

**AMIGOS POR VIDA - FRIENDS FOR LIFE  
HOUSING & EDUCATION CORPORATION  
dba AMIGOS POR VIDA - FRIENDS FOR LIFE  
PUBLIC CHARTER SCHOOL  
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**August 31, 2025  
with Summarized Comparative Information with Restatement for 2024**





**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**  
**PUBLIC CHARTER SCHOOL**  
**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
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**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**  
**(Federal Employer Identification Number: 76-0433-067)**  
**Certificate of Board**

**Amigos Por Vida - Friends For Life Housing &  
Education Corporation dba Amigos Por Vida - Friends  
For Life Public Charter School**

\_\_\_\_\_  
Name of Charter Holder

**76-0433-067**

\_\_\_\_\_  
Federal Employer ID Number

**Amigos Por Vida - Friends For Life Public Charter  
School**

\_\_\_\_\_  
Name of Charter School

**Harris**

\_\_\_\_\_  
County

**101-819**

\_\_\_\_\_  
County District Number

We, the undersigned, certify that the attached Financial and Compliance Report of Amigos Por Vida - Friends for Life Public Charter School was reviewed and (check one)  approved  disapproved for the year ended August 31, 2025, at a meeting of the governing body of the charter holder on the 17<sup>th</sup> day of February, 2026.

Signature of Board Secretary

Signature of Board President

\_\_\_\_\_  
*[Handwritten Signature]*

\_\_\_\_\_

NOTE: If the governing body of the charter holder does not approve the independent auditors' report, it must forward a written statement discussing the reason(s) for not approving the report.



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Amigos Por Vida - Friends for Life Public Charter School  
Houston, Texas

### Report on the Audit of Financial Statements

#### *Opinion*

We have audited the financial statements of Amigos Por Vida - Friends for Life Public Charter School (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position Amigos Por Vida - Friends for Life Public Charter School (the "Charter School") as of August 31, 2025, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charter School 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.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School's ability to continue as a going concern for twelve months after the date that the financial statements are issued.

***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the 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 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 Charter School’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 financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School’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.

***Report on Summarized Comparative Information with Restatement***

We have previously audited the Charter School’s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 28, 2025. As described in Note 17 to the financial statements, the 2024 financial statements have been restated. We audited the restatement adjustments. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2024, is consistent, in all material respects, with the restated audited financial statements from which it was derived.

***Supplementary Information***

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

To the Board of Directors  
Amigos Por Vida - Friends for Life Public Charter School

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2026 on our consideration of the Charter School'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 Charter School'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 Charter School's internal control over financial reporting and compliance.

Houston, Texas  
February 17, 2026



## **GENERAL PURPOSE FINANCIAL STATEMENTS**



**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**STATEMENTS OF FINANCIAL POSITION**

*August 31, 2025 and 2024, Restated*

	<u>2025</u>	<u>2024, Restated</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 9,697,490	\$ 13,432,829
Due from state	1,108,945	1,141,677
Prepaid expenses	-	175,584
<b>Total Current Assets</b>	<u>10,806,435</u>	<u>14,750,090</u>
<b>Noncurrent Assets:</b>		
Property and equipment, net	24,757,587	21,278,137
Right-to-use asset, net	36,806	47,322
<b>Total Noncurrent Assets</b>	<u>24,794,393</u>	<u>21,325,459</u>
<b>Total Assets</b>	<u>\$ 35,600,828</u>	<u>\$ 36,075,549</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 289,058	\$ 581,140
Accrued salaries payable	190,474	357,980
Payroll liabilities	113,961	127,340
Interest payable	74,778	77,260
Current portion of finance lease liability	10,334	10,001
Current portion of notes payable	691,967	661,575
<b>Total Current Liabilities</b>	<u>1,370,572</u>	<u>1,815,296</u>
Finance lease liability	24,527	34,861
Notes payable net of issuance costs	19,161,145	19,833,969
<b>Total Liabilities</b>	<u>20,556,244</u>	<u>21,684,126</u>
<b>Net Assets:</b>		
Without donor restrictions	5,783,529	4,596,436
With donor restrictions	9,261,055	9,794,987
<b>Total Net Assets</b>	<u>15,044,584</u>	<u>14,391,423</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 35,600,828</u>	<u>\$ 36,075,549</u>

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**STATEMENT OF ACTIVITIES**

**For the Year Ended August 31, 2025**

*(with Summarized Financial Information for 2024)*

	Without Donor Restrictions	With Donor Restrictions	2025	2024
<b>Revenues</b>				
<b>Local Support:</b>				
Other revenues from local sources	\$ 1,126,180	\$ -	\$ 1,126,180	\$ 1,198,335
Revenues from cocurricular activities	60,913	-	60,913	58,413
<b>Total Local Support</b>	<u>1,187,093</u>	<u>-</u>	<u>1,187,093</u>	<u>1,256,748</u>
<b>State Program Revenues:</b>				
Per capita and foundation school program act revenues	-	8,313,100	8,313,100	7,621,304
State program revenues distributed by Texas Education Agency (TEA)	-	469,160	469,160	332,031
<b>Total State Program Revenues</b>	<u>-</u>	<u>8,782,260</u>	<u>8,782,260</u>	<u>7,953,335</u>
<b>Federal Program Revenues:</b>				
Federal revenues distributed by the TEA	-	1,559,416	1,559,416	2,013,385
Federal revenues distributed by other State of Texas government agencies	-	-	-	2,382
<b>Total Federal Program Revenues</b>	<u>-</u>	<u>1,559,416</u>	<u>1,559,416</u>	<u>2,015,767</u>
<b>Net Assets Released from Restrictions:</b>				
Restrictions satisfied by payments	10,875,608	(10,875,608)	-	-
<b>Total Revenues</b>	<u>\$ 12,062,701</u>	<u>\$ (533,932)</u>	<u>\$ 11,528,769</u>	<u>\$ 11,225,850</u>

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**STATEMENT OF ACTIVITIES**

**For the Year Ended August 31, 2025**

**(with Summarized Financial Information for 2024)**

	Without Donor Restrictions	With Donor Restrictions	2025	2024
<b>Expenses</b>				
Instruction	\$ 5,816,631	\$ -	\$ 5,816,631	\$ 4,776,187
Instructional Resources and Media Services	59,222	-	59,222	-
Curriculum Development and Instructional Staff Development	18,810	-	18,810	24,463
School Leadership	554,905	-	554,905	615,695
Guidance, Counseling & Evaluation Services	108,817	-	108,817	159,347
Health Services	21,276	-	21,276	49,237
Food Services	650,398	-	650,398	689,272
Extracurricular Activities	43,684	-	43,684	19,429
General Administration	677,171	-	677,171	551,231
Facilities Maintenance and Operations	1,435,954	-	1,435,954	1,075,494
Security and Monitoring Services	224,684	-	224,684	135,612
Data Processing Services	260,889	-	260,889	211,030
Community Services	7,317	-	7,317	900
Debt Services	950,408	-	950,408	992,920
Fund Raising	45,442	-	45,442	51,890
<b>Total Expenses</b>	<u>10,875,608</u>	<u>-</u>	<u>10,875,608</u>	<u>9,352,707</u>
Change in net assets	1,187,093	(533,932)	653,161	1,873,143
<b>Net Assets, Beginning of Year as Restated</b>	<u>4,596,436</u>	<u>9,794,987</u>	<u>14,391,423</u>	<u>12,518,280</u>
<b>Net Assets, End of Year</b>	<u>\$ 5,783,529</u>	<u>\$ 9,261,055</u>	<u>\$ 15,044,584</u>	<u>\$ 14,391,423</u>

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**STATEMENTS OF CASH FLOWS**

*For the Years Ended August 31, 2025 and 2024*

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities:</b>		
Foundation school program payments	\$ 8,345,832	\$ 8,037,065
Grant payments	1,559,416	2,046,498
Other state and local revenue payments	1,831,837	1,588,779
Payments to vendors for goods and services rendered	(3,479,945)	(2,125,441)
Payments to charter school personnel for services rendered	(6,429,284)	(5,685,511)
Interest payments	(931,264)	(981,494)
<b>Net Cash Provided by Operating Activities</b>	<u>896,592</u>	<u>2,879,896</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of fixed assets	(3,957,872)	(8,232,562)
<b>Net Cash (Used by) Investing Activities</b>	<u>(3,957,872)</u>	<u>(8,232,562)</u>
<b>Cash Flows from Financing Activities:</b>		
Reduction of finance Lease liability	(10,001)	(7,718)
Principal payments on long-term debt	(661,575)	(549,292)
Cash paid for interest	(2,483)	62,319
<b>Net Cash (Used) by Financing Activities</b>	<u>(674,059)</u>	<u>(494,691)</u>
Net change in cash and cash equivalents	(3,735,339)	(5,847,357)
<b>Beginning Cash and Cash Equivalents, Restated</b>	<u>13,432,829</u>	<u>19,280,186</u>
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 9,697,490</u>	<u>\$ 13,432,829</u>
<b>Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:</b>		
Increase in net assets	\$ 653,161	\$ 1,873,143
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	488,938	305,311
Amortization of bond discounts	19,144	19,144
(Increase) decrease in operating assets:		
Due from state	32,732	415,761
Other receivables	175,584	-
Prepaid expenses	-	(234,695)
Increase (decrease) in operating liabilities:		
Accounts payable	(292,082)	426,154
Due to state	-	30,731
Accrued salaries payable	(167,506)	(6,986)
Payroll liabilities	(13,379)	51,333
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 896,592</u>	<u>\$ 2,879,896</u>

## **AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **Note 1 - Summary of Significant Accounting Policies**

The general-purpose financial statements of Amigos Por Vida - Friends for Life Public Charter School (the "Charter School") were prepared in conformity with accounting principles generally accepted in the United States. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

#### ***Reporting Entity***

The Charter School is a not-for-profit organization incorporated in the State of Texas in 1997 and is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. The Charter School is governed by a Board of Directors comprised of five members. The members of the Board of Directors are appointed in accordance with provisions contained in the bylaws of the Charter School. The Board of Directors has the authority to make decisions, appoint the administrator of the Charter School, and significantly influence operations. The Board of Directors has primary accountability for the fiscal affairs of the Charter School.

Since the Charter School receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds.

#### ***Corporate Operations***

The Charter School was organized to provide educational services to students in Pre-K3 through the Eighth Grade. The Board of Directors governs the programs, services, activities, and functions of the Charter School, which operates under an open enrollment charter granted by the State of Texas Board of Education. The Charter School is part of the public school system of the State of Texas and is therefore entitled to distributions from the State's available school fund. The Charter School does not have the authority to impose ad valorem taxes or to charge tuition.

The Charter School's charter was renewed in April of 2023 with a contract ending date of July 31, 2033.

#### ***Basis of Accounting and Presentation***

The accompanying general purpose financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most sensitive estimate affecting the Charter School's financial statements was the depreciation of capital assets and functional allocation of expenses.

#### ***Contributions***

The Charter School accounts for contributions in accordance with FASB ASC Topic 958-605, *Accounting for Contributions Received and Contributions Made*. In accordance with FASB ASC Topic 958-605, contributions are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in with donor restrictions in the reporting period in which the support is recognized. When a restriction expires, with donor restrictions are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions.

## AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### Note 1 - Summary of Significant Accounting Policies (continued)

##### **Cash and Cash Equivalents**

For financial statement purposes, the Charter School considers all highly liquid investment instruments with an original maturity of three months or less to be cash equivalents.

##### **Revenue Recognition**

State Foundation School Program revenues are recognized based on the reported student attendance. State and Federal grant revenues are recognized when services are rendered. Contributions and other revenues are recognized when received or unconditionally promised by a third party.

##### **Capital Assets**

Capital assets, which include buildings and improvements, furniture and equipment, vehicles, lease assets and other personal property, are reported in the general-purpose and specific-purpose financial statements. Capital assets are defined by the Charter School as assets with an individual cost of more than \$5,000. Such assets are recorded at historical cost and are depreciated over the estimated useful lives of the assets, which range from three to thirty-nine years, using the straight-line method of depreciation. Expenditures for additions, major renewals and betterments are capitalized, and maintenance and repairs are charged to expenses as incurred. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which is then treated as cost. The Charter School had no donated capital assets at August 31, 2025.

##### **Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

##### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified as either without donor restrictions or with donor restrictions.

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. As of August 31, 2025, net assets without donor restrictions totaled \$5,783,529.

*Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of August 31, 2025, net assets with donor restrictions totaled \$9,261,055.

In accordance with state law, a charter holder is entitled to receive state aid for the charter school based on student attendance; however, before the charter holder may reclassify state aid from net assets with donor restrictions to net assets without donor restrictions, it must meet a two part test.

1. First, the charter school must demonstrate that it expended state aid for the benefit of its students.
2. Second, the charter school must expend state aid consistent with TEC, §45.105(c).

As described in Note 10, the majority of Charter School's revenue is comprised of state aid from the Texas Education Agency.

## AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### Note 1 - Summary of Significant Accounting Policies (continued)

##### **Functional Expenses**

The costs of supporting the various programs and other activities have been summarized on a functional basis in the notes to the financial statements. The Texas Education Agency mandates a specific account coding that requires open enrollment charter schools to record expenses to a unique combination of function and object. Generally, the Charter School records its expenses based on direct allocation by assigning each expense to a functional category based on direct usage. See Note 13 for more information.

##### **Income Taxes**

The Charter School is a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code ("the Code") and comparable State of Texas law. The Charter School did not conduct any unrelated business activities in the current fiscal year. Therefore, the Charter School has made no provision for federal income taxes in the accompanying financial statements. The Charter School has also been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code. Accordingly, contributions to the Charter School are tax deductible within the limitations prescribed by the Code.

The Charter School applies the provisions of FASB ASC Topic 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Charter School believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

##### **Leases**

The Charter School accounts for leases in accordance with FASB ASC 842. The Charter School is the lessee for its leases.

At the inception of a contract, the Charter School assesses whether the contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Charter School assesses whether:

- The contract involved the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Charter School has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- The Charter School has the right to direct the use of the asset. The Charter School has the right when it has decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Charter School has the right to direct the use of the asset if either the Charter School has the right to operate the assets or the Charter School designed the asset in a way that predetermined how and for what purpose it will be used.

The *discount rate implicit in the lease* is the incremental borrowing rate of approximately 3%.

## AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### Note 1 - Summary of Significant Accounting Policies (continued)

##### *Finance Leases*

The Charter School classifies leases as finance leases if they are not short-term leases (see below) and they meet any of the following criteria:

- The lease transfers ownership of the underlying asset to the Charter School by the end of the lease term.
- The lease grants the Charter School an option to purchase the underlying asset that the Charter School is reasonably certain to exercise.
- The lease term is for a major part of the remaining economic life of the underlying asset. If the commencement date is at or near the end of the underlying asset's economic life, this test does not apply.
- The present value of the sum of (1) the lease payments and (2) any lessee residual value guarantee not reflected in the lease payments equal or exceed substantially all of the underlying asset's fair value.
- The underlying asset is of such specialized nature that is expected to have no alternative use to the lessor at the end of the lease term.

For finance leases, the Charter School recognizes a right-of-use (ROU) asset and a lease liability at lease commencement.

The finance lease ROU asset is initially measured at cost, which comprises the sum of (1) the initial amount of the finance lease liability, (2) initial direct costs incurred (incremental costs that would not have been incurred if the lease had not been obtained) and (3) any lease payments made before or at lease commencement, (4) reduced for any lease incentives received.

Subsequent to commencement, the Charter School measures the ROU asset at cost, less accumulated amortization and any accumulated impairment losses.

The Charter School amortizes the finance ROU asset on a straight-line basis over the period from the commencement date to the earlier (1) the end of the useful life of the ROU asset or (2) the end of the lease term. However, if the lease transfers ownership of the underlying asset to them, or if the Charter School is reasonably certain to exercise a purchase option to acquire the underlying, the Charter School amortizes the ROU asset to the end of the underlying asset's useful life. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The finance lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the discount rate determined at commencement. Subsequent to commencement, The Charter School measures the finance lease liability on an amortized cost basis using the effective interest method. The lease liability is remeasured when (1) there is a change in future lease payment arising from a change in a rate or index, (2) there is a change in the estimate of the amount the Charter School expects to pay under a residual value guarantee or (3) if the Charter School changes their assessment of whether they will exercise a purchase , extension or termination option.

Finance lease ROU assets are included in property and equipment, net in the financial statement of the Charter School. Finance lease liability is included in the current portion of long-term debt and long-term debt, net.

# AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 1 - Summary of Significant Accounting Policies (continued)

#### New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. Subsequently, the FASB issued several clarifying standard updates to clarify and improve the ASU. These ASUs significantly change how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model that will be based on an estimate of current expected credit loss (“CECL”). Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. The Charter School does not have any financial assets that are subject to the guidance in Topic 326.

The Charter School adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

### Note 2 - Capital Assets

Capital assets at August 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 5,813,836	\$ 5,813,836
Buildings and Improvements	23,216,000	19,383,501
Furniture and Equipment	247,073	121,700
Right-to-Use Asset	<u>52,580</u>	<u>52,580</u>
<b>Total Property and Equipment</b>	<u>29,329,489</u>	<u>25,371,617</u>
Less Accumulated Depreciation and Amortization	<u>(4,535,096)</u>	<u>(4,046,158)</u>
<b>Property and Equipment, Net</b>	<u><u>\$ 24,794,393</u></u>	<u><u>\$ 21,325,459</u></u>

Depreciation and amortization expense for the fiscal years ended August 31, 2025 and August 31, 2024, were \$488,938 and \$305,311, respectively.

Capital assets acquired with public funds received by the Charter School for the operation of the Charter School constitute public property pursuant to Chapter 12 of the Texas Education Code. These assets are specifically identified on the Schedule of Assets.

### Note 3 - Concentration of Credit and Business Risk

The Charter School maintains demand deposits with U.S. local banking institutions. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Charter School will not be able to recover its deposits. The Charter School maintains deposits at federally insured banks and strives to minimize its exposure to custodial credit risk. At August 31, 2025, the carrying amount of the Charter School’s cash deposits was \$3,149,843 and the bank’s balance was \$3,309,244. The Charter School’s cash deposits at August 31, 2025, were entirely covered by Federal Deposit Insurance Corporation (FDIC) Insurance or by pledged collateral held by the Charter School’s agent bank in the Charter School’s name. The Charter School’s remaining cash and cash equivalents are held in investment pools with an amortized value of \$6,547,648 on August 31, 2025.

Approximately 72% of the Charter School’s total revenue for fiscal year 2025 was provided by the State funding for the Per Capita Apportionment and State Foundation Program.

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Note 4 - Defined Benefit Pension Plans**

**A. Plan Description**

The Charter School contributes to the Teacher Retirement System of Texas ("TRS"), a cost sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the charter school, but are the liability of the State of Texas. TRS administers the retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas.

The plan operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805 respectively. The Texas State legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan.

Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/learning-resources/publications>, or by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

Charter schools are legally separate entities from the State and each other. Assets contributed by one charter or independent school district ("ISD") may be used for the benefit of an employee of another ISD or charter. The risk of participating in multi-employer pension plans is different from single-employer plans. Assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. There is no withdrawal penalty for leaving the TRS system. There is no collective-bargaining agreement. The TRS Annual Comprehensive Financial Report available dated August 31, 2025 indicated the following:

TRS Pension Fund	Total Plan Assets	TRS Plan Fiduciary		Total Pension Liability	Net Pension Liability	Percent Funded
		Net Position				
2025	\$ 256,723,783,356	\$ 226,328,300,601		\$ 289,276,031,895	\$ 62,947,731,294	78.24%
2024	243,089,145,656	210,543,258,495		271,627,434,294	61,084,175,799	77.51%
2023	213,472,526,000	187,170,535,558		255,860,886,500	68,690,350,942	73.15%
2022	207,621,898,000	184,185,617,196		243,553,045,455	59,367,428,259	75.62%
2021	223,172,755,137	201,807,002,496		227,273,463,630	25,466,461,134	88.79%
2020	184,361,870,581	165,416,245,243		218,974,205,084	53,557,959,841	75.54%
2019	181,800,159,205	157,978,199,075		209,961,325,288	51,983,126,213	75.24%
2018	176,942,453,923	154,568,901,833		209,611,328,793	55,042,426,960	73.74%
2017	165,379,342,000	147,361,922,120		179,336,534,819	31,974,612,699	82.17%

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Note 4 - Defined Benefit Pension Plans (continued)**

**B. Funding Policy**

Contribution requirements are established or amended 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 members of the system 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. Actuarial implications of the funding provided in the manner are determined by the System’s actuary. Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

The member contribution rate for 2025 and 2024 was 8.25% and 8.25%, respectively. Employer and state contributions were both 8.25% and 8.25% for 2025 and 2024, respectively.

	<b>Contribution Rates</b>	
	<b>September 1, 2024</b>	<b>September 1, 2023</b>
	<b>to August 31, 2025</b>	<b>to August 31, 2024</b>
Member	8.25%	8.25%
Non-employer contributing agency	8.25%	8.25%
Employers	8.25%	8.25%

The Charter School’s covered payroll in additions to employee and School’s contributions for fiscal years 2025 and 2024 are shown below. There was no pension surcharge for 2025 and 2024.

	<b>Fiscal</b>	<b>Fiscal</b>
	<b>Year 2025</b>	<b>Year 2024</b>
	<b>TRS</b>	<b>TRS</b>
	<b>Contributions</b>	<b>Contributions</b>
Total Covered Payroll	\$ 5,229,656	\$ 4,374,368
Member (employee)	411,819	360,886
Charter school	41,342	26,871
Non-OASDI Amount	99,295	83,113

The Charter School’s contributions into this plan do not represent more than 5% of the total contributions to the plan and the charter school did not assess a surcharge.

Per the Texas Education Agency’s request, the Charter School has recorded the amounts contributed by TRS on-behalf of Charter School employees. The on-behalf contributions for TRS during the year 2025 was approximately \$296,000.

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Note 5 - Defined Other Post-Employment Benefit Plan**

**A. Plan Description**

The Charter School 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 that has a special funding situation. The plan 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.

Similar to the TRS Pension Plan discussed in Note C, charter schools are legally separate entities from the State and each other. Assets contributed by one charter or independent school district ("ISD") may be used for the benefit of an employee of another ISD or charter. The risk of participating in multi-employer pension plans is different from single-employer OPEB plans. Assets contributed to a multi-employer OPEB plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. There is no withdrawal penalty for leaving the TRS system. There is no collective-bargaining agreement. The TRS Annual Comprehensive Financial Report available dated August 31, 2025.

<b>TRS Care Other Post-Employment Benefits (OPEB)</b>	<b>TRS-Care Plan</b>				
<b>Total Plan Assets</b>	<b>Fiduciary Net Position</b>	<b>Total OPEB Liability</b>	<b>Net OPEB Liability</b>	<b>Percent Funded</b>	
2025	\$ 5,757,346,916	\$ 5,569,790,466	\$ 30,497,077,953	\$ 24,927,287,487	18.26%
2024	4,989,477,019	4,816,646,311	35,168,178,563	30,351,352,252	13.70%
2023	4,101,874,000	3,889,765,203	26,028,070,267	22,138,305,064	14.94%
2022	3,308,391,000	3,117,937,218	27,061,942,520	23,944,005,302	11.52%
2021	2,733,911,371	2,539,242,470	41,113,711,083	38,574,468,613	6.18%
2020	2,146,681,144	1,996,317,932	40,010,833,815	38,014,515,883	4.99%
2019	1,475,508,564	1,292,022,349	48,583,247,239	47,291,224,890	2.66%
2018	1,001,649,953	798,574,633	50,729,490,103	49,930,915,470	1.57%

**OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/learning-resources/publications>, or by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778..

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 the 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.

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Note 5 - Defined Other Post-Employment Benefit Plan (continued)**

**B. Benefits Provided**

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

<b>TRS-Care Plan Premium Rates</b>				
	<b>Medicare</b>		<b>Non-Medicare</b>	
Retiree or surviving spouse	\$	135	\$	200
Retiree and spouse		529		689
Retiree or surviving spouse and children		468		408
Retiree and Family		1,020		999

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

<b>TRS-Care Plan Premium Rates</b>			
	<b>TRS-Care 1</b>	<b>TRS-Care 2</b>	<b>TRS-Care 3</b>
	<b>Basic Plan</b>	<b>Optional Plan</b>	<b>Optional Plan</b>
Retiree*	\$ -	\$ 70	\$ 100
Retiree and Spouse	20	175	255
Retiree* and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children Only	28	62	82

\*or surviving spouse

**C. Contributions**

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, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates. Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<b>Contribution Rates</b>	
	<b>Plan Fiscal Year</b>	
	<b>September 1, 2024 to August 31, 2025</b>	<b>September 1, 2023 to August 31, 2024</b>
Active Employee	0.65%	0.65%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Note 5 - Defined Other Post-Employment Benefit Plan (continued)**

**C. Contributions (continued)**

In fiscal year 2025, the Charter School contributed a total of \$45,091 of which, \$11,335 was for federally funded employees. Employees contributed a total of \$32,446. Covered payroll for TRS-Care for fiscal year 2025 was \$5,229,656. In fiscal year 2024, the Charter School contributed a total of \$35,257 of which, \$2,449 was for federally funded employees. Employees contributed a total of \$28,432. Covered payroll for TRS-Care for fiscal year 2024 was \$4,374,368. The on-behalf contributions for TRS-Care during the year 2025 was approximately \$54,000

**Note 6 - Health Care Coverage**

During the year ended August 31, 2025, employees of the Charter School were covered by a Health Insurance Plan (the "Plan"). The Charter School contributed approximately \$580-630 per month per employee from September 2024 through August 2025 to the Plan. During the year ended August 31, 2024, the Charter School contributed \$400 per month per employee from September 2023 through August 2024 to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers.

**Note 7 - Due from State**

Amounts due from the Texas Education Agency at August 31, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
State Foundation Program Year	\$ 782,973	\$ 618,727
Title I, Part A	190,147	23,951
Title IV, Part A, Subpart 1	30,158	-
IDEA, Part B - Formula	10,125	-
Title III, Part A	30,972	-
ESSER III	-	437,041
National School Lunch Program	64,570	61,958
	<u>\$ 1,108,945</u>	<u>\$ 1,141,677</u>

**Note 8 - Financing Lease**

The Charter School currently leases its office equipment, which are comprised of copiers and a postage meter. The lease's commencement date was on February 2024 and expires in 2029. The Charter School's incremental borrowing rate of 3.29% is used for interest rate calculation. As of August 31, 2025 future minimum required payments are as follows:

<u>As of</u> <u>August 31,</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Amount</u>	<u>Total</u> <u>Payment</u>
2026	\$ 10,334	\$ 1,020	\$ 11,354
2027	10,678	676	11,354
2028	11,034	320	11,354
2029	2,815	138	2,953
	<u>\$ 34,861</u>	<u>\$ 2,154</u>	<u>\$ 37,015</u>

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Note 9 - Commitments and Contingencies**

The Charter School receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily in student attendance data submitted to the Texas Education Agency 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 Charter School have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, charter school funds may be subject to refund if so determined by the Texas Education Agency or the grantor agency.

**Note 10 - State Aid**

Charter schools in the State of Texas participate in the State foundation program. Under this program, each charter school is entitled to receive these revenues based upon student enrollment and average daily attendance. Each charter school is required to file enrollment and attendance reports at the close of each six-week reporting period, and at the close of the year, actual attendance is calculated by the Texas Education Agency and the attendance reports are subject to audit by the Texas Education Agency and final State foundation program earnings may be adjusted as a result of any such audit. During the period ended August 31, 2025, the Charter School earned \$8,313,100 of Per Capita and State Foundation program funds, of which all was earned (before any possible Texas Education Agency enrollment and attendance audit). In fiscal year 2024, the Charter School earned \$7,621,304.

**Note 11 - Note Payable**

In August 2023, the Charter School entered into a loan agreement: \$21,600,000 Series 2023 (taxable loan) to refund the Charter School’s outstanding bonds of \$7,070,000 from original issue of \$9,150,000 of the Series 2017 (tax-exempt loan). The loans are limited obligations of the issuer payable solely from revenues received by the issuer pursuant to a loan agreement between the issuer and the borrower. None of the state, the city, nor any political corporation, subdivisions, or agency of the state is pledged to the payment of the principal of premium, or interest on the notes. As a result of refunding, there was a related debt issuance cost in the amount of \$574,308 which will be amortized over the life of the new loans.

The loan agreement includes a conversion feature. Under the terms of the loan agreement, the loan will convert on August 17, 2028 from its current structure to a permanent amortizing loan. Upon conversion, the loan will begin amortizing principal and interest over the remaining term at the contractual interest rate in effect at the conversion date. Management believes the Charter School will be able to meet the terms of the loan upon conversion.

During the 2025 fiscal year, long-term debt consisted of the following note payable:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Interest Accrual</u>
Education Corporation Series						
2023 Note Payable	\$ 21,050,708	\$ -	\$ (661,575)	\$ 20,389,133	\$ 691,967	\$ 74,778
Debt Issuance Costs - Series						
2023 Note Payable	(555,164)	-	19,143	(536,021)	-	-
	<u>\$ 20,495,544</u>	<u>\$ -</u>	<u>\$ (642,432)</u>	<u>\$ 19,853,112</u>	<u>\$ 691,967</u>	<u>\$ 74,778</u>

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Note 11 - Note Payable (continued)**

The following is a summary of long-term debt transactions for the Charter School as of August 31, 2025:

Series	Amount Outstanding	Original Issue	Interest Rate	Serially Beginning/ Ending	Interest Payment Dates
Education Corporation Series 2023 Note Payable	\$ 20,389,133	\$ 21,600,000	4.50%	October 1, 2023 / September 1, 2053	1st of Each Month

The debt service requirements on bonds outstanding at August 31, 2025, are as follows:

Year Ending August 31	Principal	Interest	Total
2026	\$ 691,967	\$ 903,355	\$ 1,595,322
2027	723,756	871,566	1,595,322
2028	757,005	838,317	1,595,322
2029	791,782	803,540	1,595,322
2030	828,156	767,166	1,595,322
2031 - 2035	4,747,645	3,228,965	7,976,610
2036 - 2040	3,266,398	2,229,021	5,495,419
2041 - 2045	2,702,111	1,643,490	4,345,601
2046 - 2050	3,382,491	963,110	4,345,601
2051 - 2055	2,497,822	181,965	2,679,787
	<u>\$ 20,389,133</u>	<u>\$ 12,430,495</u>	<u>\$ 32,819,628</u>

**Note 12 - Net Assets with Donor Restrictions**

Net assets with donor restrictions as of August 31, 2025 and 2024 are as follows:

	As of August 31, 2025	As of August 31, 2024
State funds	\$ 9,261,055	\$ 9,794,987
<b>Total with Donor Restrictions</b>	<u>\$ 9,261,055</u>	<u>\$ 9,794,987</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	For the Year Ended August 31, 2025	For the Year Ended August 31, 2024
State funds	\$ 9,313,202	\$ 7,260,388
Federal funds	1,562,406	2,092,319
<b>Total Restrictions Released</b>	<u>\$ 10,875,608</u>	<u>\$ 9,352,707</u>

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Note 13 - Functional Expenses**

The Charter School’s expenses are coded directly to the functional category as established by the Texas Education Agency. Below expenses are reflected by functional category and natural classification or object class.

Expense by Functional Category		Expenses by Object Class					August 31,	
		Payroll Costs	Contracted Services	Supplies and Materials	Other Operating Costs	Debt (Interest and fees)	2025	2024
11	Instruction	\$ 4,689,074	\$ 692,951	\$ 429,661	\$ 4,945	\$ -	\$ 5,816,631	\$ 4,776,187
12	Instructional resources and media services	58,057	-	1,165	-	-	59,222	-
13	Curriculum development and instructional staff development	-	18,810	-	-	-	18,810	24,463
23	School leadership	483,867	20,813	8,914	41,311	-	554,905	615,695
31	Guidance, counseling and evaluation services	101,483	235	2,103	4,996	-	108,817	159,347
33	Health services	17,044	2,893	1,339	-	-	21,276	49,237
35	Food service	75,364	559,373	14,658	1,003	-	650,398	689,272
36	Extracurricular activities	17,444	1,700	9,156	15,384	-	43,684	19,429
41	General administration	375,966	273,729	6,190	21,286	-	677,171	551,231
51	Facilities maintenance and operations	366,172	383,023	76,050	610,709	-	1,435,954	1,075,494
52	Security and monitoring services	-	173,783	50,901	-	-	224,684	135,612
53	Data processing services	58,699	141,557	58,625	2,008	-	260,889	211,030
61	Community Services	5,229	1,248	-	840	-	7,317	900
71	Debt service	-	-	-	-	950,408	950,408	992,920
81	Fund Raising	-	-	45,383	59	-	45,442	51,890
<b>Total</b>		<u>\$ 6,248,399</u>	<u>\$ 2,270,115</u>	<u>\$ 704,145</u>	<u>\$ 702,541</u>	<u>\$ 950,408</u>	<u>\$ 10,875,608</u>	<u>\$ 9,352,707</u>

**Note 14 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash and cash equivalents	\$ 9,697,490
Receivables	1,108,945
<b>Total</b>	<u>\$ 10,806,435</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, investments and receivables that are due from the State and are available for use for educational purposes.

**Note 15 - Accrued Salaries**

In fiscal year 2025, the Charter School recorded \$190,474 in accrued salaries based on an average 12 days worked for which were not paid until after August 31, 2025. In the fiscal year 2024, the Charter School recorded \$357,980 in accrued salaries based on an average 21 days worked for which were not paid until after August 31, 2024.

**Note 16 - Charter Holder Operations**

The Charter Holder operated its authorized elementary and middle school campuses during the fiscal year and did not conduct any other charter or non-charter activities.

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Note 17 - Restatement**

During the fiscal year 2025, the Charter School completed a detailed review of its cash activity and reconciliation processes and the balance sheet accounts. As part of this review, management identified certain recording inconsistencies that affected how certain balance sheet accounts balances had been previously reported. To ensure the financial statements continue to reflect the most accurate and complete information, the Charter School has updated the financial statements.

<b>As of September 1, 2024</b>	<b>As Previously Reported</b>	<b>Restatement</b>	<b>As Restated</b>
<b>Statement of Financial Position</b>			
Cash and cash equivalents	\$ 13,221,561	\$ 211,268	\$ 13,432,829
Prepaid expenses	234,785	(59,201)	175,584
Total Assets	14,598,023	152,067	14,750,090
Due to state	74,084	(74,084)	-
Payroll liabilities	61,062	66,278	127,340
Total Liabilities	21,691,932	(7,806)	21,684,126
Without donor restrictions	4,436,563	159,873	4,596,436
Total Net Assets	14,231,550	159,873	14,391,423
<b>Statement of Activities</b>			
Beginning Net Assets	14,231,550	159,873	14,391,423

These updates did not affect the Charter School’s operations, programs, or overall financial health, but rather ensure the financial statements present cash activity and related balances with the highest level of clarity. Management has strengthened reconciliation procedures and review steps to support ongoing accuracy and timely reporting.

**Note 18 - Management’s Review of Subsequent Events**

Management has evaluated subsequent events through February 17, 2026, which is the date the financial statements were available to be issued.

**Debt Reduction Grants**

On December 30, 2025, HCSF, a component fund of the Greater Houston Community Foundation, approved a \$1,800,000 capital project grant to the Charter School. The grant provides funding exclusively for debt incurred for the renovation and expansion of the school’s original Gulfton campus.

**Donation for Debt Retirement**

In January 2026, the Charter School received a separate \$200,000 personal donation. These funds are donor-restricted for the retirement of existing debt obligations.

**Construction Fund – Application for Advance**

On September 19, 2025, the Charter School submitted Application for Advance to the Disbursement Agent pursuant to the Disbursement Agreement dated August 17, 2023, between the Charter School as the borrower, the disbursement agent, the lender. The application requested an advance of \$1,280,008 for payment or reimbursement of eligible project costs under the Organization’s ongoing construction and facilities financing arrangements. The Charter School transferred remaining \$1.2 million construction funds from restricted cash to unrestricted cash. The transfer represents the release of restrictions related to the completion of the project and did not impact total net assets.

## **SUPPLEMENTARY INFORMATION**

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**SCHEDULE OF EXPENSES**

*For the Years Ended August 31, 2025 and 2024*

	<u>2025</u>	<u>2024</u>
<b>Expenses</b>		
6100 Payroll Costs	\$ 6,248,399	\$ 5,729,858
6200 Professional and Contract Services	2,270,115	1,769,359
6300 Supplies and Materials	704,145	350,075
6400 Other Operating Costs	702,541	502,777
6500 Debt	950,408	1,000,638
<b>Total Expenses</b>	<u>\$ 10,875,608</u>	<u>\$ 9,352,707</u>

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**SCHEDULE OF ASSETS**

*August 31, 2025*

		<b>Ownership Interest</b>		
		<b>Local</b>	<b>State</b>	<b>Federal</b>
1110	Cash and cash equivalents	\$ -	\$ 9,697,490	\$ -
1510	Land and improvements	-	5,813,836	-
1520	Buildings and improvements	-	21,707,924	1,508,076
1539	Furniture and equipment	-	247,073	-
1550	Right-to-use asset	-	52,580	-
<b>Total</b>		<b>\$ -</b>	<b>\$ 37,518,903</b>	<b>\$ 1,508,076</b>

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**BUDGETARY COMPARISON SCHEDULE**

For the Year Ended August 31, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
<b>Revenues</b>				
<b>Local Support:</b>				
5740	\$ 321,600	\$ 516,244	\$ 1,187,093	\$ 670,849
<b>State Program Revenues:</b>				
5810	8,352,440	8,201,180	8,313,100	111,920
5820	-	-	469,160	469,160
	<u>8,352,440</u>	<u>8,201,180</u>	<u>8,782,260</u>	<u>581,080</u>
<b>Federal Program Revenues:</b>				
5929	1,682,348	1,666,769	1,559,416	(107,353)
	<u>1,682,348</u>	<u>1,666,769</u>	<u>1,559,416</u>	<u>(107,353)</u>
<b>Total Revenues</b>	<u>10,356,388</u>	<u>10,384,193</u>	<u>11,528,769</u>	<u>1,144,576</u>
<b>Expenses</b>				
11	5,446,155	5,356,021	5,816,631	(460,610)
12	67,713	62,370	59,222	3,148
13	4,200	14,945	18,810	(3,865)
23	606,006	530,177	554,905	(24,728)
31	130,851	102,763	108,817	(6,054)
33	3,890	6,133	21,276	(15,143)
35	762,440	769,465	650,398	119,067
36	47,337	23,862	43,684	(19,822)
41	579,506	681,598	677,171	4,427
51	968,787	967,055	1,435,954	(468,899)
52	56,400	56,400	224,684	(168,284)
53	232,867	228,867	260,889	(32,022)
61	2,145	2,145	7,317	(5,172)
71	933,748	933,748	950,408	(16,660)
81	62,435	52,441	45,442	6,999
<b>Total Expenses</b>	<u>9,904,480</u>	<u>9,787,990</u>	<u>10,875,608</u>	<u>(1,087,618)</u>
Change in net assets	451,908	596,203	653,161	56,958
<b>Beginning Net Assets, as Restated</b>	<u>14,391,423</u>	<u>14,391,423</u>	<u>14,391,423</u>	<u>-</u>
<b>Ending Net Assets</b>	<u>\$ 14,843,331</u>	<u>\$ 14,987,626</u>	<u>\$ 15,044,584</u>	<u>\$ 56,958</u>

**BUDGETARY COMPARISON SCHEDULE***For the Year Ended August 31, 2025***Budget Variances**

In accordance with Module 2, Update 19, Issued in 2.3.2.8 of the Financial Accountability System Resource Guide, if the original and final budgeted amounts vary by more than 10 percent of the original budgeted amounts, the charter holder must include a written statement discussing the cause of the variance(s). In addition, if the final budgeted amounts vary by more than 10% from the actual amounts, an explanation is also required. The Charter School provides the following explanations for each of the variances noted:

5700	Budgeted local revenues did not include grants awarded subsequent to budget adoption. Interest earnings exceeded budgeted amounts.
Function 13	Actual expenditures exceeded budget due to costs funded by federal and state grant programs not included in the adopted budget.
Function 23	The adopted budget for school leadership decreased by 13% due to administrative staffing changes implemented during the fiscal year.
Function 33	Actual expenditures exceeded budget due to Title I-funded expenditures not included in the General Fund adopted budget.
Function 36	The adopted budget included extracurricular expenditures funded by local and state sources only. Actual expenditures exceeded budget due to costs funded by federal grant programs not included in the adopted budget.
Function 51	Actual expenditures exceeded budget due to depreciation expense recognized upon completion of capital assets previously recorded as construction in process
Function 52	Actual expenditures exceeded budget due to security-related costs funded by the School Safety grant, which was not included in the adopted General Fund budget.
Function 53	Actual expenditures exceeded budget due to technology expenditures funded by the ESSER III grant.
Function 61	Actual expenditures exceeded budget due to the addition of a community liaison full-time equivalent (FTE) position.
Function 81	Actual expenditures were lower than budgeted due to a reduced number of fundraising events. The amended budget was subsequently decreased to reflect the anticipated decline in fundraising activity.

**Corrective Action Plan**

Historically, the Charter School has reported only the budgeted amounts include in the annual General Fund and Food Service Budget. In the future the School will include the budgets of other grants for reporting purposes.

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST**

*August 31, 2025*

<u>Description (list each parcel separately)</u>	<u>Property Address</u>	<u>Total Assessed Value</u>	<u>Ownership Interest - Local</u>	<u>Ownership Interest - State</u>	<u>Ownership Interest - Federal</u>
Res A Blk 1 Land Neighborhood Section 4	5503 El Camino Del Rey St., Houston, Texas 77081	\$ 20,744,958	\$ -	\$ 20,744,958	\$ -
<b>Total</b>		<u>\$ 20,744,958</u>	<u>\$ -</u>	<u>\$ 20,744,958</u>	<u>\$ -</u>

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**SCHEDULE OF RELATED PARTY TRANSACTIONS**

*For the Year Ended August 31, 2025*

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During FY</u>	<u>Principal Balance Due</u>
None								

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**SCHEDULE OF COMPENSATION AND BENEFITS**

*For the Year Ended August 31, 2025*

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

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**  
**COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES**  
*For the Year Ended August 31, 2025*

<b>Data Codes</b>	<b>Section A: Compensatory Education Programs</b>	<b>Responses</b>
AP1	Did your LEA expend any state compensatory education program state allotment funds during the Charter School's fiscal year?	Yes
AP2	Does the LEA have written 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 Charter School's fiscal year.	\$1,207,437
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$754,220
<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.	\$318,923
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	\$262,515



## **COMPLIANCE AND INTERNAL CONTROLS**



**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**

To the Board of Directors  
Amigos Por Vida - Friends for Life Public Charter School  
Houston, 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 financial statements of Amigos Por Vida - Friends for Life Public Charter School, Inc. (the “Charter School”), which comprise the statement of financial position as of August 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 17, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Charter School’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School’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 entity’s 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 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter School’s 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*.

To the Board of Directors  
Amigos Por Vida - Friends for Life Public Charter School

**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 Charter School'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 Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Houston, Texas  
February 17, 2026

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

To the Board of Directors  
Amigos Por Vida - Friends for Life Public Charter School  
Houston, Texas

**Report on Compliance for Each Major Federal Program**

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

We have audited Amigos Por Vida - Friends for Life Public Charter School's (the "Charter School") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Charter School's major federal programs for the year ended August 31, 2025. The Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2025.

***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 Charter School 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 each major federal program. Our audit does not provide a legal determination of the Charter School's compliance with the compliance requirements referred to above.

***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 Charter School'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 Charter School'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 Charter School's compliance with the requirements of each 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 Charter School'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 Charter School'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 Charter School'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.

### **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.

To the Board of Directors  
Amigos Por Vida - Friends for Life Public Charter School

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.

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.

Houston, Texas  
February 17, 2026

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended August 31, 2025*

**I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)	No

Identification of Major Programs

**Name of Federal Program or Cluster**

**Assistance Listing Number (ALN)**

**US Department of Agriculture:**

*Child Nutrition Cluster:*

*School Breakfast Program*

10.553

*National School Lunch Program*

10.555

Dollar Threshold Considered Between Type A and Type B Federal Programs \$750,000

Auditee qualified as low risk auditee? Yes

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**For the Year Ended August 31, 2025**

**II. Financial Statement Findings**

None Reported

**III. Federal Awards Findings and Questioned Costs**

None Reported

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended August 31, 2025**

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	Charter School Fund Number	(2) Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. Department of Education</b>				
<b>Passed Through Texas Education Agency:</b>				
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	211	84.010A	25610101101819	\$ 498,806
<i>IDEA - Part B, Formula</i>	224	84.027A	256600011018196600	124,446
<i>IDEA Preschool</i>	225	84.173A	256610011018196610	1,275
<i>Total Special Education Cluster (ALN 84.027, 84.173)</i>				<u>125,721</u>
<i>ESEA, Title II, Part A, Supporting Effective Instruction</i>	255	84.367A	25694501101819	55,317
<i>Title III, Part A - English Language Acquisition</i>	263	84.365A	25671001101819	54,489
<i>ARP, ESSER III Grant (COVID-19)</i>	282	84.425U	21528001101819	145,094
<i>Title IV, Part A</i>	289	84.424A	25680101101819	36,600
<b>Total U. S. Department of Education</b>				<u><b>916,027</b></u>
<b>U. S. Department of Agriculture</b>				
<b>Passed Through Texas Education Agency:</b>				
Cash assistance:				
<i>School Breakfast Program</i>	240	10.553	71402501	89,513
<i>National School Lunch Program</i>	240	10.555	71302501	553,876
<i>Total Child Nutrition Cluster (ALN 10.553, 10.555)</i>				<u>643,389</u>
<b>Total U. S. Department of Agriculture</b>				<u><b>643,389</b></u>
<b>Total Expenditures of Federal Awards</b>				<u><b>\$ 1,559,416</b></u>

## **AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

#### **Note 1 - Basis of Presentation**

The schedule of expenditures of federal awards ("SEFA") presents federal grant activity of the Charter School for the fiscal year ended August 31, 2025, and is reported on the accrual basis of accounting. The information in the SEFA is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the Charter School's financial statements.

#### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented when available. The Charter School has elected not to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

#### **Note 3 - Relationship to Financial Report Submitted to Grantor Agencies**

Amounts reflected in the financial reports filed with grantor agencies for the program may not agree with the amounts in the SEFA because of accruals made to present the SEFA on the accrual basis (which would be included in the next report filed with the agencies), as well as matching requirements not included in the SEFA and differences in programs' year-ends.

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

*For the Year Ended August 31, 2025*

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

**I. Prior Audit Findings**

None Noted

**AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL**

***CORRECTIVE ACTION PLAN***

***For the Year Ended August 31, 2025***

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

**I. Corrective Action Plan**

Not Applicable

