

THE LAWSON ACADEMY
(formerly WALIPP-TSU PREPARATORY ACADEMY)
STATEMENTS OF FINANCIAL POSITION
August 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 83,287	\$ 126,048
Due from Texas Education Agency	80,283	61,644
Other current assets	<u>7,951</u>	<u>8,550</u>
Total current assets	171,521	196,242
 Capital Assets, net	 <u>154,686</u>	 <u>231,673</u>
	 <u>\$ 326,207</u>	 <u>\$ 427,915</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 100,304	\$ 164,142
Current maturities of capital lease obligations	<u>8,479</u>	<u>9,539</u>
Total current liabilities	<u>108,783</u>	<u>173,681</u>
 Long-Term Liabilities:		
Capital lease obligations, net of current maturities	<u>-</u>	<u>9,840</u>
 Net Assets:		
Unrestricted	<u>217,424</u>	<u>244,394</u>
	<u>217,424</u>	<u>244,394</u>
	 <u>\$ 326,207</u>	 <u>\$ 427,915</u>

THE LAWSON ACADEMY
(formerly WALIPP-TSU PREPARATORY ACADEMY)
STATEMENTS OF ACTIVITIES

For the Years Ended August 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Local support:						
5744 Gifts and bequests	\$ 26,450	\$ -	\$ 26,450	\$ 133,342	\$ -	\$ 133,342
5749 Other revenues from local sources	6,849	-	6,849	12,655	-	12,655
	33,299	-	33,299	145,997	-	145,997
State program revenues:						
5811 Per capital apportionment	-	49,995	49,995	-	468,254	468,254
5812 Foundation School Program Act entitlements	-	1,303,695	1,303,695	-	1,089,975	1,089,975
	-	1,353,690	1,353,690	-	1,558,229	1,558,229
Federal program revenues:						
5921 School breakfast program	-	16,571	16,571	-	12,399	12,399
5922 National school lunch program	-	55,592	55,592	-	51,837	51,837
5929 Federal revenues distributed by the Texas Education Agency	-	146,041	146,041	-	218,498	218,498
5939 Federal revenues distributed by State of Texas government agencies	-	60,671	60,671	-	-	-
	-	278,875	278,875	-	282,734	282,734
Net assets released from restrictions:						
Restrictions satisfied by payments	1,632,565	(1,632,565)	-	1,840,963	(1,840,963)	-
Total revenues	1,665,864	-	1,665,864	1,986,960	-	1,986,960

THE LAWSON ACADEMY
(formerly WALIPP-TSU PREPARATORY ACADEMY)
STATEMENT OF ACTIVITIES (CONTINUED)
For the Years Ended August 31, 2015 and 2014

	2015			2014		
	Temporarily		Total	Temporarily		Total
	Unrestricted	Restricted		Unrestricted	Restricted	
Expenses:						
11 Instruction	\$ 839,123	\$ -	\$ 839,123	\$ 959,088	\$ -	\$ 959,088
13 Curriculum development and instructional staff development	7,510	-	7,510	16,306	-	16,306
23 School leadership	147,812	-	147,812	216,462	-	216,462
31 Guidance, counseling and evaluation services	(4,583)	-	(4,583)	47,842	-	47,842
33 Health services	-	-	-	-	-	-
34 Student (pupil) transportation	62,248	-	62,248	83,450	-	83,450
35 Food services	153,449	-	153,449	124,198	-	124,198
36 Cocurricular/extracurricular activities	21,371	-	21,371	66,864	-	66,864
41 General administration	224,792	-	224,792	277,625	-	277,625
51 Plant maintenance and operations	216,683	-	216,683	214,855	-	214,855
53 Data processing services	23,862	-	23,862	26,473	-	26,473
71 Debt Service	567	-	567	-	-	-
Total expenses	1,692,834	-	1,692,834	2,033,163	-	2,033,163
Change in net assets	(26,970)	-	(26,970)	(46,203)	-	(46,203)
Net assets, beginning of year	244,394	-	244,394	290,597	-	290,597
Net assets, end of year	\$ 217,424	\$ -	\$ 217,424	\$ 244,394	\$ -	\$ 244,394

THE LAWSON ACADEMY
(formerly WALIPP-TSU PREPARATORY ACADEMY)
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
State grant receipts	\$ 1,362,279	\$ 1,576,270
Federal grant receipts	252,246	288,067
Receipts from miscellaneous sources	33,299	148,497
Payments to vendors for goods and services rendered	(700,743)	(722,879)
Payments to or on behalf of employees for services rendered	(978,375)	(1,135,847)
Interest paid	(567)	-
Net cash provided by (used in) operating activities	<u>(31,861)</u>	<u>154,108</u>
Cash Flows from Investing Activities:		
Purchase of capital assets	-	(150,700)
Net cash used in investing activities	<u>-</u>	<u>(150,700)</u>
Cash Flows from Financing Activities:		
Payments on capital lease obligations	(10,900)	(15,276)
Net cash used in financing activities	<u>(10,900)</u>	<u>(15,276)</u>
Net decrease in cash	(42,761)	(11,868)
Cash, beginning of year	<u>126,048</u>	<u>137,916</u>
Cash, end of year	<u>\$ 83,287</u>	<u>\$ 126,048</u>
Reconciliation of Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Change in net assets	\$ (26,970)	\$ (46,203)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	76,987	73,312
Changes in operating assets and liabilities:		
Due from Texas Education Agency	(18,639)	14,639
Promises to give	-	2,500
Prepaid expenses	-	14,125
Other current assets	599	(5,390)
Accounts payable and accrued expenses	<u>(63,838)</u>	<u>101,125</u>
Net cash provided by (used in) operating activities	<u>\$ (31,861)</u>	<u>\$ 154,108</u>

THE LAWSON ACADEMY
(formerly WALIPP-TSU PREPARATORY ACADEMY)
SCHEDULES OF EXPENSES
For the Years Ended August 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Expenses:		
6100 Payroll costs	\$ 978,706	\$ 1,127,678
6200 Professional and contracted services	528,042	593,103
6300 Supplies and materials	51,670	49,707
6400 Other operating costs	133,849	261,814
6500 Debt service	<u>567</u>	<u>861</u>
Total expenses	<u>\$ 1,692,834</u>	<u>\$ 2,033,163</u>

THE LAWSON ACADEMY
(formerly WALIPP-TSU PREPARATORY ACADEMY)
SCHEDULES OF CAPITAL ASSETS
For the Years Ended August 31, 2015 and 2014

		<u>Ownership Interest</u>		
		<u>Local</u>	<u>State</u>	<u>Federal</u>
<u>2015</u>				
1520	Buildings and improvements	\$ -	\$ 140,000	\$ -
1539	Furniture and equipment	64,890	10,700	129,853
1559	Furniture and equipment under capital leases	61,435	-	-
		<u>126,325</u>	<u>150,700</u>	<u>129,853</u>
	Less: accumulated depreciation			
1571	Buildings and improvements	-	28,000	-
1573	Furniture and equipment	47,195	7,072	117,747
1576	Furniture and equipment under capital leases	52,178	-	-
		<u>99,373</u>	<u>35,072</u>	<u>117,747</u>
	Total capital assets, net	<u>\$ 26,952</u>	<u>\$ 115,628</u>	<u>\$ 12,106</u>

		<u>Ownership Interest</u>		
		<u>Local</u>	<u>State</u>	<u>Federal</u>
<u>2014</u>				
1520	Buildings and improvements	\$ -	\$ 140,000	\$ -
1539	Furniture and equipment	64,890	10,700	129,853
1559	Furniture and equipment under capital leases	61,435	-	-
		<u>126,325</u>	<u>150,700</u>	<u>129,853</u>
	Less: accumulated depreciation			
1573	Furniture and equipment	25,566	3,269	103,448
1576	Furniture and equipment under capital leases	42,922	-	-
		<u>68,488</u>	<u>3,269</u>	<u>103,448</u>
	Total capital assets, net	<u>\$ 57,837</u>	<u>\$ 147,431</u>	<u>\$ 26,405</u>

THE LAWSON ACADEMY
(formerly WALIPP-TSU PREPARATORY ACADEMY)
BUDGETARY COMPARISON SCHEDULES
For the Year Ended August 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
5700 Local and intermediate sources	\$ 85,000	\$ 102,155	\$ 33,299	\$ 68,856
5800 State program	1,452,500	1,378,258	1,353,690	24,568
5900 Federal program	<u>150,000</u>	<u>236,816</u>	<u>278,875</u>	<u>(42,059)</u>
Total revenues	<u>1,687,500</u>	<u>1,717,229</u>	<u>1,665,864</u>	<u>51,365</u>
Expenses:				
11 Instruction	720,098	722,209	839,123	(116,914)
13 Curriculum development and instructional staff development	18,000	10,000	7,510	2,490
23 School leadership	192,170	148,714	147,812	902
31 Guidance, counseling and evaluation services	58,175	(4,584)	(4,583)	(1)
33 Health services	-	-	-	-
34 Student (pupil) transportation	98,000	73,000	62,248	10,752
35 Food services	122,000	121,200	153,449	(32,249)
36 Curricular/extracurricular activities	35,500	29,871	21,371	8,500
41 General administration	189,742	274,112	224,792	49,320
51 Plant maintenance and operations	189,576	196,531	216,683	(20,152)
53 Data processing services	40,500	30,500	23,862	6,638
71 Debt service	-	1,000	567	433
Total expenses	<u>1,663,761</u>	<u>1,602,553</u>	<u>1,692,834</u>	<u>(90,281)</u>
Change in net assets	23,739	114,676	(26,970)	141,646
Net assets, beginning of year	15,515	260,003	244,394	15,609
Net assets, end of year	<u>\$ 39,254</u>	<u>\$ 374,679</u>	<u>\$ 217,424</u>	<u>\$ 157,255</u>

THE LAWSON ACADEMY
(formerly WALIPP - TSU PREPARATORY ACADEMY)
BUDGETARY COMPARISON SCHEDULES (CONTINUED)
For the Year Ended August 31, 2015

MATERIAL BUDGET VARIANCE REVENUE

- (1) The following is an explanation of the 10% variances from original budget to final budget of revenue reported on the Budgetary Comparison Schedule for the year ended August 31, 2015.

Object 5700 – Local revenue for the National School lunch Program projections was not included.

Object 5900 – The National School Lunch Program and revisions to Title I, Part A and IDEA-B federal programs were not included.

MATERIAL BUDGET VARIANCE EXPENDITURES

- (2) The following is an explanation of the 10% variances from original budget to final budget of expenses reported on the Budgetary Comparison Schedule for the year ended August 31, 2015.

Function 13 – Enrollment was lower than original budget.

Function 23 – Terminating personnel was replaced with lower-paid personnel.

Function 31 – Academy counselor position was not replaced

Function 34 – Enrollment was lower than original budget

Function 36 – Transportation to extracurricular activities is no longer provided by the Academy.

Function 41 – Depreciation expense was not included, which was offset by a reduction in personnel costs.

Function 53 – Enrollment was lower than original budget.

Function 71 – \$1,000 of debt service was originally budgeted to Function 41.

MATERIAL BUDGET VARIANCE REVENUE

- (1) The following is an explanation of the 10% variances from final budget to actual revenue reported on the Budgetary Comparison Schedule for the year ended August 31, 2015.

Object 5700 – The Academy did not hold its annual luncheon and did not receive a gift in kind for donated services.

Object 5900 – A grant for an afterschool snacks meal program was awarded and funded from the Texas Department of Agriculture.

THE LAWSON ACADEMY
(formerly WALIPP - TSU PREPARATORY ACADEMY)
BUDGETARY COMPARISON SCHEDULES (CONTINUED)
For the Year Ended August 31, 2015

MATERIAL BUDGET VARIANCE EXPENDITURES

- (2) The following is an explanation of the 10% variances from final budget to actual expenses reported on the Budgetary Comparison Schedule for the year ended August 31, 2015.

Function 11 – Management was not successful in reducing all Academy expenses.

Function 13 – Professional development on SmartBoards was not required.

Function 34 – Transportation for daily routes were lower than expected.

Function 35 – A grant for an afterschool snacks meal program was awarded and funded from the Texas Department of Agriculture.

Function 36 – Athletics was reduced from eight teams to five teams.

Function 41 – Legal services were not needed.

Function 51 – Building lease/ utilities and maintenance supplier expenses are higher than expected, which is offset by employee benefits being omitted from the budget.

Function 53 – The contract with Computer Decisions ended and a new server was not purchased.

Function 71 – Budget is a general estimate.

THE LAWSON ACADEMY
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BUDGETARY COMPARISON SCHEDULES (CONTINUED)
For the Year Ended August 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
5700 Local and intermediate sources	\$ 75,000	\$ 75,000	\$ 145,997	\$ (70,997)
5800 State program	1,938,307	2,074,843	1,558,229	516,614
5900 Federal program	<u>304,538</u>	<u>243,002</u>	<u>282,734</u>	<u>(39,732)</u>
Total revenues	<u>2,317,845</u>	<u>2,392,845</u>	<u>1,986,960</u>	<u>405,885</u>
Expenses:				
11 Instruction	1,127,588	1,021,961	959,088	62,873
13 Curriculum development and instructional staff development	20,060	20,060	16,306	3,754
23 School leadership	225,178	225,178	216,462	8,716
31 Guidance, counseling and evaluation services	56,366	56,366	47,842	8,524
33 Health services	3,870	3,870	-	3,870
34 Student (pupil) transportation	116,810	106,810	83,450	23,360
35 Food services	124,750	124,750	124,198	552
36 Cocurricular/extracurricular activities	57,959	57,959	66,864	(8,905)
41 General administration	249,390	208,029	277,625	(69,596)
51 Plant maintenance and operations	266,049	253,549	214,855	38,694
53 Data processing services	68,500	68,500	26,473	42,027
71 Debt service	-	-	-	-
Total expenses	<u>2,316,520</u>	<u>2,147,032</u>	<u>2,033,163</u>	<u>113,869</u>
Change in net assets	1,325	245,813	(46,203)	292,016
Net assets, beginning of year	14,190	14,190	290,597	(276,407)
Net assets, end of year	<u>\$ 15,515</u>	<u>\$ 260,003</u>	<u>\$ 244,394</u>	<u>\$ 15,609</u>

THE LAWSON ACADEMY
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BUDGETARY COMPARISON SCHEDULES (CONTINUED)
For the Year Ended August 31, 2014

MATERIAL BUDGET VARIANCE REVENUE

- (1) The following is an explanation of the 10% variances from original budget to final budget of revenue reported on the Budgetary Comparison Schedule for the year ending August 31, 2014.

Object 5900 – Enrollment was lower than original budget.

MATERIAL BUDGET VARIANCE EXPENDITURES

- (2) The following is an explanation of the 10% variances from original budget to final budget of expenses reported on the Budgetary Comparison Schedule for the year ending August 31, 2014.

Function 41 – Business manager terminated in the first quarter of the fiscal year and was not replaced.

MATERIAL BUDGET VARIANCE REVENUE

- (1) The following is an explanation of the 10% variances from final budget to actual revenue reported on the Budgetary Comparison Schedule for the year ending August 31, 2014.

Object 5700 – Increase in contributions from local sources for construction in progress, luncheon, donated services, and general purposes.

Object 5800 – Decrease in the number of students.

Object 5900 – No budget allotment for one category of federal funding.

MATERIAL BUDGET VARIANCE EXPENDITURES

- (2) The following is an explanation of the 10% variances from final budget to actual expenses reported on the Budgetary Comparison Schedule for the year ending August 31, 2014.

Function 13 – Curriculum costs were lower when the Academy changed curriculum from C-Scope to TEKS Resource System.

Function 31 – Academy counselor resigned before the end of the school year.

Function 33 – No nursing services were engaged.

Function 34 – Lower cost associated with student transportation than expected.

Function 36 – Athletic programming included one additional sport, soccer.

Function 41 – Depreciation expense of \$57,171 was not included in budget.

Function 51 – Decrease in maintenance personnel.

Function 53 – Decrease in the number of students and deferral of costs to a subsequent year.