

# Garza/Gonzalez & Associates

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CERTIFIED PUBLIC ACCOUNTANTS

## **STUDENT ALTERNATIVES PROGRAM, INC.**

San Antonio, Texas

### **CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS**

Year Ended August 31, 2023

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STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORTS

Year Ended August 31, 2023

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## **INTRODUCTORY SECTION**

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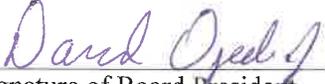
**STUDENT ALTERNATIVES PROGRAM, INC.**  
**San Antonio, Texas**

**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 4 approved 0 disapproved for the year ended August 31, 2023 at a meeting of the Board of Directors of Student Alternatives Program, Inc. on the 20th day of January, 2024.

  
\_\_\_\_\_  
Signature of Board President  
David Ojeda, Jr.

  
\_\_\_\_\_  
Signature of Board Member  
Joseph Curry

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

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

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, 2023, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of August 31, 2023, 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.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Emphasis of Matter

As discussed in Note I.E. to the financial statements, during the year ended August 31, 2023, the Organization adopted new accounting guidance, Accounting Standards Update ("ASU") 2016-02, Topic 842 *Leases*, as amended. Our opinion is not modified with respect to this matter.

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## **Responsibilities of Management for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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## Supplementary 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, the 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 5, 2024 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 solely 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 effectiveness of the Organization's 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.



January 5, 2024

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STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

August 31, 2023

	Student Alternatives Program, Inc.	Affiliated Charter Schools	Eliminations	Consolidated Total
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 1,162,103	\$ 9,962,505	\$ -	\$ 11,124,608
Grants Receivable	21,413	2,825,417	-	2,846,830
Other Receivables	1,638	56,866	-	58,504
Deferred Expenses	1,900	-	-	1,900
Due from Related Entity	8,484	38,565	(47,049)	-
Other Asset	-	65,600	-	65,600
<b>Total Current Assets</b>	<b>1,195,538</b>	<b>12,948,953</b>	<b>(47,049)</b>	<b>14,097,442</b>
Investments	148,033	-	-	148,033
Fixed Assets				
Operating Lease Right-of-Use Asset, Net	-	115,652	-	115,652
Property and Equipment, Net	4,692,760	3,507,551	-	8,200,311
<b>Total Fixed Assets</b>	<b>4,692,760</b>	<b>3,623,203</b>	<b>-</b>	<b>8,315,963</b>
<b>Total Assets</b>	<b>\$ 6,036,331</b>	<b>\$ 16,572,156</b>	<b>\$ (47,049)</b>	<b>\$ 22,561,438</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities				
Accounts Payable	\$ 54,281	\$ 240,965	\$ -	\$ 295,246
Payroll Deductions and Withholdings	12,641	(484)	-	12,157
Accrued Wages	4,505	376,803	-	381,308
Other Liabilities - Current	21,622	21,612	-	43,234
Accrued Expenses	-	6,730	-	6,730
Due to Related Entity	53,762	-	(47,049)	6,713
Operating Lease Liability - Current	-	20,495	-	20,495
Current Portion of Long-Term Debt	75,839	-	-	75,839
<b>Total Current Liabilities</b>	<b>222,650</b>	<b>666,121</b>	<b>(47,049)</b>	<b>841,722</b>
Non-Current Liabilities				
Long-Term Debt, Less Current Portion	927,397	-	-	927,397
Operating Lease Liability - Noncurrent	-	95,157	-	95,157
<b>Total Non-Current Liabilities</b>	<b>927,397</b>	<b>95,157</b>	<b>-</b>	<b>1,022,554</b>
<b>Total Liabilities</b>	<b>1,150,047</b>	<b>761,278</b>	<b>(47,049)</b>	<b>1,864,276</b>
Net Assets				
Without Donor Restrictions				
Available for Operations	4,886,284	21,543	-	4,907,827
<b>Total Without Donor Restrictions</b>	<b>4,886,284</b>	<b>21,543</b>	<b>-</b>	<b>4,907,827</b>
With Donor Restrictions				
Specific Purpose Funds	-	15,789,335	-	15,789,335
<b>Total With Donor Restrictions</b>	<b>-</b>	<b>15,789,335</b>	<b>-</b>	<b>15,789,335</b>
<b>Total Net Assets</b>	<b>4,886,284</b>	<b>15,810,878</b>	<b>-</b>	<b>20,697,162</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,036,331</b>	<b>\$ 16,572,156</b>	<b>\$ (47,049)</b>	<b>\$ 22,561,438</b>

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, 2023

	Student Alternatives Program, Inc.	Affiliated Charter Schools		Eliminations	Consolidated Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
REVENUES AND OTHER SUPPORT					
Support					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
State Program Revenues	-	-	11,866,290	-	11,866,290
Federal Program Revenues	-	-	4,408,289	-	4,408,289
Fees and Other Revenue					
Other Revenues from Local Sources	717,117	141,864	-	(650,514)	208,467
Net Assets Released from Restrictions	-	15,635,307	(15,635,307)	-	-
Total Revenue and Other Support	<u>717,117</u>	<u>15,777,171</u>	<u>639,272</u>	<u>(650,514)</u>	<u>16,483,046</u>
EXPENSES					
Program Services					
Public Charter Schools	-	10,338,896	-	-	10,338,896
Support Services					
Administrative and General	715,316	5,420,097	-	(650,514)	5,484,899
Total Expenses	<u>715,316</u>	<u>15,758,993</u>	<u>-</u>	<u>(650,514)</u>	<u>15,823,795</u>
Change in Net Assets	<u>1,801</u>	<u>18,178</u>	<u>639,272</u>	<u>-</u>	<u>659,251</u>
Net Assets, Beginning of Year (Restated)	<u>4,884,483</u>	<u>3,365</u>	<u>15,150,063</u>	<u>-</u>	<u>20,037,911</u>
Net Assets, End of Year	<u>\$ 4,886,284</u>	<u>\$ 21,543</u>	<u>\$ 15,789,335</u>	<u>\$ -</u>	<u>\$ 20,697,162</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 CASH FLOWS

Year Ended August 31, 2023

	Student Alternatives Program, Inc.	Affiliated Charter Schools	Eliminations	Consolidated Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Foundation School Program Payments	\$ -	\$ 12,659,829	\$ -	\$ 12,659,829
Grant Payments	-	4,464,959	-	4,464,959
Other Revenue Received	695,704	150,770	(650,514)	195,960
Payments to Vendors for Goods and Services Rendered	(350,340)	(5,649,465)	650,514	(5,349,291)
Payments to Personnel for Services Rendered	(100,987)	(10,156,565)	-	(10,257,552)
Net Cash Provided (Used) by Operating Activities	<u>244,377</u>	<u>1,469,528</u>	<u>-</u>	<u>1,713,905</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sales/(Purchases) of Fixed Assets	125,257	(1,351,484)	-	(1,226,227)
Purchases of Investments	(148,033)	-	-	(148,033)
Net Cash Provided (Used) by Investing Activities	<u>(22,776)</u>	<u>(1,351,484)</u>	<u>-</u>	<u>(1,374,260)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash Received from Other Districts	-	146,277	-	146,277
Cash Payments to Other Districts	-	(146,277)	-	(146,277)
Payment on Notes Payable	(124,774)	-	-	(124,774)
Net Cash Provided (Used) by Financing Activities	<u>(124,774)</u>	<u>-</u>	<u>-</u>	<u>(124,774)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>96,827</u>	<u>118,044</u>	<u>-</u>	<u>214,871</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,065,276</u>	<u>9,844,461</u>	<u>-</u>	<u>10,909,737</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,162,103</u>	<u>\$ 9,962,505</u>	<u>\$ -</u>	<u>\$ 11,124,608</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Change in Net Assets	\$ 1,801	\$ 657,450	\$ -	\$ 659,251
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities				
Depreciation Expense	216,334	251,871	-	468,205
Other Reconciling Item		(2,100)		(2,100)
(Increase)/Decrease in Assets				
Grants Receivable	-	793,539	-	793,539
Other Receivables	(21,413)	(56,146)	-	(77,559)
Deferred Expenses	1,821	(35,659)	-	(33,838)
Due from Related Entity	-	(2,669)	-	(2,669)
Other Asset	-	(65,600)	-	(65,600)
Increase/(Decrease) in Liabilities				
Accounts Payable	27,638	(158,826)	-	(131,188)
Payroll Deductions and Withholdings	8,348	1,670	-	10,018
Accrued Wages	4,505	5,246	-	9,751
Deferred Revenue	-	21,403	-	21,403
Other Liabilities - Current	21,622	56,670	-	78,292
Accrued Expenses	-	2,679	-	2,679
Due to Related Entity	(16,279)	-	-	(16,279)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 244,377</u>	<u>\$ 1,469,528</u>	<u>\$ -</u>	<u>\$ 1,713,905</u>
Supplemental Disclosure				
Interest Paid	<u>\$ 78,251</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,251</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, 2023

EXPENSES	Student Alternatives Program, Inc.		
	Program Services	Administrative and General	Total
Bank Charges	\$ -	\$ 4,841	\$ 4,841
Contracted Services - Miscellaneous	-	-	-
Depreciation & Amortization	-	217,884	217,884
Insurance	-	28,677	28,677
Interest	-	78,251	78,251
Materials and Supplies	-	3,697	3,697
Payroll Taxes & Employee Benefits	-	21,201	21,201
Postage	-	451	451
Professional Services	-	93,907	93,907
Rent	-	-	-
Repairs & Maintenance	-	58,321	58,321
Salaries	-	82,847	82,847
Telephone	-	2,193	2,193
Travel	-	3,971	3,971
Utilities	-	6,262	6,262
Other Taxes	-	39,955	39,955
Miscellaneous	-	72,858	72,858
Total Expenses	\$ -	\$ 715,316	\$ 715,316

Charter Schools				
Program Services	Administrative and General	Total	Eliminations	Consolidated Total
\$ -	\$ -	\$ -	\$ -	\$ 4,841
33,973	519,268	553,241	(285,043)	268,198
182,273	69,598	251,871	-	469,755
-	320,951	320,951	-	349,628
-	985	985	-	79,236
978,466	265,193	1,243,659	-	1,247,356
1,241,849	437,696	1,679,545	-	1,700,746
-	-	-	-	451
943,445	730,425	1,673,870	-	1,767,777
77,872	451,982	529,854	(365,471)	164,383
-	-	-	-	58,321
6,542,739	1,941,197	8,483,936	-	8,566,783
-	-	-	-	2,193
269,791	178,818	448,609	-	452,580
-	395,821	395,821	-	402,083
-	-	-	-	39,955
68,488	108,163	176,651	-	249,509
<u>\$ 10,338,896</u>	<u>\$ 5,420,097</u>	<u>\$ 15,758,993</u>	<u>\$ (650,514)</u>	<u>\$ 15,823,795</u>

STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**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), and is governed by an independent three-member Board of Directors. 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, 2023

**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. New Accounting Pronouncement**

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2016-02, Leases (Topic 842), as amended. FASB Accounting Standards Codification ("ASC") 842 supersedes the lease requirements in FASB ASC 840. The new standard requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. It establishes a right of use ("ROU") that requires the lessee to recognize an ROU asset and lease liability on the balance sheet for all leases with a term longer than twelve months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. Management elected to use the effective date of September 1, 2022 as the date of initial application and elected the package of practical expedients under ASC 842 whereby an entity need not reassess (1) whether any expired or existing leases are or contain leases, (2) the lease classification for any expired or existing leases, and (3) initial direct costs for any existing leases. Adoption of this accounting standard did not result in any restatement of net assets.

STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. 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.

G. 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.

H. 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.

STUDENT ALTERNATIVES PROGRAM, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. 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.

**J. 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.

**K. Right-of-Use Asset and Liability**

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight-line basis over the lease term. SAPI is a lessee in a noncancellable lease for copiers. The lease was determined to be operating leases using the criteria outlined in ASC Topic.

Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use asset is amortized over the lease term. Interest on the lease liability and the amortization of the right-of-use asset result in straight-line rent expense over the lease term. Variable lease expenses, if any, are recognized when incurred.

SAPI excludes short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy and recognizes rent expense on a straight-line basis over the lease term. Leases between related parties or which are not deemed material to the financial statements are also excluded.

STUDENT ALTERNATIVES PROGRAM, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. 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 are as follows:

<u>Asset Classification</u>	<u>SAPI &amp; ABC</u>	<u>CDBC</u>	<u>Charter Schools</u>
Buildings and Improvements	30-40 years	25 years	22 years
Furniture and Equipment	7 years	7 years	7 years
Vehicles	7 years	-	7 years
Other Improvements	-	5 years	-

**M. 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, usage and payout of personal leave is subject to approval, therefore a liability is not recorded in the consolidated financial statements.

STUDENT ALTERNATIVES PROGRAM, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

N. 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 2020. As of August 31, 2023, there are no taxes or tax returns due to the IRS.

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, 2023.

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, 2023.

O. 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.

STUDENT ALTERNATIVES PROGRAM, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. 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.

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of investment expenses.

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.

**Q. 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, 2023, are as follows:

Cash and Cash Equivalents	\$	11,124,608
Investments		148,003
Grants Receivable		2,846,830
Other Receivables		58,504
Financial Assets Available for General Expenditures	\$	<u>14,177,945</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 and money market funds.

STUDENT ALTERNATIVES PROGRAM, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**II. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at August 31, 2023 consist of the following:

Cash and Cash Equivalents

Cash in Bank	\$	9,054,054
Cash Equivalents		
Certificates of Deposit		1,150,656
Money Market Mutual Funds		
PIMCO Class C		104,580
Fidelity Govt. Money Mkt. Fund		806,867
SPDR Bloomberg 1-3 month T-Bill ETF		8,451
Total from Consolidated Statement of Financial Position	\$	<u>11,124,608</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.

**III. INVESTMENTS**

FASB ASC 820 provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The fair value hierarchy described by the standards is based on three levels of inputs; of which, the first two are considered observable and the last unobservable, and include the following:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date.

Level 2 – Pricing inputs are observable for the instruments, either directly or indirectly, as of the reporting date, but are other than quoted prices as in Level 1. Fair value is determined through observable trading activity reported at net asset value or through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant judgment or estimation by the Foundation.

STUDENT ALTERNATIVES PROGRAM, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**III. INVESTMENTS (Continued)**

Investments measured at fair value at August 31, 2023 are as follows:

Investments:	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Common Stocks	\$ 143,397	\$ -	\$ -	\$ 143,397
Preferred Stocks	4,636	-	-	4,636
Total Investments at Fair Value	<u>\$ 148,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,033</u>
Cash and Cash Equivalents:				
Fidelity Govt. Money Mkt. Fund	\$ 806,867	\$ -	\$ -	\$ 806,867
SPDR Bloomberg 1-3 month T-Bill ETF	8,451	-	-	8,451
Total Cash and Cash Equivalents	<u>\$ 815,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 815,318</u>
Total Assets at Fair Value	<u>\$ 963,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 963,351</u>

Valuation methods for assets measured at fair value are as follows:

- Common and Preferred stock is valued at the closing price reported on the active market on which the individual securities are traded.
- Mutual funds and Exchange Traded Funds are valued at the reported net asset value of shares held.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while KIPP believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

**IV. PROPERTY AND EQUIPMENT**

At August 31, 2023, property and equipment consists of the following:

	<u>SAPI</u>	<u>Charter Schools</u>	<u>Total</u>
Land	\$ 174,619	\$ 1,143,278	\$ 1,317,897
Buildings and Improvements	7,363,302	5,503,922	12,867,224
Furniture and Equipment	407,764	80,860	488,624
Vehicles	17,805	512,978	530,783
	<u>7,963,490</u>	<u>7,241,038</u>	<u>15,204,528</u>
Less: Accumulated Depreciation	<u>(3,270,730)</u>	<u>(3,733,487)</u>	<u>(7,004,217)</u>
Property and Equipment, Net	<u>\$ 4,692,760</u>	<u>\$ 3,507,551</u>	<u>\$ 8,200,311</u>

Depreciation expense totaled \$469,755 for the year ended August 31, 2023. Depreciation expense for SAPI and the Charter Schools was \$217,884 and \$251,871, respectively.

STUDENT ALTERNATIVES PROGRAM, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**V. OPERATING LEASE**

A charter district leases four copiers under a long-term non-cancelable operating lease agreement. The original lease was extended and payments began on July 25, 2023 and end on October 25, 2028. There are currently no additional renewal options beyond the end date. Operating lease right-of-use assets are amortized so that lease costs remain constant over the lease term.

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, an estimate of the applicable incremental borrowing rate is used. The incremental borrowing rate is based on estimated borrowing rates and the contractual lease term.

Future minimum lease payments are as follows:

<u>Years Ending March 31</u>	
2024	\$ 25,812
2025	25,812
2026	25,812
2027	25,812
2028	2,151
Total Lease Payments	<u>131,211</u>
Less: Present Value Discount	<u>(15,559)</u>
Total Operating Lease Liability	<u>\$ 115,652</u>

The operating lease term and discount rate as of August 31, 2023 was as follows:

Remaining lease term (years): 5.08  
Discount rate: 5%

STUDENT ALTERNATIVES PROGRAM, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**VI. NOTES PAYABLE**

The Organization's (SAPI & CDBC) long-term debt at August 31, 2023 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.	\$ 11,479
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.	67,121
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.	229,416
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.	<u>695,220</u>
	Total Long-Term Debt \$ 1,003,236
	Less: Current Portion (75,839)
	<u>\$ 927,397</u>

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

Years Ending August 31,	Principal	Interest	Total
2024	\$ 75,839	\$ 70,385	\$ 146,224
2025	68,525	66,058	134,583
2026	52,969	62,029	114,998
2027	217,893	54,578	272,471
2028	33,093	49,571	82,664
Thereafter	<u>554,917</u>	<u>278,619</u>	<u>833,536</u>
Total Payments	<u>\$ 1,003,236</u>	<u>\$ 581,240</u>	<u>\$ 1,584,476</u>

STUDENT ALTERNATIVES PROGRAM, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**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](http://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 get 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**VI. DEFINED BENEFIT PENSION & OPEB PLANS (Continued)**

Legal Name of Plan	Texas Retirement System of Texas
Plan's Employer Identification Number	N/A
Total Pension Liability	\$255,860,886,500
Plan Fiduciary Net Position	\$187,170,535,558
Net Position as Percentage of Total Pension Liability	73.15%
Expiration Date of Collective-Bargaining Agreement	N/A
Funding Improvement Plan or Rehabilitation Plan – Implemented or Pending	N/A

*Information obtained from the TRS 2023 CAFR*

***Funding Policy***

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

Under provisions in state law, plan members and the state are each required to contribute 8.0% and 8.0%, 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:

	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2023</u>
Member	8.0%	8.0%
Non-Employer Contributing Entity (State)	7.75%	8.0%
Employers	7.75%	8.0%

For the year ended August 31, 2023, the Organization contributed \$212,622, the required contributions for the year, on behalf of its employees to TRS, which included \$147,392 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**VI. DEFINED BENEFIT PENSION & OPEB PLANS (Continued)**

**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](http://www.trs.state.tx.us), under the TRS Publications heading.

***Benefits Provided***

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

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

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

***Funding Policy***

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**VI. DEFINED BENEFIT PENSION & OPEB PLANS (Continued)**

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% 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	
	2022	2023
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

For the year ended August 31, 2023, the Organization contributed \$61,414, 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.

**VII. HEALTH CARE COVERAGE**

During the year ended August 31, 2023, 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 \$1,013 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.

**VIII. 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, 2023. Net assets released from restrictions relating to net assets with donor restrictions for the year ending August 31, 2023 is as follows:

	2023
Foundation School Program	\$ 11,081,910
Other State Programs	459,657
Federal Programs	4,093,740
Total	\$ 15,635,307

STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended August 31, 2023

**IX. 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.

**X. 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 \$158,815 from El Paso; \$116,846 from Laredo; \$330,625 from Rio Grande Valley; and, \$44,228 from Lubbock. These payments, which total \$650,514 and constitute related party transactions, have been eliminated from revenues and expenses in the consolidated statement of activities. Rental payments between SAPI and ABC totaling \$9,045 have been eliminated. As of August 31, 2023, \$47,049 was due to the charter schools from SAPI. 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, 2023, the balance outstanding is \$28,544, which has been eliminated from the consolidating financial statements.

**XI. 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, 2023

**XII. NET ASSETS - RESTATEMENT**

Beginning net assets for SAPI, Inc. was restated as follows:

	Charters	SAPI	Total
Net Assets, August 31, 2022, As Reported	\$ 15,223,980	\$ 4,863,144	\$ 20,087,124
Grant Write-off	(70,552)	-	(70,552)
Intercompany Correction	-	21,339	21,339
Net Assets, September 1, 2022, As Restated	<u>\$ 15,153,428</u>	<u>\$ 4,884,483</u>	<u>\$ 20,037,911</u>

**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**

The Organization has evaluated any potential material subsequent events through January 5, 2024, 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, except as follows:

Triumph Public High School's received approval for campus expansions for the El Paso and Laredo charter districts.

Triumph Public High Schools entered into a lease agreement for a campus in San Antonio, Texas. The lease begins on January 1, 2024 and ends on June 30, 2029. The lease may be extended for two additional periods of five years each. Initial monthly payments of \$ 5,000 will commence April 2024. Tenant improvements shall be credited to monthly payment as stated in the agreement. Rent payments will be adjusted every 1<sup>st</sup> of the new year with no more than an average monthly payment of \$19,400.

Triumph Public High Schools entered into a lease agreement for a campus in Abilene, Texas. The lease begins on January 1, 2024 and ends on June 30, 2029. The lease may be extended for two additional periods of five years each. Rent with a base average of \$ 8,000 will commence October 1, 2024. Adjustment to base rent payment will be credited based on needed tenant improvements. Rental payments will vary based on square footage or student enrollment data.

**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, 2023

	Student Alternatives Program, Inc.	Academic Buildings Corp.	Community Development Buildings Corp.	Eliminations	Consolidated Total
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 862,389	\$ 168,924	\$ 130,790	\$ -	\$ 1,162,103
Cash - Restricted	-	-	-	-	-
Other Receivable	9,770	(3,357)	15,000	-	21,413
Note Receivable	-	30,182	-	(28,544)	1,638
Deferred Expenses	-	1,900	-	-	1,900
Due from Related Entity	8,484	-	-	-	8,484
Total Current Assets	<u>880,643</u>	<u>197,649</u>	<u>145,790</u>	<u>(28,544)</u>	<u>1,195,538</u>
Investments	148,033	-	-	-	148,033
Property and Equipment, Net	<u>3,090,343</u>	<u>872,562</u>	<u>729,855</u>	<u>-</u>	<u>4,692,760</u>
Total Assets	<u>\$ 4,119,019</u>	<u>\$ 1,070,211</u>	<u>\$ 875,645</u>	<u>\$ (28,544)</u>	<u>\$ 6,036,331</u>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities					
Accounts Payable	\$ 16,585	\$ 36,688	\$ 1,008	\$ -	\$ 54,281
Payroll Deductions and Withholdings	12,641	-	-	-	12,641
Accrued Wages	4,505	-	-	-	4,505
Due to State	-	-	-	-	-
Other Liabilities - Current	21,622	-	-	-	21,622
Accrued Expenses	-	-	-	-	-
Due to Related Entity	50,205	3,557	-	-	53,762
Current Portion of Long-Term Debt	11,479	40,917	25,097	(1,654)	75,839
Total Current Liabilities	<u>117,037</u>	<u>81,162</u>	<u>26,105</u>	<u>(1,654)</u>	<u>222,650</u>
Non-Current Liabilities					
Long-Term Debt, Less Current Portion	-	255,620	698,667	(26,890)	927,397
Total Non-Current Liabilities	<u>-</u>	<u>255,620</u>	<u>698,667</u>	<u>(26,890)</u>	<u>927,397</u>
Total Liabilities	<u>117,037</u>	<u>336,782</u>	<u>724,772</u>	<u>(28,544)</u>	<u>1,150,047</u>
Net Assets					
Without Donor Restrictions					
Available for Operations	<u>4,001,982</u>	<u>733,429</u>	<u>150,873</u>	<u>-</u>	<u>4,886,284</u>
Total Without Donor Restrictions	<u>4,001,982</u>	<u>733,429</u>	<u>150,873</u>	<u>-</u>	<u>4,886,284</u>
With Donor Restrictions					
Specific Purpose Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total With Donor Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>4,001,982</u>	<u>733,429</u>	<u>150,873</u>	<u>-</u>	<u>4,886,284</u>
Total Liabilities and Net Assets	<u>\$ 4,119,019</u>	<u>\$ 1,070,211</u>	<u>\$ 875,645</u>	<u>\$ (28,544)</u>	<u>\$ 6,036,331</u>

STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

CONSOLIDATING STATEMENT OF ACTIVITIES - CORPORATIONS

Year Ended August 31, 2023

	Student Alternatives Program, Inc.	Academic Buildings Corp.	Community Development Buildings Corp.	Eliminations	Consolidated Total
	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions		
<b>REVENUES AND OTHER SUPPORT</b>					
Support					
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Program Revenue	-	-	-	-	-
State Program Revenues	-	-	-	-	-
Federal Program Revenues	-	-	-	-	-
Fees and Other Revenue					
Other Revenues from Local Sources	354,837	191,269	180,056	(9,045)	717,117
Net Assets Released from Restrictions	-	-	-	-	-
<b>Total Revenue and Other Support</b>	<b>354,837</b>	<b>191,269</b>	<b>180,056</b>	<b>(9,045)</b>	<b>717,117</b>
<b>EXPENSES</b>					
Program Services					
General School Operations	-	-	-	-	-
Public Charter Schools	-	-	-	-	-
Support Services					
Administrative and General	460,779	129,465	134,117	(9,045)	715,316
<b>Total Expenses</b>	<b>460,779</b>	<b>129,465</b>	<b>134,117</b>	<b>(9,045)</b>	<b>715,316</b>
Change in Net Assets	(105,942)	61,804	45,939	-	1,801
Net Assets, Beginning of Year (Restated)	4,107,924	671,625	104,934	-	4,884,483
Net Assets, End of Year	\$ 4,001,982	\$ 733,429	\$ 150,873	\$ -	\$ 4,886,284

STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

CONSOLIDATING STATEMENT OF CASH FLOWS - CORPORATIONS

Year Ended August 31, 2023

	Student Alternatives Program, Inc.	Academic Buildings Corp.	Community Development Buildings Corp.	Eliminations	Consolidated Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Foundation School Program Payments	-	-	-	-	-
Grant Payments	-	-	-	-	-
Program Revenues Received	-	-	-	-	-
Other Revenue Received	345,067	194,626	165,056	(9,045)	695,704
Payments to Vendors for Goods and Services Rendered	(227,604)	(36,386)	(95,395)	9,045	(350,340)
Payments to Personnel for Services Rendered	(67,123)	(33,864)	-	-	(100,987)
Net Cash Provided (Used) by Operating Activities	<u>50,340</u>	<u>124,376</u>	<u>69,661</u>	<u>-</u>	<u>244,377</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sales/(Purchases) of Fixed Assets	144,110	(7,653)	(11,200)	-	125,257
Purchases of Investments	(148,033)	-	-	-	(148,033)
Net Cash Provided (Used) by Investing Activities	<u>(3,923)</u>	<u>(7,653)</u>	<u>(11,200)</u>	<u>-</u>	<u>(22,776)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Payments Received on Notes Receivable	-	-	-	-	-
Payment on Notes Payable	(55,982)	(45,646)	(23,146)	-	(124,774)
Net Cash Provided (Used) by Financing Activities	<u>(55,982)</u>	<u>(45,646)</u>	<u>(23,146)</u>	<u>-</u>	<u>(124,774)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(9,565)</u>	<u>71,077</u>	<u>35,315</u>	<u>-</u>	<u>96,827</u>
Cash and Cash Equivalents, Beginning of Year	<u>871,954</u>	<u>97,847</u>	<u>95,475</u>	<u>-</u>	<u>1,065,276</u>
Cash and Cash Equivalents, End of Year	<u>\$ 862,389</u>	<u>\$ 168,924</u>	<u>\$ 130,790</u>	<u>\$ -</u>	<u>\$ 1,162,103</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Change in Net Assets	\$ (105,942)	\$ 61,804	\$ 45,939	\$ -	\$ 1,801
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities					
Depreciation Expense	140,053	35,089	41,192	-	216,334
(Increase)/Decrease in Assets					
Grants Receivable	-	-	-	-	-
Other Receivables	(9,770)	3,357	(15,000)	-	(21,413)
Deferred Expenses	1,821	-	-	-	1,821
Due from Related Entity	-	-	-	-	-
Increase/(Decrease) in Liabilities					
Accounts Payable	9,235	20,873	(2,470)	-	27,638
Payroll Deductions and Withholdings	8,652	(304)	-	-	8,348
Accrued Wages	4,505	-	-	-	4,505
Other Liabilities - Current	21,622	-	-	-	21,622
Accrued Expenses	-	-	-	-	-
Due to Related Entity	(19,836)	3,557	-	-	(16,279)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 50,340</u>	<u>\$ 124,376</u>	<u>\$ 69,661</u>	<u>\$ -</u>	<u>\$ 244,377</u>
Supplemental Disclosure					
Interest Paid	<u>\$ 4,119</u>	<u>\$ 12,673</u>	<u>\$ 61,459</u>	<u>\$ -</u>	<u>\$ 78,251</u>

**Statements of Financial Position – Charter Schools**

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO  
Laredo, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2023

	Triumph Public High Schools - Laredo
<b>ASSETS</b>	
Current Assets	
Cash	\$ 1,885,597
Grants Receivable	965,404
Other Receivables	11,722
Due from Other Districts	160,205
Due from Student Alternative Program, Inc.	35,896
Total Current Assets	3,058,824
Fixed Assets	
Land	97,720
Buildings and Improvements	4,381,850
Vehicles	201,039
Equipment	44,621
Accumulated Depreciation	(3,148,676)
Total Fixed Assets, Net	1,576,554
Total Assets	\$ 4,635,378
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities	
Accounts Payable	\$ 122,336
Payroll Deductions and Withholdings	4,123
Accrued Wages	102,990
Other Liabilities - Current	2,547
Due to Other Districts	61,622
Total Current Liabilities	293,618
Total Liabilities	293,618
Net Assets	
Without Donor Restrictions	
Available for Operations	13,365
Total Without Donor Restrictions	13,365
With Donor Restrictions	
Specific Purpose Funds	4,328,395
Total With Donor Restrictions	4,328,395
Total Liabilities and Net Assets	\$ 4,635,378

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY  
McAllen, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2023

	<u>Triumph Public High Schools - Rio Grande Valley</u>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 2,797,867
Grants Receivables	785,055
Other Receivables	22,084
Due from Other Districts	35,659
Other Asset	65,600
Total Current Assets	<u>3,706,265</u>
Fixed Assets	
Land	1,060,218
Buildings and Improvements	763,454
Vehicles	184,693
Equipment	5,250
Accumulated Depreciation	(334,471)
Total Fixed Assets, Net	<u>1,679,144</u>
Total Assets	<u>\$ 5,385,409</u>
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities	
Accounts Payable	\$ 58,222
Payroll Deductions and Withholdings	-
Accrued Wages	152,498
Other Liabilities - Current	14,734
Accrued Expenses	4,241
Due to Other Districts	87,398
Total Current Liabilities	<u>317,093</u>
Total Liabilities	<u>317,093</u>
Net Assets	
Without Donor Restrictions	
Available for Operations	-
Total Without Donor Restrictions	<u>-</u>
With Donor Restrictions	
Specific Purpose Funds	5,068,316
Total With Donor Restrictions	<u>5,068,316</u>
Total Liabilities and Net Assets	<u>\$ 5,385,409</u>

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO  
El Paso, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2023

	Triumph Public High Schools - El Paso
<b>ASSETS</b>	
Current Assets	
Cash	\$ 2,579,619
Grants Receivables	547,771
Other Receivables	16,744
Due from Other Districts	15,591
Total Current Assets	3,159,725
Fixed Assets	
Operating Lease Right-of-Use Asset, Net	115,652
Property and Equipment	
Land	13,507
Buildings and Improvements	291,212
Vehicles	61,831
Equipment	14,562
Accumulated Depreciation	(205,851)
Total Property and Equipment, Net	175,261
Total Fixed Assets	290,913
Total Assets	\$ 3,450,638
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities	
Accounts Payable	\$ 28,316
Operating Lease Liability - Current	20,495
Payroll Deductions and Withholdings	(2,564)
Accrued Wages	96,118
Other Liabilities - Current	1,536
Accrued Expenses	2,735
Due to Other Districts	42,933
Total Current Liabilities	189,569
Non-Current Liabilities	
Operating Lease Liability - Non-current	95,157
Total Non-Current Liabilities	95,157
Total Liabilities	284,726
Net Assets	
Without Donor Restrictions	
Available for Operations	8,178
Total Without Donor Restrictions	8,178
With Donor Restrictions	
Specific Purpose Funds	3,157,734
Total With Donor Restrictions	3,157,734
Total Liabilities and Net Assets	\$ 3,450,638

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK  
Lubbock, Texas

STATEMENT OF FINANCIAL POSITION

August 31, 2023

	Triumph Public High Schools - Lubbock
<b>ASSETS</b>	
Current Assets	
Cash	\$ 2,699,422
Grants Receivables	527,187
Other Receivables	6,316
Due from Other Districts	10,394
Due from Student Alternative Program, Inc.	2,669
Total Current Assets	3,245,988
Fixed Assets	
Land	19,787
Buildings and Improvements	24,927
Vehicles	65,415
Equipment	10,950
Accumulated Depreciation	(44,487)
Total Fixed Assets, Net	76,592
Total Assets	\$ 3,322,580
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities	
Accounts Payable	\$ 32,091
Payroll Deductions and Withholdings	(2,043)
Accrued Wages	25,197
Other Liabilities - Current	2,795
Accrued Expenses	(246)
Due to Other Districts	29,896
Total Current Liabilities	87,690
Total Liabilities	87,690
Net Assets	
Without Donor Restriction	
Available for Operations	-
Total Without Donor Restriction	-
With Donor Restriction	
Specific Purpose Funds	3,234,890
Total With Donor Restriction	3,234,890
Total Liabilities and Net Assets	\$ 3,322,580

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**Statements of Activities – Charter Schools**

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO  
Laredo, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Local Support			
5740 Other Revenues from Local Sources	\$ 115,811	\$ -	\$ 115,811
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	2,220,267	2,220,267
5820 State Program Revenues Distributed by Texas Education Agency	-	8,131	8,131
Total State Program Revenues and Local Support	<u>115,811</u>	<u>2,228,398</u>	<u>2,344,209</u>
Federal Program Revenue			
5919 E-Rate Revenue	-	41,993	41,993
5920 ESEA, Title I Part A - Improving Basic Programs	-	235,125	235,125
5920 IDEA, Part B - Formula	-	92,484	92,484
5920 ESEA, Title II, Part A: TPTR	-	8,698	8,698
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	287,031	287,031
5920 American Rescue Plan ESSER III	-	867,219	867,219
5920 Title IV, Part A - SSAE	-	11,978	11,978
5920 Covid-19 Public Health Workforce Supplemental Funding Grant	-	42,370	42,370
Total Federal Program Revenues	<u>-</u>	<u>1,586,898</u>	<u>1,586,898</u>
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	<u>3,609,323</u>	<u>(3,609,323)</u>	<u>-</u>
Total Revenue and Other Support	<u>3,725,134</u>	<u>205,973</u>	<u>3,931,107</u>
<b>EXPENSES</b>			
Program Services			
11 Instruction	1,527,910	-	1,527,910
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	142,418	-	142,418
21 Instructional Leadership	-	-	-
23 School Leadership	797,453	-	797,453
Support Services			
31 Guidance, Counseling and Evaluation Services	172,715	-	172,715
32 Social Work Services	45,583	-	45,583
33 Health Services	-	-	-
34 Student (Pupil) Transportation	3,006	-	3,006
35 Food Services	7,051	-	7,051
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	309,073	-	309,073
51 Plant Maintenance and Operations	548,873	-	548,873
52 Security and Monitoring Services	49,530	-	49,530
53 Data Processing Services	89,984	-	89,984
61 Community Services	600	-	600
81 Fund Raising	20,938	-	20,938
Total Expenses	<u>3,715,134</u>	<u>-</u>	<u>3,715,134</u>
Change in Net Assets	10,000	205,973	215,973
Net Assets, Beginning of Year	<u>3,365</u>	<u>4,122,422</u>	<u>4,125,787</u>
Net Assets, End of Year	<u>\$ 13,365</u>	<u>\$ 4,328,395</u>	<u>\$ 4,341,760</u>

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY  
McAllen, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Local Support			
5740 Other Revenues from Local Sources	\$ 5,945	\$ -	\$ 5,945
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	5,273,298	5,273,298
5820 State Program Revenues Distributed by Texas Education Agency	-	139,687	139,687
Total State Program Revenues and Local Support	5,945	5,412,985	5,418,930
Federal Program Revenue			
5919 E-Rate Revenue	-	34,751	34,751
5920 ESEA, Title I Part A - Improving Basic Programs	-	424,246	424,246
5920 IDEA, Part B - Formula	-	84,568	84,568
5920 ESEA, Title II, Part A: TPTR	-	42,089	42,089
5920 Title III, Part A - ELALE	-	5,235	5,235
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	161,671	161,671
5920 American Rescue Plan ESSER III	-	709,347	709,347
5920 Title IV, Part A - SSAFE	-	27,438	27,438
5920 Re-Start Flooding Grant	-	12,621	12,621
5920 Covid-19 Public Health Workforce Supplemental Funding Grant	-	87,186	87,186
Total Federal Program Revenues	-	1,589,152	1,589,152
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	6,739,625	(6,739,625)	-
Total Revenue and Other Support	6,745,570	262,512	7,008,082
<b>EXPENSES</b>			
Program Services			
11 Instruction	3,039,716	-	3,039,716
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	123,368	-	123,368
21 Instructional Leadership	-	-	-
23 School Leadership	1,284,885	-	1,284,885
Support Services			
31 Guidance, Counseling and Evaluation Services	294,299	-	294,299
32 Social Work Services	125,614	-	125,614
33 Health Services	-	-	-
34 Student (Pupil) Transportation	8,065	-	8,065
35 Food Services	23,099	-	23,099
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	628,911	-	628,911
51 Plant Maintenance and Operations	974,983	-	974,983
52 Security and Monitoring Services	119,623	-	119,623
53 Data Processing Services	101,510	-	101,510
61 Community Services	-	-	-
81 Fund Raising	21,497	-	21,497
Total Expenses	6,745,570	-	6,745,570
Change in Net Assets	-	262,512	262,512
Net Assets, Beginning of Year (Restated)	-	4,805,804	4,805,804
Net Assets, End of Year	\$ -	\$ 5,068,316	\$ 5,068,316

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO  
El Paso, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Local Support			
5740 Other Revenues from Local Sources	\$ 14,143	\$ -	\$ 14,143
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	2,122,848	2,122,848
5820 State Program Revenues Distributed by Texas Education Agency	-	338,859	338,859
Total State Program Revenues and Local Support	<u>14,143</u>	<u>2,461,707</u>	<u>2,475,850</u>
Federal Program Revenue			
5920 ESEA, Title I Part A - Improving Basic Programs	-	333,675	333,675
5920 IDEA, Part B - Formula	-	34,724	34,724
5920 ESEA, Title II, Part A: TPTR	-	9,445	9,445
5920 American Rescue Plan ESSER III	-	233,320	233,320
5920 Title IV, Part A - SSAE	-	13,024	13,024
Total Federal Program Revenues	<u>-</u>	<u>624,188</u>	<u>624,188</u>
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	<u>3,520,196</u>	<u>(3,520,196)</u>	<u>-</u>
Total Revenue and Other Support	<u>3,534,339</u>	<u>(434,301)</u>	<u>3,100,038</u>
<b>EXPENSES</b>			
Program Services			
11 Instruction	1,680,255	-	1,680,255
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	60,998	-	60,998
21 Instructional Leadership	-	-	-
23 School Leadership	621,098	-	621,098
Support Services			
31 Guidance, Counseling and Evaluation Services	201,164	-	201,164
32 Social Work Services	91,419	-	91,419
33 Health Services	234	-	234
34 Student (Pupil) Transportation	1,740	-	1,740
35 Food Services	1,827	-	1,827
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	269,704	-	269,704
51 Plant Maintenance and Operations	474,495	-	474,495
52 Security and Monitoring Services	57,909	-	57,909
53 Data Processing Services	55,862	-	55,862
61 Community Services	-	-	-
71 Debt Service	-	-	-
81 Fund Raising	9,456	-	9,456
Total Expenses	<u>3,526,161</u>	<u>-</u>	<u>3,526,161</u>
Change in Net Assets	8,178	(434,301)	(426,123)
Net Assets, Beginning of Year	<u>-</u>	<u>3,592,035</u>	<u>3,592,035</u>
Net Assets, End of Year	<u>\$ 8,178</u>	<u>\$ 3,157,734</u>	<u>\$ 3,165,912</u>

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK  
Lubbock, Texas

STATEMENT OF ACTIVITIES

Year Ended August 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Local Support			
5740 Other Revenues from Local Sources	\$ 5,965	\$ -	\$ 5,965
5760 Revenues from Intermediate Sources	-	-	-
State Program Revenues			
5810 Foundation School Program Act Revenues	-	1,743,412	1,743,412
5820 State Program Revenues Distributed by Texas Education Agency	-	19,788	19,788
Total State Program Revenues and Local Support	<u>5,965</u>	<u>1,763,200</u>	<u>1,769,165</u>
Federal Program Revenue			
5919 E-Rate Revenue	-	20,877	20,877
5920 ESEA, Title I Part A - Improving Basic Programs	-	91,392	91,392
5920 IDEA, Part B - Formula	-	16,478	16,478
5920 ESEA, Title II, Part A: TPTR	-	15,820	15,820
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	-	110,660	110,660
5920 American Rescue Plan ESSER III	-	344,866	344,866
5920 Title IV, Part A - SSAE	-	7,958	7,958
Total Federal Program Revenues	<u>-</u>	<u>608,051</u>	<u>608,051</u>
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	<u>1,766,163</u>	<u>(1,766,163)</u>	<u>-</u>
Total Revenue and Other Support	<u>1,772,128</u>	<u>605,088</u>	<u>2,377,216</u>
<b>EXPENSES</b>			
Program Services			
11 Instruction	641,256	-	641,256
12 Instructional Resources and Media Services	-	-	-
13 Curriculum Development and Instructional Staff Development	30,344	-	30,344
21 Instructional Leadership	-	-	-
23 School Leadership	389,195	-	389,195
Support Services			
31 Guidance, Counseling and Evaluation Services	72,009	-	72,009
32 Social Work Services	13,800	-	13,800
33 Health Services	-	-	-
34 Student (Pupil) Transportation	2,498	-	2,498
35 Food Services	4,882	-	4,882
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	202,461	-	202,461
51 Plant Maintenance and Operations	252,681	-	252,681
52 Security and Monitoring Services	53,272	-	53,272
53 Data Processing Services	43,365	-	43,365
61 Community Services	59,892	-	59,892
81 Fund Raising	6,473	-	6,473
Total Expenses	<u>1,772,128</u>	<u>-</u>	<u>1,772,128</u>
Change in Net Assets	-	605,088	605,088
Net Assets, Beginning of Year	<u>-</u>	<u>2,629,802</u>	<u>2,629,802</u>
Net Assets, End of Year	<u>\$ -</u>	<u>\$ 3,234,890</u>	<u>\$ 3,234,890</u>

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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, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Foundation School Program Payments	\$ 1,833,708
Grant Payments	1,636,485
Other Local Revenues	124,717
Payments to Vendors for Goods and Services Rendered	(1,170,019)
Payments to Charter School Personnel for Services Rendered	(2,349,077)
Net Cash (Used) by Operating Activities	<u>75,814</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Fixed Assets	<u>(49,459)</u>
Net Cash (Used) by Investing Activities	<u>(49,459)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Payments to Other Districts	<u>(146,277)</u>
Net Cash Provided (Used) by Financing Activities	<u>(146,277)</u>

(Decrease) in Cash and Cash Equivalents	<u>(119,922)</u>
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Cash and Cash Equivalents, Beginning of Year	<u>2,005,519</u>
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Cash and Cash Equivalents, End of Year	<u>\$ 1,885,597</u>
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RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH

(USED) BY OPERATING ACTIVITIES

Change in Net Assets	\$ 215,973
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) by Operating Activities	
Depreciation Expense	156,785
Other Reconciling Item	(2,100)
(Increase)/Decrease in Assets	
Grant Receivable	(394,690)
Other Receivables	(11,311)
Due from Student Alternatives Programs, Inc.	
Increase/(Decrease) in Liabilities	
Accounts Payable	31,384
Payroll Deductions and Withholdings	(478)
Accrued Wages	9,261
Other Current Liabilities	<u>21,403</u>

NET CASH (USED) BY OPERATING ACTIVITIES	<u>\$ 75,814</u>
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TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY  
McAllen, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Foundation School Program Payments	\$ 6,162,533
Grant Payments	1,595,967
Other Local Revenues	5,945
Payments to Vendors for Goods and Services Rendered	(2,413,028)
Payments to Charter School Personnel for Services Rendered	(4,488,347)
Net Cash Provided by Operating Activities	863,070
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(1,183,071)
Net Cash (Used) by Investing Activities	(1,183,071)
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash Receipts from Other Districts	94,358
Net Cash Provided (Used) by Financing Activities	94,358
(Decrease) in Cash and Cash Equivalents	(225,643)
Cash and Cash Equivalents, Beginning of Year	3,023,510
Cash and Cash Equivalents, End of Year	\$ 2,797,867
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in Net Assets	\$ 262,512
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation Expense	58,639
(Increase)/Decrease in Assets	
Grant Receivable	749,548
Other Receivables	(23,724)
Deferred Expenses	(35,659)
Other Asset	(65,600)
Increase/(Decrease) in Liabilities	
Accounts Payable	(113,501)
Payroll Deductions and Withholdings	12,940
Accrued Wages	8,533
Other Liabilities - Current	6,815
Accrued Expenses	2,567
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 863,070

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO  
El Paso, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Foundation School Program Payments	\$ 2,875,738
Grant Payments	624,577
Other Local Revenues	14,143
Payments to Vendors for Goods and Services Rendered	(1,379,968)
Payments to Charter School Personnel for Services Rendered	(2,168,571)
Net Cash (Used) by Operating Activities	<u>(34,081)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	<u>(50,667)</u>
Net Cash (Used) by Investing Activities	<u>(50,667)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash Receipts from Other Districts	<u>30,387</u>
Net Cash (Used) by Financing Activities	<u>30,387</u>
(Decrease) in Cash and Cash Equivalents	<u>(54,361)</u>
Cash and Cash Equivalents, Beginning of Year	<u>2,633,980</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,579,619</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH	
(USED) BY OPERATING ACTIVITIES	
Change in Net Assets	\$ (426,123)
Adjustments to Reconcile Change in Net Assets to Net Cash	
(Used) by Operating Activities	
Depreciation Expense	25,272
(Increase)/Decrease in Assets	
Grants Receivable	414,031
Other Receivables	(15,749)
Increase/(Decrease) in Liabilities	
Accounts Payable	(33,134)
Payroll Deductions and Withholdings	(3,375)
Accrued Wages	4,148
Other Liabilities - Current	389
Accrued Expenses	460
NET CASH (USED) BY OPERATING ACTIVITIES	<u>\$ (34,081)</u>

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK  
Lubbock, Texas

STATEMENT OF CASH FLOWS

Year Ended August 31, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Foundation School Program Payments	\$ 1,787,850
Grant Payments	607,930
Other Local Revenues	5,965
Payments to Vendors for Goods and Services Rendered	(686,450)
Payments to Charter School Personnel for Services Rendered	(1,150,570)
Net Cash Provided by Operating Activities	564,725
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Fixed Assets	(68,287)
Net Cash Provided (Used) by Investing Activities	(68,287)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Cash Receipts from Other Districts	21,532
Net Cash Provided by Financing Activities	21,532
Increase in Cash and Cash Equivalents	517,970
Cash and Cash Equivalents, Beginning of Year	2,181,452
Cash and Cash Equivalents, End of Year	\$ 2,699,422
 <b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 605,088
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation Expense	11,175
(Increase)/Decrease in Assets	
Grants Receivable	24,650
Other Receivables	(5,362)
Due fro Student Alternatives Program, Inc.	(2,669)
Increase/(Decrease) in Liabilities	
Accounts Payable	(43,575)
Payroll Deductions and Withholdings	(7,417)
Accrued Wages	(16,696)
Accrued Expenses	(348)
Other Liabilities - Current	(121)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 564,725</b>

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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, 2023 and 2022

		Totals	
		2023	2022
EXPENSES			
6100	Payroll Costs	\$ 2,357,860	\$ 2,580,918
6200	Professional and Contracted Services	783,168	679,193
6300	Supplies and Materials	213,365	259,946
6400	Other Operating Costs	360,741	308,480
6500	Debt	-	-
Total Expenses		<u>\$ 3,715,134</u>	<u>\$ 3,828,537</u>

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY  
McAllen, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2023 and 2022

		Totals	
		2023	2022
EXPENSES			
6100	Payroll Costs	\$ 4,509,820	\$ 4,071,869
6200	Professional and Contracted Services	1,350,535	1,038,555
6300	Supplies and Materials	408,125	709,392
6400	Other Operating Costs	477,090	475,182
6500	Debt	-	-
Total Expenses		<u>\$ 6,745,570</u>	<u>\$ 6,294,998</u>

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO  
El Paso, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2023 and 2022

		Totals	
		2023	2022
EXPENSES			
6100	Payroll Costs	\$ 2,169,344	\$ 1,746,769
6200	Professional and Contracted Services	641,050	628,899
6300	Supplies and Materials	495,955	201,441
6400	Other Operating Costs	219,812	269,673
6500	Debt	-	-
Total Expenses		<u>\$ 3,526,161</u>	<u>\$ 2,846,782</u>

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK  
Lubbock, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Years Ended August 31, 2023 and 2022

		Totals	
		2023	2022
EXPENSES			
6100	Payroll Costs	\$ 1,126,457	\$ 1,374,736
6200	Professional and Contracted Services	378,946	294,313
6300	Supplies and Materials	126,285	179,895
6400	Other Operating Costs	140,440	140,225
6500	Debt	-	-
Total Expenses		\$ 1,772,128	\$ 1,989,169

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**Schedules of Assets – Charter Schools**

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO

Laredo, Texas

SCHEDULE OF ASSETS

Year Ended August 31, 2023

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ 13,365	\$ 1,872,232	\$ -
1510	Land and Improvements	-	97,720	-
1520	Building and Improvements	-	4,035,725	346,125
1531	Vehicles	-	172,123	28,916
1539	Furniture and Equipment	-	36,521	8,100
Total		<u>\$ 13,365</u>	<u>\$ 6,214,321</u>	<u>\$ 383,141</u>

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY  
McAllen, Texas

SCHEDULE OF ASSETS

Year Ended August 31, 2023

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ 8,178	\$ 2,789,689	\$ -
1510	Land and Improvements	-	1,060,218	-
1520	Building and Improvements	-	716,309	47,145
1531	Vehicles	-	184,693	-
1539	Furniture and Equipment	-	5,250	-
Total		<u>\$ 8,178</u>	<u>\$ 4,756,159</u>	<u>\$ 47,145</u>

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO  
El Paso, Texas

SCHEDULE OF ASSETS

Year Ended August 31, 2023

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ -	\$ 2,579,619	\$ -
1510	Land and Improvements	-	13,507	-
1520	Building and Improvements	-	291,212	-
1531	Vehicles	-	61,831	-
1539	Furniture and Equipment	-	14,562	-
1559	Right of Use Assets: Operating Leases for Furniture and Equipment	118,970	-	-
Total		<u>\$ 118,970</u>	<u>\$ 2,960,731</u>	<u>\$ -</u>

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK  
Lubbock, Texas

SCHEDULE OF ASSETS

Year Ended August 31, 2023

		Ownership Interest		
		Local	State	Federal
1110	Cash	\$ -	\$ 2,699,422	\$ -
1510	Land and Improvements	-	-	19,787
1520	Building and Improvements	-	24,927	-
1531	Vehicles	-	65,415	-
1539	Furniture and Equipment	-	10,950	-
Total		\$ -	\$ 2,800,714	\$ 19,787

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**Budgetary Comparison Schedules – Charter Schools**

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO  
Laredo, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2023

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
<b>REVENUES AND OTHER SUPPORT</b>				
Local Support				
5740 Other Revenues from Local Sources	\$ 100,000	\$ 100,000	\$ 115,811	\$ 15,811 <b>1</b>
5760 Revenues from Intermediate Sources	-	-	-	-
State Program Revenues				
5810 Foundation School Program Act Revenues	2,427,004	2,213,412	2,220,267	6,855
5820 State Program Revenues Distributed by Texas Education Agency	80,866	26,829 <b>2</b>	8,131	(18,698) <b>3</b>
Total State Program Revenues and Local Support	<u>2,607,870</u>	<u>2,340,241</u>	<u>2,344,209</u>	<u>3,968</u>
Federal Program Revenue				
5919 E-Rate Revenue	-	-	41,993	41,993 <b>4</b>
5920 ESEA, Title I Part A - Improving Basic Programs	238,831	236,402	235,125	(1,277)
5920 IDEA, Part B - Formula	105,407	94,152 <b>5</b>	92,484	(1,668)
5920 ESEA, Title II, Part A: TPTR	17,601	12,332 <b>6</b>	8,698	(3,634) <b>7</b>
5920 Title III, Part A - ELALE	10,190	10,432	-	(10,432) <b>8</b>
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	16,000	16,000	-	(16,000) <b>9</b>
5920 TCLAS - ESSER III	109,980	-	-	-
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	400,000	352,208 <b>11</b>	287,031	(65,177) <b>12</b>
5920 American Rescue Plan ESSER III	626,825	798,841 <b>13</b>	867,219	68,378
5920 Title IV, Part A - SSAE	16,680	14,174 <b>14</b>	11,978	(2,196) <b>15</b>
5920 ELC - Reopening Schools	9,180	-	-	-
5920 IDEA, Part B - Formula: American Rescue Plan	11,496	-	-	-
5920 COVID-19 Public Health Workforce	102,700	102,700	42,370	(60,330) <b>18</b>
5920 School Safety and Security	6,000	6,000	-	(6,000) <b>19</b>
Total Federal Program Revenues	<u>1,670,890</u>	<u>1,643,241</u>	<u>1,586,898</u>	<u>(56,343)</u>
Total Revenue and Other Support	<u>4,278,760</u>	<u>3,983,482</u>	<u>3,931,107</u>	<u>(52,375)</u>
<b>EXPENSES</b>				
Program Services				
11 Instruction	2,379,224	1,522,186 <b>20</b>	1,527,910	(5,724)
12 Instructional Resources and Media Services	-	-	-	-
13 Curriculum Development and Instructional Staff Development	138,463	63,928 <b>21</b>	142,418	(78,490) <b>22</b>
21 Instructional Leadership	-	-	-	-
23 School Leadership	831,392	864,333	797,453	66,880
31 Guidance, Counseling and Evaluation Services	135,307	183,012 <b>23</b>	172,715	10,297
32 Social Work Services	59,469	49,469 <b>24</b>	45,583	3,886
33 Health Services	1,000	1,000	-	1,000 <b>25</b>
34 Student (Pupil) Transportation	4,000	4,000	3,006	994 <b>26</b>
35 Food Services	6,500	8,000 <b>27</b>	7,051	949 <b>28</b>
36 Cocurricular/Extracurricular Activities	-	-	-	-
41 General Administration	275,809	275,809	309,073	(33,264) <b>29</b>
51 Plant Maintenance and Operations	612,088	866,535 <b>30</b>	548,873	317,662 <b>31</b>
52 Security and Monitoring Services	36,789	65,855 <b>32</b>	49,530	16,325 <b>33</b>
53 Data Processing Services	30,161	69,929 <b>34</b>	89,984	(20,055) <b>35</b>
61 Community Services	-	-	600	(600.00) <b>36</b>
81 Fund Raising	19,426	9,426 <b>37</b>	20,938	(11,512) <b>38</b>
Total Expenses	<u>4,529,628</u>	<u>3,983,482</u>	<u>3,715,134</u>	<u>268,348</u>
Change in Net Assets	(250,868)	-	215,973	215,973
Net Assets, Beginning of Year	<u>4,125,787</u>	<u>4,125,787</u>	<u>4,125,787</u>	-
Net Assets, End of Year	<u>\$ 3,874,919</u>	<u>\$ 4,125,787</u>	<u>\$ 4,341,760</u>	<u>\$ 215,973</u>

TRIUMPH PUBLIC HIGH SCHOOLS – LAREDO  
Laredo, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2023

Budget Variances Explanations

1. Besides local rent, we also received additional source of income from donations.
2. State School Safety funds were allocated as initially allocated for planning amounts
3. Most of the projects were not fully completed at year end. As a result of this, there were not expenditures to claim reimbursements decreasing our potential revenue. School Safety projects are still ongoing after year end.
4. Initially, we did not anticipate applying for Erate Grant but after careful consideration, we applied and were awarded. We were awarded fund after applying for Erate. We received reimbursements as we made the claims.
5. Initially- anticipated a higher allocation, yet adjusted revenue to actual federal allocation.
6. Projected ESC allocation as previous year, yet the ESC later reduce allocation as they distributed funds. We were not able to utilize the funds under the grant. Professional Development was allocated with other grants.
7. We were not able to utilize the funds under the grant. Services were rendered under other federal or state funds.
8. We were not able to utilize the funds under the grant. Services were rendered under other federal or state funds.
9. Projected to have a carry over, but we instead utilized previous residual for indirect costs. We should have cleared this budget line item.
10. Awarded grant yet we did not accept the funds. We determined that it would not be in the best interest of the District.
11. We had anticipated a higher residual from previous year, yet we decreased budget to help meet the program.
12. We chose to utilize grant funds for indirect cost to support the grant needs therefore, we only had the final residual to get reimbursed. Revenue reflects the final reimbursement.
13. We initially projected revenue to be utilized for the entire 3-year grant period, yet carryover amounts were higher than calculated. We allocated more funds to continue to meet ESSER Program Requirements.
14. Initially- anticipated a higher allocation, yet adjusted revenue to actual federal allocation.
15. We were not able to utilize the funds under the grant but will utilize residual once those funds are carried over.
16. No grant was awarded as initially projected; the line items should have been cleared.
17. No grant was awarded as initially projected; the line items should have been cleared.
18. ESC Awarded grant and allocated funds accordingly. We were not able to utilized as intendent due to the lack of contractual services for CNAs. We had a late start in the year trying to find nurses.
19. Federal Grants did not materialize, instead we were awarded State School Safety funds. Those are already allocated under state revenue.
20. Reduced instructional allocations due to the reduction in student enrollment. Each District is allocated funds based on attendance and enrollment targets. We were able to provide adequate instructions with the funds allocated.
21. Professional Development was projected based on prior years, yet we were enrolled in a program with the ESC that increased services and expenditures.

TRIUMPH PUBLIC HIGH SCHOOLS – LAREDO  
Laredo, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2023

Budget Variances Explanations

- 22 As a result of enrolling in the ESC Program for Professional Services, we entered into contracts that increased expenditure. Billing from the ESC is typically done at Year End.
- 23 We increased the allocation for contracts to help student with their social and emotional needs
- 24 Social Services were mainly handled by Communities in Schools already allocated under the previous line item.
- 25 Line item was not needed due to a contract with ESC for health services. Line item should be cleared.
- 26 We were able to reduce the need for student transportation services and stay within budget
- 27 We increased budgets to allocated for the need of Breakfast program.
- 28 As yearend, less students acquired Breakfast items, therefore, the District was able to conserve and stay within budget
- 29 Administrative cost at year end increased due to the need for Professional Services under the Expansion Project got on their way.
- 30 We increased budgets to allocated for the School Safety Projects.
- 31 Yet, some school safety projects were not finalized at year end. The lack of materials and finding contractual services had move forward with project after year end.
- 32 We increased budgets to allocate for required security services.
- 33 The negotiated contractual agreements for security offices allowed us to safe and stay within budget.
- 34 Allocated more fuds for Data Services as we implemented the new camera system for school safety.
- 35 Technology services increased more as we continued to incorporated new systems. Equipment was purchased for school safety standards and installed by our IT department.
- 36 Allocated funds for Parental Involvement actives. Usually we have them under Instructional Services.
- 37 Initially, we reduced funds due to change in staff and administration of services needed under Marketing.
- 38. As we hired new staff we implemented new projects that allowed us to grow our Marketing Department. Such services increased expenditures at year end.

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY  
McAllen, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2023

REVENUES AND OTHER SUPPORT	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
Local Support				
5740 Other Revenues from Local Sources	\$ 3,000	\$ 3,000	\$ 5,945	\$ 2,945 <b>1</b>
5760 Revenues from Intermediate Sources	-	-	-	-
State Program Revenues				
5810 Foundation School Program Act Revenues	6,498,048	5,051,425	5,273,298	221,873
5820 State Program Revenues Distributed by Texas Education Agency	83,812	217,292	139,687	(77,605) <b>4</b>
Total State Program Revenues and Local Support	6,584,860	5,271,717	5,418,930	147,213
Federal Program Revenue				
5919 E-Rate Revenue	-	-	34,751	34,751 <b>5</b>
5920 Teacher Incentive Fund - Project Rise	122,016	105,224	-	(105,224) <b>7</b>
5920 ESEA, Title I Part A - Improving Basic Programs	299,075	381,578	424,246	42,668 <b>9</b>
5920 IDEA, Part B - Formula	121,593	84,568	84,568	-
5920 ESEA, Title II, Part A: TPTR	36,363	42,089	42,089	-
5920 Title III, Part A, English Language Acquisition	2,470	11,157	5,235	(5,922) <b>13</b>
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	350,529	228,041	161,671	(66,370) <b>15</b>
5920 American Rescue Plan ESSER III	491,690	1,010,210	709,347	(300,863) <b>17</b>
5920 Title IV, Part A - SSAE	25,343	106,085	27,438	(78,647) <b>19</b>
5920 Re-Start Flooding Grant	213,259	93,341	12,621	(80,720) <b>21</b>
5920 Covid-19 Public Health Workforce Supplemental Funding Grant	2,524	102,700	87,186	(15,514) <b>23</b>
Total Federal Program Revenues	1,664,862	2,164,993	1,589,152	(575,841)
Total Revenue and Other Support	8,249,722	7,436,710	7,008,082	(428,628)
EXPENSES				
Program Services				
11 Instruction	4,264,433	3,411,547	3,039,716	371,831 <b>25</b>
12 Instructional Resources and Media Services	-	-	-	-
13 Curriculum Development and Instructional Staff Development	157,789	50,041	123,368	(73,327) <b>27</b>
21 Instructional Leadership	517	-	-	-
23 School Leadership	1,347,596	1,260,489	1,284,885	(24,396)
31 Guidance, Counseling and Evaluation Services	340,675	360,425	294,299	66,126 <b>29</b>
32 Social Work Services	197,855	132,940	125,614	7,326
33 Health Services	-	-	-	-
34 Student (Pupil) Transportation	12,295	12,295	8,065	4,230 <b>31</b>
35 Food Services	24,000	30,000	23,099	6,901 <b>33</b>
36 Cocurricular/Extracurricular Activities	-	-	-	-
41 General Administration	739,382	684,000	628,911	55,089
51 Plant Maintenance and Operations	996,175	1,206,334	974,983	231,351 <b>35</b>
52 Security and Monitoring Services	36,235	152,735	119,623	33,112 <b>37</b>
53 Data Processing Services	79,940	113,904	101,510	12,394 <b>39</b>
61 Community Services	1,343	-	-	-
81 Fund Raising	51,487.00	22,000	21,497	503
Total Expenses	8,249,722	7,436,710	6,745,570	691,140
Change in Net Assets	-	-	262,512	262,512
Net Assets, Beginning of Year	4,805,804	4,805,804	4,805,804	-
Net Assets, End of Year	\$ 4,805,804	\$ 4,805,804	\$ 5,068,316	\$ 262,512

TRIUMPH PUBLIC HIGH SCHOOLS – RIO GRANDE VALLEY  
McAllen, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2023

Budget Variances Explanations

1. Received greater local funds than anticipating. Donations are very unpredictable.
2. We originally had budget additional funds to supplement the State Foundation revenue due to projected drop in enrollment and ADA. We later decreased the appropriations as we determined that we would not need the additional support. The program was generating enough revenue to support the needs.
3. Original budget did not include some of the new State School Safety Funds allocated.
4. As we implemented the Schools Safety Grant, we were not able to request reimbursement due to projects not fully implemented at year end. Such as perimeter fencing.
5. We were awarded fund after applying for Erate. We received reimbursements as we made the claims.
6. We reduced allocations since we did not receive grant funds. ESC did not have carryover funds to continue with the program.
7. Budget item should have been removed no revenue was requested.
8. We determined the need to increase Title I appropriations as we received carry over funds.
9. We were able to request reimbursements as we managed to support the program and spend the funds accordingly. Requested higher reimbursements than originally anticipated. Mainly contractual agreements with the ESC for required professional development.
10. We received reduced allocations therefore we reduced budgets according.
  
11. Awarded additional funds and increased budgets accordingly.
12. Original budget did not include fully allocated funds; therefore, budget increased later.
13. Certain expenditures did not materialize due to the Services provided by the ESC. Less reimbursements were made as a result of this.
14. We budgeted to maximized ESSER II fund, yet we determined that we had fewer funds left from prior year,
15. Maximized the residual of Esser II funds, and requested reimbursement as such.
16. As a result of maxed ESSER II funds, we increased and release the use of ESSER III funds to help support our staff ratios, professional services for social and emotional needs for staff and students.
17. We determined that there was a greater need to support our staff ratios, professional services for social and emotional needs; therefore, expenditures increased allowing us to request more funds for reimbursement for this audit year.
18. We incorrectly budgeted an increase under this fund, this was a coding error. We should have only allocated the 10,000 and the carryover of funds.
19. Expenditures, explain the utilization funds. We requested reimbursement accordingly.
20. Originally, we projected additional funds under this three-year grant. Once we reconciled we determined a need to reduced appropriation. We factored Indirect Cost which reduced the available funds.
21. We maximized the available residual and requested reimbursement as such.
22. Received additional funding from the ESC for the nursing program. Increased budgets accordingly.
23. Due to a lack of CNAs, some of the contractual agreement budget did not materialize and expenditures were reduced. We only claimed what was expensed.
24. Reduced instructional allocations due to the reduction in student enrollment. Each District is allocated funds based on attendance and enrollment targets.

TRIUMPH PUBLIC HIGH SCHOOLS – RIO GRANDE VALLEY  
McAllen, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2023

Budget Variances Explanations

25. As we continue toward expansion, we have become more conservative. We were able to provide adequate instructions with the means of the funds allocated under this category and managed to leave a residual.
26. Reduced expenditures due to reduction in staffing.
27. Due to grant requirements, we engaged in Professional Development contracts that increased our expenditures.
28. Projected allocations were reduced since the ESC was providing services at a reduced cost.
29. As we continue toward expansion, we have become more conservative. We were able to provide adequate counseling services with the means of the funds allocated under this category and managed to leave a residual
30. Initially, we determined to need additional funds for Instructional leadership. We utilize funds from other categories. Reduced the appropriations for that category,
31. Reduced appropriation in this category due to staff turnover. Less staff determined that no additional funds were needed.
32. Reduced expenditures due to reduction in staffing. We were able to provide adequate services with the means of the funds allocated under this category and managed to leave a residual
33. We were able to provide adequate services with the means of the funds allocated under this category and managed to leave a residual
34. We increase allocation for the Breakfast program as we noticed trends of higher need.
35. We were able to provide adequate services with the means of the funds allocated under this category and managed to leave a residual. Consumption of the Breakfast program reduced.
36. Allocations were reduced as we determine that services were not going to materialize.
37. Toward end of year, services increased as claims for services were requested.
38. Under operation we included School Safety Appropriations. We increased appropriations accordingly to help meet state requirement, as we were awarded funds, we increase to begin with project needs, i.e. (perimeter fences, cameras, etc.)
39. We appropriated for major school safety projects yet at year end, some were not complete. We continue to undergo School Safety projects under District operations.
35. As we continue to establish new school safety protocols, we determined that more funds were needed under this category for the security officer contracts, therefore we increased budgets accordingly.
36. We were able to provide adequate services with the means of the funds allocated under this category and managed to leave a residual
37. We determined that additional services were needed for installation and monitoring under this category therefore we increased budgets accordingly. we stay conservative and minimize expenditures
38. We saved on the additional services since our IT Department handle the projects internally, therefore we left a small residual in this category as a result of these efforts.
39. Community Services were handled through other funds; therefore, this category was not utilized.
40. To help support the programs we stay conservative and minimize expenditures
41. We originally budget for a full Marketing Program yet we were not able to fully implement it. Having to reduce appropriation and expenditure as needed.

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO  
El Paso, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2023

REVENUES AND OTHER SUPPORT	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
<b>Local Support</b>				
5740 Other Revenues from Local Sources	\$ 3,191	\$ 3,191	\$ 14,143	\$ 10,952 <b>1</b>
5760 Revenues from Intermediate Sources	-	-	-	-
<b>State Program Revenues</b>				
5810 Foundation School Program Act Revenues	2,704,739	2,944,346	2,122,848	(821,498) <b>2</b>
5820 State Program Revenues Distributed by Texas Education Agency	<u>53,865</u>	<u>72,345</u> <b>3</b>	<u>338,859</u>	<u>266,514</u> <b>4</b>
<b>Total State Program Revenues and Local Support</b>	<u>2,761,795</u>	<u>3,019,882</u>	<u>2,475,850</u>	<u>(544,032)</u>
<b>Federal Program Revenue</b>				
5920 ESEA, Title I Part A - Improving Basic Programs	274,012	297,851	333,675	35,824 <b>5</b>
5920 IDEA, Part B - Formula	34,724	34,474	34,724	250
5920 ESEA, Title II, Part A: TPTR	10,907	9,643 <b>6</b>	9,445	(198)
5920 TCLAS - ESSER III	109,980	- <b>7</b>	-	-
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	30,000	- <b>8</b>	-	-
5920 American Rescue Plan ESSER III	375,000	310,737 <b>9</b>	233,320	(77,417) <b>10</b>
5920 Title III, Part A, English Language Acquisition	4,710	4,710	-	(4,710) <b>11</b>
5920 Title IV, Part A - SSAE	10,596	13,024 <b>12</b>	13,024	-
5920 IDEA, Part B - Formula: American Rescue Plan	8,476	- <b>13</b>	-	-
5920 COVID-19 School Health Support Grant	6,788	- <b>14</b>	-	-
5920 SPED Compensatory - Fiscal Support - Extended	12,202	- <b>15</b>	-	-
<b>Total Federal Program Revenues</b>	<u>877,395</u>	<u>670,439</u>	<u>624,188</u>	<u>(46,251)</u>
<b>Total Revenue and Other Support</b>	<u>3,639,190</u>	<u>3,690,321</u>	<u>3,100,038</u>	<u>(590,283)</u>
<b>EXPENSES</b>				
<b>Program Services</b>				
11 Instruction	1,842,966	1,711,666	1,680,255	31,411
12 Instructional Resources and Media Services	-	-	-	-
13 Curriculum Development and Instructional Staff Development	67,502	40,000 <b>16</b>	60,998	(20,998) <b>17</b>
21 Instructional Leadership	1,000	- <b>18</b>	-	-
23 School Leadership	592,607	650,000	621,098	28,902
31 Guidance, Counseling and Evaluation Services	230,857	209,817	201,164	8,653
32 Social Work Services	100,926	87,858 <b>19</b>	91,419	(3,561)
33 Health Services	4,000	2,000 <b>20</b>	234	1,766 <b>21</b>
34 Student (Pupil) Transportation	1,000	3,000 <b>22</b>	1,740	1,260 <b>23</b>
35 Food Services	5,500	2,500 <b>24</b>	1,827	673 <b>25</b>
36 Cocurricular/Extracurricular Activities	-	-	-	-
41 General Administration	319,348	279,419 <b>26</b>	269,704	9,715
51 Plant Maintenance and Operations	379,378	567,227 <b>27</b>	474,495	92,732 <b>28</b>
52 Security and Monitoring Services	36,403	61,942 <b>29</b>	57,909	4,033
53 Data Processing Services	34,885	64,892 <b>30</b>	55,862	9,030 <b>31</b>
61 Community Services	350	- <b>31</b>	-	-
71 Debt Service	-	-	-	-
81 Fund Raising	22,468	10,000 <b>33</b>	9,456	544
<b>Total Expenses</b>	<u>3,639,190</u>	<u>3,690,321</u>	<u>3,526,161</u>	<u>164,160</u>
<b>Change in Net Assets</b>	-	-	(426,123)	(426,123)
<b>Net Assets, Beginning of Year</b>	<u>3,592,035</u>	<u>3,592,035</u>	<u>3,592,035</u>	-
<b>Net Assets, End of Year</b>	<u>\$ 3,592,035</u>	<u>\$ 3,592,035</u>	<u>\$ 3,165,912</u>	<u>\$ (426,123)</u>

TRIUMPH PUBLIC HIGH SCHOOLS – EL PASO  
El Paso, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2023

Budget Variances Explanations

1. Received greater donated local funds than anticipating. Donation are very unpredictable.
2. Less State Foundation revenue received due to very unpredictable enrollment/ADA as we service At-Risk student population. El Paso did not meet its enrollment and attendance targets.
3. El Paso was awarded a JET Grant through TWC of approximately 300,000. Originally, we only appropriated for State School Safety fund but later in the year were reimburse JET grant funds
4. Variance in Appropriations is due to the receipt of Jet Grant Funds; such funds were not originally anticipated to be reimbursed early in the year.
5. Originally budgeted less than anticipated, additional funds granted through the ESF grant therefore allowing us to utilize the funds and claim reimbursements.
6. Decrease appropriations, due to adjust available fund as enrollment decreased.
7. We were not able to utilize the funds under the grant as planned. We returned the funds. The initial intent of the grant for services was covered by the regular school program.
8. New two-year grant received within and anticipated a residual but we fully utilize grant proceeds in prior year. We included Indirect Cost to cover the residual.
9. Grant period is for three years and included reimbursement that included indirect cost, leaving a less carryover amount for this year.
10. We fully expended grant and requested reimbursement for the remaining funds from the three-year grant.
11. Professional Development was projected based on prior years, yet we were enrolled in a program with the ESC01 and reimbursement were not requested. They cost allocated All services provided to meet teacher needs.
12. Original budget did not factor in carryover revenue, therefore to help support student needs, under the social/emotional component contracts, we increased appropriations by the prior year carry over.
13. Anticipated additional grant funds but were not awarded; decreased appropriations as needed
14. Anticipated additional grant funds but were not awarded; decreased appropriations as needed
15. Anticipated additional grant funds but were not awarded; decreased appropriations as needed
16. During the year we reduced appropriations due to lack of ADA but supported Professional Development expenditures under other categories.
17. Towards year end, due to summer conference held in El Paso, expenditure exceeded the budget.
18. Initially, we determined to need additional funds for Instructional leadership. We utilize funds from other categories. Reduced the appropriations for that category,
19. Reduced appropriation in this category as we determined that funds would not be fully utilized.
20. Reduced appropriation in this category as we determined that funds would not be fully utilized.
21. Reduced appropriation in this category as we determined that funds would not be fully utilized. The expenditures were minimal as there was no great need for additional health services.
22. Originally, we established a budget to help support the Transportation program for students. An evaluation later determined that the support needed for student was less due to the drop in ADA. Therefore, budget was later reduced.
23. Expenditures show that there were less student needing transportation services. We determined that the drop-in enrollment could have played a factor in this category.

TRIUMPH PUBLIC HIGH SCHOOLS – EL PASO  
El Paso, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2023

Budget Variances Explanations

24. Originally, we established a budget to help support the Breakfast program for students. An evaluation later determined that the number of students was less therefore budget was later reduced.
25. Expenditures show that there were less student needing breakfast program services due to the drop-in enrollment.
26. Due to the lack for Enrollment and ADA, appropriations were reduced and were very conservative with respect to Administrative Costs.
27. School Safety Appropriations were increased to meet state requirement, as we were awarded funds, we increase to begin with project needs, i.e. (perimeter fences, cameras, etc.)
28. We appropriated for major school safety projects yet at year end, some were not complete. We continue to undergo School Safety projects under District operations.
29. As we continue to establish new school safety protocols, we determined that more funds were needed under this category for the security, therefore we increased budgets accordingly.
30. We determined that additional services were needed for installation and monitoring under this category therefore we increased budgets accordingly.
31. We saved on the additional services since our IT Department handle the projects internally, therefore we left a small residual in this category as a result of these efforts.
32. Community Services were handled through other funds; therefore, this category was not utilized.
33. We originally budget for a full Marketing Program yet we were not able to fully implement it. Having to reduce appropriation and expenditure as needed.

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK  
Lubbock, Texas

BUDGETARY COMPARISON SCHEDULE

Year Ended August 31, 2023

REVENUES AND OTHER SUPPORT	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
Local Support				
5740 Other Revenues from Local Sources	\$ 3,000	\$ 3,000	\$ 5,965	\$ 2,965 <b>1</b>
5760 Revenues from Intermediate Sources	-	-	-	-
State Program Revenues				
5810 Foundation School Program Act Revenues	1,811,568	1,732,423	1,743,412	10,989
5820 State Program Revenues Distributed by Texas Education Agency	8,246	43,559 <b>2</b>	19,788	(23,771) <b>3</b>
<b>Total State Program Revenues and Local Support</b>	<b>1,822,814</b>	<b>1,778,982</b>	<b>1,769,165</b>	<b>(9,817)</b>
Federal Program Revenue				
5920 ESEA, Title I Part A - Improving Basic Programs	125,103	84,275 <b>4</b>	91,392	7,117
5920 IDEA, Part B - Formula	59,744	41,822 <b>5</b>	16,478	(25,344) <b>6</b>
5920 ESEA, Title II, Part A: TPTR	15,291	19,715 <b>7</b>	15,820	(3,895) <b>8</b>
5920 Title III, Part A, English Language Acquisition	384	384	-	(384) <b>9</b>
5920 Elementary and Secondary School Emergency Relief (ESSER) Fund	9,868	- <b>10</b>	-	-
5920 TCLAS - ESSER III	109,441	- <b>11</b>	-	-
5920 Coronavirus Response and Relief Supplemental Appropriations ESSER II	234,046	134,608 <b>12</b>	110,660	(23,948) <b>13</b>
5920 American Rescue Plan ESSER III	385,308	238,372 <b>14</b>	344,866	106,494 <b>15</b>
5920 Title IV, Part A - SSAE	29,636	20,000 <b>16</b>	7,958	(12,042) <b>17</b>
5920 IDEA, Part B - Formula: American Rescue Plan	9,218	- <b>18</b>	-	-
5920 School Safety and Security	16,833	- <b>19</b>	-	-
5920 COVID-19 School Health Support Grant	7,444	- <b>20</b>	-	-
5920 SPED Compensatory - Fiscal Support - Extended	14,152	- <b>21</b>	-	-
5920 E-Rate Revenue	-	-	20,877	20,877 <b>22</b>
<b>Total Federal Program Revenues</b>	<b>1,016,468</b>	<b>539,176</b>	<b>608,051</b>	<b>68,875</b>
<b>Total Revenue and Other Support</b>	<b>2,839,282</b>	<b>2,318,158</b>	<b>2,377,216</b>	<b>59,058</b>
EXPENSES				
Program Services				
11 Instruction	1,433,449	908,459 <b>23</b>	641,256	267,203 <b>24</b>
12 Instructional Resources and Media Services	-	-	-	-
13 Curriculum Development and Instructional Staff Development	101,914	49,867 <b>25</b>	30,344	19,523 <b>26</b>
21 Instructional Leadership	7,500	- <b>27</b>	-	-
23 School Leadership	609,898	457,007 <b>28</b>	389,195	67,812 <b>29</b>
31 Guidance, Counseling and Evaluation Services	92,385	92,385	72,009	20,376 <b>30</b>
32 Social Work Services	18,900	11,718 <b>31</b>	13,800	(2,082) <b>32</b>
33 Health Services	5,000	- <b>33</b>	-	-
34 Student (Pupil) Transportation	700	2,700 <b>34</b>	2,498	202
35 Food Services	7,500	6,800	4,882	1,918 <b>35</b>
36 Cocurricular/Extracurricular Activities	-	-	-	-
41 General Administration	235,479	231,061	202,461	28,600 <b>36</b>
51 Plant Maintenance and Operations	270,966	354,480 <b>37</b>	252,681	101,799 <b>38</b>
52 Security and Monitoring Services	14,573	67,000 <b>39</b>	53,272	13,728 <b>40</b>
53 Data Processing Services	24,949	53,000 <b>41</b>	43,365	9,635 <b>42</b>
61 Community Services	-	75,870 <b>43</b>	59,892	15,978 <b>44</b>
81 Fund Raising	16,069	7,811 <b>45</b>	6,473	1,338 <b>46</b>
<b>Total Expenses</b>	<b>2,839,282</b>	<b>2,318,158</b>	<b>1,772,128</b>	<b>546,030</b>
Change in Net Assets	-	-	605,088	605,088
Net Assets, Beginning of Year	2,629,802	2,629,802	2,629,802	-
Net Assets, End of Year	\$ 2,629,802	\$ 2,629,802	\$ 3,234,890	\$ 605,088

TRIUMPH PUBLIC HIGH SCHOOLS – LUBBOCK  
Lubbock, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2023

Budget Variances Explanations

1. Received greater local funds than anticipating. Donation are very unpredictable.
2. Original budget did not include some of the new State School Safety Funds allocated.
3. As we implemented the Schools Safety Grant, we were not able to request reimbursement due to projects not fully implemented at year end. Such as perimeter fencing.
4. We determined that due to Low enrollment and ADA, Title I funds would not be utilized as anticipated, reducing the appropriations as such. Towards year end we managed to support the program and spend the funds accordingly.
5. We determined that due to Low enrollment and ADA, funds would not be utilized as anticipated, reducing the appropriations as such.
6. Regular funds were used first to meet MOE and support student's needs. Therefore, federal funds were not utilized.
7. Original budget did not include fully allocated funds; therefore, budget increased budget to appropriate all grant funds
8. Certain expenditures did not materialize due to high staffing turnover ratio; therefore, drawdown was less than anticipated.
9. We did not utilize grant funds. Services were provided the ESC.
10. Reduced appropriation in this category as we determined that we would not have carry over funds.
11. Reduced appropriation in this category as we determined that we would not have carry over funds.
12. Reduced appropriation in this category as we determined that we did not have enough carry over funds.
13. We requested reimbursement for the available funds maximizing the grant to help support our program.
14. As a result of maximizing ESSER II funds, we reduced appropriations in ESSER III funds, yet we determined that there was a greater need to support our staff ratios, professional services for social and emotional needs.
15. We determined that there was a greater need to support our staff ratios, professional services for social and emotional needs; therefore, expenditures increased allowing us to request more funds for reimbursement.
16. We reduced budgets as we determine that funds would not be utilized under this grant. We were able to service our student and staff from other sources.
17. Original projected expenditures that did not materialize; therefore, we drawdown less than anticipated generating less revenue.
18. We reduced allocations since we did not receive grant funds.
19. We reduced allocations since we did not receive grant funds.
20. We reduced allocations since we did not receive grant funds.
21. We reduced allocations since we did not receive grant funds.
22. Initially, we did not anticipate applying for Erate Grant but after careful consideration, we applied and were awarded.
23. Reduced instructional allocations due to the reduction in student enrollment. Each District is allocated funds based on attendance and enrollment targets. We were able to provide adequate instructions with the funds allocated.
24. Expenditures reduced in instructions due to the drop of enrollment. Enrollment/ADA is very unpredictable due to our At-Risk student population. Low student attendance continues to be somewhat due to COVID19 pandemic affects; such as, social, emotional and mental health.

TRIUMPH PUBLIC HIGH SCHOOLS – LUBBOCK  
Lubbock, Texas

BUDGETARY COMPARISON SCHEDULE (Continued)

Year Ended August 31, 2023

Budget Variances Explanations

25. Projected allocations were reduced professional development due to high staffing turnover ratio. Staff and teacher needs were considered and utilized other available funds under a different category.
26. Expenditures did not materialize due to high staffing turnover ratio; Staff development services were reduced and maintained inhouse, or virtual.
27. Initially, we determined to need additional funds for Instructional leadership. We utilize funds from other categories. Reduced the appropriations for that category,
28. Reduced appropriation in this category due to staff turnover. Less staff determined that no additional funds were needed.
29. Reduced expenditures due to reduction in staffing.
30. As student counts dropped the services were reduced and expenditures were less than anticipated.
31. Allocations were reduced as we determine that services were not going to materialize.
32. Toward end of year, services increased as claims for services were requested.
33. We reduced allocations since we did not provided services under this category. If services were requested we used other funds to cover the staff and student needs.
34. Increased student transportation allocations as needed throughout the year to include end of year activities.
35. Expenditures at year end were less than budgeted for breakfast program. Expenditures reduced due to the drop-in enrollment and student consumption.
36. Due to the lack of Enrollment and ADA, appropriations were reduced to ensure we stay conservative and minimize expenditures for Administrative Costs.
37. Under operation we included School Safety Appropriations. We increased appropriations accordingly to help meet state requirement, as we were awarded funds, we increase to begin with project needs, i.e. (perimeter fences, cameras, etc.)
38. We appropriated for major school safety projects yet at year end, some were not complete. We continue to undergo School Safety projects under District operations.
40. As we continue to establish new school safety protocols, we determined that more funds were needed under this category for the security contracts, therefore we increased budgets accordingly.
41. We determined that additional services were needed for installation and monitoring under this category therefore we increased budgets accordingly. we stay conservative and minimize expenditures
42. We saved on the additional services since our IT Department handle the projects internally, therefore we left a small residual in this category as a result of these efforts.
43. Community Services were handled through other funds; therefore, this category was not utilized.
44. To help support the programs we stay conservative and minimize expenditures
45. We originally budget for a full Marketing Program yet we were not able to fully implement it. Having to reduce appropriation and expenditure as needed.
46. We originally budget for a full Marketing Program yet we were not able to fully implement it. Having to reduce appropriation and expenditure as needed.

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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, 2023

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	\$ 2,563,161	-	\$ 2,563,161	-
All Blk 5 Colonia Los Obispos V Moonlight, Block 6, Lot 7	4620 Sierra Vista & S Lucy, Laredo, TX 78046	2,808,250	-	2,808,250	-
	2101 Puscas Ct, Laredo, TX 78046	64,089	-	64,089	-

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY  
McAllen, Texas

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST

Year Ended August 31, 2023

Description	Property Address	Total Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
D Vogel Business Park Lot 8	2000 E Expressway 83 TX	\$ 846,831	-	\$ 846,831	-

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO  
El Paso, Texas

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST

Year Ended August 31, 2023

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, 2023

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, 2023

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	\$ 42,681	\$ -
Student Alternatives Program, Inc.	-	Charter Holder	Facility Use Fee	Monthly payments of \$6,066	State	Monthly	72,797	-
Student Alternatives Program, Inc.	-	Charter Holder	Cost Reimbursement	Monthly reimbursement of salaries and other costs based on actual	State	Monthly	4,184	-

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY  
McAllen, Texas

SCHEDULE OF RELATED PARTY TRANSACTIONS

Year Ended August 31, 2023

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	\$ 81,740	\$ -
Student Alternatives Program, Inc.	-	Charter Holder	Facility Use Fee	Monthly payments of \$5,477	State	Monthly	65,729	-
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	11,122	-

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO  
El Paso, Texas

SCHEDULE OF RELATED PARTY TRANSACTIONS

Year Ended August 31, 2023

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	\$ 37,856	\$ -
Student Alternatives Program, Inc.	-	Charter Holder	Facility Use Fee	Monthly payments of \$10,106	State	Monthly	121,268	-
Student Alternatives Program, Inc.	-	Charter Holder	Cost Reimbursement	Monthly reimbursement of salaries and other costs based on actual	State	Monthly	3,520	-

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK  
Lubbock, Texas

SCHEDULE OF RELATED PARTY TRANSACTIONS

Year Ended August 31, 2023

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 Use Fee	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	2,622	-

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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, 2023

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, 2023

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, 2023

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, 2023

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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**Schedule of Required Responses to Selected Compensatory and  
Bilingual Expenditures**

TRIUMPH PUBLIC HIGH SCHOOLS - LAREDO

Laredo, Texas

SCHEDULE OF REQUIRED RESPONSES TO SELECTED COMPENSATORY  
AND BILINGUAL EXPENDITURES

Year Ended August 31, 2023

Data Codes	Section A: Compensatory Education Programs	Column 1 Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	YES
AP2	Does the LEA have writtent policies and procedures for its state compensatory education program?	YES
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 341,475
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$ 246,485
	<b>Section B: Bilingual Education Programs</b>	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	YES
AP6	Does the LEA have written policies and procedures for its bilingual education program?	YES
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 62,547
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	\$ 35,302

TRIUMPH PUBLIC HIGH SCHOOLS - RIO GRANDE VALLEY  
McAllen, Texas

SCHEDULE OF REQUIRED RESPONSES TO SELECTED COMPENSATORY  
AND BILINGUAL EXPENDITURES

Year Ended August 31, 2023

Data Codes	Section A: Compensatory Education Programs	Column 1 Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	YES
AP2	Does the LEA have writtent policies and procedures for its state compensatory education program?	YES
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 786,021
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$ 649,794
	<b>Section B: Bilingual Education Programs</b>	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	YES
AP6	Does the LEA have written policies and procedures for its bilingual education program?	YES
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 83,989
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	\$ 59,399

TRIUMPH PUBLIC HIGH SCHOOLS - EL PASO

El Paso, Texas

SCHEDULE OF REQUIRED RESPONSES TO SELECTED COMPENSATORY  
AND BILINGUAL EXPENDITURES

Year Ended August 31, 2023

<b>Data Codes</b>	<b>Section A: Compensatory Education Programs</b>	<b>Column 1 Responses</b>
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	YES
AP2	Does the LEA have writtent policies and procedures for its state compensatory education program?	YES
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 270,595
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$ 378,172
	<b>Section B: Bilingual Education Programs</b>	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	YES
AP6	Does the LEA have written policies and procedures for its bilingual education program?	YES
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 39,538
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	\$ 22,820

TRIUMPH PUBLIC HIGH SCHOOLS - LUBBOCK

Lubbock, Texas

SCHEDULE OF REQUIRED RESPONSES TO SELECTED COMPENSATORY  
AND BILINGUAL EXPENDITURES

Year Ended August 31, 2023

<b>Data Codes</b>	<b>Section A: Compensatory Education Programs</b>	<b>Column 1 Responses</b>
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	YES
AP2	Does the LEA have writtent policies and procedures for its state compensatory education program?	YES
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 301,262
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$ 156,997
	<b>Section B: Bilingual Education Programs</b>	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	YES
AP6	Does the LEA have written policies and procedures for its bilingual education program?	YES
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 251
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	\$ 4,836

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**SINGLE AUDIT SECTION**

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# Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2023, 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 5, 2024.

## **Report on 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 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 a 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.

Our consideration of the 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.

207 Arden Grove  
San Antonio, TX 78215  
210/227-1389  
Fax 227-0716

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## **Report on Compliance and Other Matters**

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 determination of financial statement amounts. 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 Matters**

We noted certain matters that we reported to management of the Organization in a separate letter dated January 5, 2024.

### **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.

*Gonzalez/Gonzalez  
& Associates*

January 5, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR 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**

### ***Opinion on Each Major Federal Program***

We have audited the Student Alternatives Program, Inc. (the Organization) and its affiliates' compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended August 31, 2023. 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.

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, 2023.

### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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## Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



January 5, 2024

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STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2023

**SECTION I --- SUMMARY OF AUDITORS' RESULTS**

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

<i>Federal Awards</i>		
Internal control over major programs: • Material weakness (es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

<i>Identification of Major Programs</i>		
CFDA Numbers(s)	Name of Federal Program or Cluster	
84.425D 84.425U	Elementary and Secondary School Emergency Relief (ESSER) Fund American Rescue Plan (ARP) – ESSER (ARP ESSER)	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2023

**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, 2023

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, 2023

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	23610101240801	150,402
ESEA Title I, Part A Improving Basic Programs (Rio Grande Valley)	84.010A	23610101108804	348,984
ESEA Title I, Part A Improving Basic Programs (El Paso)	84.010A	23610101071803	78,221
ESEA Title I, Part A Improving Basic Programs (Lubbock)	84.010A	23610101152803	91,392
ESEA Title I, Part A School Improvement Grant (Laredo)	84.010A	236101141240801	84,723
ESEA Title I, Part A School Improvement Grant (Rio Grande Valley)	84.010A	236101141108804	75,262
ESEA Title I, Part A School Improvement Grant (El Paso)	84.010A	236101141071803	49,620
Title I, 1003 ESF- Focused Support Grant (El Paso)	84.010A	226101577110027	205,834
Total CFDA No. 84.010A			1,084,438
IDEA, Part B - Formula/Special Education Grants to States (Laredo)	84.027A	236600012408016000	92,484
IDEA, Part B - Formula/Special Education Grants to States (Rio Grande Valley)	84.027A	236600011088046000	84,568
IDEA, Part B - Formula/Special Education Grants to States (El Paso)	84.027A	236600010718036000	34,724
IDEA, Part B - Formula/Special Education Grants to States (Lubbock)	84.027A	236600011528036000	16,478
Total CFDA No. 84.027A			228,254
ESEA Title II Part A, Teacher & Principal Training (Laredo)	84.367A	23694501240801	8,698
ESEA Title II Part A, Teacher & Principal Training (Rio Grande Valley)	84.367A	23694501108804	42,089
ESEA Title II Part A, Teacher & Principal Training (El Paso)	84.367A	23694501071803	9,445
ESEA Title II Part A, Teacher & Principal Training (Lubbock)	84.367A	23694501152803	15,820
Total CFDA No. 84.367A			76,052
Title IV, Part A: Student Support and Academic Enrichment Grant (Laredo)	84.424A	23680101240801	11,978
Title IV, Part A: Student Support and Academic Enrichment Grant (Rio Grande Valley)	84.424A	23680101108804	27,438
Title IV, Part A: Student Support and Academic Enrichment Grant (El Paso)	84.424A	23680101071803	13,024
Title IV, Part A: Student Support and Academic Enrichment Grant (Lubbock)	84.424A	23680101152803	7,958
Total CFDA No. 84.424A			60,398
CRRSA ESSER II (Laredo)	84.425D	21521001240801	287,031
CRRSA ESSER II (Rio Grande Valley)	84.425D	21521001108804	161,671
CRRSA ESSER II (Lubbock)	84.425D	21521001152803	110,660
Total CFDA No. 84.425D			559,362
American Rescue Plan ESSER III (Laredo)	84.425U	21528001240801	867,219
American Rescue Plan ESSER III (Rio Grande Valley)	84.425U	21528001108804	709,347
American Rescue Plan ESSER III (El Paso)	84.425U	21528001071803	233,320
American Rescue Plan ESSER III (Lubbock)	84.425U	21528001152803	344,866
Total CFDA No. 84.425U			2,154,752
Restart for 2019 Flooding (Rio Grande Valley)	84.938A	20511703108804	12,621
Total CFDA No. 84.938A			12,621
<b>Total Passed Through State Department of Education</b>			<b>4,175,877</b>
<b>Passed Through Education Service Center - Region I</b>			
Title III, Part A -SSA - (Rio Grande Valley)	84.365A	n/a	5,235
Total CFDA No. 84.365A			5,235
COVID-19 Public Health Workforce Supplemental Funding Grant (Laredo)	93.354	n/a	42,370
COVID-19 Public Health Workforce Supplemental Funding Grant (Rio Grande Valley)	93.354	n/a	87,186
Total CFDA No. 84.367A			129,556
<b>Total Passed Through Education Service Center - Region I</b>			<b>134,791</b>
<b>Total Expenditures of Federal Awards</b>			<b>4,310,668</b>

STUDENT ALTERNATIVES PROGRAM, INC.  
San Antonio, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2023

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, 2023. 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 E-rate program are not subject to the Uniform Guidance Single Audit requirements and are therefore not included in the Schedule. Total E-rate revenue recognized for the year ended August 31, 2023 was \$76,744.

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