

The Budget should be based on maximum capacity being processed.

1. Salaries, Benefits, and Taxes (complete Exhibit D, Schedule 1)	<u>1,154,200</u>
2. Food Cost	
a. Gross Food Cost	<u>80,300</u>
b. Less: USDA Revenues	<u>42,300</u>
c. Net Food Cost	<u>38,000</u>
3. Clothing	<u>5,000</u>
4. Recreation Fees and Supplies	<u>14,000</u>
5. Personal Care Supplies	<u>4,500</u>
6. Housekeeping	<u>7,500</u>
7. Staff Travel	<u>1,400</u>
8. Staff Training	<u>4,600</u>
9. Other Basic Care Costs (attach separate sheet with description)	<u>25,350</u>
10. Assessment, Treatment and Counseling Services	<u>4,650</u>
11. Education	<u>7,100</u>
12. In-House Medical Supplies	<u>1,000</u>
13. Psychiatrist	<u>9,000</u>
14. Other Contracted Medical (attach separate sheet with description)	<u>400</u>
15. Insurance (Auto Liability and Other)	<u>3,300</u>
16. Transportation (Gasoline, Oil, Repairs)	<u>14,000</u>
17. Auto Rental, Lease, or Depreciation	<u>6,000</u>
18. Workers' Comp	<u>14,800</u>
19. Contracted Maintenance	<u>4,800</u>
20. Utilities and Telecommunications	<u>59,700</u>
21. Office Supplies	<u>4,200</u>
22. Rent of Office Equipment	<u>-</u>
23. Other Overhead Cost (attach separate sheet with description)	<u>-</u>
24. Building Rent, Lease, or Depreciation	<u>14,200</u>
25. Other Costs not Listed (attach separate sheet with description)	<u>62,300</u>
26. Central Office Allocated Cost	<u>-</u>
27. Total Cost for Proposed Program	<u>1,460,000</u>

Budget Information and Certification Form

Line # 9. Other Basic Care Costs		
Community Service		1,000
Lifebooks/Education		1,500
Gifts		4,000
Food (Restaurant)		3,500
Food Membership Fee		290
Insurance/Liability		<u>15,060</u>
		<u>25,350</u>
Line # 14. Contracted Medical		
Doctor / Dentist		<u>400</u>
Line # 25. Other Cost		
Equipment Repair & Maint		5,200
Equipment Purchase		5,500
Building Grounds		22,000
Recruitment & Advertising		3,600
Mileage / Seminars		5,400
Audit / Professional Services		12,000
General Liability Insurance		2,300
Employee Relations		6,100
Interest Exp	420	
Less Int Income	<u>220</u>	
		<u>200</u>
		<u>62,300</u>

Budget Information and Certification Form

The Budget should be based on maximum capacity being processed.

	<u>Number of Staff</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Taxes</u>	<u>Sub-Total</u>
1. Child Care Workers	<u>13</u>	<u>546,000</u>	<u>54,431</u>	<u>43,146</u>	<u>643,577</u>
2. Caseworkers	<u>1.5</u>	<u>74,250</u>	<u>6,280</u>	<u>5,866</u>	<u>86,396</u>
3. Other Basic Care	<u>0.5</u>	<u>7,000</u>	<u>2,093</u>	<u>553</u>	<u>9,646</u>
4. Treatment & Counseling	<u>2.5</u>	<u>150,000</u>	<u>10,468</u>	<u>11,850</u>	<u>172,318</u>
5. Food Service	<u>0.5</u>	<u>22,000</u>	<u>2,093</u>	<u>1,738</u>	<u>25,831</u>
6. Education					-
7. RNs					-
8. LVNs					-
9. Other Medical Staff	<u>0.5</u>	<u>22,000</u>	<u>2,093</u>	<u>1,738</u>	<u>25,831</u>
10. Transportation	<u>0.15</u>	<u>4,400</u>	<u>461</u>	<u>348</u>	<u>5,209</u>
11. Direct Administrative	<u>0.25</u>	<u>27,500</u>	<u>1,047</u>	<u>2,172</u>	<u>30,719</u>
12. Maintenance Staff	<u>1.5</u>	<u>100,000</u>	<u>6,280</u>	<u>7,900</u>	<u>114,180</u>
13. Other Staff not listed (attach separate sheet with description)					-
	<u>0.6</u>	<u>35,200</u>	<u>2,512</u>	<u>2,781</u>	<u>40,493</u>
Sub-Total	<u>21</u>	<u>988,350</u>	<u>87,758</u>	<u>78,092</u>	<u>1,154,200</u>
14. Total Salaries, Benefits, & Taxes (Line 1 on Budget Form)					<u>1,154,200</u>

Budget Information and Certification Form

	<u>Number of Staff</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Taxes</u>	<u>Sub-Total</u>
13. Other Staff Not Listed					
Laundry	<u>0.10</u>	<u>5,200</u>	<u>419</u>	<u>411</u>	<u>6,030</u>
Office & HR	<u>0.50</u>	<u>30,000</u>	<u>2,093</u>	<u>2,370</u>	<u>34,463</u>
Sub-Total	<u>0.60</u>	<u>35,200</u>	<u>2,512</u>	<u>2,781</u>	<u>40,493</u>

PEGASUS SCHOOLS, INC.

Compilation Report

As of June 30, 2013 and for the year then ended

Board of Directors, Pegasus Schools, Inc.

I have compiled the accompanying financial statements and use of cash of Pegasus Schools, Inc. as of June 30, 2013, and for the year then ended, on a comprehensive basis of accounting. Compilation was prepared in accordance with:

Code of Federal Regulations (CFR)

45 CFR, Part 74

48 CFR, Part 31

Office of Management and Budget (OMB) Circulars

A-122 (for nonprofit and for-profit entities)

A-110 (for all RCC contractors)

Texas Administrative Code (TAC)

40 TAC 732.240-732.256

1 TAC 355.7101-355.71

and limited to presenting in the form of financial statements, information that is the representation of management.

I planned and performed monthly reviews in accordance with OMB, TAC and CFR guidelines to obtain reasonable assurance about whether the financial statements are free of material misstatement. Evidence supporting the amounts reported in the financial statements, were examined on a test basis as well as evaluation of the overall financial statement presentation and internal controls.

These financial statements (including related disclosures) are presented in accordance with the requirements of Pegasus Schools, Inc. and the Texas Department of Family and Protective Services, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.



**LouRae Kramer LLC
Lockhart, Texas
October 22, 2013**

PEGASUS SCHOOLS, INC.
BALANCE SHEET
 June 30, 2013

ASSETS

CURRENT ASSETS

CASH	\$	2,200
CASH - BANKS		664,181
ACCOUNTS RECEIVABLE		983,394
PREPAID EXPENSE		236,793
TOTAL CURRENT ASSETS	\$	1,886,568

PROPERTY AND EQUIPMENT

LAND	\$	248,100
FIXED ASSETS		2,679,040
		<u>2,927,140</u>
DEPRECIATION		(994,830)
TOTAL PROPERTY / EQUIPMENT		1,932,310

OTHER ASSETS

		625
TOTAL ASSETS	\$	<u>3,819,503</u>

LIABILITES AND FUND BALANCE

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$	296,761
ACCRUED WAGES PAYABLE		134,310
PREPAID INCOME		24,175
N/P INSURANCE		156,386
TOTAL CURRENT LIABILITES	\$	611,632

LONG-TERM LIABILITIES

NOTES PAYABLE		<u>0</u>
TOTAL LIABILITES		611,632

FUND BALANCE

ACCUMULATED FUND BALANCE	\$	3,378,588
CURRENT YEAR INCOME (LOSS)		(170,717)
TOTAL FUND BALANCE		3,207,871
TOTAL LIABILITIES & CAPITAL	\$	<u>3,819,503</u>

**PEGASUS SCHOOLS, INC. INCOME STATEMENT
YEAR ENDING JUNE 30, 2013**

	ACTUAL		BUDGET	
<u>REVENUES</u>				
<u>DIRECT CARE</u>				
302000	TUITION - DFPS	2,505,002	2,100,000	
303000	TUITION - JP	5,186,343	5,800,000	
303500	TUITION - PRIVATE	130,508	30,000	
304000	COUNSELING & MEDICAID	610,997	450,000	
312000	USDA INCOME RESIDENTIAL	303,514	300,000	
312500	STAFF MEALS	27,153	20,000	
340000	BAD DEBT - CHARITY	(2,215)	0	
	TOTAL DIRECT CARE	8,761,302	8,700,000	96.97%
 <u>OTHER</u>				
350000	DONATIONS	16,760	10,000	
360000	FUND RAISERS	8,879	6,000	
370000	SCHOOL REIMBURSEMENT - NET	240,149	253,000	
380000	MISC. INCOME	15,475	0	
390000	INTEREST INCOME	2,545	3,000	
	TOTAL REVENUES	9,045,110	8,972,000	100.00%
 <u>EXPENSES</u>				
<u>SALARY & BENEFITS EXPENSES</u>				
400000	SALARIES & CONTRACT	5,750,796	5,656,590	63.05%
420000	FICA	416,714	411,910	4.59%
421000	TWC	32,873	35,000	0.39%
422000	WORK COMP/JOB CLAIMS	106,193	90,000	1.00%
425000	HEALTH, DENTAL, OTHER	588,862	623,500	6.95%
	TOTAL SALARIES & BENEFITS	6,895,438	6,817,000	75.98%
 <u>OTHER EXPENSES</u>				
440000	CHILDREN'S EXPENSES	1,040,444	1,068,900	11.91%
620000	BUILDING AND EQUIPMENT EXP.	795,879	582,200	6.49%
668000	TRANSPORTATION EXPENSE	99,356	108,000	1.21%
725500	OFFICE EXPENSE	220,416	202,500	2.26%
637500	DEPRECIATION	145,860	150,500	1.68%
790000	FUND RAISING/NEWSLETTER	18,434	12,000	0.13%
		9,215,827	8,941,100	99.66%
	NET CHANGE	(170,717)	30,900	0.34%

PEGASUS SCHOOLS, INC.
USE OF CASH
YEAR ENDED JUNE 30, 2013

CASH				
	6/30/12			1,064,348
ACCOUNTS REC.				
	6/30/12	858,516		
	6/30/13	<u>983,394</u>		
			(124,878)	
PREPAID EXP.				
	6/30/12	111,222		
	6/30/13	<u>236,793</u>		
			(125,571)	
FIXED ASSETS				
	6/30/12	1,734,895		
	6/30/13	<u>1,932,310</u>		
			(197,415)	
OTHER ASSETS				
	6/30/12	625		
	6/30/13	<u>625</u>		
			0	
CURRENT LIAB.				
	6/30/12	391,018		
	6/30/13	<u>611,632</u>		
			220,614	
LONG TERM DEBT				
	6/30/12	0		
	6/30/13	<u>0</u>		
			0	
CHANGE - EARNINGS				
	6/30/13	<u>(170,717)</u>		
			<u>(170,717)</u>	
NET CHANGE				(397,967)
CASH @ 6/30/13				<u><u>666,381</u></u>

PEGASUS SCHOOLS, INC.
INCOME STATEMENT
YEAR ENDED 06/30/13
(Unaudited)

TDFPS - 18,413
JP 41,172
PVT - 944
DAYS OF SERVICE 60,529

<u>REVENUES</u>		CURRENT	TDFPS	JP	OTHER
<u>DIRECT CARE</u>					
302000	TUITION/RES DPRS INCOI	2,505,001.78	2,505,001.78		
303000	TUITION/RES JP/PRIVATE	5,186,343.15		5,186,343.15	
303500	INCOME-PRIVAT & OTHEF	130,369.75			130,369.75
304000	COUNSELING & MEDICAI	610,997.28	183,299.18	415,478.15	12,219.95
312024	USDA INCOME RESIDENT	303,513.63	91,054.09	206,389.27	6,070.27
312524	CC-STAFF MEALS	27,153.35	8,146.01	18,464.27	543.07
3400000	BAD DEBT-CHARITY	(2,215.20)	(2,076.95)		(138.25)
	TOTAL DIRECT CARE	8,761,163.74	2,785,424.11	5,826,674.84	149,064.79
<u>OTHER</u>					
350000	DONATIONS	16,760.00			16,760.00
360000	FUND RAISERS	8,879.45			8,879.45
370000	SCHOOL REIMBURSEMEN	240,149.24	72,044.78	163,301.48	4,802.98
38000	MISCELLANEOUS INCOME	15,474.46			15,474.46
390000	INTEREST INCOME	2,544.64			2,544.64
	TOTAL OTHER	283,807.79	72,044.78	163,301.48	48,461.53
	TOTAL REVENUES	9,044,971.53	2,857,468.89	5,989,976.32	197,526.32

<u>EXPENSES</u>		CURRENT	TDFPS	JP	OTHER
<u>SALARY & BENEFITS EXPENSES</u>					
401000	EXECUTIVE DIRECTOR/OI	491,694.31	147508.29	334,352.13	9,833.89
402000	ADMINISTRATOR & ASSIS	218,385.59	65515.68	148,502.20	4,367.71
402500	EDUCATION LIASON	3,640.00	1092.00	2,475.20	72.80
403000	DIRECT CARE COUNSEL	3,213,463.78	964039.13	2,185,155.37	64,269.28
404000	CLINICAL DIR & THERAPI	524,276.21	157282.87	356,507.82	10,485.52
404500	TRAINER COORDINATOR	71,803.96	21541.19	48,826.69	1,436.08
405000	CASE MANAGER SALARY	256,202.23	76860.67	174,217.52	5,124.04
405500	THERAPEUTIC REC SALAI	68,250.42	20475.13	46,410.28	1,365.01
406000	INTAKE WORKER SALARY	86,185.95	25855.79	58,606.44	1,723.72
406500	MEDICAID BILLING COORI	164,106.21	49231.87	111,592.22	3,282.12
407000	PROGRAM DIR & ASSISTA	144,250.08	43275.03	98,090.05	2,885.00
407500	PUBLIC RELATIONS	0.00	0.00	0.00	0.00
408000	USDA REP/KITCHEN	198,523.56	59557.07	134,996.02	3,970.47
408500	LAUNDRY STAFF	50,944.00	15283.20	34,641.92	1,018.88
409000	MAINTENANCE SALARIES	236,895.64	71068.69	161,089.04	4,737.91
409500	MEDICAL TRANSPORT	37,374.76	11212.43	25,414.83	747.50
420000	FICA	416,713.86	125014.16	283,365.42	8,334.28
421000	TWC	32,872.97	9861.89	22,353.62	657.46
422000	WORK COMP/JOB CLAIMS	106,193.16	31857.95	72,211.35	2,123.86
423000	HEALTH	566,393.11	169917.95	385,147.30	11,327.86
423500	LIFE INSURANCE	3,160.62	948.19	2,149.22	63.21
424500	DENTAL	11,807.95	3542.39	8,029.40	236.16
425000	EMPLOYEE BENEFITS	7,500.00	2250.00	5,100.00	150.00
426000	CONTRACT SVC TO SCHC	(15,200.00)	(4,560.00)	(10,336.00)	(304.00)
	TOTAL SALARIES & BENE	6,895,438.37	2068631.57	4,688,898.04	137,908.76

PEGASUS SCHOOLS, INC.
 INCOME STATEMENT
 YEAR ENDED 06/30/13
 (Unaudited)

<u>CHILDREN'S EXPENSES</u>		CURRENT	TDFPS	JP	OTHER
440000	COMMUNITY SERVICE	12,893.66	3,868.10	8,767.69	257.87
470000	RECREATION	100,968.98	30,290.69	68,658.91	2,019.38
472000	FREEDOM STORE	(20.76)	(6.22)	(14.12)	(0.42)
473000	CLOTHING	12,582.43	3,774.73	8,556.05	251.65
480000	PERSONAL CARE	21,342.48	6,402.74	14,512.89	426.85
482024	KITCHEN CLEANING SUPP	11,750.10	3,525.03	7,990.07	235.00
483000	LAUNDRY & HOUSEKEEPI	3,218.86	965.66	2,188.82	64.38
487000	LIFEBOOKS/EDUCATION	8,466.14	2,539.84	5,756.98	169.32
490000	GIFTS-ALLOWANCE	18,990.76	5,697.23	12,913.71	379.82
520000	EQUIP. & REPAIR-LAUNDF	3,736.05	1,120.82	2,540.51	74.72
530024	FOOD	511,407.47	153,422.24	347,757.08	10,228.15
531000	FOOD - RESTAURANT	20,377.98	6,113.39	13,857.03	407.56
532024	COMMODITIES	68.60	20.58	46.65	1.37
535024	NON FOOD SUPPLIES	39,911.26	11,973.38	27,139.65	798.23
536024	MEMBERSHIP FEE	1,625.00	487.50	1,105.00	32.50
538000	INSURANCE-LIABILITY	118,063.97	35,419.19	80,283.50	2,361.28
550000	CONTRACT PSYCHIATRIS	72,000.00	21,600.00	48,960.00	1,440.00
555000	GENERAL MED SPLYS/ST.	12,897.81	3,869.34	8,770.51	257.96
560000	PRESCRIPTIONS	1,140.67	342.20	775.66	22.81
570000	DOCTOR & DENTIST	39,284.87	11,785.46	26,713.71	785.70
579000	EMERGENCY HOSPITAL	(250.00)	(75.00)	(170.00)	(5.00)
580000	DIRECT CARE STAFF TRA	13,207.19	3,962.16	8,980.89	264.14
582000	MILEAGE-CHILD CARE	6,178.41	1,853.52	4,201.32	123.57
585000	TRAVEL-HOTEL & MEALS	10,601.84	3,180.55	7,209.25	212.04
	TOTAL CHILDREN'S EXPE	1,040,443.77	312,133.13	707,501.76	20,808.88

<u>BUILDING & EQUIPMENT EXPENSE</u>		CURRENT	TDFPS	JP	OTHER
610000	CONTRACT MAINTENANC	104,614.25	31,384.28	71,137.68	2,092.29
620000	EQUIPMENT RENTAL/LEA:	25,505.70	7,651.71	17,343.88	510.11
630000	EQUIPMENT REPAIR & MA	45,353.08	13,605.93	30,840.09	907.06
635000	EQUIPMENT PURCHASE	28,256.92	8,477.08	19,214.70	565.14
637500	DEPRECIATION	97,079.32	29,123.80	66,013.93	1,941.59
638000	INSURANCE	22,000.65	6,600.20	14,960.44	440.01
640000	BLDG/GROUNDS REPAIR	274,584.43	82,375.33	186,717.41	5,491.69
642000	WEB-MEDICAID	2,285.45	685.64	1,554.10	45.71
645000	RENT	16,500.00	4,950.00	11,220.00	330.00
646000	UTILITIES	184,662.91	55,398.87	125,570.78	3,693.26
648000	TELEPHONE	92,115.48	27,634.64	62,638.53	1,842.31
	TOTAL BUILDING & EQUII	892,958.19	267,887.48	607,211.54	17,859.17

<u>TRANSPORTATION EXPENSE</u>		CURRENT	TDFPS	JP	OTHER
667500	DEPRECIATION - VEHICLE	48,781.08	14,634.35	33,171.13	975.60
668000	INSURANCE - VEHICLES	23,846.19	7,153.86	16,215.41	476.92
672000	GAS & OIL	46,170.64	13,851.19	31,396.04	923.41
679000	OTHER TRANSPORT EXPI	29,339.58	8,801.88	19,950.91	586.79
	TOTAL TRANSPORTATIOI	148,137.49	44,441.28	100,733.49	2,962.72

PEGASUS SCHOOLS, INC.
 INCOME STATEMENT
 YEAR ENDED 06/30/13
 (Unaudited)

<u>OFFICE EXPENSE</u>	CURRENT	TDFPS	JP	OTHER
725500 RECRUITMENT & ADVER.	36,020.98	10,806.29	24,494.27	720.42
726000 MILEAGE, TRAVEL & MEAL	16,781.51	5,034.45	11,411.43	335.63
726200 SEMINARS	23,633.65	7,090.10	16,070.88	472.67
726400 POSTAGE/FEDEX	7,575.93	2,272.78	5,151.63	151.52
726500 DUES, LICENSE, SUBSCRIP	1,645.00	493.50	1,118.60	32.90
727000 PROFESSIONAL SERVICE	22,361.95	6,708.59	15,206.12	447.24
727500 OFFICE SUPPLIES	25,136.62	7,540.99	17,092.90	502.73
729000 INTEREST	1,982.27	594.68	1,347.94	39.65
730000 GENERAL LIABILITY INSURAN	6,246.00	1,873.80	4,247.28	124.92
750000 EMPLOYEE RELATIONS	37,952.45	11,385.74	25,807.66	759.05
7550000 CC-STAFF MEALS	27,153.35	8,146.01	18,464.27	543.07
780000 UNALLOWABLE EXPENSE	13,925.92			13,925.92
790000 FUND RAISING	18,433.55			18,433.55
TOTAL OFFICE EXPENSES	238,849.18	61,946.93	140,412.98	36,489.27
TOTAL EXPENSES	9,215,827.00	2,755,040.39	6,244,757.81	216,028.80
NET CHANGE OPERATIONS	(170,855.47)	102,428.50	(254,781.49)	(18,502.48)

SUPPLEMENTAL INFORMATION

**The University of Texas at Austin
University Charter School**

Unrecorded Liabilities – Resident Funds

**PEGASUS SCHOOLS, INC.
THE UNIVERSITY OF TEXAS AT AUSTIN
UNIVERSITY CHARTER SCHOOL
FOR THE YEAR ENDING JUNE 30, 2013**

(UNAUDITED)

EXPENSES

826200	TEST REIMBURSEMENT	652	
830000	BUILDING & EQUIPMENT	28,067	
848000	PHONE/INTERNET	2,515	
837500	DEPRECIATION	16,935	
850000	OTHER	<u>396</u>	
			48,565

PASS THROUGH FUNDS

800000	REIMBURSEMENT		48,565
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**PEGASUS SCHOOLS, INC.
UNRECORDED LIABILITIES
AT JUNE 30, 2013**

RECAP RESIDENT FUNDS
June 30, 2013

CASH	\$1,155.47
ACCT PAYABLE	\$125.00
GIFT CARDS	\$2,103.34

\$3,383.81 owed to 100 residents