

**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, 2024
with Summarized Comparative Information for 2023**



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, 2024, at a meeting of the governing body of the charter holder on the 28th day of January, 2025.

Signature of Board Secretary

[Handwritten Signature]

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

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, 2024 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, 2024, 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 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 *Government Auditing Standard* 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 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 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 consolidated 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

We have previously audited the Charter School's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2023, is consistent, in all material respects, with the 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 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 accompanying supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the consolidated 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 January 28, 2025 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
January 28, 2025



GENERAL PURPOSE FINANCIAL STATEMENTS



AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 13,221,561	\$ 19,068,918
Due from state	1,141,677	1,557,438
Prepaid expenses	234,785	90
Total Current Assets	<u>14,598,023</u>	<u>20,626,446</u>
Noncurrent Assets:		
Property and equipment, net	21,278,137	13,345,628
Right-to-use asset, net	47,322	-
Total Noncurrent Assets	<u>21,325,459</u>	<u>13,345,628</u>
Total Assets	<u>\$ 35,923,482</u>	<u>\$ 33,972,074</u>
Liabilities and Net Assets		
Liabilities:		
Current Liabilities:		
Accounts payable	\$ 581,140	\$ 154,986
Due to state	74,084	43,353
Accrued salaries payable	357,980	364,966
Payroll liabilities	61,062	9,729
Interest payable	77,260	14,941
Current portion of finance lease liability	10,001	-
Current portion of notes payable	661,575	549,292
Total Current Liabilities	<u>1,823,102</u>	<u>1,137,267</u>
Notes payable net of issuance costs and finance lease liability	<u>19,868,830</u>	<u>20,476,400</u>
Total Liabilities	<u>21,691,932</u>	<u>21,613,667</u>
Net Assets:		
Without donor restrictions	4,436,563	3,179,815
With donor restrictions	9,794,987	9,178,592
Total Net Assets	<u>14,231,550</u>	<u>12,358,407</u>
Total Liabilities and Net Assets	<u>\$ 35,923,482</u>	<u>\$ 33,972,074</u>

AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2024

(with Summarized Financial Information for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024	2023
Revenues				
Local Support:				
Other revenues from local sources	\$ 1,198,335	\$ -	\$ 1,198,335	\$ 465,649
Revenues from cocurricular activities	58,413	-	58,413	67,351
Total Local Support	<u>1,256,748</u>	<u>-</u>	<u>1,256,748</u>	<u>533,000</u>
State Program Revenues:				
Per capita and foundation school program act revenues	-	7,621,304	7,621,304	6,336,106
State program revenues distributed by Texas Education Agency (TEA)	-	332,031	332,031	21,390
Total State Program Revenues	<u>-</u>	<u>7,953,335</u>	<u>7,953,335</u>	<u>6,357,496</u>
Federal Program Revenues:				
Federal revenues distributed by the TEA	-	2,013,385	2,013,385	1,827,785
Federal revenues distributed by other State of Texas government agencies	-	2,382	2,382	16,653
Total Federal Program Revenues	<u>-</u>	<u>2,015,767</u>	<u>2,015,767</u>	<u>1,844,438</u>
Net Assets Released from Restrictions:				
Restrictions satisfied by payments	9,352,707	(9,352,707)	-	-
Total Revenues	<u>\$ 10,609,455</u>	<u>\$ 616,395</u>	<u>\$ 11,225,850</u>	<u>\$ 8,734,934</u>

AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2024

(with Summarized Financial Information for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024	2023
Expenses				
Instruction	\$ 4,776,187	\$ -	\$ 4,776,187	\$ 4,017,901
Instructional Resources and Media Services	-	-	-	636
Curriculum Development and Instructional Staff Development	24,463	-	24,463	9,145
School Leadership	615,695	-	615,695	605,789
Guidance, Counseling & Evaluation Services	159,347	-	159,347	117,624
Health Services	49,237	-	49,237	47,324
Food Services	689,272	-	689,272	511,661
Extracurricular Activities	19,429	-	19,429	29,798
General Administration	551,231	-	551,231	557,834
Facilities Maintenance and Operations	1,075,494	-	1,075,494	1,089,714
Security and Monitoring Services	135,612	-	135,612	91,755
Data Processing Services	211,030	-	211,030	241,514
Community Services	900	-	900	2,472
Debt Services	992,920	-	992,920	560,079
Fund Raising	51,890	-	51,890	50,687
Total Expenses	9,352,707	-	9,352,707	7,933,933
Change in net assets	1,256,748	616,395	1,873,143	801,001
Net Assets, Beginning of Year	3,179,815	9,178,592	12,358,407	11,557,406
Net Assets, End of Year	\$ 4,436,563	\$ 9,794,987	\$ 14,231,550	\$ 12,358,407

AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Foundation school program payments	\$ 8,037,065	\$ 6,026,612
Grant payments	2,046,498	1,844,438
Other state and local revenue payments	1,588,779	554,390
Payments to vendors for goods and services rendered	(2,125,441)	(2,290,012)
Payments to charter school personnel for services rendered	(5,685,511)	(4,664,116)
Interest Payments	(981,494)	(304,296)
Net Cash Provided by Operating Activities	<u>2,879,896</u>	<u>1,167,016</u>
Cash Flows from Investing Activities:		
Purchase of fixed assets	(8,232,562)	(1,091,296)
Net Cash (Used by) Investing Activities	<u>(8,232,562)</u>	<u>(1,091,296)</u>
Cash Flows from Financing Activities:		
Reduction of Finance Lease Liability	(7,718)	(4,506)
Principal payments on long-term debt	(549,292)	(7,455,000)
Proceeds from issuance of debt	-	21,600,000
Cash paid for bond issuance costs	-	(574,308)
Cash paid for interest	62,319	(3,679)
Net Cash Provided (Used) by Financing Activities	<u>(494,691)</u>	<u>13,562,507</u>
Net change in cash and cash equivalents	(5,847,357)	13,638,227
Beginning Cash and Cash Equivalents	19,068,918	5,430,691
Ending Cash and Cash Equivalents	<u>\$ 13,221,561</u>	<u>\$ 19,068,918</u>
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Increase in net assets	\$ 1,873,143	\$ 801,001
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	305,311	357,458
Amortization of bond discounts	19,144	255,537
(Increase) decrease in operating assets:		
Due from state	415,761	(309,494)
Prepaid expenses	(234,695)	1,653
Increase (decrease) in operating liabilities:		
Accounts payable	426,154	20,455
Due to state	30,731	-
Accrued salaries payable	(6,986)	133,722
Payroll liabilities	51,333	(93,316)
Net Cash Provided by Operating Activities	<u>\$ 2,879,896</u>	<u>\$ 1,167,016</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, 2024.

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, 2024, net assets without donor restrictions totaled \$4,436,563.

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, 2024, net assets with donor restrictions totaled \$9,794,987.

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.

Note 2 - Capital Assets

Capital assets at August 31, 2024 and 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 5,813,836	\$ 5,813,836
Buildings and Improvements	19,383,501	11,150,939
Furniture and Equipment	121,700	121,700
Right-to-Use Asset	<u>52,580</u>	<u>21,294</u>
Total Property and Equipment	<u>25,371,617</u>	<u>17,107,769</u>
Less Accumulated Depreciation and Amortization	<u>(4,046,158)</u>	<u>(3,762,141)</u>
Property and Equipment, Net	<u>\$ 21,325,459</u>	<u>\$ 13,345,628</u>

Depreciation and amortization expense for the fiscal years ended August 31, 2024 and August 31, 2023, were \$305,311 and \$357,458, 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.

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

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, 2024, the carrying amount of the Charter School's cash deposits was \$6,961,063 and the bank's balance was \$7,169,482. The Charter School's cash deposits at August 31, 2024, 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 \$6,260,498 on August 31, 2024.

Approximately 68% of the Charter School's total revenue for fiscal year 2024 was provided by the State funding for the Per Capita Apportionment and State Foundation Program.

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/Pages/about_publications.aspx, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

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, 2024 indicated the following:

TRS Pension Fund	Total Plan Assets	TRS Plan Fiduciary			Percent Funded
		Net Position	Total Pension Liability	Net Pension Liability	
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%
2016	152,925,647,000	134,008,637,473	171,797,150,487	37,788,513,014	78.00%

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 thru 2025.

The member contribution rate for 2024 and 2023 was 8.25% and 8.00%, respectively. Employer and state contributions were both 8.25% and 8.00% for 2024 and 2023, respectively.

	<u>Contribution Rates</u>	
	<u>September 1, 2023 to August 31, 2024</u>	<u>September 1, 2022 to August 31, 2023</u>
Member	8.25%	8.00%
Non-employer contributing agency	8.25%	8.00%
Employers	8.25%	8.00%

The Charter School's covered payroll in additions to employee and School's contributions for fiscal years 2024 and 2023 are shown below. There was no pension surcharge for 2024.

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2024</u>
	<u>TRS Contributions</u>	<u>TRS Contributions</u>
Total Covered Payroll	\$ 3,902,473	\$ 4,374,368
Member (employee)	312,198	360,886
Charter school	26,723	26,871
Non-OASDI Amount	70,245	83,113
Pension surcharge	14	-

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 was not assessed 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 during the year 2024 was approximately \$315,000.

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, 2024.

TRS Care Other Post- Employment Benefits (OPEB)	Total Plan Assets	TRS-Care Plan Fiduciary Net Position	Total OPEB Liability	Net OPEB Liability	Percent Funded
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%
2017	526,397,969	399,535,986	43,885,784,621	43,486,248,635	0.91%

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 that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/Pages/about_publications.aspx, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

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.

TRS-Care Plan Premium Rates				
	Medicare		Non-Medicare	
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.

TRS-Care Plan Premium Rates			
	TRS-Care 1 Basic Plan	TRS-Care 2 Optional Plan	TRS-Care 3 Optional Plan
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 0.75% 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.

	Contribution Rates	
	Plan Fiscal Year	
	September 1, 2023 to August 31, 2024	September 1, 2022 to August 31, 2023
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 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. In fiscal year 2023, the Charter School contributed a total of \$30,204 of which, \$2,086 was for federally funded employees. Employees contributed a total of \$25,365. Covered payroll for TRS-Care for fiscal year 2023 was \$3,902,473.

Note 6 - Health Care Coverage

During the year ended August 31, 2024, employees of the Charter School were covered by a Health Insurance Plan (the "Plan"). The Charter School contributed up to \$400 per month per employee from September 2023 through August 2024 to the Plan. During the year ended August 31, 2023, the Charter School contributed \$400 per month per employee from September 2022 through August 2023 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, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
State Foundation Program Year	\$ 618,727	\$ 710,642
Title I, Part A	23,951	217,657
IDEA, Part B - Formula	-	84
Title II, Part A	-	36,500
Title III, Part A	-	14,624
ESSER II	-	385,035
ESSER III	437,041	146,395
State Funded Special Revenue	-	14,850
National School Lunch Program	61,958	31,651
	<u>\$ 1,141,677</u>	<u>\$ 1,557,438</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, 2024 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>
2025	\$ 10,001	\$ 1,353	\$ 11,354
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>\$ 44,862</u>	<u>\$ 3,507</u>	<u>\$ 48,369</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, 2024, the Charter School earned \$7,621,304 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 2023, the Charter School earned \$6,336,106.

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.

During the 2024 fiscal year, long-term debt consisted of the following note payable:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Interest Accrual
Education Corporation Series 2023 Note Payable	\$ 21,600,000	\$ -	\$ (549,292)	\$ 21,050,708	\$ 661,575	\$ -
Debt Issuance Costs - Series 2023 Note Payable	(574,308)	-	19,144	(555,164)	-	-
	<u>\$ 21,025,692</u>	<u>\$ -</u>	<u>\$ (530,148)</u>	<u>\$ 20,495,544</u>	<u>\$ 661,575</u>	<u>\$ -</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, 2024:

Series	Amount Outstanding	Original Issue	Interest Rate	Serially Beginning/Ending	Interest Payment Dates
Education Corporation Series 2023 Note Payable	\$ 21,050,708	\$ 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, 2024, are as follows:

Year Ending August 31	Principal	Interest	Total
2025	\$ 661,575	\$ 933,748	\$ 1,595,323
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 - 2034	4,539,119	3,437,492	7,976,611
2035 - 2039	3,831,737	2,389,883	6,221,620
2040 - 2044	2,583,429	1,762,172	4,345,601
2045 - 2049	3,233,925	1,111,676	4,345,601
2050 - 2054	3,236,413	312,494	3,548,907
	<u>\$ 21,050,708</u>	<u>\$ 13,364,243</u>	<u>\$ 34,414,951</u>

Note 12 - Net Assets with Donor Restrictions

Net assets with donor restrictions as of August 31, 2024 and 2023 are as follows:

	As of August 31, 2024	As of August 31, 2023
State funds	\$ 9,794,987	\$ 9,178,592
Total with Donor Restrictions	<u>\$ 9,794,987</u>	<u>\$ 9,178,592</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, 2024	For the Year Ended August 31, 2023
State funds	\$ 7,260,388	\$ 6,118,175
Federal funds	2,092,319	1,815,758
Total Restrictions released	<u>\$ 9,352,707</u>	<u>\$ 7,933,933</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.

		Expenses by Object Class					August 31,	
Expense by Functional Category		Payroll Costs	Contracted Services	Supplies and Materials	Other Operating Costs	Debt (Interest and fees)	2024	2023
11	Instruction	\$ 4,330,287	\$ 270,334	\$ 157,771	\$ 17,795	\$ -	\$ 4,776,187	\$ 4,017,901
12	Instructional resources and media services	-	-	-	-	-	-	636
13	Curriculum development and instructional staff development	-	9,678	14,750	35	-	24,463	9,145
23	School leadership	561,399	1,962	13,515	38,819	-	615,695	605,789
31	Guidance, counseling and evaluation services	101,620	54,711	1,763	1,253	-	159,347	117,624
33	Health services	48,240	-	997	-	-	49,237	47,324
35	Food service	46,223	642,695	-	354	-	689,272	511,661
36	Extracurricular activities	578	6,607	937	11,307	-	19,429	29,798
41	General administration	361,013	174,837	3,897	11,484	-	551,231	557,834
51	Facilities maintenance and operations	228,946	381,274	52,357	412,917	-	1,075,494	1,089,714
52	Security and monitoring services	-	131,199	4,413	-	-	135,612	91,755
53	Data processing services	51,552	100,629	51,251	7,598	-	211,030	241,514
61	Community Services	-	-	-	900	-	900	2,472
71	Debt service	-	(7,718)	-	-	1,000,638	992,920	560,079
81	Fund Raising	-	3,151	48,424	315	-	51,890	50,687
		<u>\$ 5,729,858</u>	<u>\$ 1,769,359</u>	<u>\$ 350,075</u>	<u>\$ 502,777</u>	<u>\$ 1,000,638</u>	<u>\$ 9,352,707</u>	<u>\$ 7,933,933</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	\$ 13,221,561
Receivables	1,141,677
Total	<u><u>\$ 14,363,238</u></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 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. In the fiscal year 2023, the Charter School recorded \$364,966 in accrued salaries based on an average 20 days worked for which were not paid until after August 31, 2023.

Note 16 - Charter Holder Operations

The Charter Holder only operated a single charter school 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 - Management's Review of Subsequent Events

Management has evaluated subsequent events through January 28, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL
SCHEDULE OF EXPENSES
For the Years Ended August 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Expenses		
6100 Payroll Costs	\$ 5,729,858	\$ 4,704,522
6200 Professional and Contract Services	1,769,359	1,440,583
6300 Supplies and Materials	350,075	623,185
6400 Other Operating Costs	502,777	605,810
6500 Debt	1,000,638	559,833
Total Expenses	<u>\$ 9,352,707</u>	<u>\$ 7,933,933</u>

AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL
SCHEDULE OF ASSETS
August 31, 2024

		Ownership Interest		
		Local	State	Federal
1110	Cash and cash equivalents	\$ -	\$ 13,221,561	\$ -
1510	Land and improvements	-	5,813,836	-
1520	Buildings and improvements	-	17,875,425	1,508,076
1539	Furniture and equipment	-	121,700	-
1550	Right-to-use asset	-	52,580	-
Total		\$ -	\$ 37,085,102	\$ 1,508,076

AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget</u>
Revenues				
Local Support:				
5740	\$ -	\$ 959,914	\$ 1,256,748	\$ 296,834
State Program Revenues:				
5810	7,481,109	7,678,918	7,621,304	(57,614)
5820	-	-	332,031	332,031
	<u>7,481,109</u>	<u>7,678,918</u>	<u>7,953,335</u>	<u>274,417</u>
Federal Program Revenues:				
5929	497,421	572,277	2,013,385	1,441,108
5939	-	-	2,382	2,382
	<u>497,421</u>	<u>572,277</u>	<u>2,015,767</u>	<u>1,443,490</u>
	<u>7,978,530</u>	<u>9,211,109</u>	<u>11,225,850</u>	<u>2,014,741</u>
Expenses				
11	3,533,623	3,557,827	4,776,187	(1,218,360)
12	1,000	-	-	-
13	5,413	5,413	24,463	(19,050)
23	659,494	633,199	615,695	17,504
31	108,087	108,087	159,347	(51,260)
33	4,124	635	49,237	(48,602)
35	497,491	631,937	689,272	(57,335)
36	57,807	16,748	19,429	(2,681)
41	566,749	588,339	551,231	37,108
51	877,579	1,006,648	1,075,494	(68,846)
52	78,805	86,038	135,612	(49,574)
53	148,658	136,155	211,030	(74,875)
61	2,145	2,145	900	1,245
71	919,175	919,175	992,920	(73,745)
81	62,435	56,702	51,890	4,812
	<u>7,522,585</u>	<u>7,749,048</u>	<u>9,352,707</u>	<u>(1,603,659)</u>
	455,945	1,462,061	1,873,143	411,082
	<u>12,358,407</u>	<u>12,358,407</u>	<u>12,358,407</u>	<u>-</u>
	<u>\$ 12,814,352</u>	<u>\$ 13,820,468</u>	<u>\$ 14,231,550</u>	<u>\$ 411,082</u>

Budget Variances

In accordance with Module 2, Update 16, 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:

5900	Budgeted revenues from federal grants only included the Child Nutrition Program and other federal grant budgets were not included.
Function 11	Budgeted instruction expenses included only local and state sources. The increase results from spending from federal grants.
Function 13	Increased spending from federal and state grants, not budgeted.
Function 31	Due to increased spending student evaluations funded by the Special Education grant.
Function 33	Increase due to expenses funded by Title I not included in General Fund budget.
Function 36	Decrease due to the cancelation of extra-curricular activities because of the expansion construction project.
Function 52	Increase due to expenses for gate repairs and Meerkat safety response program, funded by the School Safety grant, not included in General Fund budget.
Function 53	Increase due to technology expenses funded by the ESSER III grant.
Function 61	Decrease due to reduced adult training and parent meetings resulting from the expansion construction project.

Corrective Action Plan

The Charter School will carefully review each function category to adhere to the requirements.

AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
August 31, 2024

Description (list each parcel separately)	Property Address	Total Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
Res A Blk 1 Land Neighborhood Section 4	5503 El Camino Del Rey St., Houston, Texas 77081	\$ 7,391,339	\$ -	\$ 5,813,836	\$ -
Total		<u>\$ 7,391,339</u>	<u>\$ -</u>	<u>\$ 5,813,836</u>	<u>\$ -</u>

AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended August 31, 2024

<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, 2024

<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, 2024

Data Codes	Section A: Compensatory Education Programs	Responses
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.	\$1,133,671
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$398,949
Section B: Bilingual Education Programs		
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.	\$319,049
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	-\$84,642



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

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, 2024, 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 January 28, 2025

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
January 28, 2025

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

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, 2024. 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, 2024.

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
January 28, 2025

AMIGOS POR VIDA - FRIENDS FOR LIFE PUBLIC CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2024

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

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
US Department of Education: ARP, ESSER III Grant (COVID-19)	84.425U
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, 2024

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, 2024

(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
U. S. Department of Education				
Passed Through Texas Education Agency:				
<i>ESEA, Title I, Part A - Improving Basic Programs</i>	211	84.010A	24610101101819	\$ 376,044
<i>IDEA - Part B, Formula</i>	224	84.027A	246600011018196600	105,730
<i>IDEA Preschool</i>	225	84.173A	246610011018196610	2,527
<i>Total Special Education Cluster (ALN 84.027, 84.173)</i>				<u>108,257</u>
<i>ESEA, Title II, Part A, Supporting Effective Instruction</i>	255	84.367A	24694501101819	25,548
<i>Title III, Part A - English Language Acquisition</i>	263	84.365A	23671001101819	8,936
<i>Title III, Part A - English Language Acquisition</i>	263	84.365A	24671001101819	36,400
<i>Total ALN 84.365</i>				<u>45,336</u>
<i>ARP, ESSER III Grant (COVID-19)</i>	282	84.425U	2152800110181	818,008
<i>Title IV, Part A</i>	289	84.424A	23680101101819	22,806
<i>Title IV, Part A</i>	289	84.424A	24680101101819	14,801
<i>Total ALN 84.424</i>				<u>37,607</u>
Total U. S. Department of Education				<u>1,410,800</u>
U. S. Department of Agriculture				
Passed Through Texas Department of Agriculture:				
Cash assistance:				
<i>Supply Chain Assistance</i>	240	10.555	NT4XL1YGLGC5	2,382
Passed Through Texas Education Agency:				
Cash assistance:				
<i>School Breakfast Program</i>	240	10.553	71402401	99,585
<i>National School Lunch Program</i>	240	10.555	71402401	503,000
<i>Total Child Nutrition Cluster (ALN 10.553, 10.555)</i>				<u>604,967</u>
Total U. S. Department of Agriculture				<u>604,967</u>
Total Expenditures of Federal Awards				<u>\$ 2,015,767</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, 2024, 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 10 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, 2024

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, 2024

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

