

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

STUDENT ALTERNATIVES PROGRAM, INC.

San Antonio, Texas

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS

Year Ended August 31, 2020

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STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended August 31, 2020

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STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED FINANCIAL STATEMENTS
AND
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San Antonio, Texas

CONSOLIDATED FINANCIAL STATEMENTS
AND
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INTRODUCTORY SECTION

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STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

EIN – 74-2598053

CERTIFICATE OF BOARD

CHARTER DISTRICT NAME	COUNTY DISTRICT NUMBER
Triumph Public High Schools – Laredo	240801
Triumph Public High Schools – Rio Grande Valley	108804
Triumph Public High Schools – El Paso	071803
Triumph Public High Schools – Lubbock	152803

We, the undersigned, certify that the attached Consolidated Financial Statements of Student Alternatives Program, Inc., the charter holder, was reviewed and 3 approved 0 disapproved for the year ended August 31, 2020 at a meeting of the Board of Directors of Student Alternatives Program, Inc. on the 23rd day of January, 2021.

David Ojeda, Jr.

Signature of Board President

Digitally signed by David Ojeda, Jr.
DN: cn=David Ojeda, Jr, gn=David Ojeda, Jr c=US United States l=US United States o=Triumph Public High Schools e=soneojeda6046@att.net
Reason: I agree to the terms defined by the placement of my signature in this document
Location:
Date: 2021-01-23 11:14-05:00

San Juanita Villa

Signature of Board Secretary

Digitally signed by San Juanita Villa
DN: cn=San Juanita Villa, gn=San Juanita Villa c=US United States l=US United States o=Triumph Public High Schools e=Janie_Villa@yahoo.com
Reason: I agree to the terms defined by the placement of my signature in this document
Location:
Date: 2021-01-23 11:15-05:00

If the Board of Directors disapproved of the auditor's report, the reason(s) for disapproving it is/are (attach list as necessary):

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FINANCIAL SECTION

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Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Student Alternatives Program, Inc.
San Antonio, Texas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Student Alternatives Program, Inc. (the Organization) and affiliates, which comprise the consolidated statement of financial position as of August 31, 2020, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of August 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. This information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Garza/Gonzalez & Associates". The signature is written in a cursive, flowing style.

January 15, 2021

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STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

August 31, 2020

	Student Alternatives Program, Inc.	Affiliated Charter Schools	Eliminations	Consolidated Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 1,262,581	\$ 10,251,300	\$ -	\$ 11,513,881
Grants Receivable	-	645,270	-	645,270
Other Receivables	26,536	1,598	-	28,134
Deferred Expenses	2,321	-	-	2,321
Due from Related Entity	-	21,444	(21,444)	-
Total Current Assets	<u>1,291,438</u>	<u>10,919,612</u>	<u>(21,444)</u>	<u>12,189,606</u>
Property, Plant & Equipment, Net	<u>5,261,571</u>	<u>2,577,546</u>	<u>-</u>	<u>7,839,117</u>
Total Assets	<u><u>\$ 6,553,009</u></u>	<u><u>\$ 13,497,158</u></u>	<u><u>\$ (21,444)</u></u>	<u><u>\$ 20,028,723</u></u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ -	\$ 61,643	\$ -	\$ 61,643
Payroll Deductions and Withholdings	71,732	70,588	-	142,320
Accrued Wages	-	243,673	-	243,673
Due to State	-	-	-	-
Other Liabilities - Current	-	10,433	-	10,433
Accrued Expenses	-	2,687	-	2,687
Deferred Revenue	-	56,000	-	56,000
Due to Related Entity	21,444	-	(21,444)	-
Current Portion of Long-Term Debt	226,019	-	-	226,019
Total Current Liabilities	<u>319,195</u>	<u>445,024</u>	<u>(21,444)</u>	<u>742,775</u>
Non-Current Liabilities				
Long-Term Debt, Less Current Portion	<u>1,269,524</u>	<u>143,642</u>	<u>-</u>	<u>1,413,166</u>
Total Non-Current Liabilities	<u>1,269,524</u>	<u>143,642</u>	<u>-</u>	<u>1,413,166</u>
Total Liabilities	<u>1,588,719</u>	<u>588,666</u>	<u>(21,444)</u>	<u>2,155,941</u>
Net Assets				
Without Donor Restrictions				
Available for Operations	<u>4,964,290</u>	<u>-</u>	<u>-</u>	<u>4,964,290</u>
Total Without Donor Restrictions	<u>4,964,290</u>	<u>-</u>	<u>-</u>	<u>4,964,290</u>
With Donor Restrictions				
Specific Purpose Funds	<u>-</u>	<u>12,908,492</u>	<u>-</u>	<u>12,908,492</u>
Total With Donor Restrictions	<u>-</u>	<u>12,908,492</u>	<u>-</u>	<u>12,908,492</u>
Total Net Assets	<u>4,964,290</u>	<u>12,908,492</u>	<u>-</u>	<u>17,872,782</u>
Total Liabilities and Net Assets	<u><u>\$ 6,553,009</u></u>	<u><u>\$ 13,497,158</u></u>	<u><u>\$ (21,444)</u></u>	<u><u>\$ 20,028,723</u></u>

The accompanying notes to consolidated financial statements
form an integral part of this statement.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended August 31, 2020

	Student Alternatives Program, Inc.	Affiliated Charter Schools			Consolidated
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
REVENUES AND OTHER SUPPORT					
Support					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Program Revenue	76,100	-	-	-	76,100
State Program Revenues	-	-	10,576,048	-	10,576,048
Federal Program Revenues	-	-	2,066,852	-	2,066,852
Fees and Other Revenue	-				
Other Revenues from Local Sources	801,202	112,702	-	(725,392)	188,512
Paycheck Protection Program	-	1,154,158	-	-	1,154,158
Net Assets Released from Restrictions	-	11,640,754	(11,640,754)	-	-
Total Revenue and Other Support	877,302	12,907,614	1,002,146	(725,392)	14,061,670
EXPENSES					
Program Services					
General School Operations	176,017	-	-	-	176,017
Public Charter Schools	-	8,470,747	-	-	8,470,747
Support Services					
Administrative and General	705,241	4,436,867	-	(725,392)	4,416,716
Total Expenses	881,258	12,907,614	-	(725,392)	13,063,480
Change in Net Assets	(3,956)	-	1,002,146	-	998,190
Net Assets, Beginning of Year	4,956,191	-	11,906,346	-	16,862,537
Prior Period Adjustment	12,055	-	-	-	12,055
Net Assets, End of Year	\$ 4,964,290	\$ -	\$ 12,908,492	\$ -	\$ 17,872,782

The accompanying notes to consolidated financial statements
form an integral part of this statement.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended August 31, 2020

	Student Alternatives Program, Inc.	Affiliated Charter Schools	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Foundation School Program Payments	\$ -	\$ 11,270,778	\$ -	\$ 11,270,778
Grant Payments	-	2,050,889	-	2,050,889
Paycheck Protection Program Revenues		1,154,158		1,154,158
Program Revenues Received	76,100	-	-	76,100
Other Revenue Received	804,878	320,690	(725,392)	400,176
Payments to Vendors for Goods and Services Rendered	(404,552)	(4,132,376)	725,392	(3,811,536)
Payments to Personnel for Services Rendered	(292,235)	(8,438,817)	-	(8,731,052)
Net Cash Provided (Used) by Operating Activities	<u>184,191</u>	<u>2,225,322</u>	<u>-</u>	<u>2,409,513</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash Received from Paycheck Protection Program Loan	-	143,642	-	143,642
Payment on Notes Payable	(325,794)	-	-	(325,794)
Net Cash Provided (Used) by Financing Activities	<u>(325,794)</u>	<u>143,642</u>	<u>-</u>	<u>(182,152)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(141,603)</u>	<u>2,368,964</u>	<u>-</u>	<u>2,227,361</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,404,184</u>	<u>7,882,336</u>	<u>-</u>	<u>9,286,520</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,262,581</u>	<u>\$ 10,251,300</u>	<u>\$ -</u>	<u>\$ 11,513,881</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Change in Net Assets	\$ (3,956)	\$ 1,002,146	\$ -	\$ 998,190
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities				
Depreciation Expense	204,121	414,564	-	618,685
Other Reconciling Item	-	(23,771)	-	(23,771)
(Increase)/Decrease in Assets				
Grants Receivable	-	638,730	-	638,730
Other Receivables	3,676	209,451	-	213,127
Deferred Expenses	-	22,008	-	22,008
Due from Related Entity	-	(2,529)	-	(2,529)
Increase/(Decrease) in Liabilities				
Accounts Payable	-	(65,089)	-	(65,089)
Payroll Deductions and Withholdings	(22,179)	19,270	-	(2,909)
Accrued Wages	-	(27,479)	-	(27,479)
Deferred Revenue	-	56,000	-	56,000
Due to State	-	(3,669)	-	(3,669)
Other Liabilities - Current	-	(12,294)	-	(12,294)
Accrued Expenses	-	(2,016)	-	(2,016)
Due to Related Entity	<u>2,529</u>	<u>-</u>	<u>-</u>	<u>2,529</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 184,191</u>	<u>\$ 2,225,322</u>	<u>\$ -</u>	<u>\$ 2,409,513</u>
Supplemental Disclosure				
Interest Paid	<u>\$ 116,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,814</u>

The accompanying notes to the consolidated financial statements
form an integral part of this statement.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2020

	Student Alternatives Program, Inc.		
	Program Services	Administrative and General	Total
EXPENSES			
Bank Charges	\$ -	\$ 11,082	\$ 11,082
Contracted Services - Miscellaneous	-	-	-
Depreciation & Amortization	-	204,121	204,121
Equipment & Facilities Rental	1,354	-	1,354
Insurance	-	18,364	18,364
Interest	-	116,814	116,814
Materials and Supplies	16,306	2,186	18,492
Payroll Taxes & Employee Benefits	2,074	38,455	40,529
Postage	-	1,740	1,740
Professional Services	-	23,290	23,290
Rent	-	655	655
Repairs & Maintenance	-	129,384	129,384
Salaries	155,370	74,157	229,527
Telephone	-	3,770	3,770
Travel	-	17,216	17,216
Utilities	-	15,683	15,683
Other Taxes	-	22,713	22,713
Miscellaneous	913	25,611	26,524
Total Expenses	<u>\$ 176,017</u>	<u>\$ 705,241</u>	<u>\$ 881,258</u>

The accompanying notes to consolidated financial statements
form an integral part of this statement.

Charter Schools				
Program Services	Administrative and General	Total	Eliminations	Consolidated Total
\$ -	\$ -	\$ -	\$ -	\$ 11,082
14,255	590,375	604,630	(375,920)	228,710
361,632	52,932	414,564	-	618,685
-	-	-	-	1,354
-	207,777	207,777	-	226,141
-	-	-	-	116,814
735,285	143,591	878,876	-	897,368
1,292,924	373,589	1,666,513	-	1,707,042
-	-	-	-	1,740
551,570	397,251	948,821	-	972,111
81,868	435,181	517,049	(349,472)	168,232
-	-	-	-	129,384
5,295,370	1,468,725	6,764,095	-	6,993,622
-	-	-	-	3,770
84,906	51,947	136,853	-	154,069
-	481,540	481,540	-	497,223
-	-	-	-	22,713
52,937	233,959	286,896	-	313,420
<u>\$ 8,470,747</u>	<u>\$ 4,436,867</u>	<u>\$ 12,907,614</u>	<u>\$ (725,392)</u>	<u>\$ 13,063,480</u>

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Student Alternatives Program, Inc. (SAPI or the Organization) is a nonprofit organization incorporated in Texas dedicated to establishing alternative education programs for “at risk” students. The Organization contracts with various independent school districts in the State of Texas to provide education services to the “at risk” high school age students of the school districts.

The Organization (SAPI) is a private nonprofit community-based organization exempt from taxation under 26 U.S.C. Section 501(c)(3).

Effective April 3, 1996, the Organization became the sole owner of the common stock of Academic Buildings Corporation (ABC), a Texas corporation, that is not exempt from federal taxation. ABC has acquired buildings and equipment, which it leases to the Organization.

Effective December 13, 2016, SAPI became the sole member of the Community Development Buildings Corporation (CDBC). CDBC is a nonprofit organization exempt from taxation under Section 501(c)(2) of the Internal Revenue Code (IRC). CDBC was organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt under Section 501(C)(3) of the IRC of 1986, or the corresponding provision of any future federal tax code.

B. Affiliated Organizations

Four charter districts that are branch operations of SAPI, were established in November 1998.

The charter schools provide an alternative high school diploma program to students who did not thrive in the normal high school settings or have returned for a charter school diploma after entering the work force. The charter schools operate under an open enrollment charter granted, for a ten year period, by the Texas State Board of Education. The charter schools receive funding from the Texas Education Agency (“TEA”) through the Foundation School Program, which is based on each school’s average daily attendance. Since the charter schools receive funding from local, state, and federal government sources, they must comply with the requirements of the entities providing those funds.

C. Principles of Consolidation

Financial Accounting Standard Board (FASB) – Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, Subtopic 810, *Consolidation*, requires a nonprofit organization to present consolidated financial statements when it has a controlling financial interest in either a for-profit or nonprofit entity.

Since SAPI is the sole owner of ABC’s common stock, ABC’s activities are consolidated in these financial statements.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In accordance with FASB ASC 958-810-25-2, *Recognition*, sole corporate membership in a nonprofit organization, like ownership of a majority voting interest in a for-profit entity, shall be considered a controlling financial interest. Since SAPI is the sole member of CDBC; has the authority to approve or disapprove any of CDBC's transactions involving a sale, lease, or exchanges; and, also has the authority to dissolve CDBC and is entitled to receive its assets, CDBC's activities are also consolidated in these financial statements.

All material inter-organization transactions between SAPI, ABC, CDBC, and the affiliated charter schools have been eliminated in consolidation, as documented in Note XI.

D. Basis of Accounting and Presentation

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, income and expenses are recognized when earned or incurred. The accompanying consolidated financial statements and the related accounting system are organized and prepared in accordance with the Special Supplement to Financial Accounting and Reporting — Nonprofit Charter School Chart of Accounts, a module of the TEA's *Financial Accountability Resource Guide* (the "Resource Guide").

The Organization accounts and reports its activities in accordance with the Financial Accounting Standards Board – Accounting Standards Codification 958, *Not-for-Profit Entities*.

In accordance with the FASB–ASC, the organization distinguishes between contributions that increase net assets with donor restrictions, and net assets without donor restrictions. It also recognizes contributed services meeting certain criteria, at fair values.

The Organization's financial statements are comprised of a statement of financial position, statement of activities, statement of cash flows, and statement of functional expenses, as required by the FASB–ASC.

E. Net Asset Classification

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- ***Net Assets Without Donor Restrictions*** are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- ***Net Assets With Donor Restrictions*** are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met with the passage of time or use for a purpose specified by the donor; or, may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Support and Expenses

The Organization receives a significant amount of its revenues from contracts with independent school districts in the State of Texas. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

The Organization reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

H. Charter Schools Revenue

Revenues from the State's available school fund are based on reported attendance. Contributions received are recognized as revenue in the period received and are reported as either restricted or unrestricted support.

- Contributions with donor-imposed restrictions are reported as restricted support, which increases net assets with donor restrictions.
- Contributions without donor-imposed restrictions are reported as unrestricted support, which increases net assets without donor restrictions.

Governmental grant contracts that are entered into by the Organization are recognized as revenue when services are rendered or when the expenses in connection with those services are incurred.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Donated Services, Goods, and Facilities

Members of the Organization's board of directors volunteer their time to further the Organization's goals. These donated services are not reflected in the consolidated financial statements since the services do not require specialized skills under applicable guidelines issued by the Financial Accounting Standards Board.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose.

J. Property and Equipment

The Organization capitalizes all expenses for property and equipment. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. In accordance with the Texas Education Agency-Resource Guide Supplement for the affiliated charter schools, all assets acquired with a value of \$5,000 or greater are capitalized and are valued at cost or estimated cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but are charged to expense. Major improvements are capitalized and depreciated/amortized over the remaining useful lives of the related capital assets.

Property and equipment acquired with public funds received from state and federal sources generally constitute public property pursuant to Chapter 12 of the Texas Education Code.

The estimated useful lives of property and equipment used by SAPI/ABC are as follows:

Asset Classification	Estimated Useful Life
Buildings and Improvements	30-40 years
Furniture and Equipment	7 years
Vehicles	7 years

The estimated useful lives of property and equipment used by CDBC are as follows:

Asset Classification	Estimated Useful Life
Buildings and Improvements	25 years
Other Improvements	5 years

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The estimated useful lives of property and equipment used by the charter schools are as follows:

Asset Classification	Estimated Useful Life
Buildings and Improvements	15 years
Furniture and Equipment	7 years
Vehicles	7 years

K. Personal Leave

Regular, full-time salaried, exempt and non-exempt employees working 197 days or less during the school year can earn a maximum of 8 days of paid time off while employees working 207 or more days per school year can earn a maximum of 10 days. However, since the balance does not accumulate, a liability is not recorded in the consolidated financial statements.

L. Income Taxes

The Organization is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3); and, 501(c)(2) for CDBC, of the IRC, except to the extent it has unrelated business income. No such provision has been made to the accompanying consolidated financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2017. There were no interest or penalties assessed to the Organization by the IRS during the year.

The subsidiary ABC, is a for-profit corporation subject to federal income tax and Texas franchise tax. ABC follows FASB ASC Topic 740, Income Taxes, in reporting deferred income taxes which requires that a company recognize deferred tax liabilities and assets for the expected future income tax consequences of events that have been recognized in the company's consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on temporary differences between the financial carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect in the years in which the temporary differences are expected to reverse. There were no deferred tax assets/liabilities recognized at August 31, 2020.

ABC's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally 3 years after the filing of the tax return. ABC determined that its tax position will more than likely be sustained upon examination by the Internal Revenue Service or other State taxing authorities. There were no penalties or interest related to income taxes recorded during the year ended August 31, 2020.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

N. Fair Value Measurements and Disclosures

The requirements of *Fair Value Measurements and Disclosures* of the Accounting Standards Codification (“ASC”) apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. *Fair Value Measurements and Disclosures* also establishes a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Inputs – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

At August 31, 2020, the Organization’s investments in money market mutual funds were classified as Level 1.

The fair value of the Organization’s cash and cash equivalents, due from government agencies, payables, deferred expenses, and other receivables approximates the carrying amounts of such instruments due to their short-term maturity. The fair value of the debt approximates the carrying amount because the rate and terms currently available to the Organization approximate the rate and terms on the existing debt.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use within one year of August 31, 2020, are as follows:

Cash and Cash Equivalents	\$ 11,513,881
Grants Receivable	645,270
Other Receivables	<u>28,134</u>
Financial Assets Available for General Expenditures	<u>\$ 12,187,285</u>

Per the Texas Education Agency, Foundation School Program revenues should be classified as revenue with donor restrictions. However, the funds do not have a time restriction, but must be used for education purposes in accordance with State law. As such, there are cash, cash equivalents and receivables that are due from the State and are available for use for educational purposes. The charter schools maintain excess cash in depository accounts; while, SAPI, Inc. maintains its funds in depository accounts, CDs, and money market funds.

II. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at August 31, 2020 consist of the following:

Cash and Cash Equivalents

Cash in Bank	\$ 10,062,615
Cash Equivalents	
Certificates of Deposit	1,112,897
Money Market Mutual Funds	
PIMCO Class C	101,897
BBIF Money Fund Class III	<u>236,472</u>
Total from Consolidated Statement of Financial Position	<u>\$ 11,513,881</u>

Concentrations of Credit Risk – The Organization maintains cash in demand deposit accounts with federally insured banks. During the year, the balances in these accounts exceeded federally insured limits. The Organization also maintains two money market mutual fund accounts which are not insured or guaranteed by the FDIC or other government agency. Although the funds seek to preserve the value of the investment at \$1 per share, it is possible to lose money by investing in the fund. The Organization does not believe that it is exposed to any significant credit risk in connection with cash and cash equivalents or the extension of credit to its customers since it considers the financial institution to be of high credit quality and has not experienced any losses as a result of the concentration of credit risk.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

III. PROPERTY AND EQUIPMENT

At August 31, 2020, property and equipment consists of the following:

	SAPI	Charter Schools	Total
Land	\$ 30,000	\$ 111,227	\$ 141,227
Buildings and Improvements	7,535,386	5,224,566	12,759,952
Furniture and Equipment	338,915	72,678	411,593
Vehicles	17,805	236,453	254,258
	7,922,106	5,644,924	13,567,030
Less: Accumulated Depreciation	(2,660,535)	(3,067,378)	(5,727,913)
Property and Equipment, Net	\$ 5,261,571	\$ 2,577,548	\$ 7,839,117

Depreciation expense totaled \$618,685 for the year ended August 31, 2020. Depreciation expense for SAPI and the Charter Schools were \$204,121 and \$414,564, respectively.

IV. NOTES PAYABLE

The Organization's (SAPI & CDBC) long-term debt at August 31, 2020 consists of the following:

Note payable to BBVA Compass Bank, original amount of \$660,000, dated November 12, 2008, due in monthly installments of \$4,590 including interest at 3.25%, secured by land and building through November 12, 2023.	\$ 178,792
Note payable to Bank of America, original amount of \$512,459, dated October 25, 2005, due in monthly installments of \$4,563 including interest at 6.75%, secured by land and building through October 25, 2020.	13,532
Note payable to Bank of America, original amount of \$486,643, dated October 3, 2005 due in monthly installments of \$4,332 including interest at 6.75%, secured by land and building through October 31, 2020.	12,103
Note payable to Bank of America, original amount of \$118,174, dated October 31, 2005, due in monthly installments of \$1,060 including interest at 6.87%, secured by land and building through October 19, 2020.	2,830
Note payable to Falcon International Bank, original amount of \$440,000, and dated November 17, 2003. This note, which was originally scheduled to mature on December 1, 2018, was amended in fiscal year 2019 to a new amount of \$105,838, an interest rate of 2% in excess of the prime lending rate, monthly installments of \$3,885, a maturity date extended to 2021, and secured by land and building.	41,290
Note payable to BBVA Compass Bank, originally dated November 4, 2010. This note was amended in fiscal year 2016 to a new amount of \$232,436, interest rate of 5.42%, monthly installments of \$2,522, a maturity date of November 4, 2025, and secured by land and building.	139,656

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

IV. NOTES PAYABLE (Continued)

Note payable to Bank of America, original amount of \$203,050, dated July 24, 2007, due in monthly installments of \$1,895, including interest at 7.25% - 7.5%, secured by land and building through July 24, 2023. 53,297

Note payable to Bank of America, original amount of \$305,574, and dated December 15, 2016, due in monthly installments of \$1,804, including interest at 3.65%, a maturity date of December 15, 2026, secured by land and building 266,012

Note Payable to Firstmark Credit Union, original amount of \$145,000 dated April 23, 2018, due in monthly installments of \$4,244, including interest at 3.4%, and secured by a guarantee of \$145,000 from SAPI through April 15, 2021. 33,470

Note Payable to Ruben Salazar, original amount of \$765,000 dated June 12, 2018, due in monthly installments of \$6,889, including interest at 8.65%, secured by land and building, through October 1, 2038. The accrued interest of \$18,953, from the start of the loan date to August 31, 2018, was added to principal, which increased the original amount to \$783,953. 754,561

	Total Long-Term Debt	\$ 1,495,543
	Less: Current Portion	(226,019)
	Long-Term Portion	<u>\$ 1,269,524</u>

Future scheduled maturities of long-term debt are as follows:

Years Ending August 31,	Principal	Interest	Total
2021	\$ 226,019	\$ 91,914	\$ 317,933
2022	129,319	83,090	212,409
2023	126,582	76,280	202,862
2024	88,104	70,538	158,642
2025	68,364	66,219	134,583
Thereafter	857,155	444,877	1,302,032
Total Payments	<u>\$ 1,495,543</u>	<u>\$ 832,918</u>	<u>\$ 2,328,461</u>

V. LOANS PAYABLE

Paycheck Protection Program Loan – Affiliated Charter Schools

On May 6 and 7, 2020, the Organization received loan proceeds from Rio Bank in the total amount of \$1,297,800 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Securities Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business.

Under the terms of the PPP, certain amounts of the loan and accrued interest are forgivable as long as the Organization uses the loan proceeds for eligible purposes; including, payroll, employee benefits, mortgage interest, rent, and utilities; and, maintains its payroll levels, after eight weeks from the receipt of the loan.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

V. LOANS PAYABLE (Continued)

Although the Organization's PPP forgiveness application has not been approved by the U.S. Small Business Administration (SBA), management of the Organization believes that the loan proceeds were used for purposes consistent with the PPP and that it has met the conditions for forgiveness of the loan. Therefore, loan proceeds have been recorded as both, loans payable, in the Consolidated Statement of Financial Position; and, as revenue in the Consolidated Statement of Activities. The following represents the PPP related information by each individual Charter School:

Charter School	PPP Loan Proceeds	Amount Recorded as Loans Payable at August 31, 2020	Amount Recorded as Revenue at August 31, 2020
Laredo	\$ 491,800	\$ 54,619	\$ 437,181
Rio Grande Valley	434,600	48,002	386,598
El Paso	194,800	21,516	173,284
Lubbock	176,600	19,505	157,095
Totals	\$ 1,297,800	\$ 143,642	\$ 1,154,158

The loans payable amount represents 10% of the loan, plus interest, for each respective charter school.

VI. PENSION PLAN OBLIGATIONS

Plan Description

The Organization participates in a cost-sharing, multiple-employer defined benefit pension plan (Plan), administered by the Teacher Retirement System of Texas (TRS), with one exception: all risks and costs are not shared by the Organization, but are the liability of the State of Texas. TRS provides service retirement, disability retirement, and death benefits to plan members and beneficiaries. TRS operates under the authority of provisions contained primarily in Texas Government Code, Title 8, Public Retirement Systems, Subtitle C, Teacher Retirement System of Texas, which is subject to amendment by the Texas legislature. TRS' annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, Texas 78701, by calling 1-800-223-8778, or by downloading the report from the TRS website, www.trs.state.tx.us, under the TRS Publications heading.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

VI. PENSION PLAN OBLIGATIONS (Continued)

Charter schools are legally separate entities from the State and each other. Assets contributed by one charter school or independent school district (ISD) may be used for the benefit of an employee of another charter school or ISD. The risk of participating in multi-employer pension plans is different from single-employer plans. If a participating charter school or ISD stops contributing to the Plan, the unfunded obligations of the Plan gets passed along to the remaining charter schools and ISDs. There is not a withdrawal penalty for leaving the TRS system; and, there is no collective-bargaining agreement.

Legal Name of Plan	Texas Retirement System of Texas
Plan's Employer Identification Number	N/A
Total Pension Liability	\$218,974,205,084
Plan Fiduciary Net Position	\$165,416,245,243
Net Position as Percentage of Total Pension Liability	75.54%
Expiration Date of Collective-Bargaining Agreement	N/A
Funding Improvement Plan or Rehabilitation Plan – Implemented or Pending	N/A

Information obtained from the TRS 2020 CAFR

Funding Policy

Contribution requirements are not actuarially determined, but are established and amended by the Texas legislature, pursuant to Article 16, section 67 of the Texas Constitution, which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to TRS members during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Under provisions in state law, plan members and the state are each required to contribute 7.7% and 7.5%, respectively, of the plan member's annual covered salary; and, in certain instances, the Organization is required to make all or a portion of the member's contribution and on the portion of the employees' salaries that exceed the statutory minimum. The following table shows contribution rates by type of contributor:

	Contribution Rates	
	2019	2020
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

VI. PENSION PLAN OBLIGATIONS (Continued)

For the year ended August 31, 2020, the Organization contributed \$159,312, the required contributions for the year, on behalf of its employees to TRS, which included \$94,239 for Non-OASDI members. The State also contributes to TRS on behalf of charter school employees; however, these contributions are not recognized in the Organization's financial statements under FASB accounting. The Organization's contributions to the Plan did not represent more than 5% of the total contributions to the Plan. There have been no changes that would affect the comparison of employer contributions from year to year.

Plan Description

The Organization participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan. TRS-Care is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575. TRS' annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, Texas 78701, by calling 1-800-223-8778, or by downloading the report from the TRS website, www.trs.state.tx.us, under the TRS Publications heading.

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers, and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3).

Eligible retirees and dependents enrolled in Medicare may elect to participate in one of two Medicare Health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

Funding Policy

Contribution rates for the TRS-Care plan are established in state statute by the Texas legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, school districts, and charter schools, based upon member's annual compensation. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

VII. OTHER POST-EMPLOYMENT BENEFIT PLANS

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the aggregate annual compensation paid to members during the fiscal year. Section 1575.203 establishes the active member's rate which is 0.65% of the member's annual compensation. Section 1575.204 establishes an employer contribution rate of not less than 0.25% and not more than 0.75% of the annual compensation of each active member. The actual employer contribution rate is prescribed by the Texas Legislature in the General Appropriations Act. The following table shows contribution rates to the TRS-Care plan by type of contributor:

	Contribution Rates	
	2019	2020
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

For the year ended August 31, 2020, the Organization contributed \$47,096, the required contributions for the year, on behalf of its employees to TRS. The State also contributes to TRS on behalf of charter school employees; however, these contributions are not recognized in the Organization's financial statements under FASB accounting.

VIII. HEALTH CARE COVERAGE

During the year ended August 31, 2020, employees of the Charter Schools were covered by TRS ActiveCare, a statewide health coverage program for public education employees established by the 77th Texas Legislature. The Organization contributed \$852 per employee, per month to the Plan, while the state made no contributions to the Plan. Employees, at their option, authorize payroll withholdings to pay premiums for dependents. All premiums were paid to licensed insurers.

IX. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors during the year ended August 31, 2020. Net assets released from restrictions relating to net assets with donor restrictions for the year ending August 31, 2020 is as follows:

	2020
Foundation School Program	\$ 9,504,046
Other State Programs	69,856
Federal Programs	2,066,852
Total	<u>\$ 11,640,754</u>

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

X. PRIOR PERIOD ADJUSTMENT

The Organization's (SAPI) August 31, 2019 net assets without donor restrictions balance was restated as follows:

	Student Alternatives Program, Inc.
Net Assets, August 31, 2019 (as Reported)	\$ 4,956,191
Miscellaneous corrections to prior year expenses	12,055
Net Assets, August 31, 2019 (as Restated)	\$ 4,968,246

XI. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and other activities benefited.

XII. RELATED PARTY TRANSACTIONS

The Organization has adopted a policy which addresses transactions between board members of the government body and all related charter schools as well as transactions between affiliated charter schools. A copy of the policy is available for review at SAPI's corporate offices in San Antonio, Texas.

RENTAL COSTS

The charter schools reimbursed SAPI, ABC, and CDBC for certain costs in accordance with its cost allocation plan for its use of buildings and for corporate activities related to Charter operations. Total payments during the current year were \$175,536 from El Paso; \$162,174 from Laredo; \$329,536 from Rio Grande Valley; and, \$58,146 from Lubbock. These payments, which total \$725,392 and constitute related party transactions, have been eliminated from revenues and expenses in the consolidated statement of activities. As of August 31, 2020, \$21,444 was due to the charter schools from SAPI/ABC. These amounts constitute related party transactions and have also been eliminated from the consolidated statement of financial position.

OTHER INTERCOMPANY TRANSACTIONS

In 2018, CDBC (borrower) executed a promissory note with ABC (lender) in the amount of \$35,000, for a term of twenty years; and, at an interest rate of one percent per annum. The first payment was due September 1, 2019 and the final payment is due September 1, 2038. As of August 31, 2020, the balance outstanding is \$33,410. As of August 31, 2020, the total of \$33,410 has been eliminated from the consolidating financial statements. All intercompany transactions between SAPI and ABC were eliminated.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

XIII. CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Grants

The Organization receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to TEA and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the Organization have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, funds may be subject to refund if so, determined by TEA or other grantor agencies. Management is of the opinion that no material liability will result from such audits.

Paycheck Protection Program (PPP) Loan

As disclosed in Note V. in these financial statements, the Organization received loan proceeds under the PPP. While the Organization recorded ninety percent of the loan proceeds as revenue, since it currently believes that its use of the loan proceeds were for purposes consistent with the PPP and it will meet the conditions for forgiveness of the loan, until the SBA approves the Organization's PPP forgiveness application, there can be no assurance that the Organization will not take actions that could cause it to be ineligible for forgiveness of the loan, in whole or in part.

XIV. REGULATED INDUSTRY

The majority of the Organization's activities and revenues are as a result of contracts with TEA and its operations are concentrated in the education field. As such, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, TEA. Such administrative directives, rules, and regulations are subject to change by an act of Congress, an act of the state legislature, or an administrative change mandated by TEA. Funding may be changed or decreased as a result of the above legislative or administrative changes.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2020

XV. SUBSEQUENT EVENTS

COVID-19 Pandemic

In early 2020, the COVID-19 virus caused a global pandemic which resulted in an overall decline in economic activity. Management has taken steps to minimize the impact of COVID-19 on the operating and financial performance of the Organization. Although it is reasonably possible that the virus could have a negative effect on its operations in the future, the specific impact is not readily determinable as of the date of these financial statements. Accordingly, the financial statements as of and for the year ended August 31, 2020 have not been adjusted to reflect the impact that may result from the outcome of this uncertainty.

Other

The Organization has evaluated any potential material subsequent events through January 15, 2021, the date of the audit report, and has determined that there have been no other events that have occurred that would require disclosure in, or adjustments to, the consolidated financial statements.

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OTHER SUPPLEMENTAL INFORMATION

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Consolidating Statements – Corporations

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CORPORATIONS

August 31, 2020

	Student Alternatives Program, Inc.	Community Development Buildings Corp.	Eliminations	Consolidated Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 1,213,724	\$ 48,857	\$ -	\$ 1,262,581
Cash - Restricted	-	-	-	-
Grants Receivable	-	-	-	-
Other Receivables	59,946	-	(33,410)	26,536
Deferred Expenses	2,321	-	-	2,321
Due from Related Entity	-	-	-	-
Total Current Assets	<u>1,275,991</u>	<u>48,857</u>	<u>(33,410)</u>	<u>1,291,438</u>
Property, Plant & Equipment, Net	<u>4,451,779</u>	<u>809,792</u>	<u>-</u>	<u>5,261,571</u>
Total Assets	<u><u>\$ 5,727,770</u></u>	<u><u>\$ 858,649</u></u>	<u><u>\$ (33,410)</u></u>	<u><u>\$ 6,553,009</u></u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings	71,732	-	-	71,732
Accrued Wages	-	-	-	-
Due to State	-	-	-	-
Other Liabilities - Current	-	-	-	-
Accrued Expenses	-	-	-	-
Due to Related Entity	21,444	-	-	21,444
Current Portion of Long-Term Debt	174,447	53,177	(1,605)	226,019
Total Current Liabilities	<u>267,623</u>	<u>53,177</u>	<u>(1,605)</u>	<u>319,195</u>
Non-Current Liabilities				
Long-Term Debt, Less Current Portion	<u>533,066</u>	<u>768,263</u>	<u>(31,805)</u>	<u>1,269,524</u>
Total Non-Current Liabilities	<u>533,066</u>	<u>768,263</u>	<u>(31,805)</u>	<u>1,269,524</u>
Total Liabilities	<u>800,689</u>	<u>821,440</u>	<u>(33,410)</u>	<u>1,588,719</u>
Net Assets				
Without Donor Restrictions				
Available for Operations	<u>4,927,081</u>	<u>37,209</u>	<u>-</u>	<u>4,964,290</u>
Total Without Donor Restrictions	<u>4,927,081</u>	<u>37,209</u>	<u>-</u>	<u>4,964,290</u>
With Donor Restrictions				
Specific Purpose Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total With Donor Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>4,927,081</u>	<u>37,209</u>	<u>-</u>	<u>4,964,290</u>
Total Liabilities and Net Assets	<u><u>\$ 5,727,770</u></u>	<u><u>\$ 858,649</u></u>	<u><u>\$ (33,410)</u></u>	<u><u>\$ 6,553,009</u></u>

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATING STATEMENT OF ACTIVITIES - CORPORATIONS

Year Ended August 31, 2020

	Student Alternatives Program, Inc.	Community Development Buildings Corp.		
	Without Donor Restrictions	Without Donor Restrictions	Eliminations	Consolidated Total
REVENUES AND OTHER SUPPORT				
Support				
Contributions	\$ -	\$ -	\$ -	\$ -
Program Revenue	76,100	-	-	76,100
State Program Revenues	-	-	-	-
Federal Program Revenues	-	-	-	-
Fees and Other Revenue				
Other Revenues from Local Sources	637,152	164,050	-	801,202
Net Assets Released from Restrictions	-	-	-	-
Total Revenue and Other Support	713,252	164,050	-	877,302
EXPENSES				
Program Services				
General School Operations	176,017	-	-	176,017
Public Charter Schools	-	-	-	-
Support Services				
Administrative and General	571,157	134,084	-	705,241
Total Expenses	747,174	134,084	-	881,258
Change in Net Assets	(33,922)	29,966	-	(3,956)
Net Assets, Beginning of Year	4,948,948	7,243	-	4,956,191
Prior Period Restatement	12,055	-	-	12,055
Net Assets, End of Year	\$ 4,927,081	\$ 37,209	\$ -	\$ 4,964,290

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATING STATEMENT OF CASH FLOWS - CORPORATIONS

Year Ended August 31, 2020

	Student Alternatives Program, Inc.	Community Development Buildings Corp.	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Contributions	\$ -	\$ -	\$ -	\$ -
Foundation School Program Payments	-	-	-	-
Grant Payments	-	-	-	-
Program Revenues Received	76,100	-	-	76,100
Other Revenue Received	640,828	164,050	-	804,878
Payments to Vendors for Goods and Services Rendered	(306,456)	(98,096)	-	(404,552)
Payments to Personnel for Services Rendered	(292,235)	-	-	(292,235)
Net Cash Provided (Used) by Operating Activities	<u>118,237</u>	<u>65,954</u>	<u>-</u>	<u>184,191</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment on Notes Payable	(258,748)	(67,046)	-	(325,794)
Net Cash Provided (Used) by Financing Activities	<u>(258,748)</u>	<u>(67,046)</u>	<u>-</u>	<u>(325,794)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(140,511)</u>	<u>(1,092)</u>	<u>-</u>	<u>(141,603)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,354,235</u>	<u>49,949</u>	<u>-</u>	<u>1,404,184</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,213,724</u>	<u>\$ 48,857</u>	<u>\$ -</u>	<u>\$ 1,262,581</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Change in Net Assets	\$ (33,922)	\$ 29,966	\$ -	\$ (3,956)
Adjustments to Reconcile Change in Net Assets to Net Cash				
Provided by Operating Activities				
Depreciation Expense	168,133	35,988	-	204,121
(Increase)/Decrease in Assets				
Grants Receivable	-	-	-	-
Other Receivables	3,676	-	-	3,676
Deferred Expenses	-	-	-	-
Due from Related Entity	-	-	-	-
Increase/(Decrease) in Liabilities				
Accounts Payable	-	-	-	-
Payroll Deductions and Withholdings	(22,179)	-	-	(22,179)
Accrued Wages	-	-	-	-
Due to State	-	-	-	-
Other Liabilities - Current	-	-	-	-
Accrued Expenses	-	-	-	-
Due to Related Entity	2,529	-	-	2,529
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 118,237</u>	<u>\$ 65,954</u>	<u>\$ -</u>	<u>\$ 184,191</u>
Supplemental Disclosure				
Interest Paid	<u>\$ 48,329</u>	<u>\$ 68,485</u>	<u>\$ -</u>	<u>\$ 116,814</u>

Statements of Financial Position – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO

Laredo, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2020

	Triumph Public High Schools - Laredo
ASSETS	
Current Assets	
Cash	\$ 2,902,753
Grants Receivable	58,348
Other Receivables	532
Due from Student Alternative Program, Inc.	21,444
Total Current Assets	<u>2,983,077</u>
Fixed Assets	
Land	97,720
Buildings and Improvements	4,368,310
Vehicles	100,944
Equipment	25,237
Accumulated Depreciation	<u>(2,707,380)</u>
Total Fixed Assets, Net	<u>1,884,831</u>
Total Assets	<u><u>\$ 4,867,908</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 19,097
Payroll Deductions and Withholdings	24,778
Accrued Wages	64,323
Other Liabilities - Current	1,361
Deferred Revenue	<u>12,800</u>
Total Current Liabilities	<u>122,359</u>
Non-Current Liabilities	
Loans Payable	<u>54,619</u>
Total Non-Current Liabilities	<u>54,619</u>
Total Liabilities	<u>176,978</u>
Net Assets	
Without Donor Restrictions	
Available for Operations	<u>-</u>
Total Without Donor Restrictions	<u>-</u>
With Donor Restrictions	
Specific Purpose Funds	<u>4,690,930</u>
Total With Donor Restrictions	<u>4,690,930</u>
Total Liabilities and Net Assets	<u><u>\$ 4,867,908</u></u>

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2020

	Triumph Public High Schools - Rio Grande Valley
ASSETS	
Current Assets	
Cash	\$ 2,192,755
Grants Receivables	292,744
Other Receivables	-
Due from Other Districts	-
Total Current Assets	<u>2,485,499</u>
Fixed Assets	
Buildings and Improvements	603,437
Vehicles	94,763
Equipment	21,929
Accumulated Depreciation	(189,176)
Total Fixed Assets, Net	<u>530,953</u>
Total Assets	<u><u>\$ 3,016,452</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 21,925
Payroll Deductions and Withholdings	21,003
Accrued Wages	73,080
Due to State	-
Other Liabilities - Current	6,416
Accrued Expenses	492
Due to Other Districts	-
Deferred Revenue	20,000
Total Current Liabilities	<u>142,916</u>
Non-Current Liabilities	
Loans Payable	48,002
Total Non-Current Liabilities	<u>48,002</u>
Total Liabilities	<u>190,918</u>
Net Assets	
Without Donor Restrictions	
Available for Operations	-
Total Without Donor Restrictions	<u>-</u>
With Donor Restrictions	
Specific Purpose Funds	2,825,534
Total With Donor Restrictions	<u>2,825,534</u>
Total Liabilities and Net Assets	<u><u>\$ 3,016,452</u></u>

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO
El Paso, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2020

	Triumph Public High Schools - El Paso
ASSETS	
Current Assets	
Cash	\$ 3,095,749
Grants Receivables	245,786
Other Receivables	1,066
Total Current Assets	<u>3,342,601</u>
Fixed Assets	
Land	13,507
Buildings and Improvements	227,892
Vehicles	23,831
Equipment	14,562
Accumulated Depreciation	(147,052)
Total Fixed Assets, Net	<u>132,740</u>
Total Assets	<u><u>\$ 3,475,341</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 13,931
Payroll Deductions and Withholdings	12,792
Accrued Wages	56,448
Other Liabilities - Current	195
Accrued Expenses	1,932
Deferred Revenue	11,200
Total Current Liabilities	<u>96,498</u>
Non-Current Liabilities	
Loans Payable	<u>21,516</u>
Total Non-Current Liabilities	<u>21,516</u>
Total Liabilities	<u>118,014</u>
Net Assets	
Without Donor Restrictions	
Available for Operations	<u>-</u>
Total Without Donor Restrictions	<u>-</u>
With Donor Restrictions	
Specific Purpose Funds	<u>3,357,327</u>
Total With Donor Restrictions	<u>3,357,327</u>
Total Liabilities and Net Assets	<u><u>\$ 3,475,341</u></u>

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2020

	Triumph Public High Schools - Lubbock
ASSETS	
Current Assets	
Cash	\$ 2,060,043
Grants Receivables	48,392
Total Current Assets	<u>2,108,435</u>
Fixed Assets	
Buildings and Improvements	24,927
Vehicles	16,915
Equipment	10,950
Accumulated Depreciation	(23,770)
Total Fixed Assets, Net	<u>29,022</u>
Total Assets	<u><u>\$ 2,137,457</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 6,690
Payroll Deductions and Withholdings	12,015
Accrued Wages	49,822
Other Liabilities - Current	2,461
Accrued Expenses	263
Deferred Revenue	12,000
Total Current Liabilities	<u>83,251</u>
Non-Current Liabilities	
Loans Payable	19,505
Total Non-Current Liabilities	<u>19,505</u>
Total Liabilities	<u>102,756</u>
Net Assets	
Without Donor Restriction	
Available for Operations	-
Total Without Donor Restriction	<u>-</u>
With Donor Restriction	
Specific Purpose Funds	2,034,701
Total With Donor Restriction	<u>2,034,701</u>
Total Liabilities and Net Assets	<u><u>\$ 2,137,457</u></u>

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Statements of Activities – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO
Laredo, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Local Support			
5740 Other Revenues from Local Sources	\$ 94,580	\$ -	\$ 94,580
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	2,164,554	2,164,554
5820 State Program Revenues Distributed by Texas Education Agency	-	12,727	12,727
Total State Program Revenues and Local Support	94,580	2,177,281	2,271,861
Federal Program Revenue			
5920 Teacher Incentive Fund - Project Rise	-	165,942	165,942
5920 ESEA, Title I Part A - Improving Basic Programs	-	327,050	327,050
5920 IDEA, Part B - Formula	-	120,050	120,050
5920 ESEA, Title II, Part A: TPTR	-	2,444	2,444
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	76,521	76,521
5920 Title IV, Part A - SSAE	-	3,016	3,016
5940 Paycheck Protection Program	437,181	-	437,181
Total Federal Program Revenues	437,181	695,023	1,132,204
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	3,470,569	(3,470,569)	-
Total Revenue and Other Support	4,002,330	(598,265)	3,404,065
EXPENSES			
Program Services			
11 Instruction	1,751,621	-	1,751,621
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	90,622	-	90,622
21 Instructional Leadership	-	-	-
23 School Leadership	771,051	-	771,051
Support Services			
31 Guidance, Counseling and Evaluation Services	140,381	-	140,381
32 Social Work Services	63,997	-	63,997
33 Health Services	972	-	972
34 Student (Pupil) Transportation	1,007	-	1,007
35 Food Services	6,033	-	6,033
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	375,051	-	375,051
51 Plant Maintenance and Operations	722,346	-	722,346
52 Security and Monitoring Services	31,840	-	31,840
53 Data Processing Services	47,409	-	47,409
61 Community Services	-	-	-
81 Fund Raising	-	-	-
Total Expenses	4,002,330	-	4,002,330
Change in Net Assets	-	(598,265)	(598,265)
Net Assets, Beginning of Year	-	5,289,195	5,289,195
Net Assets, End of Year	\$ -	\$ 4,690,930	\$ 4,690,930

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Local Support			
5740 Other Revenues from Local Sources	\$ 3,532	\$ -	\$ 3,532
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	4,540,964	4,540,964
5820 State Program Revenues Distributed by Texas Education Agency	-	35,074	35,074
Total State Program Revenues and Local Support	3,532	4,576,038	4,579,570
Federal Program Revenue			
5920 Teacher Incentive Fund - Project Rise	-	202,135	202,135
5920 ESEA, Title I Part A - Improving Basic Programs	-	340,409	340,409
5920 IDEA, Part B - Formula	-	41,861	41,861
5920 ESEA, Title II, Part A: TPTR	-	4,889	4,889
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	135,312	135,312
5920 Title IV, Part A - SSAE	-	13,560	13,560
5920 Re-Start Flooding Grant	-	24,558	24,558
5940 Paycheck Protection Program	386,598	-	386,598
Total Federal Program Revenues	386,598	762,724	1,149,322
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	4,279,828	(4,279,828)	-
Total Revenue and Other Support	4,669,958	1,058,934	5,728,892
EXPENSES			
Program Services			
11 Instruction	2,050,149	-	2,050,149
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	137,923	-	137,923
21 Instructional Leadership	-	-	-
23 School Leadership	899,904	-	899,904
Support Services			
31 Guidance, Counseling and Evaluation Services	211,040	-	211,040
32 Social Work Services	130,104	-	130,104
33 Health Services	-	-	-
34 Student (Pupil) Transportation	3,229	-	3,229
35 Food Services	14,212	-	14,212
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	289,299	-	289,299
51 Plant Maintenance and Operations	797,176	-	797,176
52 Security and Monitoring Services	20,330	-	20,330
53 Data Processing Services	90,372	-	90,372
61 Community Services	26,220	-	26,220
81 Fund Raising	-	-	-
Total Expenses	4,669,958	-	4,669,958
Change in Net Assets	-	1,058,934	1,058,934
Net Assets, Beginning of Year	-	1,766,600	1,766,600
Net Assets, End of Year	\$ -	\$ 2,825,534	\$ 2,825,534

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO
El Paso, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Local Support			
5740 Other Revenues from Local Sources	\$ 11,058	\$ -	\$ 11,058
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	1,965,846	1,965,846
5820 State Program Revenues Distributed by Texas Education Agency	-	19,409	19,409
Total State Program Revenues and Local Support	11,058	1,985,255	1,996,313
Federal Program Revenue			
5920 ESEA, Title I Part A - Improving Basic Programs	-	255,710	255,710
5920 IDEA, Part B - Formula	-	37,109	37,109
5920 ESEA, Title II, Part A: TPTR	-	2,056	2,056
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	67,784	67,784
5920 Title IV, Part A - SSAE	-	3,884	3,884
5940 Paycheck Protection Program	173,284	-	173,284
Total Federal Program Revenues	173,284	366,543	539,827
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	2,170,630	(2,170,630)	-
Total Revenue and Other Support	2,354,972	181,168	2,536,140
EXPENSES			
Program Services			
11 Instruction	1,037,787	-	1,037,787
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	27,919	-	27,919
21 Instructional Leadership	1,870	-	1,870.00
23 School Leadership	480,583	-	480,583
Support Services			
31 Guidance, Counseling and Evaluation Services	112,434	-	112,434
32 Social Work Services	65,358	-	65,358
33 Health Services	2,745	-	2,745
34 Student (Pupil) Transportation	116	-	116
35 Food Services	389	-	389
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	150,781	-	150,781
51 Plant Maintenance and Operations	402,941	-	402,941
52 Security and Monitoring Services	24,617	-	24,617
53 Data Processing Services	47,432	-	47,432
61 Community Services	-	-	-
81 Fund Raising	-	-	-
Total Expenses	2,354,972	-	2,354,972
Change in Net Assets	-	181,168	181,168
Net Assets, Beginning of Year	-	3,176,159	3,176,159
Net Assets, End of Year	\$ -	\$ 3,357,327	\$ 3,357,327

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Local Support			
5740 Other Revenues from Local Sources	\$ 3,532	\$ -	\$ 3,532
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	1,834,828	1,834,828
5820 State Program Revenues Distributed by Texas Education Agency	-	2,646	2,646
Total State Program Revenues and Local Support	3,532	1,837,474	1,841,006
Federal Program Revenue			
5920 ESEA, Title I Part A - Improving Basic Programs	-	143,544	143,544
5920 IDEA, Part B - Formula	-	42,438	42,438
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	55,814	55,814
5920 Title IV, Part A - SSAE	-	766	766
5940 Paycheck Protection Program	157,095	-	157,095
Total Federal Program Revenues	157,095	242,562	399,657
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	1,719,727	(1,719,727)	-
Total Revenue and Other Support	1,880,354	360,309	2,240,663
EXPENSES			
Program Services			
11 Instruction	882,926	-	882,926
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	15,460	-	15,460
21 Instructional Leadership	-	-	-
23 School Leadership	322,932	-	322,932
Support Services			
31 Guidance, Counseling and Evaluation Services	129,612	-	129,612
32 Social Work Services	25,245	-	25,245
33 Health Services	-	-	-
34 Student (Pupil) Transportation	74	-	74
35 Food Services	7,618	-	7,618
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	160,387	-	160,387
51 Plant Maintenance and Operations	220,280	-	220,280
52 Security and Monitoring Services	5,090	-	5,090
53 Data Processing Services	54,247	-	54,247
61 Community Services	56,483	-	56,483
81 Fund Raising	-	-	-
Total Expenses	1,880,354	-	1,880,354
Change in Net Assets	-	360,309	360,309
Net Assets, Beginning of Year	-	1,674,392	1,674,392
Net Assets, End of Year	\$ -	\$ 2,034,701	\$ 2,034,701

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Statements of Cash Flows – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO

Laredo, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Foundation School Program Payments	\$ 2,570,178
Grant Payments	680,460
Paycheck Protection Program Revenues	437,181
Other Local Revenues	302,568
Payments to Vendors for Goods and Services Rendered	(1,234,048)
Payments to Charter School Personnel for Services Rendered	(2,534,226)
Net Cash Provided (Used) by Operating Activities	<u>222,113</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Received from Paycheck Protection Program Loan	54,619
Cash Received from Other Districts	71,269
Net Cash Provided (Used) by Financing Activities	<u>125,888</u>

Increase (Decrease) in Cash and Cash Equivalents	<u>348,001</u>
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Cash and Cash Equivalents, Beginning of Year	<u>2,554,752</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 2,902,753</u></u>
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RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

Change in Net Assets	\$ (598,265)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation Expense	330,357
Other Reconciling Item	(23,771)
(Increase)/Decrease in Assets	
Grant Receivable	380,097
Other Receivables	210,517
Deferred Expenses	-
Due from Student Alternatives Programs, Inc.	(2,529)
Increase/(Decrease) in Liabilities	
Accounts Payable	(66,412)
Payroll Deductions and Withholdings	5,748
Accrued Wages	(9,581)
Deferred Revenue	12,800
Other Liabilities - Current	(14,563)
Accrued Expenses	<u>(2,285)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 222,113</u></u>
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TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Foundation School Program Payments	\$ 4,664,540
Grant Payments	761,960
Paycheck Protection Program Revenues	386,598
Other Local Revenues	3,532
Payments to Vendors for Goods and Services Rendered	(1,485,687)
Payments to Charter School Personnel for Services Rendered	(3,123,510)
Net Cash Provided (Used) by Operating Activities	<u>1,207,433</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Received from Paycheck Protection Program Loan	48,002
Payments to Other Districts	(36,548)
Net Cash Provided (Used) by Financing Activities	<u>11,454</u>

Increase (Decrease) in Cash and Cash Equivalents	<u>1,218,887</u>
Cash and Cash Equivalents, Beginning of Year	<u>973,868</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,192,755</u></u>

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

Change in Net Assets	\$ 1,058,934
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities	
Depreciation Expense	55,928
(Increase)/Decrease in Assets	
Grant Receivable	68,502
Other Receivables	-
Deferred Expenses	-
Increase/(Decrease) in Liabilities	
Accounts Payable	5,662
Payroll Deductions and Withholdings	6,596
Accrued Wages	(7,208)
Deferred Revenue	20,000
Due to State	(3,669)
Other Liabilities - Current	2,905
Accrued Expenses	<u>(217)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 1,207,433</u></u>
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TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO

El Paso, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Foundation School Program Payments	\$ 1,987,212
Grant Payments	366,314
Paycheck Protection Program Revenues	173,284
Other Local Revenues	11,058
Payments to Vendors for Goods and Services Rendered	(839,527)
Payments to Charter School Personnel for Services Rendered	(1,458,636)
Net Cash Provided (Used) by Operating Activities	<u>239,705</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Received from Paycheck Protection Program Loan	21,516
Cash Received from Other Districts	(13,270)
Net Cash Provided (Used) by Financing Activities	<u>8,246</u>

Increase (Decrease) in Cash and Cash Equivalents	<u>247,951</u>
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Cash and Cash Equivalents, Beginning of Year	<u>2,847,798</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 3,095,749</u></u>
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RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

Change in Net Assets	\$ 181,168
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation Expense	22,336
(Increase)/Decrease in Assets	
Grants Receivable	(9,243)
Other Receivables	(1,066)
Deferred Expenses	22,008
Increase/(Decrease) in Liabilities	
Accounts Payable	6,828
Payroll Deductions and Withholdings	4,102
Accrued Wages	1,849
Deferred Revenue	11,200
Other Liabilities - Current	(229)
Accrued Expenses	752

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 239,705</u></u>
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TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK

Lubbock, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Foundation School Program Payments	\$ 2,048,848
Grant Payments	242,155
Paycheck Protection Program Revenues	157,095
Other Local Revenues	3,532
Payments to Vendors for Goods and Services Rendered	(573,114)
Payments to Charter School Personnel for Services Rendered	(1,322,445)
Net Cash Provided (Used) by Operating Activities	<u>556,071</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Received from Paycheck Protection Program Loan	19,505
Cash Received from Other Districts	(21,451)
Net Cash Provided (Used) by Financing Activities	<u>(1,946)</u>

Increase (Decrease) in Cash and Cash Equivalents	<u>554,125</u>
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Cash and Cash Equivalents, Beginning of Year	<u>1,505,918</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 2,060,043</u></u>
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RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

Change in Net Assets	\$ 360,309
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) by Operating Activities	
Depreciation Expense	5,943
(Increase)/Decrease in Assets	
Grants Receivable	199,374
Deferred Expenses	-
Increase/(Decrease) in Liabilities	
Accounts Payable	(11,167)
Payroll Deductions and Withholdings	2,824
Accrued Wages	(12,539)
Accrued Expenses	(266)
Deferred Revenue	12,000
Other Liabilities - Current	(407)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 556,071</u></u>
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Schedules of Expenses by Object Code – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO

Laredo, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2020 and 2019

		Totals	
		2020	2019
EXPENSES			
6100	Payroll Costs	\$ 2,530,393	\$ 2,535,509
6200	Professional and Contracted Services	674,162	712,878
6300	Supplies and Materials	179,415	211,832
6400	Other Operating Costs	618,360	513,027
6500	Debt	-	-
Total Expenses		<u>\$ 4,002,330</u>	<u>\$ 3,973,246</u>

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2020 and 2019

		Totals	
		2020	2019
EXPENSES			
6100	Payroll Costs	\$ 3,122,898	\$ 3,283,556
6200	Professional and Contracted Services	907,536	985,316
6300	Supplies and Materials	408,067	248,053
6400	Other Operating Costs	231,457	291,212
6500	Debt	-	-
Total Expenses		<u>\$ 4,669,958</u>	<u>\$ 4,808,137</u>

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO

El Paso, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2020 and 2019

		Totals	
		2020	2019
EXPENSES			
6100	Payroll Costs	\$ 1,464,587	\$ 1,451,882
6200	Professional and Contracted Services	617,446	566,715
6300	Supplies and Materials	161,111	106,815
6400	Other Operating Costs	111,828	133,230
6500	Debt	-	-
Total Expenses		<u>\$ 2,354,972</u>	<u>\$ 2,258,642</u>

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2020 and 2019

		Totals	
		2020	2019
EXPENSES			
6100	Payroll Costs	\$ 1,312,730	\$ 1,426,107
6200	Professional and Contracted Services	352,896	352,744
6300	Supplies and Materials	130,283	202,748
6400	Other Operating Costs	84,445	129,185
6500	Debt	-	-
Total Expenses		\$ 1,880,354	\$ 2,110,784

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Schedules of Fixed Assets – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO

Laredo, Texas

SCHEDULE OF FIXED ASSETS

Year Ended August 31, 2020

		Ownership Interest		
		Local	State	Federal
1510	Land and Improvements	\$ -	\$ 97,720	\$ -
1520	Building and Improvements	-	4,022,185	346,125
1531	Vehicles	-	100,944	-
1539	Furniture and Equipment	-	17,137	8,100
Total Property and Equipment		\$ -	\$ 4,237,986	\$ 354,225

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

SCHEDULE OF FIXED ASSETS

Year Ended August 31, 2020

		Ownership Interest		
		Local	State	Federal
1510	Land and Improvements	\$ -	\$ -	\$ -
1520	Building and Improvements	-	603,437	-
1531	Vehicles	-	94,763	-
1539	Furniture and Equipment	-	21,929	-
Total Property and Equipment		<u>\$ -</u>	<u>\$ 720,129</u>	<u>\$ -</u>

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO

El Paso, Texas

SCHEDULE OF FIXED ASSETS

Year Ended August 31, 2020

		Ownership Interest		
		Local	State	Federal
1510	Land and Improvements	\$ -	\$ 13,507	\$ -
1520	Building and Improvements	-	227,892	-
1531	Vehicles	-	23,831	-
1539	Furniture and Equipment	-	14,562	-
Total Property and Equipment		\$ -	\$ 279,792	\$ -

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK

Lubbock, Texas

SCHEDULE OF FIXED ASSETS

Year Ended August 31, 2020

		Ownership Interest		
		Local	State	Federal
1510	Land and Improvements	\$ -	\$ -	\$ -
1520	Building and Improvements	-	24,927	-
1531	Vehicles	-	16,915	-
1539	Furniture and Equipment	-	10,950	-
Total Property and Equipment		\$ -	\$ 52,792	\$ -

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Budgetary Comparison Schedules – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO
Laredo, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2020

		Budgeted Amounts		Actual	Variance
		Original	Final	Amounts	from Final
					Budget
REVENUES AND OTHER SUPPORT					
Local Support					
5740	Other Revenues from Local Sources	\$ 96,000	\$ 96,000	\$ 94,580	\$ (1,420)
5760	Revenues from Intermediate Sources	-	-	-	-
State Program Revenues					
5810	Foundation School Program Act Revenues	2,954,243	2,971,112	2,164,554	(806,558) 1
5820	State Program Revenues Distributed by Texas Education Agency	23,490	53,531 2	12,727	(40,804) 3
Total State Program Revenues and Local Support		3,073,733	3,120,643	2,271,861	(848,782)
Federal Program Revenue					
5920	Teacher Incentive Fund - Project Rise	125,290	257,306 4	165,942	(91,364) 5
5920	ESEA, Title I Part A - Improving Basic Programs	435,114	414,170	327,050	(87,120) 6
5920	IDEA, Part B - Formula	108,260	120,049	120,050	1
5920	ESEA, Title II, Part A: TPTR	11,228	11,228	2,444	(8,784) 7
5920	Elementary and Secondary School Emergency Relief (ESSER) Fund	-	150,078 8	76,521	(73,557) 9
5920	Title III, Part A, English Language Acquisition	13,134	13,134	-	(13,134) 10
5920	Title IV, Part A - SSAE	14,127	23,272 11	3,016	(20,256) 12
5940	Paycheck Protection Program	-	-	437,181	437,181 13
Total Federal Program Revenues		707,153	989,237	1,132,204	142,967
Total Revenue and Other Support		3,780,886	4,109,880	3,404,065	(705,815)
EXPENSES					
Program Services					
11	Instruction	1,589,973	2,002,229 14	1,751,621	250,608 14
12	Instructional Resources and Media Services	-	-	-	-
13	Curriculum Development and Instructional Staff Development	74,910	110,954 15	90,622	20,332 15
21	Instructional Leadership	-	-	-	-
23	School Leadership	808,554	735,494	771,051	(35,557)
31	Guidance, Counseling and Evaluation Services	153,365	162,982	140,381	22,601 16
32	Social Work Services	66,594	72,874	63,997	8,877 17
33	Health Services	1,500	1,500	972	528 18
34	Student (Pupil) Transportation	7,000	7,000	1,007	5,993 19
35	Food Services	17,500	17,500	6,033	11,467 20
36	Cocurricular/Extracurricular Activities	-	-	-	-
41	General Administration	350,345	300,501 21	375,051	(74,550) 21
51	Plant Maintenance and Operations	486,364	574,443 22	722,346	(147,903) 22
52	Security and Monitoring Services	53,300	60,431 23	31,840	28,591 23
53	Data Processing Services	125,200	34,806 24	47,409	(12,603) 24
61	Community Services	46,281	29,166 20	-	29,166 20
81	Fund Raising	-	-	-	-
Total Expenses		3,780,886	4,109,880	4,002,330	107,550
Change in Net Assets		-	-	(598,265)	(598,265)
Net Assets, Beginning of Year		5,289,195	5,289,195	5,289,195	-
Net Assets, End of Year		\$ 5,289,195	\$ 5,289,195	\$ 4,690,930	\$ (598,265)

TRIUMPH PUBLIC HIGH SCHOOLS – LAREDO
Laredo, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2020

Budget Variances Explanations

- (1) Less revenue received due to very unpredictable enrollment/ADA due to the COVID-19 pandemic. We have a volatile at-risk student population.
- (2) We applied and received a new grant during the initiation of the COVID-19 pandemic.
- (3) Contractual agreements could not be carried through as a result of the COVID-19 pandemic. Therefore, no expenditures were incurred as projected.
- (4) Awarded TIP Grant; entitlements were increased late in the year.
- (5) Due to the COVID-19 pandemic, stipends and PBC compensation did not materialize.
- (6) Unable to find staff as needed nor expend funds as intended by grant due to the COVID-19 pandemic.
- (7) Unable to expend funds as intended by grant due to the COVID-19 pandemic.
- (8) New grant awarded during the COVID-19 pandemic and was not part of the original budget.
- (9) Grant received towards the end of the FY. Grant is expended by Quarter and funds will be used in upcoming FY.
- (10) SSA funds utilized proportioned by the ESC center, did not have to utilize internal funds.
- (11) Initially, did not consider carryover funds.
- (12) Unable to expend funds as intended by grant due to the COVID-19 pandemic.
- (13) Applied for the PPP Loan Program to help with payroll costs. This was not in the original budget.
- (14) Increased budget with the intent of services rendered to students. However, due to the COVID-19 pandemic, services varied in all areas. The hiring of instructional staff was very limited.
- (15) Travel costs were reduced due to the COVID-19 pandemic. Staff development provided was provided via other means, such as remote zoom sessions. We saved on travel costs.
- (16) The lack of personnel didn't allow us to expend in this category as we are limited to counseling staff.
- (17) We were limited in these services due to the COVID-19 pandemic and are limited to counseling staff.
- (18) Limited student services requested due to the COVID-19 pandemic. No services rendered.
- (19) Transportation was restricted due to the COVID-19 pandemic and didn't allow us to expend in this category.
- (20) Remote instruction was provided due to the COVID-19 pandemic didn't allow us to expend in this category.

TRIUMPH PUBLIC HIGH SCHOOLS – LAREDO
Laredo, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2020

- (21) Due to the COVID-19 pandemic, administrators and legal team worked endless hours to prepare and plan out the new instructional continuity program. Additional days were added to the working calendar.
- (22) Prior year receivable did not materialize and was written off. Insurance roof damage claim has not been awarded.
- (23) Due to the COVID-19 pandemic, security services were reduced. Campus was closed during remote instruction.
- (24) Due to the COVID-19 pandemic, additional hours were worked to prepare and plan out the new instructional continuity program. Additional days were added to the working calendar.

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	from Final Budget
REVENUES AND OTHER SUPPORT				
Local Support				
5740 Other Revenues from Local Sources	\$ -	\$ -	\$ 3,532	\$ 3,532 1
5760 Revenues from Intermediate Sources	-	-	-	-
State Program Revenues				
5810 Foundation School Program Act Revenues	4,388,131	4,056,572	4,540,964	484,392 2
5820 State Program Revenues Distributed by Texas Education Agency	24,986	64,571 3	35,074	(29,497) 4
Total State Program Revenues and Local Support	4,413,117	4,121,143	4,579,570	458,427
Federal Program Revenue				
5920 Teacher Incentive Fund - Project Rise	179,269	207,732 5	202,135	(5,597)
5920 ESEA, Title I Part A - Improving Basic Programs	536,892	481,815 6	340,409	(141,406) 7
5920 IDEA, Part B - Formula	66,575	84,574 8	41,861	(42,713) 9
5920 ESEA, Title II, Part A: TPTR	18,853	18,853	4,889	(13,964) 10
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	135,312 11	135,312	-
5920 Title III, Part A, English Language Acquisition	8,256	8,256	-	(8,256) 12
5920 Title IV, Part A - SSAE	11,613	19,009 13	13,560	(5,449) 14
5920 Re-Start Flooding Grant	-	237,817 15	24,558	(213,259) 15
5940 Paycheck Protection Program	-	461,926 16	386,598	(75,328) 16
Total Federal Program Revenues	821,458	1,655,294	1,149,322	(505,972)
Net Assets Released from Restrictions				
Restrictions Satisfied by Payments	-	-	-	-
Total Revenue and Other Support	5,234,575	5,776,437	5,728,892	(47,545)
EXPENSES				
Program Services				
11 Instruction	2,267,945	2,744,701 17	2,050,149	694,552 17
12 Instructional Resources and Media Services	-	-	-	-
13 Curriculum Development and Instructional Staff Development	152,191	160,349	137,923	22,426 18
21 Instructional Leadership	-	-	-	-
23 School Leadership	1,013,366	1,050,015	899,904	150,111 19
31 Guidance, Counseling and Evaluation Services	275,596	264,805	211,040	53,765 20
32 Social Work Services	136,299	124,740	130,104	(5,364)
33 Health Services	-	-	-	-
34 Student (Pupil) Transportation	15,300	15,300	3,229	12,071 21
35 Food Services	37,090	37,090	14,212	22,878 22
36 Cocurricular/Extracurricular Activities	-	-	-	-
41 General Administration	420,807	419,089	289,299	129,790 23
51 Plant Maintenance and Operations	695,444	858,956 24	797,176	61,780
52 Security and Monitoring Services	28,160	34,642 25	20,330	14,312 25
53 Data Processing Services	174,608	48,542 26	90,372	(41,830) 26
61 Community Services	17,769	18,208	26,220	(8,012) 27
81 Fund Raising	-	-	-	-
Total Expenses	5,234,575	5,776,437	4,669,958	1,106,479
Change in Net Assets	-	-	1,058,934	1,058,934
Net Assets, Beginning of Year	1,766,600	1,766,600	1,766,600	-
Net Assets, End of Year	\$ 1,766,600	\$ 1,766,600	\$ 2,825,534	\$ 1,058,934

TRIUMPH PUBLIC HIGH SCHOOLS – RIO GRANDE VALLEY
McAllen, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2020

Budget Variances Explanations

- (1) Interest revenue not factored in campus budgets.
- (2) We have a volatile at-risk student population that makes it difficult to estimate ADA. In this case the opening of the 4th campus helped increase state revenue.
- (3) Applied and were awarded a new grant, therefore budgets were adjusted based on awarded NOGA.
- (4) Due to the COVID-19 pandemic, we were not able to begin projects scheduled due to state restrictions. Projects and funds will be utilized in the upcoming FY.
- (5) Awarded TIP Grant; entitlements were increased late in the year.
- (6) Entitlement carryover were less than anticipated.
- (7) Unable to find staff as needed nor expense funds as intended by grant due to the COVID-19 pandemic.
- (8) Entitlement carryover were more than anticipated.
- (9) Unable to find staff needed. Funds were not utilized as a result to the COVID-19 pandemic.
- (10) We were unable to expense funds as intended by grant due to the COVID-19 pandemic.
- (11) New grant awarded during the COVID-19 pandemic and was not part of the original budget.
- (12) SSA funds utilized proportioned by the ESC center, did not have to utilize internal funds.
- (13) Initially, did not consider carryover funds. Budgets increased when awarded carryover funds.
- (14) Unable to expense funds as intended by grant due to the COVID-19 pandemic. We will have the opportunity to spend in FY 2021. TEA extended these funds.
- (15) New grant, awarded mid-year for the re-start of the Mercedes campus due to the flooding claim. As a result of the COVID-19 pandemic, we were not able to initiate campus projects as planned.
- (16) Applied for the PPP Loan Program to help with payroll costs. This was not in the original budget.
- (17) Certain year-end expenditures not factored in final budget. Due to the COVID-19 pandemic, travel projections were difficult to make.
- (18) Staff development provided through other funds. Due to the COVID-19 pandemic, travel was restricted therefore, actual expenditures were less than anticipated.

TRIUMPH PUBLIC HIGH SCHOOLS – RIO GRANDE VALLEY
McAllen, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2020

- (19) Staff was reduced due to the COVID-19 pandemic, campus school leadership expenditures were limited therefore resulted in less expenditures.
- (20) The lack of personnel didn't allow us to expense in this category. We are limited to counseling staff.
- (21) Travel was restricted due to the COVID-19 pandemic and didn't allow us to expense in this category.
- (22) Remote instruction was provided due to the COVID-19 pandemic and didn't allow us to expense in this category.
- (23) Staff was reduced due to the COVID-19 pandemic, Administrative expenditures were limited therefore resulted in less expenditures.
- (24) Increased budgets for the implementation of school safety protocols. Due to the COVID-19 pandemic, some campus projects did not materialize as anticipated.
- (25) Due to the COVID-19 pandemic, security services were reduced. Campus was closed during remote instruction.
- (26) Due to the COVID-19 pandemic, additional hours were to prepare and plan out the new instructional continuity program. Additional days were added to the working calendar.
- (27) Due to the COVID-19 pandemic, parental involvement was critical for the instructional continuity program. We invested more as the needs arise.

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO
El Paso, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2020

		Budgeted Amounts		Actual	Variance
		Original	Final	Amounts	from Final
REVENUES AND OTHER SUPPORT					Budget
Local Support					
5740	Other Revenues from Local Sources	\$ -	\$ -	\$ 11,058	\$ 11,058 1
5760	Revenues from Intermediate Sources	-	-	-	-
State Program Revenues					
5810	Foundation School Program Act Revenues	2,064,908	2,086,766	1,965,846	(120,920)
5820	State Program Revenues Distributed by Texas Education Agency	-	55,000 2	19,409	(35,591) 2
Total State Program Revenues and Local Support		2,064,908	2,141,766	1,996,313	(145,453)
Federal Program Revenue					
5920	ESEA, Title I Part A - Improving Basic Programs	206,065	262,518 3	255,710	(6,808)
5920	IDEA, Part B - Formula	59,379	37,109 4	37,109	-
5920	ESEA, Title II, Part A: TPTR	7,880	11,371 5	2,056	(9,315) 5
5920	Elementary and Secondary School Emergency Relief (ESSER) Fund	-	67,784 6	67,784	-
5920	Title III, Part A, English Language Acquisition	5,065	5,065	-	(5,065) 7
5920	Title IV, Part A - SSAE	10,000	20,000 8	3,884	(16,116) 8
5940	Paycheck Protection Program	-	-	173,284	173,284 9
Total Federal Program Revenues		288,389	403,847	539,827	135,980
Total Revenue and Other Support		2,353,297	2,545,613	2,536,140	(9,473)
EXPENSES					
Program Services					
11	Instruction	1,024,665	1,174,838 10	1,037,787	137,051 10
12	Instructional Resources and Media Services	-	-	-	-
13	Curriculum Development and Instructional Staff Development	66,988	68,711	27,919	40,792 11
21	Instructional Leadership	3,800	3,800	1,870	1,930 12
23	School Leadership	494,314	495,814	480,583	15,231
31	Guidance, Counseling and Evaluation Services	85,680	123,510 13	112,434	11,076
32	Social Work Services	54,385	55,795	65,358	(9,563) 14
33	Health Services	7,000	7,000	2,745	4,255 15
34	Student (Pupil) Transportation	1,000	1,000	116	884 16
35	Food Services	4,000	4,000	389	3,611 17
36	Cocurricular/Extracurricular Activities	-	-	-	-
41	General Administration	210,239	215,301	150,781	64,520 18
51	Plant Maintenance and Operations	273,706	332,995 19	402,941	(69,946) 19
52	Security and Monitoring Services	36,517	36,611	24,617	11,994 20
53	Data Processing Services	89,703	24,938 21	47,432	(22,494) 21
61	Community Services	1,300	1,300	-	1,300 22
81	Fund Raising	-	-	-	-
Total Expenses		2,353,297	2,545,613	2,354,972	190,641
Change in Net Assets		-	-	181,168	181,168
Net Assets, Beginning of Year		3,176,159	3,176,159	3,176,159	-
Net Assets, End of Year		\$ 3,176,159	\$ 3,176,159	\$ 3,357,327	\$ 181,168

TRIUMPH PUBLIC HIGH SCHOOLS – EL PASO
El Paso, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2020

Budget Variances Explanations

- (1) Interest revenue not factored in campus budgets.
- (2) We applied and received a new grant but due to the COVID-19 pandemic situation, we were unable to claim reimbursements as initially projected.
- (3) Carryover was higher than anticipated, therefore we increased the budget to reflect the awarded NOGA.
- (4) Entitlement carryover was less than anticipated.
- (5) Travel was restricted and we were unable to expense funds as intended by grant due to the COVID-19 pandemic.
- (6) New grant awarded during the COVID-19 pandemic and was not part of the original budget.
- (7) Unable to expense funds as intended by grant due to the COVID-19 pandemic. We will have the opportunity to spend in FY 2021. TEA extended these funds.
- (8) Initially, did not consider carryover funds. Due to the COVID-19 pandemic, we were not able to expense additional funds. We will have the opportunity to spend in FY 2021. TEA extended these funds.
- (9) Applied for the PPP Loan Program to help with payroll costs. This was not in the original budget.
- (10) Increased budget with the intent to provide additional services to students. Due to the COVID-19 pandemic, services varied in all areas. The hiring of instructional staff was very limited.
- (11) Travel costs were reduced due to the COVID-19 pandemic. Staff development provided was provided via other means such as remote zoom sessions. We saved on travel costs.
- (12) Expenditures could not be carried through as intended. All activities were affected by the COVID-19 pandemic. We will have the opportunity to spend in FY 2021. TEA extended these funds.
- (13) Our intent was to hire more counseling services for our students, yet due to the COVID-19 pandemic we were limited to what we could offer.
- (14) Hired hourly staff that provided additional services due to the COVID-19 pandemic.
- (15) Limited student services requested due to the COVID-19 pandemic. No services rendered.
- (16) Transportation was restricted due to the COVID-19 pandemic situation; therefore, didn't allow us to expense in this category.

TRIUMPH PUBLIC HIGH SCHOOLS – EL PASO
El Paso, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2020

- (17) Remote instruction was provided due to the COVID-19 pandemic and didn't allow us to expense in this category.
- (18) Staff was reduced due to the COVID-19 pandemic, Administrative expenditures were limited therefore resulted in less expenditures.
- (19) Increased budgets for the implementation of school safety protocols. Due to the COVID-19 pandemic, some campus projects did not materialize as anticipated. We will have the opportunity to spend in FY 2021. TEA extended these funds.
- (20) Due to the COVID-19 pandemic, security services were reduced. Campus was closed during remote instruction.
- (21) Due to the COVID-19 pandemic, additional hours were to prepare and plan out the new instructional continuity program. Additional days were added to the working calendar.
- (22) Due to the COVID-19 pandemic, parental involvement was critical for the instructional continuity program. We invested more as the needs arise.

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	from Final Budget
REVENUES AND OTHER SUPPORT				
Local Support				
5740 Other Revenues from Local Sources	\$ -	\$ -	\$ 3,532	\$ 3,532 1
5760 Revenues from Intermediate Sources	-	-	-	-
State Program Revenues				
5810 Foundation School Program Act Revenues	2,120,312	2,021,970	1,834,828	(187,142)
5820 State Program Revenues Distributed by Texas Education Agency	8,475	33,475 2	2,646	(30,829) 2
Total State Program Revenues and Local Support	2,128,787	2,055,445	1,841,006	(214,439)
Federal Program Revenue				
5920 ESEA, Title I Part A - Improving Basic Programs	224,615	173,298 3	143,544	(29,754) 3
5920 IDEA, Part B - Formula	46,683	60,812 4	42,438	(18,374) 4
5920 ESEA, Title II, Part A: TPTR	9,723	14,153 5	-	(14,153) 5
5920 Title III, Part A, English Language Acquisition	751	751	-	(751) 6
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	83,317 7	55,814	(27,503) 7
5920 Title IV, Part A - SSAE	10,000	14,468 8	766	(13,702) 8
5940 Paycheck Protection Program	-	-	157,095	157,095 9
Total Federal Program Revenues	291,772	346,799	399,657	52,858
Net Assets Released from Restrictions				
Restrictions Satisfied by Payments	-	-	-	-
Total Revenue and Other Support	2,420,559	2,402,244	2,240,663	(161,581)
EXPENSES				
Program Services				
11 Instruction	1,194,917	1,144,453	882,926	261,527 10
12 Instructional Resources and Media Services	-	-	-	-
13 Curriculum Development and Instructional Staff Development	36,916	47,465 11	15,460	32,005 11
21 Instructional Leadership	-	-	-	-
23 School Leadership	380,448	395,554	322,932	72,622 12
31 Guidance, Counseling and Evaluation Services	152,051	206,523 13	129,612	76,911 13
32 Social Work Services	32,147	20,529 14	25,245	(4,716) 14
33 Health Services	7,600	7,600	-	7,600 15
34 Student (Pupil) Transportation	3,500	3,500	74	3,426 16
35 Food Services	14,500	14,500	7,618	6,882 17
36 Cocurricular/Extracurricular Activities	-	-	-	-
41 General Administration	256,850	216,453 18	160,387	56,066 18
51 Plant Maintenance and Operations	190,037	261,406 19	220,280	41,126 19
52 Security and Monitoring Services	8,000	8,094	5,090	3,004 20
53 Data Processing Services	90,183	25,071 21	54,247	(29,176) 21
61 Community Services	53,410	51,096	56,483	(5,387) 22
81 Fund Raising	-	-	-	-
Total Expenses	2,420,559	2,402,244	1,880,354	521,890
Change in Net Assets	-	-	360,309	360,309
Net Assets, Beginning of Year	1,674,392	1,674,392	1,674,392	-
Net Assets, End of Year	\$ 1,674,392	\$ 1,674,392	\$ 2,034,701	\$ 360,309

TRIUMPH PUBLIC HIGH SCHOOLS – LUBBOCK
Lubbock, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2020

Budget Variances Explanations

- (1) Interest revenue not factored in campus budgets.
- (2) Applied and were awarded a new grant, therefore budgets were recorded based on awarded NOGA. We couldn't expense it as intended due to the COVID-19 pandemic.
- (3) Entitlement carryover were less than anticipated.
- (4) Entitlements was higher than anticipated. We couldn't expense it as intended due to the COVID-19 pandemic.
- (5) Staff training was performed remotely; travel was restricted due to the COVID-19 pandemic.
- (6) Services were performed remotely. No additional expenditures were incurred.
- (7) New grant, awarded during the COVID-19 pandemic and was not part of the original budget.
- (8) Initially, did not considered carryover funds. Due to the COVID-19 pandemic, we were not able to expense additional funds.
- (9) Applied for the PPP Loan Program to help with payroll costs. This was not in the original budget.
- (10) Increased budget with the intent of services rendered to students. But due to the COVID-19 pandemic, services varied in all areas. The hiring of instructional staff was very limited.
- (11) Travel costs were reduced due to the COVID-19 pandemic. Staff development provided was provided via other means such as remote zoom sessions. We saved on travel costs.
- (12) Staff was reduced due to the COVID-19 pandemic, campus school leadership expenditures were limited therefore resulted in less expenditures.
- (13) The lack of personnel didn't allow us to expense in this category. We are limited to counseling staff.
- (14) Hired hourly staff that provided additional services due to the COVID-19 pandemic.
- (15) Limited student services requested due to the COVID-19 pandemic. No services rendered.
- (16) Transportation was restricted due to the COVID-19 pandemic; didn't allow us to expense in this category.
- (17) Limited student services requested due to the COVID-19 pandemic and didn't allow us to expense in this category.

TRIUMPH PUBLIC HIGH SCHOOLS – LUBBOCK
Lubbock, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2020

- (18) Staff was reduced due to the COVID-19 pandemic, Administrative expenditures were limited therefore resulted in less expenditures.
- (19) Increased budgets for the implementation of school safety protocols. Due to the COVID-19 pandemic, some campus projects did not materialize as anticipated.
- (20) Due to the COVID-19 pandemic, security services were reduced. Campus was closed during remote instruction.
- (21) Due to the COVID-19 pandemic, additional hours were to prepare and plan out the new instructional continuity program. Additional days were added to the working calendar.
- (22) Due to the COVID-19 pandemic, parental involvement was critical for the instructional continuity program. We invested more as the needs arise.

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SINGLE AUDIT SECTION

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Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Student Alternatives Program, Inc.
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Student Alternatives Program, Inc. (the Organization) and affiliates, which comprise the consolidated statement of financial position as of August 31, 2020 and the related consolidated statements of activities, cash flows, and functional expenses, for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Other Matter

We noted a certain matter that we reported to management of the Organization in a separate letter dated January 15, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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January 15, 2021

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Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Student Alternatives Program, Inc.
San Antonio, Texas

Report on Compliance for Each Major Federal Program

We have audited the Student Alternatives Program, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended August 31, 2020. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

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Opinion on the Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2020.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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January 15, 2021

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STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2020

SECTION I --- SUMMARY OF AUDITORS' RESULTS

<i>Financial Statements</i>			
	Type of auditor's report issued:	Unmodified	
	Internal control over financial reporting: • Material weakness (es) identified?	___ Yes	__X__ No
	• Significant control deficiency(ies) identified not considered to be material weaknesses?	___ Yes	__X__ None Reported
	Noncompliance material to financial statements noted?	___ Yes	__X__ No

<i>Federal Awards</i>			
	Internal control over major programs: • Material weakness (es) identified?	___ Yes	__X__ No
	• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes	__X__ None Reported
	Type of auditor's report issued on compliance for major programs	Unmodified	
	Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	___ Yes	__X__ No

<i>Identification of Major Programs</i>			
	CFDA Numbers(s)	Name of Federal Program or Cluster	
	84.010	ESEA, Title I, Part A – Improving Basic Programs	
	Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000	
	Auditee qualified as low-risk auditee?	__X__ Yes	___ No

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

SECTION III – FEDERAL AWARD FINDING AND QUESTIONED COSTS

There were no federal award findings and questioned costs required to be reported by the Uniform Guidance.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended August 31, 2020

There were no prior audit findings reported.

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Schedule of Expenditures of Federal Awards

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2020

Grantor/Program Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Federal Expenditures
Passed Through State Department of Education			
ESEA Title I, Part A Improving Basic Programs (Laredo)	84.010A	19610101240801	\$ 41,492
ESEA Title I, Part A Improving Basic Programs (Laredo)	84.010A	20610101240801	149,397
ESEA Title I, Part A Improving Basic Programs (Rio Grande Valley)	84.010A	20610101108804	150,080
ESEA Title I, Part A Improving Basic Programs (El Paso)	84.010A	20610101071803	78,478
ESEA Title I, Part A Improving Basic Programs (Lubbock)	84.010A	19610101152803	1,838
ESEA Title I, Part A Improving Basic Programs (Lubbock)	84.010A	20610101152803	94,898
ESEA Title I, Part A School Improvement Grant (Laredo)	84.010A	19610141240801	340
ESEA Title I, Part A School Improvement Grant (Laredo)	84.010A	20610141240801	135,821
ESEA Title I, Part A School Improvement Grant (Rio Grande Valley)	84.010A	19610141108804	12,699
ESEA Title I, Part A School Improvement Grant (Rio Grande Valley)	84.010A	20610141108804	177,630
ESEA Title I, Part A School Improvement Grant (El Paso)	84.010A	20610141071803	177,232
ESEA Title I, Part A School Improvement Grant (Lubbock)	84.010A	19610141152803	294
ESEA Title I, Part A School Improvement Grant (Lubbock)	84.010A	20610141152803	46,514
Total CFDA No. 84.010A			<u>1,066,713</u>
IDEA, Part B - Formula/Special Education Grants to States (Laredo)	84.027A	206600012408016600	120,050
IDEA, Part B - Formula/Special Education Grants to States (Rio Grande Valley)	84.027A	206600011088046600	41,861
IDEA, Part B - Formula/Special Education Grants to States (El Paso)	84.027A	206600010718036600	37,109
IDEA, Part B - Formula/Special Education Grants to States (Lubbock)	84.027A	196600011528036600	1,355
IDEA, Part B - Formula/Special Education Grants to States (Lubbock)	84.027A	206600011528036600	41,083
Total CFDA No. 84.027A			<u>241,458</u>
ESEA Title II Part A, Teacher & Principal Training (El Paso)	84.367A	20694501071803	2,056
Total CFDA No. 84.367A			<u>2,056</u>
Title IV, Part A: Student Support and Academic Enrichment Grant (Laredo)	84.424A	19680101240801	45
Title IV, Part A: Student Support and Academic Enrichment Grant (Laredo)	84.424A	20680101240801	2,971
Title IV, Part A: Student Support and Academic Enrichment Grant (Rio Grande Valley)	84.424A	19680101108804	973
Title IV, Part A: Student Support and Academic Enrichment Grant (Rio Grande Valley)	84.424A	20680101108804	12,587
Title IV, Part A: Student Support and Academic Enrichment Grant (El Paso)	84.424A	20680101071803	3,884
Title IV, Part A: Student Support and Academic Enrichment Grant (Lubbock)	84.424A	19680101152803	766
Total CFDA No. 84.424A			<u>21,226</u>
Elementary and Secondary School Emergency Relief (ESSER) Fund (Laredo)	84.425D	20521001240801	76,521
Elementary and Secondary School Emergency Relief (ESSER) Fund (Rio Grande Valley)	84.425D	20521001108804	135,312
Elementary and Secondary School Emergency Relief (ESSER) Fund (El Paso)	84.425D	20521001071803	67,784
Elementary and Secondary School Emergency Relief (ESSER) Fund (Lubbock)	84.425D	20521001152803	55,814
Total CFDA No. 84.425D			<u>335,431</u>
Restart for 2019 Flooding (Rio Grande Valley)	84.938A	20511703108804	24,558
Total CFDA No. 84.938A			<u>24,558</u>
Total Passed Through State Department of Education			<u>\$ 1,691,442</u>
Passed Through Education Service Center - Region I			
Teacher Incentive Fund - Project Rise (Laredo)	84.374A	U374A180002	\$ 6,683
Teacher Incentive Fund - Project Rise (Laredo)	84.374A	U374A180002	159,259
Teacher Incentive Fund - Project Rise (Rio Grande Valley)	84.374A	U374A180002	6,372
Teacher Incentive Fund - Project Rise (Rio Grande Valley)	84.374A	U374A180002	195,763
Total CFDA No. 84.374A			<u>368,077</u>
ESEA Title II Part A, Teacher & Principal Training (Laredo)	84.367A	20694501108950	2,444
ESEA Title II Part A, Teacher & Principal Training (Rio Grande Valley)	84.367A	20694501108950	4,889
Total CFDA No. 84.367A			<u>7,333</u>
Total Passed Through Education Service Center - Region I			<u>\$ 375,410</u>
Total Expenditures of Federal Awards			<u>\$ 2,066,852</u>

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2020

1. The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the expenditures of the Organization under programs of the federal government for the year ended August 31, 2020. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position and changes in net assets of the Organization.

The Schedule is presented using the basis of accounting described in Note 1 of the financial statements.

2. The Organization did not elect to use the 10% de minimis indirect cost rate provided by the Uniform Guidance.
3. In accordance with OMB Guidance, funds received under the Paycheck Protection Program are not subject to the Uniform Guidance Single Audit requirements and are therefore not included in the Schedule.

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