1,146,000	1,030,000
EXPENDITURES (BY FUNCTION)							
11 - Instructional	-	-	-	-	-	-	-
12 - Resources & Media	-	-	-	-	-	29,000	4,000
13 - Staff Development	-	-	-	-	-	82,867	76,400
21 - Instructional Leadership	-	-	-	-	-	4,000	4,000
23 - School Leadership	-	-	-	-	-	18,500	10,000
31 - Guidance & Counseling	-	-	-	-	-	6,500	7,000
33 - Health Services	-	-	-	-	-	-	-
36 - Co-/Extra Curricular Activities	-	-	-	-	-	-	1,000
41 - Administrative	-	-	-	-	-	10,500	8,500
51 - Maintenance & Operations	-	-	-	-	-	1,500	1,500
52 - Security & Monitoring Services	-	-	-	-	-	1,000	1,500
53 - Data Processing	-	-	-	-	-	3,000	4,000
61 - Community Services	-	-	-	-	-	-	-
71 - Debt Service	-	-	-	-	-	222,222	225,488
Total Expenditures	-	-	-	-	-	379,089	343,388
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	1,030,000	766,911	686,612
NET CHANGES IN FUND BALANCE	-	-	-	-	1,030,000	766,911	686,612
FUND BALANCE, BEGINNING	-	-	-	-	-	-	766,911
FUND BALANCE, ENDING	-	-	-	-	1,030,000	766,911	1,453,523
Less Assigned	-	-	-	-	-	-	-
ENDING FUND BALANCE (UNASSIGNED)	$ -	$ -	$ -	$ -	$ 1,030,000	$ 766,911	$ 1,453,523

WESTLAKE ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TRANSPORTATION/PARKING FUND - 197
For the Year Ending August 31, 2023

	Audited FY 17/18	Audited FY 18/19	Audited FY 19/20	Audited FY 20/21	Adopted Budget FY 21/22	Amended Budget FY 21/22	Adopted Budget FY 22/23
REVENUES							
Local Revenues	$ 32,889	$ 40,002	$ 8,820	$ 24,600	$ 25,500	$ 25,500	$ 25,500
State Revenues	-	18	-	-	-	-	-
Total Revenues	32,889	40,020	8,820	24,600	25,500	25,500	25,500
EXPENDITURES (BY FUNCTION)							
11 - Instructional	970	4,275	-	213	3,198	2,159	4,500
36 - Co-/Extra Curricular Activities	61,063	31,843	43,901	21,576	43,500	43,817	49,948
Total Expenditures	62,033	36,118	43,901	21,789	46,698	45,976	54,448
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,144)	3,902	(35,081)	2,811	(21,198)	(20,476)	(28,948)
OTHER FINANCING SOURCES (USES)							
79 - Other Resources	25,000	-	-	-	-	-	-
89 - Other Uses	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	25,000	-	-	-	-	-	-
NET CHANGES IN FUND BALANCE	(4,144)	3,902	(35,081)	2,811	(21,198)	(20,476)	(28,948)
FUND BALANCE, BEGINNING	92,606	88,462	92,364	57,283	60,094	60,094	39,618
FUND BALANCE, ENDING	88,462	92,364	57,283	60,094	38,896	39,618	10,670
Less Assigned - Bus Maintenance	(24,090)	(24,090)	(24,090)	(19,000)	(19,000)	(17,000)	(16,150)
Less Assigned - Parking	-	-	-	-	-	-	-
ENDING FUND BALANCE (UNASSIGNED)	$ 64,372	$ 68,274	$ 33,193	$ 41,094	$ 19,896	$ 22,618	$ (5,480)

WESTLAKE ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ATHLETIC ACTIVITIES FUND - 198
For the Year Ending August 31, 2023

	Audited FY 17/18	Audited FY 18/19	Audited FY 19/20	Audited FY 20/21	Adopted Budget FY 21/22	Amended Budget FY 21/22	Adopted Budget FY 22/23
REVENUES							
Local Revenues	$ 82,602	$ 104,378	$ 75,095	$ 87,319	$ 88,100	$ 88,100	$ 100,850
State Revenue	1,037	1,567	-	-	-	-	
Total Revenues	83,639	105,945	75,095	87,319	88,100	88,100	100,850
EXPENDITURES (BY FUNCTION)							
36 - Co-/Extra Curricular Activities	128,759	190,602	172,657	179,876	156,421	147,892	196,201
Total Expenditures	128,759	190,602	172,657	179,876	156,421	147,892	196,201
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,120)	(84,657)	(97,562)	(92,557)	(68,321)	(59,792)	(95,351)
OTHER FINANCING SOURCES (USES)							
79 - Other Resources	60,000	85,000	90,000	90,000	45,000	90,000	90,000
89 - Other Uses	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	60,000	85,000	90,000	90,000	45,000	90,000	90,000
NET CHANGES IN FUND BALANCE	14,880	343	(7,562)	(2,557)	(23,321)	30,208	(5,351)
FUND BALANCE, BEGINNING	30,445	45,325	45,668	38,106	35,549	35,549	65,757
FUND BALANCE, ENDING	45,325	45,668	38,106	35,549	12,228	65,757	60,406
Less Assigned - Uniform/Eqpt Rplc	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
ENDING FUND BALANCE (UNASSIGNED)	$ 30,325	$ 30,668	$ 23,106	$ 20,549	$ (2,772)	$ 50,757	$ 45,406

WESTLAKE ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL OPERATING FUND - 199
For the Year Ending August 31, 2023

	Audited FY 17/18	Audited FY 18/19	Audited FY 19/20	Audited FY 20/21	Adopted Budget FY 21/22	Amended Budget FY 21/22	Adopted Budget FY 22/23
REVENUES							
Local Revenues	$ 1,455,691	$ 1,500,773	$ 1,378,136	$ 1,139,493	$ 118,771	$ 118,981	$ 613,643
State Program Revenues	7,075,983	7,302,602	7,957,979	8,402,685	8,109,375	8,030,969	8,062,143
Total Revenues	8,531,674	8,803,375	9,336,115	9,542,178	8,228,146	8,149,950	8,675,786
EXPENDITURES (BY FUNCTION)							
11 - Instructional	4,923,738	4,838,971	5,566,302	5,058,404	4,888,770	4,975,014	5,571,086
12 - Resources & Media	86,094	90,039	88,513	65,974	135,797	155,754	144,723
13 - Staff Development	83,902	92,192	57,790	30,932	55,795	10,550	4,800
21 - Instructional Leadership	153,295	154,969	154,252	177,682	225,326	218,822	188,168
23 - School Leadership	888,589	948,814	1,060,501	1,132,110	1,258,754	1,247,282	1,196,339
31 - Guidance & Counseling	311,250	479,388	569,417	604,122	618,426	529,292	410,622
33 - Health Services	72,233	71,810	77,264	91,520	81,257	73,989	80,407
36 - Co-/Extra Curricular Activities	25,414	33,842	37,094	52,385	28,168	34,776	14,956
41 - Administrative	324,975	211,992	244,889	260,237	238,564	236,264	185,450
51 - Maintenance & Operations	931,623	990,511	976,930	1,066,798	967,763	958,727	1,057,672
52 - Security & Monitoring Services	-	35,753	20,150	15,542	26,800	25,000	27,000
53 - Data Processing	192,034	210,088	213,941	223,856	352,979	296,756	244,515
61 - Community Services	130,862	130,014	136,790	137,298	143,543	137,715	112,361
71 - Debt Service	167,067	166,005	207,922	207,922	207,922	-	-
Total Expenditures	8,291,076	8,454,388	9,411,755	9,124,782	9,229,864	8,899,941	9,238,099
Excess (Deficiency) of Revenues Over (Under) Expenditures	240,598	348,987	(75,640)	417,396	(1,001,718)	(749,991)	(562,313)
OTHER FINANCING SOURCES (USES)							
79 - Capital Lease Proceeds	-	-	585,623	-	-	-	-
79 - Transfers In	-	-	-	-	-	-	
89 - Transfer Out (Use)	(85,000)	(85,000)	(90,000)	(90,000)	(45,000)	(90,000)	(90,000)
Total Other Financing Sources (Uses)	(85,000)	(85,000)	495,623	(90,000)	(45,000)	(90,000)	(90,000)
NET CHANGES IN FUND BALANCE	155,598	263,987	419,983	327,396	(1,046,718)	(839,991)	(652,313)
						-	
FUND BALANCE, BEGINNING	816,220	971,818	1,235,805	1,655,788	1,983,184	1,983,184	1,143,199
FUND BALANCE, ENDING	971,818	1,235,805	1,655,788	1,983,184	936,466	1,143,199	490,886
Less Assigned - Technology/FF&E	-	-	-	(56,621)	(79,782)	(79,782)	(75,793)
ENDING FUND BALANCE (UNASSIGNED)	$ 971,818	$ 1,235,805	$ 1,655,788	$ 1,926,563	$ 856,684	$ 1,063,417	$ 415,093

Section 1

INFORMATIONAL

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FISCAL & 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 Head of School or his designate and Academy Board of Trustees.

The scope of these policies generally spans, 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, 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:

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

2. **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.

3. **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.

4. **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.

5. **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.

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

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

8. **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.

9. **Accounting, Auditing, and Financial Reporting**: Comply with prevailing Federal, State and local statues 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).

10. **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

1. **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.

2. **Revenue Estimates for Budgeting** - 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.

3. **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.

4. **Proposed Budget Content and Process** – A proposed budget shall be prepared by the Head of School or his designate with the participation of the Academy's Leadership Team, Finance Director, and Academy staff, and then submitted to the Head of School for review. Following the Head of School'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:
   - personnel costs,
   - base budget for operations and maintenance costs,

- service level adjustments for increases of existing service levels or additional services,
- revenues, and
- General Administrative (G&A) costs.

The proposed budget review process shall include Board of Trustees review of each of the five 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.

5. **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.

6. **Budget Amendments** – The Head of School 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.

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

8. **Reporting** - Monthly financial reports will be prepared by the Finance Department and distributed to the Head of School 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. REVENUE MANAGEMENT

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

1. **Simplicity** - The Academy, where possible and without sacrificing accuracy, will strive to keep the revenue system simple to reduce costs, achieve transparency, and increase parent and citizen understanding of Academy revenue sources.

2. **Certainty** - A thorough knowledge and understanding of revenue sources increases the reliability of the revenue system.

3. **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.

4. **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.

5. **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:

1. State Education Funding
2. State and Federal Grants
3. 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

1. **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.

2. **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.)

3. **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 more than 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 Head of School 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.
    - All service level adjustments that result in increases to the operating budget must be aligned with offsetting increases in operating revenues (FSP, Local Sources, etc.).

4. **Periodic Program Reviews** – The Head of School 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.

5. **General and Administrative (G&A) Charges** – To the extent practical, an annual analysis of G&A charges will be performed and, if available, funding may be allocated at the Board's discretion. 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.

   If funding is not available, these costs will be shown below the line of the financial statement in the five-year financial forecast to promote transparency and provide the Board with a full cost accounting of services. The charges will be determined through an indirect cost allocation study following accepted practices and procedures.

6. **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.

7. **Prompt Payment** - All invoices will be paid within 30 days of receipt in accordance with the prompt payment requirements of State law.

8. **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

1. **Fund Balance Reporting -** The District shall report governmental fund balances per GASB 54 definitions in the balance sheet as follows: Non-spendable, Restricted, Committed, Assigned, and Unassigned.

2. **General Fund Unassigned Fund Balance (General Fund Reserve) -** The Academy shall strive to maintain the General Fund unassigned fund balance at 45 days of operation.

3. **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.

4. 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 after 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 Head of School or his/her designee. The Board of Trustees shall have the authority to assign any number of funds. Assignments may occur after fiscal year-end.

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

VII. INTERGOVERNMENTAL RELATIONSHIPS

1. **Inter-local Cooperation in Delivering Services -** 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.

2. **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

1. **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.

2. **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.

3. **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

1. **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 Head of School and the Board of Trustees. Student roster information will also be included in the quarter reports submitted to the Board of Trustees.

2. **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.

FISCAL & BUDGETARY POLICIES

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

1. 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.

2. **Accounting** - Currently, the Education Service Center (Region 11) books all revenues/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 Head of School 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.

3. **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 issued 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.

4. **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.

5. **Internal Financial Reporting** - The Finance Department will prepare internal financial reports sufficient for management to plan, monitor, and control Academy's financial affairs.

FISCAL & BUDGETARY POLICIES

XII. INTERNAL CONTROLS

1. **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.

2. **Academy Staff Responsibilities** – The Head of School 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

1. **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 Westlake Academy 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.

2. **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.

3. **Capital Assets and Inventory** - Such assets will be reasonably safeguarded, properly accounted for and prudently insured. The capital assets inventory will be updated regularly.

4. **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.

5. **Capitalization Criteria –** For purposes of budgeting and accounting classification, the following criteria must be capitalized:
    - The asset is owned by 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 expensed unless they are a significant nature and meet all the capitalization criteria.

6. **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.

INVESTMENT POLICY

I. POLICY STATEMENT

It is the policy of 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 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, considering 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.

INVESTMENT POLICY

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 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 Head of School.

INVESTMENT POLICY

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.

- Obligations of the United States Government, its agencies and instrumentalities, not to exceed two (2) years to stated maturity and excluding mortgage backed securities;

- 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;

- 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;

- 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 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 always be made contractually liable for monitoring and maintaining the collateral levels . 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 OF TERMS

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 received or a payment is 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 received or the payment is 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.

Average Daily Attendance (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.

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.

Assigned Fund Balance: Reports amount that are constrained by the government's intent that they will be used for specific purposes. Decision making about 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.

GLOSSARY OF TERMS

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 way the government's resources were 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.

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 more than $5,000 and a useful life expectancy of greater than 1 year.

Career and Technical Education (CTE): The costs incurred to evaluate, place and provide educational and/or other services to prepare students for gainful employment, advanced technical training or for homemaking. This may include apprenticeship and job training activities.

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.

GLOSSARY OF TERMS

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 aids 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.

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

Current Expenditures per Pupil: Current expenditures for a given period 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.

Diploma Programme (DP): A challenging two-year curriculum for students in grades 11 and 12 that provides an inquiry-based, college preparatory education. By emphasizing knowledge, skills, critical thinking and the fostering and development of universal human values, students learn the valuable skills of construction and deconstruction knowledge.

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 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.

GLOSSARY OF TERMS

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: 1) funding for a basic program; 2) revenue sufficient to support an accredited program; and 3) equalizing 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 carrying on in accordance with special regulations, restrictions, or limitations.

Fund Balance: It is the resources remaining from prior years and which are available to be budgeted in the current year.

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.

House Bill 3: School finance bill that was passed by the 86th Texas Legislature. The bill provides more money for Texas classrooms, increases teacher compensation, reduces recapture and cuts local property taxes for Texas taxpayers.

Independent Audit: An audit performed by an independent auditor.

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

International Baccalaureate Program (IB): A non-profit foundation whose mission is to help students "develop the intellectual, personal, emotional, and social skills to live, learn and work in a rapidly globalizing world." It was founded in 1968 and runs in over 3,000 schools in 141 countries.

Middle Years Programme (MYP): A curriculum framework for children in grades six through ten that encourages students to make practical connections between their studies and the real world. The MYP builds on the knowledge; skills and attitudes developed by the Primary Years Programme (PYP) and prepare the students for the demanding requirements of the Diploma Programme (DP).

GLOSSARY OF TERMS

Modified Accrual Basis of Accounting: Basis of accounting per 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 un-matured 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.

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.

Primary Years Programme (PYP): A curriculum framework for children aged 3-12 that prepared students for the intellectual challenges of future education and their future careers, focusing on the development of the whole child as an inquirer, both in the classroom and in the world outside.

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.

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.

GLOSSARY OF TERMS

School FIRST Rating: The purpose of the financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), is to ensure that open-enrollment charter schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

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

Statutory Minimum Salary (Stat Min): HB3 requires that open enrollment charter schools begin paying the state's contribution on the portion of a member's salary that exceeds the statutory minimum salary for members entitled to the minimum salary schedule and for members who would be entitled to the minimum salary for certain school personnel under Section 21.402.

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

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 Essential Knowledge and Skills (TEKS): Subject-specific state leaning 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.

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 technical, bilingual, gifted and talented, and compensatory education. A weighted student count is used to distribute guaranteed-yield funding and establish Chapter 41 thresholds.

ACRONYMNS

ADA	Average Daily Attendance
AICPA	American Institute of Certified Public Accountants
AP	Accelerated Program
ASBO	Association of School Business Officials
CTE	Career and Technical Education
DP	Diploma Programme
ESC	Education Service Center (ESC)
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
IB	International Baccalaureate Program
IDEA	Individuals with Disabilities Education Act
MYP	Middle Years Programme
PYP	Primary Years Programme
S&P	Standard and Poor's
SLA	Service Level Adjustment
TEA	Texas Education Agency
TEKS	Texas Essential Knowledge and Skills
TRS	Teacher Retirement System
WA	Westlake Academy
WADA	Weighted Average Daily Attendance