

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, 2021

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STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended August 31, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Certificate of Board	1
FINANCIAL SECTION	
Independent Auditor's Report	2-3
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Cash Flows	6
Consolidated Statement of Functional Expenses.....	7-8
Notes to the Consolidated Financial Statements	9-23
OTHER SUPPLEMENTAL INFORMATION	
Consolidating Statements – Corporations	
Consolidating Statement of Financial Position – Corporations.....	24
Consolidating Statement of Activities – Corporations	25
Consolidating Statement of Cash Flows – Corporations.....	26
Statements of Financial Position – Charter Schools	
Triumph Public High Schools – Laredo	27
Triumph Public High Schools – Rio Grande Valley	28
Triumph Public High Schools – El Paso	29
Triumph Public High Schools – Lubbock	30
Statements of Activities – Charter Schools	
Triumph Public High Schools – Laredo	31
Triumph Public High Schools – Rio Grande Valley	32
Triumph Public High Schools – El Paso	33
Triumph Public High Schools – Lubbock	34

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended August 31, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
OTHER SUPPLEMENTAL INFORMATION (Continued)	
Statements of Cash Flows – Charter Schools	
Triumph Public High Schools – Laredo	35
Triumph Public High Schools – Rio Grande Valley	36
Triumph Public High Schools – El Paso	37
Triumph Public High Schools – Lubbock	38
Schedules of Expenses by Object Code – Charter Schools	
Triumph Public High Schools – Laredo	39
Triumph Public High Schools – Rio Grande Valley	40
Triumph Public High Schools – El Paso	44
Triumph Public High Schools – Lubbock	42
Schedules of Fixed Assets – Charter Schools	
Triumph Public High Schools – Laredo	43
Triumph Public High Schools – Rio Grande Valley	44
Triumph Public High Schools – El Paso	45
Triumph Public High Schools – Lubbock	46
Budgetary Comparison Schedules – Charter Schools	
Triumph Public High Schools – Laredo	47-48
Triumph Public High Schools – Rio Grande Valley	49-50
Triumph Public High Schools – El Paso	51-52
Triumph Public High Schools – Lubbock	53-54

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended August 31, 2021

TABLE OF CONTENTS

	PAGE
Schedule of Real Property Ownership Interest – Charter Schools	
Triumph Public High Schools – Laredo	55
Triumph Public High Schools – Rio Grande Valley	56
Triumph Public High Schools – El Paso	57
Triumph Public High Schools – Lubbock	58
Schedule of Related Party Transactions – Charter Schools	
Triumph Public High Schools – Laredo	59
Triumph Public High Schools – Rio Grande Valley	60
Triumph Public High Schools – El Paso	61
Triumph Public High Schools – Lubbock	62
Schedule of Related Party Compensation and Benefits – Charter Schools	
Triumph Public High Schools – Laredo	63
Triumph Public High Schools – Rio Grande Valley	64
Triumph Public High Schools – El Paso	65
Triumph Public High Schools – Lubbock	66

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended August 31, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
SINGLE AUDIT SECTION	
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 <i>Government Auditing Standards</i>	67-68
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	69-70
Schedule of Findings and Questioned Costs	71-72
Summary Schedule of Prior Audit Findings.....	73
Schedule of Expenditures of Federal Awards	74
Notes to Schedule of Expenditures of Federal Awards.....	75

INTRODUCTORY SECTION

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STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

EIN – 74-2598053

CERTIFICATE OF BOARD

<u>CHARTER DISTRICT NAME</u>	<u>COUNTY DISTRICT NUMBER</u>
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 ✓ approved disapproved for the year ended August 31, 2021 at a meeting of the Board of Directors of Student Alternatives Program, Inc. on the 15th day of January, 2022.



Signature of Board President
David Ojeda



Signature of Board Secretary
Alfonso Solis

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, 2021, 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, 2021, 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 10, 2022, 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 "Gonzales & Associates". The signature is written in a cursive, flowing style.

January 10, 2022

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STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

August 31, 2021

	Student Alternatives Program, Inc.	Affiliated Charter Schools	Eliminations	Consolidated Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 1,067,728	\$ 11,111,527	\$ -	\$ 12,179,255
Grants Receivable	-	1,690,289	-	1,690,289
Other Receivables	26,536	909	-	27,445
Deferred Expenses	2,321	-	-	2,321
Due from Related Entity	-	37,832	(37,832)	-
Total Current Assets	<u>1,096,585</u>	<u>12,840,557</u>	<u>(37,832)</u>	<u>13,899,310</u>
Property, Plant & Equipment, Net	<u>5,076,574</u>	<u>2,434,182</u>	<u>-</u>	<u>7,510,756</u>
Total Assets	<u><u>\$ 6,173,159</u></u>	<u><u>\$ 15,274,739</u></u>	<u><u>\$ (37,832)</u></u>	<u><u>\$ 21,410,066</u></u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ -	\$ 124,048	\$ -	\$ 124,048
Payroll Deductions and Withholdings	46,578	(11,361)	-	35,217
Accrued Wages	-	261,711	-	261,711
Due to State	-	-	-	-
Other Liabilities - Current	-	11,693	-	11,693
Accrued Expenses	-	2,547	-	2,547
Deferred Revenue	-	10,299	-	10,299
Due to Related Entity	37,832	-	(37,832)	-
Current Portion of Long-Term Debt	129,319	-	-	129,319
Total Current Liabilities	<u>213,729</u>	<u>398,937</u>	<u>(37,832)</u>	<u>574,834</u>
Non-Current Liabilities				
Long-Term Debt, Less Current Portion	<u>1,129,940</u>	<u>-</u>	<u>-</u>	<u>1,129,940</u>
Total Non-Current Liabilities	<u>1,129,940</u>	<u>-</u>	<u>-</u>	<u>1,129,940</u>
Total Liabilities	<u>1,343,669</u>	<u>398,937</u>	<u>(37,832)</u>	<u>1,704,774</u>
Net Assets				
Without Donor Restrictions				
Available for Operations	<u>4,829,490</u>	<u>-</u>	<u>-</u>	<u>4,829,490</u>
Total Without Donor Restrictions	<u>4,829,490</u>	<u>-</u>	<u>-</u>	<u>4,829,490</u>
With Donor Restrictions				
Specific Purpose Funds	<u>-</u>	<u>14,875,802</u>	<u>-</u>	<u>14,875,802</u>
Total With Donor Restrictions	<u>-</u>	<u>14,875,802</u>	<u>-</u>	<u>14,875,802</u>
Total Net Assets	<u>4,829,490</u>	<u>14,875,802</u>	<u>-</u>	<u>19,705,292</u>
Total Liabilities and Net Assets	<u><u>\$ 6,173,159</u></u>	<u><u>\$ 15,274,739</u></u>	<u><u>\$ (37,832)</u></u>	<u><u>\$ 21,410,066</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, 2021

	Student Alternatives Program, Inc.	Affiliated Charter Schools			Consolidated Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	
REVENUES AND OTHER SUPPORT					
Support					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Program Revenue	-	-	-	-	-
State Program Revenues	-	-	11,753,005	-	11,753,005
Federal Program Revenues	-	143,642	2,789,402	-	2,933,044
Fees and Other Revenue					
Other Revenues from Local Sources	716,599	90,162	-	(688,798)	117,963
Net Assets Released from Restrictions	-	12,575,097	(12,575,097)	-	-
Total Revenue and Other Support	716,599	12,808,901	1,967,310	(688,798)	14,804,012
EXPENSES					
Program Services					
General School Operations	-	-	-	-	-
Public Charter Schools	-	8,729,859	-	-	8,729,859
Support Services					
Administrative and General	851,399	4,079,042	-	(688,798)	4,241,643
Total Expenses	851,399	12,808,901	-	(688,798)	12,971,502
Change in Net Assets	(134,800)	-	1,967,310	-	1,832,510
Net Assets, Beginning of Year	4,964,290	-	12,908,492	-	17,872,782
Net Assets, End of Year	\$ 4,829,490	\$ -	\$ 14,875,802	\$ -	\$ 19,705,292

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, 2021

	Student Alternatives Program, Inc.	Affiliated Charter Schools	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Foundation School Program Payments	\$ -	\$ 10,662,285	\$ -	\$ 10,662,285
Grant Payments	-	2,790,662	-	2,790,662
Other Revenue Received	716,599	89,233	(688,798)	117,034
Payments to Vendors for Goods and Services Rendered	(467,290)	(3,604,567)	688,798	(3,383,059)
Payments to Personnel for Services Rendered	(181,516)	(9,013,369)	-	(9,194,885)
Net Cash Provided (Used) by Operating Activities	<u>67,793</u>	<u>924,244</u>	<u>-</u>	<u>992,037</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Fixed Assets	<u>(26,362)</u>	<u>(64,017)</u>	<u>-</u>	<u>(90,379)</u>
Net Cash Provided (Used) by Investing Activities	<u>(26,362)</u>	<u>(64,017)</u>	<u>-</u>	<u>(90,379)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash Payments made to Affiliated Charter Districts	-	3,772	-	3,772
Payment on Notes Payable	<u>(236,284)</u>	<u>-</u>	<u>-</u>	<u>(236,284)</u>
Net Cash Provided (Used) by Financing Activities	<u>(236,284)</u>	<u>-</u>	<u>-</u>	<u>(236,284)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(194,853)</u>	<u>860,227</u>	<u>-</u>	<u>665,374</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,262,581</u>	<u>10,251,300</u>	<u>-</u>	<u>11,513,881</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,067,728</u>	<u>\$ 11,111,527</u>	<u>\$ -</u>	<u>\$ 12,179,255</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Change in Net Assets	\$ (134,800)	\$ 1,967,310	\$ -	\$ 1,832,510
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities				
Depreciation Expense	211,359	207,381	-	418,740
Forgiveness of PPP Loan	-	(143,642)	-	(143,642)
(Increase)/Decrease in Assets				
Grants Receivable	-	(1,045,019)	-	(1,045,019)
Other Receivables	-	689	-	689
Due from Related Entity	-	(16,388)	-	(16,388)
Increase/(Decrease) in Liabilities				
Accounts Payable	-	62,405	-	62,405
Payroll Deductions and Withholdings	(25,154)	(81,949)	-	(107,103)
Accrued Wages	-	18,038	-	18,038
Deferred Revenue	-	(45,701)	-	(45,701)
Other Liabilities - Current	-	1,260	-	1,260
Accrued Expenses	-	(140)	-	(140)
Due to Related Entity	<u>16,388</u>	<u>-</u>	<u>-</u>	<u>16,388</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 67,793</u>	<u>\$ 924,244</u>	<u>\$ -</u>	<u>\$ 992,037</u>
Supplemental Disclosure				
Interest Paid	<u>\$ 96,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,413</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, 2021

	Student Alternatives Program, Inc.		
	Program Services	Administrative and General	Total
EXPENSES			
Bank Charges	\$ -	\$ 12,194	\$ 12,194
Contracted Services - Miscellaneous	-	-	-
Depreciation & Amortization	-	211,359	211,359
Donations	-	-	-
Equipment & Facilities Rental	-	-	-
Insurance	-	34,219	34,219
Interest	-	96,413	96,413
Materials and Supplies	-	30,740	30,740
Payroll Taxes & Employee Benefits	-	22,863	22,863
Postage	-	432	432
Professional Services	-	21,186	21,186
Rent	-	-	-
Repairs & Maintenance	-	238,485	238,485
Salaries	-	133,499	133,499
Telephone	-	1,324	1,324
Travel	-	3,056	3,056
Utilities	-	8,905	8,905
Other Taxes	-	22,406	22,406
Miscellaneous	-	14,318	14,318
Total Expenses	\$ -	\$ 851,399	\$ 851,399

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
\$ -	\$ -	\$ -	\$ -	\$ 12,194
53,344	533,338	586,682	(328,353)	258,329
179,595	27,786	207,381	-	418,740
-	-	-	-	-
-	-	-	-	-
-	220,542	220,542	-	254,761
-	-	-	-	96,413
619,955	177,096	797,051	-	827,791
1,386,087	389,419	1,775,506	-	1,798,369
-	-	-	-	432
483,380	399,665	883,045	-	904,231
83,616	424,326	507,942	(360,445)	147,497
-	-	-	-	238,485
5,765,097	1,408,855	7,173,952	-	7,307,451
-	-	-	-	1,324
68,959	52,298	121,257	-	124,313
-	372,304	372,304	-	381,209
-	-	-	-	22,406
89,826	73,413	163,239	-	177,557
<u>\$ 8,729,859</u>	<u>\$ 4,079,042</u>	<u>\$ 12,808,901</u>	<u>\$ (688,798)</u>	<u>\$ 12,971,502</u>

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

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 THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

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 THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

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

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 THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

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:

<u>Asset Classification</u>	<u>Estimated Useful Life</u>
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:

<u>Asset Classification</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	25 years
Other Improvements	5 years
Furniture and Equipment	7 years

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

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	22 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 2018. 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, 2021.

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, 2021.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

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, 2021, 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 THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

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, 2021, are as follows:

Cash and Cash Equivalents	\$ 12,179,255
Grants Receivable	1,690,289
Other Receivables	<u>27,445</u>
Financial Assets Available for General Expenditures	<u>\$ 13,896,989</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, 2021 consist of the following:

Cash and Cash Equivalents

Cash in Bank	\$ 10,746,769
Cash Equivalents	
Certificates of Deposit	1,115,612
Money Market Mutual Funds	
PIMCO Class C	80,077
BBIF Money Fund Class III	<u>236,797</u>
Total from Consolidated Statement of Financial Position	<u>\$ 12,179,255</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 THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

III. PROPERTY AND EQUIPMENT

At August 31, 2021, property and equipment consists of the following:

	SAPI	Charter Schools	Total
Land	\$ 30,000	\$ 111,227	\$ 141,227
Buildings and Improvements	7,557,686	5,305,262	12,862,948
Furniture and Equipment	342,778	55,999	398,777
Vehicles	17,805	236,453	254,258
	7,948,269	5,708,941	13,657,210
Less: Accumulated Depreciation	(2,871,695)	(3,274,759)	(6,146,454)
Property and Equipment, Net	\$ 5,076,574	\$ 2,434,182	\$ 7,510,756

Depreciation expense totaled \$418,740 for the year ended August 31, 2021. Depreciation expense for SAPI and the Charter Schools were \$211,359 and \$207,381, respectively.

IV. NOTES PAYABLE

The Organization's (SAPI & CDBC) long-term debt at August 31, 2021 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.	\$ 118,968
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.	115,956
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.	33,931
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	253,946
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.	736,458
	<u>1,259,259</u>
Total Long-Term Debt	\$ 1,259,259
Less: Current Portion	(129,319)
Long-Term Portion	<u>\$ 1,129,940</u>

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

IV. NOTES PAYABLE (Continued)

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

Years Ending August 31,	Principal	Interest	Total
2022	\$ 129,319	\$ 83,090	\$ 212,409
2023	126,582	76,280	202,862
2024	78,222	70,538	148,760
2025	68,364	66,219	134,583
2026	51,925	62,094	114,019
Thereafter	804,847	382,783	1,187,630
Total Payments	\$ 1,259,259	\$ 741,004	\$ 2,000,263

V. PPP LOAN FORGIVENESS

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.

In the prior year, the Organization, based on a conservative approach, recorded 90% of the loan amount as revenue since they anticipated forgiveness of the loan; and, recorded the remaining 10% as loans payable. Since the Organization's PPP forgiveness application was approved by the U.S. Small Business Administration (SBA), federal revenue for the 10% loans payable amount was recognized in the current year, as follows:

Charter School	PPP Loan Forgiveness Revenue at August 31, 2021
Laredo	\$ 54,619
Rio Grande Valley	48,002
El Paso	21,516
Lubbock	19,505
Totals	<u>\$ 143,642</u>

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

VI. DEFINED BENEFIT PENSION & OPEB PLANS

Pension Plan

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.

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	\$227,273,463,630
Plan Fiduciary Net Position	\$201,807,002,496
Net Position as Percentage of Total Pension Liability	88.79%
Expiration Date of Collective-Bargaining Agreement	N/A
Funding Improvement Plan or Rehabilitation Plan – Implemented or Pending	N/A

Information obtained from the TRS 2021 CAFR

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

VI. DEFINED BENEFIT PENSION & OPEB PLANS (Continued)

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	
	2020	2021
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%

For the year ended August 31, 2021, the Organization contributed \$174,767, the required contributions for the year, on behalf of its employees to TRS, which included \$104,677 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.

OPEB Plan

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.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

VI. DEFINED BENEFIT PENSION & OPEB PLANS (Continued)

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.

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	
	2020	2021
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%

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

VII. OTHER POST-EMPLOYMENT BENEFIT PLANS

For the year ended August 31, 2021, the Organization contributed \$49,049, 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, 2021, 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 \$863 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, 2021. Net assets released from restrictions relating to net assets with donor restrictions for the year ending August 31, 2021 is as follows:

	2021
Foundation School Program	\$ 9,633,071
Other State Programs	144,857
Federal Programs	2,797,169
Total	<u>\$ 12,575,097</u>

X. 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.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

XI. 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.

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 \$164,043 from El Paso; \$137,977 from Laredo; \$337,710 from Rio Grande Valley; and, \$49,068 from Lubbock. These payments, which total \$688,798 and constitute related party transactions, have been eliminated from revenues and expenses in the consolidated statement of activities. As of August 31, 2021, \$37,832 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.

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, 2021, the balance outstanding is \$31,804. As of August 31, 2021, the total of \$31,804 has been eliminated from the consolidating financial statements. All intercompany transactions between SAPI and ABC were eliminated.

XII. 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.

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2021

XIII. 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.

XIV. 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, 2021 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 10, 2022, 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.

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, 2021

	Student Alternatives Program, Inc.	Community Development Buildings Corp.	Eliminations	Consolidated Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 1,010,932	\$ 56,796	\$ -	\$ 1,067,728
Cash - Restricted	-	-	-	-
Grants Receivable	-	-	-	-
Other Receivables	58,340	-	(31,804)	26,536
Deferred Expenses	2,321	-	-	2,321
Due from Related Entity	-	-	-	-
Total Current Assets	<u>1,071,593</u>	<u>56,796</u>	<u>(31,804)</u>	<u>1,096,585</u>
Property, Plant & Equipment, Net	<u>4,293,243</u>	<u>783,331</u>	<u>-</u>	<u>5,076,574</u>
Total Assets	<u><u>\$ 5,364,836</u></u>	<u><u>\$ 840,127</u></u>	<u><u>\$ (31,804)</u></u>	<u><u>\$ 6,173,159</u></u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Payroll Deductions and Withholdings	46,578	-	-	46,578
Accrued Wages	-	-	-	-
Due to State	-	-	-	-
Other Liabilities - Current	-	-	-	-
Accrued Expenses	-	-	-	-
Due to Related Entity	37,832	-	-	37,832
Current Portion of Long-Term Debt	109,588	21,352	(1,621)	129,319
Total Current Liabilities	<u>193,998</u>	<u>21,352</u>	<u>(1,621)</u>	<u>213,729</u>
Non-Current Liabilities				
Long-Term Debt, Less Current Portion	<u>413,213</u>	<u>746,910</u>	<u>(30,183)</u>	<u>1,129,940</u>
Total Non-Current Liabilities	<u>413,213</u>	<u>746,910</u>	<u>(30,183)</u>	<u>1,129,940</u>
Total Liabilities	<u>607,211</u>	<u>768,262</u>	<u>(31,804)</u>	<u>1,343,669</u>
Net Assets				
Without Donor Restrictions				
Available for Operations	<u>4,757,625</u>	<u>71,865</u>	<u>-</u>	<u>4,829,490</u>
Total Without Donor Restrictions	<u>4,757,625</u>	<u>71,865</u>	<u>-</u>	<u>4,829,490</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>4,757,625</u>	<u>71,865</u>	<u>-</u>	<u>4,829,490</u>
Total Liabilities and Net Assets	<u><u>\$ 5,364,836</u></u>	<u><u>\$ 840,127</u></u>	<u><u>\$ (31,804)</u></u>	<u><u>\$ 6,173,159</u></u>

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATING STATEMENT OF ACTIVITIES - CORPORATIONS

Year Ended August 31, 2021

	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	-	-	-	-
State Program Revenues	-	-	-	-
Federal Program Revenues	-	-	-	-
Fees and Other Revenue				
Other Revenues from Local Sources	536,571	180,028	-	716,599
Net Assets Released from Restrictions	-	-	-	-
Total Revenue and Other Support	536,571	180,028	-	716,599
EXPENSES				
Program Services				
General School Operations	-	-	-	-
Public Charter Schools	-	-	-	-
Support Services				
Administrative and General	706,027	145,372	-	851,399
Total Expenses	706,027	145,372	-	851,399
Change in Net Assets	(169,456)	34,656	-	(134,800)
Net Assets, Beginning of Year	4,927,081	37,209	-	4,964,290
Net Assets, End of Year	\$ 4,757,625	\$ 71,865	\$ -	\$ 4,829,490

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

CONSOLIDATING STATEMENT OF CASH FLOWS - CORPORATIONS

Year Ended August 31, 2021

	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	-	-	-	-
Other Revenue Received	536,571	180,028	-	716,599
Payments to Vendors for Goods and Services Rendered	(359,342)	(107,948)	-	(467,290)
Payments to Personnel for Services Rendered	(181,516)	-	-	(181,516)
Net Cash Provided (Used) by Operating Activities	(4,287)	72,080	-	67,793
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments on Behalf of Related Entity	-	-	-	-
Purchases of Fixed Assets	(15,399)	(10,963)	-	(26,362)
Net Cash Provided (Used) by Investing Activities	(15,399)	(10,963)	-	(26,362)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment on Notes Payable	(183,106)	(53,178)	-	(236,284)
Net Cash Provided (Used) by Financing Activities	(183,106)	(53,178)	-	(236,284)
Net Increase (Decrease) in Cash and Cash Equivalents	(202,792)	7,939	-	(194,853)
Cash and Cash Equivalents, Beginning of Year	1,213,724	48,857	-	1,262,581
Cash and Cash Equivalents, End of Year	\$ 1,010,932	\$ 56,796	\$ -	\$ 1,067,728
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Change in Net Assets	\$ (169,456)	\$ 34,656	\$ -	\$ (134,800)
Adjustments to Reconcile Change in Net Assets to Net Cash				
Provided by Operating Activities				
Depreciation Expense	173,935	37,424	-	211,359
(Increase)/Decrease in Assets				
Grants Receivable	-	-	-	-
Other Receivables	-	-	-	-
Deferred Expenses	-	-	-	-
Due from Related Entity	-	-	-	-
Increase/(Decrease) in Liabilities				
Accounts Payable	-	-	-	-
Payroll Deductions and Withholdings	(25,154)	-	-	(25,154)
Accrued Wages	-	-	-	-
Due to State	-	-	-	-
Other Liabilities - Current	-	-	-	-
Accrued Expenses	-	-	-	-
Due to Related Entity	16,388	-	-	16,388
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (4,287)	\$ 72,080	\$ -	\$ 67,793
Supplemental Disclosure				
Interest Paid	\$ 31,081	\$ 65,332	\$ -	\$ 96,413

Statements of Financial Position – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO
Laredo, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2021

	<u>Triumph Public High Schools - Laredo</u>
ASSETS	
Current Assets	
Cash	\$ 2,877,990
Grants Receivable	277,191
Other Receivables	473
Due from Student Alternative Program, Inc.	22,432
Total Current Assets	<u>3,178,086</u>
Fixed Assets	
Land	97,720
Buildings and Improvements	4,381,850
Vehicles	100,944
Equipment	25,237
Accumulated Depreciation	(2,850,153)
Total Fixed Assets, Net	<u>1,755,598</u>
Total Assets	<u><u>\$ 4,933,684</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 54,541
Payroll Deductions and Withholdings	(7,562)
Accrued Wages	66,572
Other Liabilities - Current	1,361
Deferred Revenue	3,283
Total Current Liabilities	<u>118,195</u>
Total Liabilities	<u>118,195</u>
Net Assets	
Without Donor Restrictions	
Available for Operations	-
Total Without Donor Restrictions	<u>-</u>
With Donor Restrictions	
Specific Purpose Funds	4,815,489
Total With Donor Restrictions	<u>4,815,489</u>
Total Liabilities and Net Assets	<u><u>\$ 4,933,684</u></u>

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2021

	Triumph Public High Schools - Rio Grande Valley
ASSETS	
Current Assets	
Cash	\$ 3,052,484
Grants Receivables	624,148
Other Receivables	(1,591)
Total Current Assets	<u>3,675,041</u>
Fixed Assets	
Buildings and Improvements	663,613
Vehicles	94,763
Equipment	5,250
Accumulated Depreciation	(232,278)
Total Fixed Assets, Net	<u>531,348</u>
Total Assets	<u><u>\$ 4,206,389</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 33,499
Payroll Deductions and Withholdings	(5,645)
Accrued Wages	76,474
Other Liabilities - Current	7,721
Accrued Expenses	234
Total Current Liabilities	<u>112,283</u>
Total Liabilities	<u>112,283</u>
Net Assets	
Without Donor Restrictions	
Available for Operations	<u>-</u>
Total Without Donor Restrictions	<u>-</u>
With Donor Restrictions	
Specific Purpose Funds	<u>4,094,106</u>
Total With Donor Restrictions	<u>4,094,106</u>
Total Liabilities and Net Assets	<u><u>\$ 4,206,389</u></u>

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO
El Paso, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2021

	Triumph Public High Schools - El Paso
ASSETS	
Current Assets	
Cash	\$ 3,081,656
Grants Receivables	471,795
Other Receivables	1,039
Total Current Assets	<u>3,554,490</u>
Fixed Assets	
Land	13,507
Buildings and Improvements	234,872
Vehicles	23,831
Equipment	14,562
Accumulated Depreciation	(163,262)
Total Fixed Assets, Net	<u>123,510</u>
Total Assets	<u><u>\$ 3,678,000</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 20,436
Payroll Deductions and Withholdings	(2,922)
Accrued Wages	72,518
Other Liabilities - Current	195
Accrued Expenses	2,144
Deferred Revenue	4,083
Due to Other Districts	3,772
Total Current Liabilities	<u>100,226</u>
Total Liabilities	<u>100,226</u>
Net Assets	
Without Donor Restrictions	
Available for Operations	-
Total Without Donor Restrictions	<u>-</u>
With Donor Restrictions	
Specific Purpose Funds	3,577,774
Total With Donor Restrictions	<u>3,577,774</u>
Total Liabilities and Net Assets	<u><u>\$ 3,678,000</u></u>

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2021

	Triumph Public High Schools - Lubbock
ASSETS	
Current Assets	
Cash	\$ 2,099,397
Grants Receivables	317,155
Other Receivables	988
Due from Other Districts	3,772
Due from Student Alternative Program, Inc.	15,400
Total Current Assets	<u>2,436,712</u>
Fixed Assets	
Buildings and Improvements	24,927
Vehicles	16,915
Equipment	10,950
Accumulated Depreciation	(29,066)
Total Fixed Assets, Net	<u>23,726</u>
Total Assets	<u><u>\$ 2,460,438</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 15,572
Payroll Deductions and Withholdings	4,768
Accrued Wages	46,147
Other Liabilities - Current	2,416
Accrued Expenses	169
Deferred Revenue	2,933
Total Current Liabilities	<u>72,005</u>
Total Liabilities	<u>72,005</u>
Net Assets	
Without Donor Restriction	
Available for Operations	-
Total Without Donor Restriction	<u>-</u>
With Donor Restriction	
Specific Purpose Funds	2,388,433
Total With Donor Restriction	<u>2,388,433</u>
Total Liabilities and Net Assets	<u><u>\$ 2,460,438</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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Local Support			
5740 Other Revenues from Local Sources	\$ 89,550	\$ -	\$ 89,550
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	2,515,680	2,515,680
5820 State Program Revenues Distributed by Texas Education Agency	-	26,726	26,726
Total State Program Revenues and Local Support	89,550	2,542,406	2,631,956
Federal Program Revenue			
5920 Teacher Incentive Fund - Project Rise	-	222,046	222,046
5920 ESEA, Title I Part A - Improving Basic Programs	-	424,013	424,013
5920 IDEA, Part B - Formula	-	108,442	108,442
5920 ESEA, Title II, Part A: TPTR	-	8,023	8,023
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	61,548	61,548
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	31,127	31,127
5920 American Rescue Plan ESSER III	-	24,850	24,850
5920 Title IV, Part A - SSAE	-	16,307	16,307
5940 Paycheck Protection Program	54,619	-	54,619
Total Federal Program Revenues	54,619	896,356	950,975
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	3,314,203	(3,314,203)	-
Total Revenue and Other Support	3,458,372	124,559	3,582,931
EXPENSES			
Program Services			
11 Instruction	1,703,192	-	1,703,192
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	60,839	-	60,839
21 Instructional Leadership	-	-	-
23 School Leadership	692,228	-	692,228
Support Services			
31 Guidance, Counseling and Evaluation Services	132,544	-	132,544
32 Social Work Services	63,088	-	63,088
33 Health Services	536	-	536
34 Student (Pupil) Transportation	571	-	571
35 Food Services	1,907	-	1,907
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	265,337	-	265,337
51 Plant Maintenance and Operations	473,040	-	473,040
52 Security and Monitoring Services	24,231	-	24,231
53 Data Processing Services	40,763	-	40,763
61 Community Services	-	-	-
81 Fund Raising	96	-	96
Total Expenses	3,458,372	-	3,458,372
Change in Net Assets	-	124,559	124,559
Net Assets, Beginning of Year	-	4,690,930	4,690,930
Net Assets, End of Year	\$ -	\$ 4,815,489	\$ 4,815,489

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Local Support			
5740 Other Revenues from Local Sources	\$ 1,503	\$ -	\$ 1,503
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	5,319,936	5,319,936
5820 State Program Revenues Distributed by Texas Education Agency	-	33,576	33,576
Total State Program Revenues and Local Support	1,503	5,353,512	5,355,015
Federal Program Revenue			
5920 Teacher Incentive Fund - Project Rise	-	241,283	241,283
5920 ESEA, Title I Part A - Improving Basic Programs	-	476,168	476,168
5920 IDEA, Part B - Formula	-	83,769	83,769
5920 ESEA, Title II, Part A: TPTR	-	6,027	6,027
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	9,700	9,700
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	87,726	87,726
5920 American Rescue Plan ESSER III	-	35,251	35,251
5920 Title IV, Part A - SSAE	-	19,301	19,301
5920 Re-Start Flooding Grant	-	91,024	91,024
5940 Paycheck Protection Program	48,002	-	48,002
Total Federal Program Revenues	48,002	1,050,249	1,098,251
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	5,135,189	(5,135,189)	-
Total Revenue and Other Support	5,184,694	1,268,572	6,453,266
EXPENSES			
Program Services			
11 Instruction	2,522,417	-	2,522,417
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	53,302	-	53,302
21 Instructional Leadership	-	-	-
23 School Leadership	948,285	-	948,285
Support Services			
31 Guidance, Counseling and Evaluation Services	230,508	-	230,508
32 Social Work Services	113,273	-	113,273
33 Health Services	-	-	-
34 Student (Pupil) Transportation	2,929	-	2,929
35 Food Services	10,971	-	10,971
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	399,423	-	399,423
51 Plant Maintenance and Operations	800,338	-	800,338
52 Security and Monitoring Services	9,976	-	9,976
53 Data Processing Services	67,173	-	67,173
61 Community Services	25,903	-	25,903
81 Fund Raising	196	-	196
Total Expenses	5,184,694	-	5,184,694
Change in Net Assets	-	1,268,572	1,268,572
Net Assets, Beginning of Year	-	2,825,534	2,825,534
Net Assets, End of Year	\$ -	\$ 4,094,106	\$ 4,094,106

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO
El Paso, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Local Support			
5740 Other Revenues from Local Sources	\$ (1,570)	\$ -	\$ (1,570)
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	1,946,291	1,946,291
5820 State Program Revenues Distributed by Texas Education Agency	-	44,545	44,545
Total State Program Revenues and Local Support	(1,570)	1,990,836	1,989,266
Federal Program Revenue			
5920 ESEA, Title I Part A - Improving Basic Programs	-	296,031	296,031
5920 IDEA, Part B - Formula	-	34,863	34,863
5920 ESEA, Title II, Part A: TPTR	-	6,558	6,558
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	2,059	2,059
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	130,341	130,341
5920 American Rescue Plan ESSER III	-	20,512	20,512
5920 Title IV, Part A - SSAE	-	16,399	16,399
5940 Paycheck Protection Program	21,516	-	21,516
Total Federal Program Revenues	21,516	506,763	528,279
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	2,277,152	(2,277,152)	-
Total Revenue and Other Support	2,297,098	220,447	2,517,545
EXPENSES			
Program Services			
11 Instruction	1,035,533	-	1,035,533
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	33,651	-	33,651
21 Instructional Leadership	-	-	-
23 School Leadership	393,059	-	393,059
Support Services			
31 Guidance, Counseling and Evaluation Services	116,169	-	116,169
32 Social Work Services	67,829	-	67,829
33 Health Services	-	-	-
34 Student (Pupil) Transportation	192	-	192
35 Food Services	50	-	50
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	172,101	-	172,101
51 Plant Maintenance and Operations	415,106	-	415,106
52 Security and Monitoring Services	31,976	-	31,976
53 Data Processing Services	31,345	-	31,345
61 Community Services	-	-	-
81 Fund Raising	87	-	87
Total Expenses	2,297,098	-	2,297,098
Change in Net Assets	-	220,447	220,447
Net Assets, Beginning of Year	-	3,357,327	3,357,327
Net Assets, End of Year	\$ -	\$ 3,577,774	\$ 3,577,774

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Local Support			
5740 Other Revenues from Local Sources	\$ 679	\$ -	\$ 679
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	1,818,474	1,818,474
5820 State Program Revenues Distributed by Texas Education Agency	-	47,777	47,777
Total State Program Revenues and Local Support	679	1,866,251	1,866,930
Federal Program Revenue			
5920 ESEA, Title I Part A - Improving Basic Programs	-	161,354	161,354
5920 IDEA, Part B - Formula	-	32,834	32,834
5920 ESEA, Title II, Part A: TPTR	-	2,949	2,949
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	-	20,167	20,167
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	93,906	93,906
5920 American Rescue Plan ESSER III	-	19,992	19,992
5920 Title IV, Part A - SSAE	-	4,832	4,832
5940 Paycheck Protection Program	19,505	-	19,505
Total Federal Program Revenues	19,505	336,034	355,539
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	1,848,553	(1,848,553)	-
Total Revenue and Other Support	1,868,737	353,732	2,222,469
EXPENSES			
Program Services			
11 Instruction	941,890	-	941,890
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	18,484	-	18,484
21 Instructional Leadership	-	-	-
23 School Leadership	326,979	-	326,979
Support Services			
31 Guidance, Counseling and Evaluation Services	76,205	-	76,205
32 Social Work Services	28,360	-	28,360
33 Health Services	-	-	-
34 Student (Pupil) Transportation	606	-	606
35 Food Services	7,944	-	7,944
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	158,575	-	158,575
51 Plant Maintenance and Operations	221,319	-	221,319
52 Security and Monitoring Services	2,230	-	2,230
53 Data Processing Services	26,801	-	26,801
61 Community Services	59,266	-	59,266
81 Fund Raising	78	-	78
Total Expenses	1,868,737	-	1,868,737
Change in Net Assets	-	353,732	353,732
Net Assets, Beginning of Year	-	2,034,701	2,034,701
Net Assets, End of Year	\$ -	\$ 2,388,433	\$ 2,388,433

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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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Foundation School Program Payments	\$ 2,314,046
Grant Payments	896,356
Other Local Revenues	88,621
Payments to Vendors for Goods and Services Rendered	(863,479)
Payments to Charter School Personnel for Services Rendered	(2,446,767)
Net Cash Provided (Used) by Operating Activities	<u>(11,223)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Fixed Assets	<u>(13,540)</u>
Net Cash Provided (Used) by Investing Activities	<u>(13,540)</u>

Increase (Decrease) in Cash and Cash Equivalents	<u>(24,763)</u>
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Cash and Cash Equivalents, Beginning of Year	<u>2,902,753</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 2,877,990</u></u>
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RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

Change in Net Assets	\$ 124,559
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities	
Depreciation Expense	142,773
Forgiveness of PPP Loan	(54,619)
(Increase)/Decrease in Assets	
Grant Receivable	(218,843)
Other Receivables	59
Due from Student Alternatives Programs, Inc.	(988)
Increase/(Decrease) in Liabilities	
Accounts Payable	35,444
Payroll Deductions and Withholdings	(32,340)
Accrued Wages	2,249
Deferred Revenue	<u>(9,517)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (11,223)</u></u>
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TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Foundation School Program Payments	\$ 5,002,108
Grant Payments	1,051,554
Other Local Revenues	1,503
Payments to Vendors for Goods and Services Rendered	(1,491,303)
Payments to Charter School Personnel for Services Rendered	(3,660,636)
Net Cash Provided (Used) by Operating Activities	<u>903,226</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	(43,497)
Net Cash Provided (Used) by Investing Activities	<u>(43,497)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments to Other Districts	-
Net Cash Provided (Used) by Financing Activities	<u>-</u>

Increase (Decrease) in Cash and Cash Equivalents	<u>859,729</u>
Cash and Cash Equivalents, Beginning of Year	<u>2,192,755</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,052,484</u></u>

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

Change in Net Assets	\$ 1,268,572
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities	
Depreciation Expense	43,102
Forgiveness of PPP Loan	(48,002)
(Increase)/Decrease in Assets	
Grant Receivable	(331,404)
Other Receivables	1,591
Deferred Expenses	-
Increase/(Decrease) in Liabilities	
Accounts Payable	11,574
Payroll Deductions and Withholdings	(26,648)
Accrued Wages	3,394
Deferred Revenue	(20,000)
Due to State	-
Other Liabilities - Current	1,305
Accrued Expenses	(258)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 903,226</u></u>
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TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO

El Paso, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Foundation School Program Payments	\$ 1,757,710
Grant Payments	506,763
Other Local Revenues	(1,570)
Payments to Vendors for Goods and Services Rendered	(762,769)
Payments to Charter School Personnel for Services Rendered	(1,511,019)
Net Cash Provided (Used) by Operating Activities	<u>(10,885)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	<u>(6,980)</u>
Net Cash Provided (Used) by Investing Activities	<u>(6,980)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Received from Other Districts	<u>3,772</u>
Net Cash Provided (Used) by Financing Activities	<u>3,772</u>

Increase (Decrease) in Cash and Cash Equivalents	<u>(14,093)</u>
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Cash and Cash Equivalents, Beginning of Year	<u>3,095,749</u>
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Cash and Cash Equivalents, End of Year	<u>\$ 3,081,656</u>
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RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

Change in Net Assets	\$ 220,447
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation Expense	16,210
Forgiveness of PPP Loan	(21,516)
(Increase)/Decrease in Assets	
Grants Receivable	(226,009)
Other Receivables	27
Increase/(Decrease) in Liabilities	
Accounts Payable	6,505
Payroll Deductions and Withholdings	(15,714)
Accrued Wages	16,070
Deferred Revenue	(7,117)
Accrued Expenses	<u>212</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (10,885)</u>
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TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Foundation School Program Payments	\$ 1,588,421
Grant Payments	335,989
Other Local Revenues	679
Payments to Vendors for Goods and Services Rendered	(487,016)
Payments to Charter School Personnel for Services Rendered	(1,394,947)
Net Cash Provided (Used) by Operating Activities	<u>43,126</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Payments Made to Other Districts	<u>(3,772)</u>
Net Cash Provided (Used) by Financing Activities	<u>(3,772)</u>

Increase (Decrease) in Cash and Cash Equivalents	<u>39,354</u>
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Cash and Cash Equivalents, Beginning of Year	<u>2,060,043</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 2,099,397</u></u>
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RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

Change in Net Assets	\$ 353,732
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) by Operating Activities	
Depreciation Expense	5,296
Forgiveness of PPP Loan	(19,505)
(Increase)/Decrease in Assets	
Grants Receivable	(268,763)
Other Receivables	(988)
Due fro Student Alternatives Program, Inc.	(15,400)
Increase/(Decrease) in Liabilities	
Accounts Payable	8,882
Payroll Deductions and Withholdings	(7,247)
Accrued Wages	(3,675)
Accrued Expenses	(94)
Deferred Revenue	(9,067)
Other Liabilities - Current	<u>(45)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 43,126</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, 2021 and 2020

		Totals	
		2021	2020
EXPENSES			
6100	Payroll Costs	\$ 2,416,676	\$ 2,530,393
6200	Professional and Contracted Services	619,981	674,162
6300	Supplies and Materials	141,700	179,415
6400	Other Operating Costs	280,015	618,360
6500	Debt	-	-
Total Expenses		\$ 3,458,372	\$ 4,002,330

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2021 and 2020

		Totals	
		2021	2020
EXPENSES			
6100	Payroll Costs	\$ 3,637,382	\$ 3,122,898
6200	Professional and Contracted Services	858,426	907,536
6300	Supplies and Materials	430,452	408,067
6400	Other Operating Costs	258,434	231,457
6500	Debt	-	-
Total Expenses		\$ 5,184,694	\$ 4,669,958

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO

El Paso, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2021 and 2020

		Totals	
		2021	2020
EXPENSES			
6100	Payroll Costs	\$ 1,511,375	\$ 1,464,587
6200	Professional and Contracted Services	577,107	617,446
6300	Supplies and Materials	113,871	161,111
6400	Other Operating Costs	94,745	111,828
6500	Debt	-	-
Total Expenses		<u>\$ 2,297,098</u>	<u>\$ 2,354,972</u>

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2021 and 2020

		Totals	
		2021	2020
EXPENSES			
6100	Payroll Costs	\$ 1,384,025	\$ 1,312,730
6200	Professional and Contracted Services	294,459	352,896
6300	Supplies and Materials	111,029	130,283
6400	Other Operating Costs	79,224	84,445
6500	Debt	-	-
Total Expenses		<u>\$ 1,868,737</u>	<u>\$ 1,880,354</u>

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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, 2021

		Ownership Interest		
		Local	State	Federal
1510	Land and Improvements	\$ -	\$ 97,720	\$ -
1520	Building and Improvements	-	4,035,725	346,125
1531	Vehicles	-	72,028	28,916
1539	Furniture and Equipment	-	17,137	8,100
Total Property and Equipment		\$ -	\$ 4,222,610	\$ 383,141

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

SCHEDULE OF FIXED ASSETS

Year Ended August 31, 2021

		Ownership Interest		
		Local	State	Federal
1510	Land and Improvements	\$ -	\$ -	\$ -
1520	Building and Improvements	-	663,613	-
1531	Vehicles	-	94,763	-
1539	Furniture and Equipment	-	5,250	-
Total Property and Equipment		<u>\$ -</u>	<u>\$ 763,626</u>	<u>\$ -</u>

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO

El Paso, Texas

SCHEDULE OF FIXED ASSETS

Year Ended August 31, 2021

		Ownership Interest		
		Local	State	Federal
1510	Land and Improvements	\$ -	\$ 13,507	\$ -
1520	Building and Improvements	-	234,872	-
1531	Vehicles	-	23,831	-
1539	Furniture and Equipment	-	14,562	-
Total Property and Equipment		\$ -	\$ 286,772	\$ -

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK

Lubbock, Texas

SCHEDULE OF FIXED ASSETS

Year Ended August 31, 2021

		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, 2021

		Budgeted Amounts			Actual	Variance
		Original	Final		Amounts	from Final Budget
REVENUES AND OTHER SUPPORT						
Local Support						
5740	Other Revenues from Local Sources	\$ 585,073	\$ 262,478	1	\$ 89,550	\$ (172,928) 1
5760	Revenues from Intermediate Sources	-	-		-	-
State Program Revenues						
5810	Foundation School Program Act Revenues	2,544,824	2,380,673		2,515,680	135,007
5820	State Program Revenues Distributed by Texas Education Agency	61,115	58,115		26,726	(31,389) 2
Total State Program Revenues and Local Support		3,191,012	2,701,266		2,631,956	(69,310)
Federal Program Revenue						
5920	Teacher Incentive Fund - Project Rise	257,306	250,253		222,046	(28,207) 3
5920	ESEA, Title I Part A - Improving Basic Programs	436,358	515,222	4	424,013	(91,209) 4
5920	IDEA, Part B - Formula	105,207	111,077		108,442	(2,635)
5920	ESEA, Title II, Part A: TPTR	10,400	10,732		8,023	(2,709) 5
5920	Elementary and Secondary School Emergency Relief (ESSER) Fund	50,000	101,428	6	61,548	(39,880) 6
5920	Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	-		31,127	31,127 7
5920	American Rescue Plan ESSER III	-	-		24,850	24,850 8
5920	Title III, Part A, English Language Acquisition	10,508	11,047		-	(11,047) 9
5920	Title IV, Part A - SSAE	20,333	34,562	10	16,307	(18,255) 10
5940	Paycheck Protection Program	-	-		54,619	54,619 23
Total Federal Program Revenues		890,112	1,034,321		950,975	(83,346)
Total Revenue and Other Support		4,081,124	3,735,587		3,582,931	(152,656)
EXPENSES						
Program Services						
11	Instruction	2,102,241	1,877,429	11	1,703,192	174,237
12	Instructional Resources and Media Services	-	-		-	-
13	Curriculum Development and Instructional Staff Development	88,674	59,524	12	60,839	(1,315)
21	Instructional Leadership	-	-		-	-
23	School Leadership	682,194	672,194		692,228	(20,034)
31	Guidance, Counseling and Evaluation Services	186,760	138,760	13	132,544	6,216
32	Social Work Services	74,043	60,043	14	63,088	(3,045)
33	Health Services	1,500	500	15	536	(36)
34	Student (Pupil) Transportation	7,000	1,000	16	571	429 16
35	Food Services	17,500	1,500	17	1,907	(407) 17
36	Cocurricular/Extracurricular Activities	-	-		-	-
41	General Administration	245,076	259,500		265,337	(5,837)
51	Plant Maintenance and Operations	600,944	600,944		473,040	127,904 18
52	Security and Monitoring Services	41,806	20,807	19	24,231	(3,424) 19
53	Data Processing Services	28,386	43,386	20	40,763	2,623
61	Community Services	5,000	-	21	-	-
81	Fund Raising	-	-		96	(96) 22
Total Expenses		4,081,124	3,735,587		3,458,372	277,215
Change in Net Assets		-	-		124,559	124,559
Net Assets, Beginning of Year		4,690,930	4,690,930		4,690,930	-
Net Assets, End of Year		\$ 4,690,930	\$ 4,690,930		\$ 4,815,489	\$ 124,559

TRIUMPH PUBLIC HIGH SCHOOLS – LAREDO
Laredo, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2021

Budget Variances Explanations

1. Estimated depreciation and other operating expenditures were included in the original budget. At year end, state revenue covered such expenses.
2. Budget factors school safety projects that did not materialize at year-end. Projects are currently ongoing.
3. Awarded TIP grant; allocated funding was provided late in the year therefore some expenses did not materialize at year end.
4. Carryover amounts were not considered initially in the original budget. Increased budget to consider additional learning loss resources. The intended learning loss resources were covered by another funding source leaving available budgeted funds in this category.
5. Travel was restricted and we were unable to expense funds as intended by grant due to the COVID-19 pandemic.
6. Increased the original budget with the intent to cover learning loss needs. The intended learning loss resources were covered by another funding source leaving available budgeted funds in this category.
7. Funds awarded late in the year therefore not originally budgeted. These funds were utilized to cover learning loss needs.
8. Funds awarded late in the year therefore not originally budgeted. These funds were utilized to cover learning loss needs.
9. SSA funds utilized proportioned by the ESC center, did not have to utilize internal funds.
10. Carryover funds were not initially factored in the original budget. Intended use of the fund could not materialize due to the COVID-19 pandemic.
11. Initially budgeted FTEs for instructional staff and by year-end due to the COVID-19 pandemic staffing did not materialize therefore final budget was reduced.
12. The original budget was reduced for travel costs due to the COVID-19 pandemic. Staff development was provided via other means, such as remote zoom sessions. We saved on travel costs.
13. Originally budgeted counseling FTEs and by year-end due to the COVID-19 pandemic, positions were not filled therefore final budget was reduced.
14. Reduced original budget for contractual services due a reduction in services needed.
15. Reduced original budget due to limited student services needed due to the COVID-19 pandemic.
16. Reduced original budget due to limited student services needed due to the COVID-19 pandemic. Home visits for attendance verifications were limited therefore less expenses were incurred.
17. Reduced original budget due to limited student services needed due to the COVID-19 pandemic; however, provided some breakfast items for students in need during the COVID-19 pandemic.
18. Budgeted intended projects did not materialize due the COVID-19 pandemic at year end.
19. Due to the COVID-19 pandemic campus was closed during remote instruction; therefore, reducing the original budget. However, security services were still made available but kept minimal.
20. Due to the COVID-19 pandemic, additional hours were worked to prepare and plan out the new instructional continuity program and remote instruction, which increased the original budget. Additional days were added to the working calendar.
21. Reduced budget due to limited services covered under other functions.
22. Creation of a new department and incurred certain expenditures that were not budgeted.
23. The revenue for the forgiveness of the PPP loan was not budgeted.

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	from Final Budget
REVENUES AND OTHER SUPPORT				
Local Support				
5740 Other Revenues from Local Sources	\$ 181,053	\$ 181,053	\$ 1,503	\$ (179,550) 1
5760 Revenues from Intermediate Sources	-	-	-	-
State Program Revenues				
5810 Foundation School Program Act Revenues	4,655,670	5,039,475	5,319,936	280,461
5820 State Program Revenues Distributed by Texas Education Agency	62,470	62,094	33,576	(28,518) 2
Total State Program Revenues and Local Support	4,899,193	5,282,622	5,355,015	72,393
Federal Program Revenue				
5920 Teacher Incentive Fund - Project Rise	207,732	268,168 3	241,283	(26,885) 3
5920 ESEA, Title I Part A - Improving Basic Programs	523,363	564,637	476,168	(88,469) 4
5920 IDEA, Part B - Formula	80,944	126,129 5	83,769	(42,360) 5
5920 ESEA, Title II, Part A: TPTR	24,728	25,519	6,027	(19,492) 6
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	81,563	26,851 7	9,700	(17,151) 7
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	-	87,726	87,726 8
5920 American Rescue Plan ESSER III	-	-	35,251	35,251 9
5920 Title III, Part A, English Language Acquisition	10,326	10,855	-	(10,855) 10
5920 Title IV, Part A - SSAE	17,992	22,186 11	19,301	(2,885) 11
5920 Re-Start Flooding Grant	227,817	213,259	91,024	(122,235) 12
5940 Paycheck Protection Program	-	-	48,002	48,002 26
Total Federal Program Revenues	1,174,465	1,257,604	1,098,251	(159,353)
Total Revenue and Other Support	6,073,658	6,540,226	6,453,266	(86,960)
EXPENSES				
Program Services				
11 Instruction	2,830,455	3,057,646	2,522,417	535,229 13
12 Instructional Resources and Media Services	-	-	-	-
13 Curriculum Development and Instructional Staff Development	150,454	164,299	53,302	110,997 14
21 Instructional Leadership	-	-	-	-
23 School Leadership	1,090,604	1,133,628	948,285	185,343 15
31 Guidance, Counseling and Evaluation Services	208,300	290,918 16	230,508	60,410 16
32 Social Work Services	137,235	142,235	113,273	28,962 17
33 Health Services	-	-	-	-
34 Student (Pupil) Transportation	14,695	14,695	2,929	11,766 18
35 Food Services	30,890	30,890	10,971	19,919 19
36 Cocurricular/Extracurricular Activities	-	-	-	-
41 General Administration	496,484	496,484	399,423	97,061 20
51 Plant Maintenance and Operations	993,968	1,043,858	800,338	243,520 21
52 Security and Monitoring Services	44,216	44,216	9,976	34,240 22
53 Data Processing Services	57,506	92,506 23	67,173	25,333 23
61 Community Services	18,851	28,851 24	25,903	2,948 24
81 Fund Raising	-	-	196	(196) 25
Total Expenses	6,073,658	6,540,226	5,184,694	1,355,532
Change in Net Assets	-	-	1,268,572	1,268,572
Net Assets, Beginning of Year	2,825,534	2,825,534	2,825,534	-
Net Assets, End of Year	\$ 2,825,534	\$ 2,825,534	\$ 4,094,106	\$ 1,268,572

TRIUMPH PUBLIC HIGH SCHOOLS – RIO GRANDE VALLEY
McAllen, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2021

Budget Variances Explanations

1. Anticipated allocated funds initially needed for operating expenditures due to the COVID-19 pandemic were not utilized due to the State awarded funds.
2. Budget factors school safety projects that did not materialize at year-end. Projects are currently ongoing.
3. Awarded TIP grant; allocated funding was provided late in the year therefore some expenses did not materialize at year end.
4. Carryover amounts were not considered initially in the original budget. Increased budget to consider additional learning loss resources. The intended learning loss resources were covered by another funding source leaving available budgeted funds in this category.
5. Carryover amounts were not considered initially in the original budget. At year end it was determined that less FTEs were filled due to the COVID-19 pandemic leaving available budgeted funds in this category.
6. Budget was reduced Since travel was restricted, and we were unable to expense funds as intended by grant due to the COVID-19 pandemic.
7. Carryover was less than anticipated therefore original budget was reduced. Unable to expense funds as intended by grant due to the COVID-19 pandemic. We will have the opportunity to spend in FY 2022. TEA extended these funds
8. Funds awarded late in the year therefore not originally budgeted. These funds were utilized to cover learning loss needs.
9. Funds awarded late in the year therefore not originally budgeted. These funds were utilized to cover learning loss needs.
10. SSA funds utilized proportioned by the ESC center, did not have to utilize internal funds.
11. Carryover funds were not initially factored in the original budget. Intended use of the fund could not materialize due to the COVID-19 pandemic.
12. Grant residual was high due to the COVID-19 pandemic and could not utilize as anticipated.
13. FTEs for instructional staffing needs increased during the year and by year-end due to the COVID-19 pandemic staffing did not materialize.
14. 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.
15. Leadership FTE dropped therefore the budget anticipated was not utilized.
16. The original budget was increased for anticipated budgeted counseling FTEs and services and by year-end due to the COVID-19 pandemic we resulted in positions not filled and shortage of staff.
17. Limited student services requested due to the COVID-19 pandemic.
18. Travel costs were reduced due to the COVID-19 pandemic. Meetings were conducted via other means, such as remote zoom sessions. We saved on travel costs.
19. Student food services were reduced due to the COVID-19 pandemic.
20. Administrative meetings and travel costs were reduced due to the COVID-19 pandemic.
21. Budgeted intended projects did not materialize due the COVID-19 pandemic at year end.
22. Due to the COVID-19 pandemic, security services were reduced. Campus was closed during remote instruction.
23. Increased the original budget to plan for additional resources needed under the instructional continuity program. At year end, we saved on projected costs resulting in less expenditures.
24. Increased the original budget to hire staff that would help with the parental community support due to Covid-19 pandemic. Not all FTEs materialized resulting in less expenditures.
25. Creation of a new department and incurred certain expenditures that were not budgeted.
26. The revenue for the forgiveness of the PPP loan was not budgeted.

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO

El Paso, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2021

		Budgeted Amounts		Actual	Variance
		Original	Final	Amounts	from Final Budget
REVENUES AND OTHER SUPPORT					
Local Support					
5740	Other Revenues from Local Sources	\$ 15,965	\$ 15,965	\$ (1,570)	\$ (17,535) 23
5760	Revenues from Intermediate Sources	-	-	-	-
State Program Revenues					
5810	Foundation School Program Act Revenues	2,059,979	1,734,715	1 1,946,291	211,576 1
5820	State Program Revenues Distributed by Texas Education Agency	65,870	58,591	2 44,545	(14,046) 2
Total State Program Revenues and Local Support		2,141,814	1,809,271	1,989,266	179,995
Federal Program Revenue					
5920	ESEA, Title I Part A - Improving Basic Programs	303,065	289,863	296,031	6,168
5920	IDEA, Part B - Formula	33,830	42,516	3 34,863	(7,653) 3
5920	ESEA, Title II, Part A: TPTR	11,147	13,235	4 6,558	(6,677) 4
5920	Elementary and Secondary School Emergency Relief (ESSER) Fund	50,000	12,059	5 2,059	(10,000) 5
5920	Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	17,721	6 130,341	112,620 6
5920	American Rescue Plan ESSER III	-	6,850	7 20,512	13,662 7
5920	Title III, Part A, English Language Acquisition	4,569	4,803	-	(4,803) 8
5920	Title IV, Part A - SSAE	24,000	26,116	16,399	(9,717) 9
5940	Paycheck Protection Program	-	-	21,516	21,516 22
Total Federal Program Revenues		426,611	413,163	528,279	115,116
Total Revenue and Other Support		2,568,425	2,222,434	2,517,545	295,111
EXPENSES					
Program Services					
11	Instruction	1,164,361	1,067,229	1,035,533	31,696
12	Instructional Resources and Media Services	-	-	-	-
13	Curriculum Development and Instructional Staff Development	66,927	35,493	10 33,651	1,842
21	Instructional Leadership	3,800	3,800	-	3,800 11
23	School Leadership	496,909	341,679	12 393,059	(51,380) 12
31	Guidance, Counseling and Evaluation Services	122,530	114,782	116,169	(1,387)
32	Social Work Services	57,223	57,223	67,829	(10,606) 13
33	Health Services	7,000	1,000	14 -	1,000 14
34	Student (Pupil) Transportation	1,000	1,000	192	808 15
35	Food Services	4,000	1,000	16 50	950 16
36	Cocurricular/Extracurricular Activities	-	-	-	-
41	General Administration	212,869	137,422	17 172,101	(34,679) 17
51	Plant Maintenance and Operations	369,397	394,397	415,106	(20,709)
52	Security and Monitoring Services	36,503	31,503	18 31,976	(473)
53	Data Processing Services	24,656	34,656	19 31,345	3,311
61	Community Services	1,250	1,250	-	1,250 20
81	Fund Raising	-	-	87	(87) 21
Total Expenses		2,568,425	2,222,434	2,297,098	(74,664)
Change in Net Assets		-	-	220,447	220,447
Net Assets, Beginning of Year		3,357,327	3,357,327	3,357,327	-
Net Assets, End of Year		\$ 3,357,327	\$ 3,357,327	\$ 3,577,774	\$ 220,447

TRIUMPH PUBLIC HIGH SCHOOLS – EL PASO
El Paso, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2021

Budget Variances Explanations

1. Due to Hold Harmless adjustments; FSP allocations were difficult to analyze and predict, resulting in a decrease in final budget; and receipt of more than the predicted amount.
2. Carryover predicted amounts factored in original budget; therefore, resulting in final budget reduction. Budget factors school safety projects that did not materialize at year-end. Projects are currently ongoing.
3. Carryover amounts were not considered initially in the original budget. At year end it was determined that less FTEs were filled due to the COVID-19 pandemic leaving available budgeted funds in this category.
4. The original budget was initially increased to support remote staff development and certain training. However, since travel was restricted, we were unable to expense funds as intended due to the COVID-19 pandemic.
5. Unable to expense funds as intended by grant due to the COVID-19 pandemic; therefore, decreased original budget. We will have the opportunity to spend in FY 2022. TEA extended these funds.
6. Funds awarded late in the year therefore not originally budgeted. These funds were utilized to cover learning loss needs, which were not included in the final amended budget.
7. Funds awarded late in the year therefore not originally budgeted. These funds were utilized to cover learning loss needs, which were not included in the final amended budget.
8. SSA funds utilized proportioned by the ESC center, did not have to utilize internal funds.
9. Unable to expend funds as intended by grant due to the COVID-19 pandemic.
10. Budget was decreased since travel costs were reduced due to the COVID-19 pandemic. Staff development was provided via other means, such as remote zoom sessions. We saved on travel costs.
11. We covered services under function 23 "School Leadership" due to lack of funding.
12. Originally budgeted FTEs; due to the COVID-19 pandemic and staffing shortages, positions were not filled resulting in reduction of final budget. However, new staff was hired towards the end of the year, therefore, we incurred more expenses.
13. Student services requests increased due to the COVID-19 pandemic.
14. Due to remote instruction the services were not utilized resulting in reduction in final budget and no services rendered.
15. Travel costs were reduced due to the COVID-19 pandemic. Meetings were conducted via other means, such as remote zoom sessions. We saved on travel costs.
16. Student services were reduced due to the COVID-19 pandemic, resulting in a decrease in the final budget and actual expenses incurred.
17. Budget was decreased since travel costs were reduced due to the COVID-19 pandemic. Meetings were conducted via other means, such as remote zoom sessions. We saved on travel costs. Due to the needs of the Organization, a new department was created that resulted in additional expenditures as originally intended. We added FTEs to this category towards the end of the year.
18. Due to the COVID-19 pandemic, security services were reduced which caused a decrease in original budget. Campus was closed during remote instruction.
19. Due to the COVID-19 pandemic the budget was increased for the additional hours worked to prepare and plan out the new instructional continuity program and remote instruction. Additional days were added to the working calendar.
20. Limited services covered under other functions.
21. Creation of a new department and incurred certain expenditures that were not budgeted.
22. The revenue for the forgiveness of the PPP loan was not budgeted.
23. We anticipated needing funds from local resources due to the COVID-19 pandemic yet, we did not need to utilize it due to receiving enough State funds.

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	from Final Budget
REVENUES AND OTHER SUPPORT				
Local Support				
5740 Other Revenues from Local Sources	\$ -	\$ -	\$ 679	\$ 679
5760 Revenues from Intermediate Sources	-	-	-	-
State Program Revenues				
5810 Foundation School Program Act Revenues	1,999,754	1,619,477 1	1,818,474	198,997 1
5820 State Program Revenues Distributed by Texas Education Agency	20,246	44,846 2	47,777	2,931
Total State Program Revenues and Local Support	2,020,000	1,664,323	1,866,930	202,607
Federal Program Revenue				
5920 ESEA, Title I Part A - Improving Basic Programs	166,491	168,988	161,354	(7,634)
5920 IDEA, Part B - Formula	45,456	66,492 3	32,834	(33,658) 3
5920 ESEA, Title II, Part A: TPTR	22,115	22,388	2,949	(19,439) 4
5920 Title III, Part A, English Language Acquisition	639	672	-	(672) 5
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	50,000	37,503 6	20,167	(17,336) 6
5920 Coronavirus Response and Relief Supplemental Appropriations ESS	-	19,000 7	93,906	74,906 7
5920 American Rescue Plan ESSER III	-	6,000 8	19,992	13,992 8
5920 Title IV, Part A - SSAE	24,468	24,468	4,832	(19,636) 9
5940 Paycheck Protection Program	-	-	19,505	19,505 23
Total Federal Program Revenues	309,169	345,511	355,539	10,028
Net Assets Released from Restrictions				
Restrictions Satisfied by Payments	-	-	-	-
Total Revenue and Other Support	2,329,169	2,009,834	2,222,469	212,635
EXPENSES				
Program Services				
11 Instruction	1,133,047	1,053,047	941,890	111,157 10
12 Instructional Resources and Media Services	-	-	-	-
13 Curriculum Development and Instructional Staff Development	42,927	19,938 11	18,484	1,454
21 Instructional Leadership	-	-	-	-
23 School Leadership	387,429	320,112 12	326,979	(6,867)
31 Guidance, Counseling and Evaluation Services	86,660	78,734	76,205	2,529
32 Social Work Services	32,370	22,418 13	28,360	(5,942) 13
33 Health Services	6,600	300 14	-	300 14
34 Student (Pupil) Transportation	3,500	600 15	606	(6)
35 Food Services	14,500	8,061 16	7,944	117
36 Cocurricular/Extracurricular Activities	-	-	-	-
41 General Administration	196,914	131,701 17	158,575	(26,874) 17
51 Plant Maintenance and Operations	330,733	299,433	221,319	78,114 18
52 Security and Monitoring Services	20,586	1,586 19	2,230	(644) 19
53 Data Processing Services	22,808	22,808	26,801	(3,993) 20
61 Community Services	51,096	51,096	59,266	(8,170) 21
81 Fund Raising	-	-	78	(78) 22
Total Expenses	2,329,170	2,009,834	1,868,737	141,097
Change in Net Assets	(1)	-	353,732	353,732
Net Assets, Beginning of Year	2,034,701	2,034,701	2,034,701	-
Net Assets, End of Year	\$ 2,034,700	\$ 2,034,701	\$ 2,388,433	\$ 353,732

TRIUMPH PUBLIC HIGH SCHOOLS – LUBBOCK
Lubbock, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2021

Budget Variances Explanations

1. Due to Hold Harmless adjustments; FSP allocations were difficult to analyze and predict resulting in decrease in final budget; and receipt of more than the predicted amount.
2. Carryover was not factored in the original budget; final budget factors school safety projects that did not materialize at year-end. Projects are currently ongoing.
3. Additional funding received which increased original budget; however not enough time to account for all resources.
4. Travel was restricted and we were unable to expense funds as intended by grant due to the COVID-19 pandemic.
5. SSA funds utilized proportioned by the ESC center, did not have to utilize internal funds.
6. Unable to expense funds as intended by grant due to the COVID-19 pandemic; therefore, decreased original budget. We will have the opportunity to spend in FY 2022. TEA extended these funds.
7. Funds awarded late in the year therefore not originally budgeted. These funds were utilized to cover learning loss needs, which were not included in the final amended budget.
8. Funds awarded late in the year therefore not originally budgeted. These funds were utilized to cover learning loss needs, which were not included in the final amended budget.
9. Unable to expend funds as intended by grant due to the COVID-19 pandemic.
10. The lack of personnel didn't allow us to expend in this category as we are limited to hiring teaching staff.
11. The original budget was decreased since travel costs were reduced due to the COVID-19 pandemic. Staff development was provided via other means, such as remote zoom sessions. We saved on travel costs.
12. Originally budgeted FTEs; due to the COVID-19 pandemic and staffing shortages, positions were not filled resulting in reduction of final budget.
13. The original budget was decreased since limited student services were originally needed, but toward the end of the fiscal year, we had the need to acquire more services. Expense more than projected.
14. The original budget was decreased since limited student services requested due to the COVID-19 pandemic.
15. The original budget was decreased since limited student services requested due to the COVID-19 pandemic.
16. The original budget was decreased since limited student services requested due to the COVID-19 pandemic.
17. The original budget was decreased since travel administrative costs were reduced due to the COVID-19 pandemic. Toward the end of the year, we created a new department that incurred more expenditures than projected under this category.
18. End of year projects did not materialize due to the lack of professional contractor availability.
19. Due to the COVID-19 pandemic, security services were reduced which caused for decrease in original budget. Campus was closed during remote instruction. However, security services were still made available but kept minimal.
20. 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.
21. Original FTE salary did not factor in the end of year stipend.
22. Creation of a new department and incurred certain expenditures that were not budgeted.
23. The revenue for the forgiveness of the PPP loan was not budgeted.

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Schedule of Real Property Ownership Interest – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO
Laredo, Texas

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST

Year Ended August 31, 2021

Description	Property Address	Total Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
Lots 1 Thru 12 Blk 881 Ed	1600 Clark Blvd, Laredo, TX 78043	\$ 1,871,938		\$ 1,871,938	
All Blk 5 Colonia Los Obispos V	4620 Sierra Vista & S Lucy, Laredo, TX 78046	2,079,826		2,079,826	
Moonlight, Block 6, Lot 7	2101 Puscas Ct, Laredo, TX 78046	42,876		42,876	

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST

Year Ended August 31, 2021

Description	Property Address	Total Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
None.					

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO
El Paso, Texas

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST

Year Ended August 31, 2021

Description	Property Address	Total Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
None.					

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST

Year Ended August 31, 2021

Description	Property Address	Total Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
None.					

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Schedule of Related Party Transactions – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO
Laredo, Texas

SCHEDULE OF RELATED PARTY TRANSACTIONS

Year Ended August 31, 2021

Related Party Name	Name of Relation to the Related Party	Relationship	Type of Transaction	Description of Terms and Conditions	Source of Funds Used	Payment Frequency	Total Paid During FY	Principal Balance Due
Academic Buildings Corporation	-	Charter Holder Related Entity	Facility Rental	Monthly payments of \$3,557	State	Monthly	\$ 42,684	\$ -
Student Alternatives Program, Inc.	-	Charter Holder	Facility Rental	Monthly payments of \$6,066	State	Monthly	72,792	-
Student Alternatives Program, Inc.	-	Charter Holder	Cost Reimbursement	Monthly reimbursement of salaries and other costs based on actual	State	Monthly	22,501	-

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

SCHEDULE OF RELATED PARTY TRANSACTIONS

Year Ended August 31, 2021

Related Party Name	Name of Relation to the Related Party	Relationship	Type of Transaction	Description of Terms and Conditions	Source of Funds Used	Payment Frequency	Total Paid During FY	Principal Balance Due
Academic Buildings Corporation	-	Charter Holder Related Entity	Facility Rental	Monthly payments of \$6,812	State	Monthly	\$ 81,744	\$ -
Student Alternatives Program, Inc.	-	Charter Holder	Facility Rental	Monthly payments of \$5,477	State	Monthly	65,724	-
Community Development Buildings Corporation	-	Charter Holder Related Entity	Facility Rental	Monthly payments of \$15,000	State	Monthly	180,000	-
Student Alternatives Program, Inc.	-	Charter Holder	Cost Reimbursement	Monthly reimbursement of salaries and other costs based on actual	State	Monthly	10,242	-

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO
El Paso, Texas

SCHEDULE OF RELATED PARTY TRANSACTIONS

Year Ended August 31, 2021

Related Party Name	Name of Relation to the Related Party	Relationship	Type of Transaction	Description of Terms and Conditions	Source of Funds Used	Payment Frequency	Total Paid During FY	Principal Balance Due
Academic Buildings Corporation	-	Charter Holder Related Entity	Facility Rental	Monthly payments of \$3,155	State	Monthly	\$ 37,860	\$ -
Student Alternatives Program, Inc.	-	Charter Holder	Facility Rental	Monthly payments of \$10,106	State	Monthly	121,272	-
Student Alternatives Program, Inc.	-	Charter Holder	Cost Reimbursement	Monthly reimbursement of salaries and other costs based on actual	State	Monthly	4,911	-

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

SCHEDULE OF RELATED PARTY TRANSACTIONS

Year Ended August 31, 2021

Related Party Name	Name of Relation to the Related Party	Relationship	Type of Transaction	Description of Terms and Conditions	Source of Funds Used	Payment Frequency	Total Paid During FY	Principal Balance Due
Academic Buildings Corporation	-	Charter Holder Related Entity	Facility Rental	Monthly payments of \$1,933	State	Monthly	\$ 23,196	\$ -
Student Alternatives Program, Inc.	-	Charter Holder	Facility Rental	Monthly payments of \$1,623	State	Monthly	19,476	-
Student Alternatives Program, Inc.	-	Charter Holder	Cost Reimbursement	Monthly reimbursement of salaries and other costs based on actual	State	Monthly	6,396	-

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Schedule of Related Party Compensation and Benefits – Charter Schools

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO
Laredo, Texas

SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS

Year Ended August 31, 2021

Related Party Name	Name of Relation of the Related Party	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds Used	Total Paid During FY
None.							

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY
McAllen, Texas

SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS

Year Ended August 31, 2021

Related Party Name	Name of Relation of the Related Party	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds Used	Total Paid During FY
None.							

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO
El Paso, Texas

SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS

Year Ended August 31, 2021

Related Party Name	Name of Relation of the Related Party	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds Used	Total Paid During FY
None.							

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK
Lubbock, Texas

SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS

Year Ended August 31, 2021

Related Party Name	Name of Relation of the Related Party	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds Used	Total Paid During FY
None.							

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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, 2021 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 10, 2022.

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 10, 2022.

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 10, 2022

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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, 2021. 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, 2021.

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 10, 2022

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STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2021

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	<u> X </u> No
• Significant control deficiency(ies) identified not considered to be material weaknesses?		___ Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?		___ Yes	<u> X </u> No

<i>Federal Awards</i>			
Internal control over major programs: • Material weakness (es) identified?		___ Yes	<u> X </u> No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?		___ Yes	<u> X </u> 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	<u> X </u> 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?		<u> X </u> Yes	___ No

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2021

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, 2021

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, 2021

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	20610101240801	\$ 78,324
ESEA Title I, Part A Improving Basic Programs (Laredo)	84.010A	21610101240801	116,705
ESEA Title I, Part A Improving Basic Programs (Rio Grande Valley)	84.010A	20610101108804	46,344
ESEA Title I, Part A Improving Basic Programs (Rio Grande Valley)	84.010A	21610101108804	159,826
ESEA Title I, Part A Improving Basic Programs (El Paso)	84.010A	20610101071803	6,808
ESEA Title I, Part A Improving Basic Programs (El Paso)	84.010A	21610101071803	85,000
ESEA Title I, Part A Improving Basic Programs (Lubbock)	84.010A	20610101152803	18,236
ESEA Title I, Part A Improving Basic Programs (Lubbock)	84.010A	21610101152803	79,467
ESEA Title I, Part A School Improvement Grant (Laredo)	84.010A	20610141240801	10,142
ESEA Title I, Part A School Improvement Grant (Laredo)	84.010A	21610141240801	218,841
ESEA Title I, Part A School Improvement Grant (Rio Grande Valley)	84.010A	20610141108804	36,969
ESEA Title I, Part A School Improvement Grant (Rio Grande Valley)	84.010A	21610141108804	233,029
ESEA Title I, Part A School Improvement Grant (El Paso)	84.010A	21610141071803	200,000
ESEA Title I, Part A School Improvement Grant (Lubbock)	84.010A	20610141152803	4,990
ESEA Title I, Part A School Improvement Grant (Lubbock)	84.010A	21610141152803	58,660
Title I, 1003 ESF- Focused Support Grant (El Paso)	84.010A	226101577110027	4,223
Total CFDA No. 84.010A			1,357,564
IDEA, Part B - Formula/Special Education Grants to States (Laredo)	84.027A	216600012408016000	108,442
IDEA, Part B - Formula/Special Education Grants to States (Rio Grande Valley)	84.027A	206600011088046000	41,355
IDEA, Part B - Formula/Special Education Grants to States (Rio Grande Valley)	84.027A	216600011088046000	42,414
IDEA, Part B - Formula/Special Education Grants to States (El Paso)	84.027A	216600010718036000	34,863
IDEA, Part B - Formula/Special Education Grants to States (Lubbock)	84.027A	206600011528036000	7,581
IDEA, Part B - Formula/Special Education Grants to States (Lubbock)	84.027A	216600011528036000	25,253
Total CFDA No. 84.027A			259,908
ESEA Title II Part A, Teacher & Principal Training (El Paso)	84.367A	20694501071803	389
ESEA Title II Part A, Teacher & Principal Training (El Paso)	84.367A	20694501071803	6,170
ESEA Title II Part A, Teacher & Principal Training (Lubbock)	84.367A	19694501152803	868
ESEA Title II Part A, Teacher & Principal Training (Lubbock)	84.367A	20694501152803	2,081
Total CFDA No. 84.367A			9,508
Title IV, Part A: Student Support and Academic Enrichment Grant (Laredo)	84.424A	20680101240801	7,329
Title IV, Part A: Student Support and Academic Enrichment Grant (Laredo)	84.424A	21680101240801	8,978
Title IV, Part A: Student Support and Academic Enrichment Grant (Rio Grande Valley)	84.424A	20680101108804	6,422
Title IV, Part A: Student Support and Academic Enrichment Grant (Rio Grande Valley)	84.424A	21680101108804	12,879
Title IV, Part A: Student Support and Academic Enrichment Grant (El Paso)	84.424A	20680101071803	6,996
Title IV, Part A: Student Support and Academic Enrichment Grant (El Paso)	84.424A	21680101071803	9,403
Title IV, Part A: Student Support and Academic Enrichment Grant (Lubbock)	84.424A	20680101152803	2,292
Title IV, Part A: Student Support and Academic Enrichment Grant (Lubbock)	84.424A	21680101152803	2,540
Total CFDA No. 84.424A			56,839
Elementary and Secondary School Emergency Relief (ESSER) Fund (Laredo)	84.425D	20521001240801	61,548
Elementary and Secondary School Emergency Relief (ESSER) Fund (Rio Grande Valley)	84.425D	20521001108804	9,700
Elementary and Secondary School Emergency Relief (ESSER) Fund (El Paso)	84.425D	20521001071803	2,059
Elementary and Secondary School Emergency Relief (ESSER) Fund (Lubbock)	84.425D	20521001152803	20,167
Coronavirus Response and Relief Supplemental Appropriations ESSER II (Laredo)	84.425D	21680101240801	31,128
Coronavirus Response and Relief Supplemental Appropriations ESSER II (Rio Grande Valley)	84.425D	21521001108804	30,994
Coronavirus Response and Relief Supplemental Appropriations ESSER II (El Paso)	84.425D	21521001071803	106,912
Coronavirus Response and Relief Supplemental Appropriations ESSER II (Lubbock)	84.425D	21521001152803	93,906
CARES Act Prior Purchase Reimbursement Program (Rio Grande Valley)	84.425D	52102135	56,732
CARES Act Prior Purchase Reimbursement Program (El Paso)	84.425D	52102135	23,428
Total CFDA No. 84.425D			436,574
American Rescue Plan ESSER III (Laredo)	84.425U	21528001240801	24,850
American Rescue Plan ESSER III (Rio Grande Valley)	84.425U	21528001108804	35,251
American Rescue Plan ESSER III (El Paso)	84.425U	21528001071803	20,512
American Rescue Plan ESSER III (Lubbock)	84.425U	21528001152803	19,993
Total CFDA No. 84.425U			100,606
Restart for 2019 Flooding (Rio Grande Valley)	84.938A	20511703108804	91,024
Total CFDA No. 84.938A			91,024
Total Passed Through State Department of Education			\$ 2,312,023
Passed Through Education Service Center - Region I			
Teacher Incentive Fund - Project Rise (Laredo)	84.374A	U374A180002	\$ 5,920
Teacher Incentive Fund - Project Rise (Laredo)	84.374A	U374A180002	216,126
Teacher Incentive Fund - Project Rise (Rio Grande Valley)	84.374A	U374A180002	6,219
Teacher Incentive Fund - Project Rise (Rio Grande Valley)	84.374A	U374A180002	235,064
Total CFDA No. 84.374A			463,329
ESEA Title II Part A, Teacher & Principal Training (Laredo)	84.367A	21694501240801	8,023
ESEA Title II Part A, Teacher & Principal Training (Rio Grande Valley)	84.367A	21694501108804	6,027
Total CFDA No. 84.367A			14,050
Total Passed Through Education Service Center - Region I			\$ 477,379
Total Expenditures of Federal Awards			\$ 2,789,402

STUDENT ALTERNATIVES PROGRAM, INC.
San Antonio, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2021

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, 2021. 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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