

**IDEA Public Schools, Inc.**

Consolidated Financial Statements  
and Independent Auditors' Report  
for the years ended June 30, 2020 and 2019

# IDEA Public Schools, Inc.

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**Board of Directors**

Al Lopez, Board Chair

Xenia Garza, Vice-Chair

Ed Rivera, Treasurer

Ryan Vaughn, Secretary

Michael Burke, Member

Reba Cardenas McNair, Member

David Earl, Member

David Handley, Member

Erich Holmstein, Member

Bill Martin, Member

Victoria Rico, Member

Collin Sewell, Member

Dr. Saam Zarrabi, Member

**Chief Executive Officer and Superintendent**

JoAnn Gama

**Acting Co-Chief Financial Officer**

Leanne Hernandez

Carlo Hershberger

### Certificate of Board

We, the undersigned, certify that the attached financial and compliance report of IDEA Public Schools, Inc. was reviewed and (check one)  approved  disapproved for the year ended June 30, 2020, at a meeting of the governing body of the charter holder on the 4th day of December, 2020.

DocuSigned by:  
*Ryan Vaughan*  
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\_\_\_\_\_  
Signature of Board Secretary

DocuSigned by:  
*Al Lopez*  
3522EA165184439...  
\_\_\_\_\_  
Signature of Board President

If the governing body of the charter holder disapproved the independent auditors' report, the reason(s) for disapproving it is (are): (attach list as necessary)

**Independent Auditors' Report**

To the Board of Directors of  
IDEA Public Schools, Inc.:

**Report on the Financial Statements**

We have audited the accompanying financial statements of IDEA Public Schools, Inc., which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, of cash flows, and of functional expenses for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

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

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

## **Opinion**

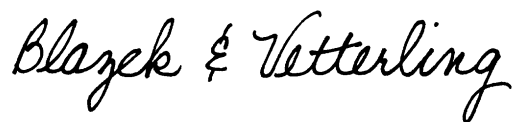
In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of IDEA Public Schools, Inc. as of June 30, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating statement of financial position as of June 30, 2020, consolidating statement of activities and consolidating statement of cash flows for the year then ended is presented for additional analysis and is not a required part of the financial statements. The accompanying supplementary information on pages 43 through 59 is presented for purposes of additional analysis as required by the Texas Education Agency 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Report Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2020, on our consideration of IDEA Public Schools, Inc.'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 IDEA Public Schools, Inc.'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 IDEA Public Schools, Inc.'s internal control over financial reporting and compliance.



December 4, 2020

**IDEA Public Schools, Inc.****Consolidated Statements of Financial Position as of June 30, 2020 and 2019**

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	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 140,896,632	\$ 102,817,756
Cash and cash equivalents – held in trust	56,185,034	45,259,196
Government grant receivables	83,298,662	61,580,145
Contributions receivable, net	3,982,805	1,246,098
Accounts receivable	5,810,293	3,986,923
Investments – operating	75,910,710	62,029,561
Prepaid expenses	1,135,398	1,040,765
Other current assets	<u>1,208,446</u>	<u>900,299</u>
Total current assets	<u>368,427,980</u>	<u>278,860,743</u>
Property and equipment, net	<u>1,077,717,916</u>	<u>816,187,826</u>
Other noncurrent assets:		
Cash and cash equivalents – held in trust	4,164,696	9,293,287
Contributions receivable, net	7,055,238	1,598,897
Investments – held in trust	<u>25,028,844</u>	<u>25,549,498</u>
Total other noncurrent assets	<u>36,248,778</u>	<u>36,441,682</u>
TOTAL ASSETS	<u>\$ 1,482,394,674</u>	<u>\$ 1,131,490,251</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidated Statements of Financial Position as of June 30, 2020 and 2019

*(continued)*

	<u>2020</u>	<u>2019</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 39,736,199	\$ 25,681,404
Accrued wages, benefits, and taxes	44,759,439	32,693,362
Accrued interest payable	18,137,402	14,736,225
Accrued expenses	10,360,638	9,168,144
Refundable advances	18,694,333	14,220,033
Other liabilities	2,741,598	788,489
Bonds payable – current portion	15,350,000	11,990,000
Notes payable – current portion	64,469,776	37,422,563
Capital leases payable – current portion	<u>2,558,754</u>	<u>1,710,422</u>
Total current liabilities	<u>216,808,139</u>	<u>148,410,642</u>
Long-term liabilities:		
Bonds payable, net	971,697,451	760,676,740
Notes payable	36,450,091	23,005,591
Capital leases payable	<u>12,882,400</u>	<u>12,380,996</u>
Total long-term liabilities	<u>1,021,029,942</u>	<u>796,063,327</u>
TOTAL LIABILITIES	<u>1,237,838,081</u>	<u>944,473,969</u>
Net assets:		
Without donor restrictions	(1,426,764)	(2,219,362)
With donor restrictions	<u>245,983,357</u>	<u>189,235,644</u>
Total net assets	<u>244,556,593</u>	<u>187,016,282</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,482,394,674</u>	<u>\$ 1,131,490,251</u>

*See accompanying notes to consolidated financial statements.*



## IDEA Public Schools, Inc.

### Consolidated Statement of Activities for the year ended June 30, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUE AND OTHER SUPPORT:</b>			
Local support:			
Grants	\$ 4,013,512	\$ 33,545,981	\$ 37,559,493
Contributions	503	6,276,538	6,277,041
Management fees	16,328,437		16,328,437
Net investment return	2,697	3,868,308	3,871,005
Other revenue	<u>4,492,271</u>	<u>7,447,790</u>	<u>11,940,061</u>
Total local support	<u>24,837,420</u>	<u>51,138,617</u>	<u>75,976,037</u>
State program revenue:			
Foundation School Program	-	493,793,798	493,793,798
Other state aid	<u>-</u>	<u>6,455,074</u>	<u>6,455,074</u>
Total state program revenue	<u>-</u>	<u>500,248,872</u>	<u>500,248,872</u>
Federal program revenue:			
ESEA Title I – Part A	-	16,762,106	16,762,106
ESEA Title II – Part A Teacher/ Principal Training	-	1,569,358	1,569,358
ESEA Title III – Part A Language Acquisition	-	553,377	553,377
IDEA B Formula – Special Education	-	5,991,582	5,991,582
ESEA Title V – Part B Charter Schools	-	13,515,754	13,515,754
ESEA Title V – Part C Charter Schools	-	(73,286)	(73,286)
HEA Title IV – Part A GEAR UP – Connect2College	-	331,011	331,011
Twenty-First Century Community Learning Centers	-	2,535,345	2,535,345
Education Innovation and Research	-	692,573	692,573
Corona Relief Fund	-	657,028	657,028
Elementary and Secondary School Emergency Relief Fund	-	769,587	769,587
Child Nutrition	-	49,239,705	49,239,705
Food and Nutrition Service	-	8,115	8,115
IDEA Comprehensive Health Professions SSA, Title XIX – School Health and Related Services	<u>-</u>	<u>5,016,939</u>	<u>5,016,939</u>
Total federal program revenue	<u>-</u>	<u>101,496,985</u>	<u>101,496,985</u>
Net assets released for purpose restrictions	<u>596,898,695</u>	<u>(596,898,695)</u>	<u>-</u>
Total revenue and other support	<u>621,736,115</u>	<u>55,985,779</u>	<u>677,721,894</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidated Statement of Activities for the year ended June 30, 2020

(continued)

	WITHOUT DONOR <u>RESTRICTIONS</u>	WITH DONOR <u>RESTRICTIONS</u>	<u>TOTAL</u>
<b>EXPENSES:</b>			
Program services:			
Instructional and instructional-related services	\$ 293,475,603	\$ -	\$ 293,475,603
Instructional and school leadership	92,466,475	-	92,466,475
Support services – student (pupil)	104,020,480	-	104,020,480
Support services – nonstudent based	62,083,478	-	62,083,478
Ancillary services	<u>538,243</u>	<u>-</u>	<u>538,243</u>
Total program services	<u>552,584,279</u>	<u>-</u>	<u>552,584,279</u>
Support services:			
Administrative support services – local	44,546,340	-	44,546,340
Administrative support services – central office	19,152,881	-	19,152,881
Fundraising	<u>4,666,594</u>	<u>-</u>	<u>4,666,594</u>
Total support services	<u>68,365,815</u>	<u>-</u>	<u>68,365,815</u>
Total expenses	<u>620,950,094</u>	<u>-</u>	<u>620,950,094</u>
Gain on disposal of assets	6,577	20,035	26,612
Realized gain on investments	-	442,915	442,915
Unrealized gain on investments	<u>-</u>	<u>298,984</u>	<u>298,984</u>
CHANGE IN NET ASSETS	792,598	56,747,713	57,540,311
Net assets, beginning of year	<u>(2,219,362)</u>	<u>189,235,644</u>	<u>187,016,282</u>
Net assets, end of year	<u>\$ (1,426,764)</u>	<u>\$ 245,983,357</u>	<u>\$ 244,556,593</u>

*See accompanying notes to consolidated financial statements.*

# IDEA Public Schools, Inc.

## Consolidated Statement of Activities for the year ended June 30, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUE AND OTHER SUPPORT:</b>			
<b>Local support:</b>			
Grants	\$ 6,156,427	\$ 22,721,640	\$ 28,878,067
Contributions	215	6,259,507	6,259,722
Management fees	8,887,704	-	8,887,704
Net investment return	1,574	3,196,266	3,197,840
Other revenue	<u>3,546,399</u>	<u>407,608</u>	<u>3,954,007</u>
Total local support	<u>18,592,319</u>	<u>32,585,021</u>	<u>51,177,340</u>
<b>State program revenue:</b>			
Foundation School Program	-	391,666,694	391,666,694
Other state aid	<u>-</u>	<u>4,464,084</u>	<u>4,464,084</u>
Total state program revenue	<u>-</u>	<u>396,130,778</u>	<u>396,130,778</u>
<b>Federal program revenue:</b>			
ESEA Title I – Part A	-	13,885,263	13,885,263
ESEA Title II – Part A Teacher/ Principal Training	-	1,384,175	1,384,175
ESEA Title III – Part A Language Acquisition	-	835,491	835,491
ESEA Title IV – Part A	-	28,480	28,480
IDEA B Formula – Special Education	-	5,573,426	5,573,426
IDEA B Formula – Preschool	-	17,914	17,914
ESEA Title V – Part B Charter Schools	-	10,814,278	10,814,278
ESEA Title V – Part C Charter Schools	-	352,020	352,020
Hurricane Education Recovery	-	25,435	25,435
HEA Title IV – Part A GEAR UP – Connect2College	-	1,198,694	1,198,694
Twenty-First Century Community Learning Centers	-	2,502,469	2,502,469
Education Innovation and Research	-	663,586	663,586
Child Nutrition	-	44,504,228	44,504,228
Food and Nutrition Service	-	65,616	65,616
IDEA Comprehensive Health Professions Project H2O! Environmental Education Grant Program	-	46,580	46,580
SSA, Title XIX – School Health and Related Services	<u>-</u>	<u>2,183,371</u>	<u>2,183,371</u>
Total federal program revenue	<u>-</u>	<u>84,790,159</u>	<u>84,790,159</u>
Net assets released for purpose restrictions	<u>470,536,077</u>	<u>(470,536,077)</u>	<u>-</u>
Total revenue and other support	<u>489,128,396</u>	<u>42,969,881</u>	<u>532,098,277</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidated Statement of Activities for the year ended June 30, 2019

(continued)

	WITHOUT DONOR <u>RESTRICTIONS</u>	WITH DONOR <u>RESTRICTIONS</u>	<u>TOTAL</u>
EXPENSES:			
Program services:			
Instructional and instructional-related services	\$ 237,386,258	\$ -	\$ 237,386,258
Instructional and school leadership	73,384,913	-	73,384,913
Support services – student (pupil)	79,269,318	-	79,269,318
Support services – nonstudent based	51,674,545	-	51,674,545
Ancillary services	<u>581,479</u>	<u>-</u>	<u>581,479</u>
Total program services	<u>442,296,513</u>	<u>-</u>	<u>442,296,513</u>
Support services:			
Administrative support services – local	35,817,833	-	35,817,833
Administrative support services – central office	12,165,015	-	12,165,015
Fundraising	<u>3,826,109</u>	<u>-</u>	<u>3,826,109</u>
Total support services	<u>51,808,957</u>	<u>-</u>	<u>51,808,957</u>
Total expenses	<u>494,105,470</u>	<u>-</u>	<u>494,105,470</u>
Gain on disposal of assets	-	201,807	201,807
Realized and unrealized gain on investments	<u>-</u>	<u>1,370,120</u>	<u>1,370,120</u>
CHANGE IN NET ASSETS	(4,977,074)	44,541,808	39,564,734
Net assets, beginning of year	<u>2,757,712</u>	<u>144,693,836</u>	<u>147,451,548</u>
Net assets, end of year	<u>\$ (2,219,362)</u>	<u>\$ 189,235,644</u>	<u>\$ 187,016,282</u>

See accompanying notes to consolidated financial statements.

**IDEA Public Schools, Inc.****Consolidated Statements of Cash Flows for the years ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 57,540,311	\$ 39,564,734
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	33,015,356	27,954,769
Amortization of unamortized discount and debt issuance costs	(5,471,393)	(3,490,958)
Bad debt expense	758,168	182,027
Unrealized gain on investments	(298,984)	(627,304)
Gain on disposal of property and equipment	(26,612)	(201,807)
Changes in current assets and liabilities:		
Government grant receivables	(21,718,517)	(9,805,701)
Contributions receivable	(8,193,048)	(1,069,129)
Other receivables	(1,823,370)	1,402,080
Prepaid expenses	(94,633)	(74,018)
Other current assets	(308,147)	1,166,084
Accounts payable	14,054,795	(1,711,333)
Accrued wages, benefits, and taxes	12,066,077	6,907,906
Accrued interest payable	3,401,177	3,174,568
Accrued expenses	1,192,494	1,981,688
Refundable advances	4,474,300	4,732,230
Other liabilities	<u>1,953,109</u>	<u>(3,587,605)</u>
Net cash provided by operating activities	<u>90,521,083</u>	<u>66,498,231</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Construction and purchase of property and equipment	(291,492,787)	(212,165,675)
Proceeds from disposal of property and equipment	169,980	895,069
Purchase of certificates of deposit	(25,780,616)	(12,211,242)
Proceeds from maturity of certificates of deposit	12,325,553	13,021,269
Purchases of investments	(201,985,135)	(228,583,880)
Proceeds from sale of investments	202,378,687	173,958,515
Investments in notes receivable from graduates	<u>(758,168)</u>	<u>(182,027)</u>
Net cash used by investing activities	<u>(305,142,486)</u>	<u>(265,267,971)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings of long-term debt	354,586,766	236,400,678
Principal payments on long-term debt	(84,989,365)	(37,716,852)
Payments on capital leases	(1,846,291)	(3,253,129)
Payment of debt issuance costs	<u>(9,253,584)</u>	<u>(6,461,864)</u>
Net cash provided by financing activities	<u>258,497,526</u>	<u>188,968,833</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>43,876,123</b>	<b>(9,800,907)</b>
Cash and cash equivalents, beginning of year	<u>157,370,239</u>	<u>167,171,146</u>
Cash and cash equivalents, end of year	<u>\$ 201,246,362</u>	<u>\$ 157,370,239</u>

*(continued)*

**IDEA Public Schools, Inc.**Consolidated Statements of Cash Flows for the years ended June 30, 2020 and 2019 *(continued)*

	<u>2020</u>	<u>2019</u>
<i>Reconciliation of cash and cash equivalents:</i>		
Cash and cash equivalents	\$ 140,896,632	\$ 102,817,756
Cash and cash equivalents – held in trust	56,185,034	45,259,196
Cash and cash equivalents – noncurrent – held in trust	<u>4,164,696</u>	<u>9,293,287</u>
Total cash and cash equivalents	<u>\$ 201,246,362</u>	<u>\$ 157,370,239</u>
 <i>Supplemental disclosure of cash flow information:</i>		
Cash paid for interest	\$39,485,901	\$25,596,357
Capital leases related to the purchase of property and equipment	\$3,196,027	\$12,121,247

*See accompanying notes to consolidated financial statements.*

**IDEA Public Schools, Inc.**

**Consolidated Statement of Functional Expenses for the year ended June 30, 2020**

	PAYROLL <u>COSTS</u>	PROFESSIONAL AND CONTRACTED <u>SERVICES</u>	SUPPLIES AND <u>MATERIALS</u>	OTHER OPERATING <u>COSTS</u>	<u>DEBT</u>	<u>TOTAL</u>
Program services:						
Instructional and instructional – related services	\$ 221,027,493	\$ 15,531,667	\$ 22,437,820	\$ 5,721,125	\$ 28,757,498	\$ 293,475,603
Instructional and school leadership	79,197,599	4,873,400	3,311,513	5,083,963	-	92,466,475
Support services – student (pupil)	58,321,965	9,640,675	28,089,029	7,968,811	-	104,020,480
Support services – nonstudent based	14,246,266	19,049,373	1,943,802	26,844,037	-	62,083,478
Ancillary services	<u>163,972</u>	<u>150,634</u>	<u>21,279</u>	<u>202,358</u>	-	<u>538,243</u>
Total program services	<u>372,957,295</u>	<u>49,245,749</u>	<u>55,803,443</u>	<u>45,820,294</u>	<u>28,757,498</u>	<u>552,584,279</u>
Support services:						
Administrative support services – local	20,278,292	15,350,982	966,619	4,179,141	3,771,306	44,546,340
Administrative support services – central office	6,509,031	6,175,981	3,844,013	2,623,856	-	19,152,881
Fundraising	<u>3,352,113</u>	<u>679,820</u>	<u>38,462</u>	<u>596,199</u>	-	<u>4,666,594</u>
Total support services	<u>30,139,436</u>	<u>22,206,783</u>	<u>4,849,094</u>	<u>7,399,196</u>	<u>3,771,306</u>	<u>68,365,815</u>
Total expenses	<u>\$ 403,096,731</u>	<u>\$ 71,452,532</u>	<u>\$ 60,652,537</u>	<u>\$ 53,219,490</u>	<u>\$ 32,528,804</u>	<u>\$ 620,950,094</u>

*See accompanying notes to consolidated financial statements.*

**IDEA Public Schools, Inc.**

Consolidated Statement of Functional Expenses for the year ended June 30, 2019

	<u>PAYROLL COSTS</u>	<u>PROFESSIONAL AND CONTRACTED SERVICES</u>	<u>OTHER SUPPLIES AND MATERIALS</u>	<u>OPERATING COSTS</u>	<u>DEBT</u>	<u>TOTAL</u>
Program services:						
Instructional and instructional – related services	\$ 163,961,589	\$ 18,850,291	\$ 21,081,544	\$ 8,743,256	\$ 24,749,578	\$ 237,386,258
Instructional and school leadership	60,490,862	3,599,133	3,217,537	6,077,381	-	73,384,913
Support services – student (pupil)	43,366,801	6,373,847	22,584,962	6,943,708	-	79,269,318
Support services – nonstudent based	10,595,368	15,765,370	2,020,453	23,293,354	-	51,674,545
Ancillary services	<u>166,636</u>	<u>169,001</u>	<u>38,102</u>	<u>207,740</u>	-	<u>581,479</u>
Total program services	<u>278,581,256</u>	<u>44,757,642</u>	<u>48,942,598</u>	<u>45,265,439</u>	<u>24,749,578</u>	<u>442,296,513</u>
Support services:						
Administrative support services – local	16,223,348	11,786,853	1,102,449	4,199,712	2,505,471	35,817,833
Administrative support services – central office	4,217,515	4,289,981	1,800,976	1,856,543	-	12,165,015
Fundraising	<u>2,627,824</u>	<u>505,813</u>	<u>81,148</u>	<u>611,324</u>	-	<u>3,826,109</u>
Total support services	<u>23,068,687</u>	<u>16,582,647</u>	<u>2,984,573</u>	<u>6,667,579</u>	<u>2,505,471</u>	<u>51,808,957</u>
Total expenses	<u>\$ 301,649,943</u>	<u>\$ 61,340,289</u>	<u>\$ 51,927,171</u>	<u>\$ 51,933,018</u>	<u>\$ 27,255,049</u>	<u>\$ 494,105,470</u>

*See accompanying notes to consolidated financial statements.*



## IDEA Public Schools, Inc.

Notes to Consolidated Financial Statements for the years ended June 30, 2020 and 2019

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

**Organization:** IDEA Public Schools, Inc. (charter holder known as IDEA Academy, Inc.) is a nonprofit Texas corporation formed in June 2000. IDEA Public Schools, Inc. (the School) operates and does business as Individuals Dedicated to Excellence and Achievement (IDEA) Public Schools. The School is a state authorized, open enrollment charter school. The Contract for Charters granted by the State Board of Education of the State of Texas pursuant to Chapter 12 of the Texas Education Code is effective until July 2025. The School provides educational services to students in grades Pre-K through 12, with total enrollment of approximately 49,479 students at 91 schools.

The School operates as a single charter school and conducts other noncharter activities with and through IPS Enterprises, Inc. (IPS), a Texas nonprofit corporation whose sole member is the School. Prior to January 1, 2020, IPS was a separate domestic single-member nonprofit limited liability company, whose sole member was the School. IPS is consolidated since the School has a direct controlling interest in IPS through ownership.

The School also operates an in-district charter school in the Midland Independent School District. The Contract for Charter granted by the State Board of Education of the State of Texas pursuant to Chapter 12 of the Texas Education Code will continue in effect for an initial ten school year term and may be renewed for three successive five year terms (or longer). The School provides educational services to students in grades K through 6.

**Recent accounting pronouncements:** In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the current leasing guidance. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of income. The new standard is effective for the School for fiscal year 2023, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Upon adoption, management expects to recognize lease commitments as both a right of use asset and a lease liability in the statement of financial position for commitments that are currently only disclosed in the financial statements.

**Basis of consolidation:** The consolidated financial statements include the accounts of the School, and IPS. All balances and transactions between the consolidated entities have been eliminated.

### ACCOUNTING POLICIES:

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

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.

## NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both.

**Cash and cash equivalents:** The School considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash held in trust is limited as to use under the terms of the bond indenture. Interest income earned on cash held in trust is limited as to use under the terms of the bond indenture.

**Government grant receivables and state and federal program revenue:** The School considers all government grants to be conditional contributions, which are subject to one or more barriers that must be overcome before the School is entitled to receive or retain funding. The School recognizes revenue from governmental grants, as performance requirements are met or eligible expenditures are incurred in compliance with specific grant provisions. Contributions received before conditions have been met are reported as refundable advances.

**Contributions and contributions receivable:** Contributions are recognized at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions are subject to one or more barriers that must be overcome before the School is entitled to receive or retain funding. Conditional contributions are recognized in the same manner when the conditions have been substantially met. Funding received before conditions are met is reported as refundable advances. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted revenue. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. For long-lived assets purchased with Federal or State contributions, the School reports expirations of donor restrictions over the estimated useful life as stipulated by the donor.

Unconditional contributions that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted to estimate the present value of future cash flows. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contributions revenue.

**Donated services and assets:** Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation are recognized at the estimated fair value as contributions when an unconditional commitment is received from the donor. Contributions of donated noncash assets are recorded at the estimated fair value in the period the unconditional commitment is received. The related expense is recognized as the item is used.

**Allowance for doubtful accounts:** An allowance for doubtful accounts is established on accounts receivable, contributions receivable, and other receivables when it is believed that the balances may not be collected in full. Losses are charged against the allowance when management believes the

**NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The School considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is recorded in these financial statements.

**Investments:** Marketable securities are stated at fair value. Certificates of deposit are stated at cost. Net investment return is reported in the statement of activities as an increase in net assets without donor restrictions unless the use of the income is limited by donor-imposed restrictions. Net investment return consists of interest and dividends net of external and direct internal investment expenses. Investments held in trust are limited as to use under the terms of the bond indenture and represent funds held for construction activity and debt service requirements. The related investment return is also limited as to use under the terms of the bond indenture.

**Notes receivable:** Notes receivable represent loans from nonpublic fund sources to graduates of the School who are enrolled in college. The loans are interest free with principal due six months after graduation from college or immediately upon withdrawal from college. Outstanding notes receivable at June 30, 2020 and 2019 totaled \$2,899,170 and \$2,141,002, respectively. The School considers notes receivable to be uncollectible; accordingly, an allowance for doubtful accounts of \$2,899,170 and \$2,141,002 at June 30, 2020 and 2019, respectively, is recorded in these financial statements.

**Property and equipment:** Property and equipment are stated at cost or at fair value if donated. The School capitalizes expenditures in excess of \$5,000 for property and equipment with an expected life greater than a year. Assets held under capital leases are recorded at the lower of the net present value of minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization expense is computed using the straight-line method over the shorter of the estimated useful lives of the assets or the period of the related lease. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Depreciation and amortization are calculated on the straight-line method based on the following estimated useful lives of the respective assets:

<u>ASSET CLASSIFICATION</u>	<u>USEFUL LIVES</u>	<u>ESTIMATED</u>
Building and improvements		10-30 years
Leasehold improvements		5-15 years
Vehicles		5 years
Furniture and equipment		3-10 years

**Impairment of long-lived assets:** The School reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects and the effects of obsolescence, demand, competition and other economic factors. The School did not recognize an impairment loss during the years ended June 30, 2020 and 2019.

## **NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Debt issuance costs:** Costs related to the issuance of bonds and notes payable are reported as a direct reduction of the related debt and are amortized as interest expense over the term of the bonds or notes using the effective interest method.

**Revenue recognition:** Revenue from contracts with customers is derived primarily from employee leasing, management and shared services fees, academic support fees, food service fees and other miscellaneous fees. Revenue is recognized as the services are provided to a customer, in an amount that reflects the consideration the School expects to be entitled to in exchange for those services. Payment is due monthly for all services except for the academic support services which payment is due semi-annually. The nature of these services does not give rise to contract assets, contract liabilities, or any variable considerations, warranties, or other related obligations. Accounts receivable at June 30, 2020, 2019 and 2018 totaled \$5,810,293, \$3,986,923 and \$3,896,020, respectively.

**Functional allocation of expenses:** Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Administrative support services activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are charged directly either to program services, fundraising or administrative support services based on actual time worked in each area. Information technology costs, depreciation, interest expense, and occupancy costs are allocated based on whether the costs are associated with instructional campuses (program services) or with administrative buildings.

**Federal income taxes:** The School is a nonprofit organization and is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business income. The School files a Form 990 (Return of Organization Exempt from Income Tax) and, if applicable, unrelated business income (UBI) is reported on a Form 990-T. IPS is a disregarded entity for federal income tax purposes through December 31, 2019. Management has evaluated its material tax positions, which include such matters as the tax-exempt status of the School and, if applicable, potential sources of UBI. As of June 30, 2020 and 2019, there were no uncertain tax benefits. No such provision has been made in the accompanying financial statements.

**Advertising:** The School expenses advertising costs when they are incurred. Advertising costs for the years ended June 30, 2020 and 2019 are \$7,349,056 and \$4,593,504, respectively.

**Estimates:** Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

**Subsequent events:** The School has evaluated subsequent events that occurred after June 30, 2020, through the date of this report on December 4, 2020, which is the date the financial statements were available for issuance. Any material subsequent events that occurred during this time have been properly recognized or disclosed in the financial statements.

## NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents consist of the following:

	<u>2020</u>	<u>2019</u>
Petty cash	\$ 301	\$ 14
Checking accounts	108,419,888	33,879,216
Money market mutual funds	<u>92,826,173</u>	<u>123,491,009</u>
Total cash and cash equivalents	<u>\$ 201,246,362</u>	<u>\$ 157,370,239</u>

Cash and cash equivalents are designated as follows:

	<u>2020</u>	<u>2019</u>
Debt service fund held in trust	\$ 27,502,058	\$ 22,234,359
Construction	<u>32,847,672</u>	<u>32,318,124</u>
Total	60,349,730	54,552,483
Less current cash and cash equivalents – held in trust	<u>56,185,034</u>	<u>45,259,196</u>
Total cash and cash equivalents – noncurrent – held in trust	<u>\$ 4,164,696</u>	<u>\$ 9,293,287</u>

The School maintains cash deposits at Wells Fargo, Public Funds Administration, at June 30, 2020 and 2019, which are insured up to \$500,000 by the Federal Deposit Insurance Corporation (FDIC). Investment securities held by Wells Fargo that had a carrying value at June 30, 2020 and 2019 of \$3,171,768 and \$10,613,504, respectively, were pledged as collateral to secure public funds on deposit.

The School also maintains cash deposits at Regions Bank at June 30, 2020 and 2019, which are insured up to \$500,000 by the FDIC. Investment securities held by Regions Bank that had a carrying value at June 30, 2020 and 2019 of \$107,194,172 and \$24,190,636, respectively, were pledged as collateral to secure public funds on deposit.

The School maintains proceeds received from the sale of bonds in fiduciary accounts at Regions Bank, Corporate Trust Services. The Office of the Comptroller of the Currency, Regulation 9, requires that banks collateralize uninvested cash in fiduciary accounts. At June 30, 2020 and 2019, assets held by Regions Bank were pledged as collateral as a whole for all Regions Bank fiduciary accounts to secure fiduciary funds held in trust.

The School has not experienced any losses on these accounts, and management believes it is not exposed to any significant credit risk.

**NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

Investments are as follows:

	<u>2020</u>	<u>2019</u>
Investments at fair value:		
U. S. Treasury securities	\$ 60,522,512	\$ 63,838,339
Domestic corporate bonds	11,356,421	5,093,180
Government agency securities	<u>3,280,005</u>	<u>6,321,988</u>
Total investments at fair value	75,158,938	75,253,507
Investments at cost – certificates of deposit	<u>25,780,616</u>	<u>12,325,552</u>
Total investments	100,939,554	87,579,059
Less current investments – held in trust	<u>(75,910,710)</u>	<u>(62,029,561)</u>
Total investments – noncurrent – held in trust	<u>\$ 25,028,844</u>	<u>\$ 25,549,498</u>

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

**NOTE 3 – GOVERNMENT GRANT RECEIVABLES**

Amounts due from government agencies consist of the following:

	<u>2020</u>	<u>2019</u>
Texas Department of Education, Texas Education Agency (TEA)	\$ 73,195,670	\$ 56,468,558
Texas Medicaid and Healthcare Partnership	3,519,356	1,717,091
United States Department of Agriculture passed through TEA	2,700,992	392,966
United States Department of Education	1,554,699	962,132
United States Department of Education passed through TEA	1,250,600	2,034,581
Texas Division of Emergency Management	526,111	-
Florida Department of Education	398,670	-
Federal Emergency Management Agency	130,917	-
Texas Parks and Wildlife Department	13,532	-
United States Department of Agriculture	8,115	-
United States Environmental Protection Agency	<u>-</u>	<u>4,817</u>
Total government grant receivables	<u>\$ 83,298,662</u>	<u>\$ 61,580,145</u>

All amounts due from government agencies at June 30, 2020 are expected to be collected in fiscal year 2020-2021.

#### NOTE 4 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The School relies on state aid and federal grants and contributions to meet general expenditures related to operations. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the School considers all expenditures related to its ongoing activities of education, as well as the conduct of services undertaken to support those activities including capital expenditures, to be general expenditures.

As part of the School's liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due or as additional funding opportunities are presented by maintaining a significant portion of its assets in cash.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of June 30 are as follows:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 201,246,362	\$ 157,370,239
Investments	100,939,554	87,579,059
Government grant and accounts receivables	89,108,955	65,567,068
Contributions receivable	<u>11,038,043</u>	<u>2,844,995</u>
Total financial assets	402,332,914	313,361,361
Less financial assets not available for general expenditure:		
Contractually-obligated financial assets	(85,170,389)	(79,844,673)
Cash restricted for long-term purposes	(4,164,696)	(9,293,287)
Donor-restricted assets not expected to be satisfied in coming year	<u>(223,780,140)</u>	<u>(176,191,448)</u>
Total financial assets available for general expenditure	<u>\$ 89,217,689</u>	<u>\$ 48,031,953</u>

#### NOTE 5 – CONTRIBUTIONS RECEIVABLE

The School has unconditional promises to give from philanthropic organizations as follows:

	<u>2020</u>	<u>2019</u>
Contributions receivable	\$ 11,109,473	\$ 2,891,342
Discount at interest rates ranging from 0.17% to 3.07%	<u>(71,430)</u>	<u>(46,347)</u>
Contributions receivable, net	<u>\$ 11,038,043</u>	<u>\$ 2,844,995</u>

Contributions receivable at June 30, 2020 are expected to be collected as follows:

2021	\$ 3,925,746
2022	2,872,058
2023	2,369,104
2024	1,583,430
2025	<u>359,135</u>
Total	<u>\$ 11,109,473</u>

#### **NOTE 5 – CONTRIBUTIONS RECEIVABLE (continued)**

The School has conditional promises to give contingent upon meeting certain criteria specified by donors such as opening specific schools, starting construction of schools, implementation of specialized curriculum, or meeting enrollment targets. These amounts are not recorded in these financial statements as the conditions have not been met. As of June 30, 2020 and 2019, the amounts of conditional promises to give were \$88,706,115 and \$67,094,517, respectively. Refundable advances are recorded for amounts received in advance from those conditional promises to give, which totaled \$18,694,333 and \$14,220,033 at June 30, 2020 and 2019, respectively.

As of June 30, 2020, the School has approximately \$71,320,000 of conditional contributions from various government agencies. The contributions will be recognized as revenue when the conditions, which include performance of allowable activities and incurring allowable expenses, are met. The School is party to other government awards for which the award amount is not specified by the grantor. The School will recognize these grants as qualifying grant expenditures are incurred and/or performance requirements are met.

#### **NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 136,694,238	\$ 96,945,413
Buildings and improvements	791,220,558	631,124,157
Vehicles	18,241,384	14,721,281
Furniture and equipment	26,066,353	21,697,260
Construction in progress	<u>249,788,983</u>	<u>163,249,836</u>
Total	1,222,011,516	927,737,947
Less accumulated depreciation and amortization	<u>(144,293,600)</u>	<u>(111,550,121)</u>
Total property and equipment, net	<u>\$ 1,077,717,916</u>	<u>\$ 816,187,826</u>

Capitalized property and equipment acquired with public funds received by the School constitute public property pursuant to Chapter 12 of the Texas Education Code. These assets are specifically identified on the schedule of capital assets for the individual charter school.

#### **NOTE 7 – FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.



**NOTE 7 – FAIR VALUE MEASUREMENTS (continued)**

- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at June 30, 2020 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
U. S. Treasury securities	\$ 60,522,512	\$ -	\$ -	\$ 60,522,512
Domestic corporate bonds	-	11,356,421	-	11,356,421
Government agency securities	-	3,280,005	-	3,280,005
Total investments at fair value	60,522,512	14,636,426	-	75,158,938
Cash and cash equivalents:				
Money market mutual funds	92,826,173	-	-	92,826,173
Total assets at fair value	<u>\$ 153,348,685</u>	<u>\$ 14,636,426</u>	<u>\$ -</u>	<u>\$ 167,985,111</u>

Assets measured at fair value at June 30, 2019 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
U. S. Treasury securities	\$ 63,838,339	\$ -	\$ -	\$ 63,838,339
Domestic corporate bonds	-	5,093,180	-	5,093,180
Government agency securities	-	6,321,988	-	6,321,988
Total investments at fair value	63,838,339	11,415,168	-	75,253,507
Cash and cash equivalents:				
Money market mutual funds	123,491,009	-	-	123,491,009
Total assets at fair value	<u>\$ 187,329,348</u>	<u>\$ 11,415,168</u>	<u>\$ -</u>	<u>\$ 198,744,516</u>

*U. S. Treasury securities* are valued using prices obtained from active markets and inter-dealer brokers on a daily basis. *Domestic corporate bonds* and *government agency securities* are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas which may include market-corroborated inputs for credit risk factors, interest rate and yield curves and broker quotes to calculate fair values. *Money market mutual funds* are valued at the reported net asset value of shares held.

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

**NOTE 7 – FAIR VALUE MEASUREMENTS (continued)**

**Financial instruments:** The fair value of the School’s cash and cash equivalents due from government agencies, payables, prepaid expenses and other receivables approximates the carrying amounts of such instruments due to their short-term maturity. The fair value of debt approximates the carrying amount because the rate and terms currently available to the School approximate the rates and terms of the School’s existing debt. There have been no changes on valuation techniques used for any assets or valuations measured at fair value during the years ended June 30, 2020 and 2019.

**NOTE 8 – BONDS PAYABLE**

Bonds payable at June 30, 2020 consist of the following:

	OUTSTANDING BALANCE	PREMIUM	ISSUANCE COSTS	TOTAL
Series 2010 A	\$ 1,005,000	\$ -	\$ (81,343)	\$ 923,657
Series 2010 Q	7,555,000	-	-	7,555,000
Series 2012	52,685,000	1,524,690	(1,046,192)	53,163,498
Series 2013	58,060,000	709,226	(1,116,401)	57,652,825
Series 2014	85,260,000	4,710,066	(1,204,444)	88,765,622
Series 2015	67,285,000	3,481,088	(1,067,493)	69,698,595
Series 2016 A	98,780,000	15,508,687	(1,363,860)	112,924,827
Series 2016 B	16,160,000	1,521,539	(426,383)	17,255,156
Series 2017	171,330,000	10,741,548	(2,570,824)	179,500,724
Series 2018	165,680,000	9,410,426	(6,108,071)	168,982,355
Series 2019	<u>214,165,000</u>	<u>24,741,989</u>	<u>(8,281,797)</u>	<u>230,625,192</u>
Total	937,965,000	72,349,259	(23,266,808)	987,047,451
Less current portion	<u>15,350,000</u>	-	-	<u>15,350,000</u>
Net long-term bonds payable	<u>\$ 922,615,000</u>	<u>\$ 72,349,259</u>	<u>\$ (23,266,808)</u>	<u>\$ 971,697,451</u>

Bonds payable at June 30, 2019 consist of the following:

	OUTSTANDING BALANCE	PREMIUM	ISSUANCE COSTS	TOTAL
Series 2010 A	\$ 1,960,000	\$ -	\$ (100,878)	\$ 1,859,122
Series 2010 Q	7,555,000	-	-	7,555,000
Series 2012	53,955,000	1,593,473	(1,093,925)	54,454,548
Series 2013	59,155,000	739,730	(1,164,418)	58,730,312
Series 2014	87,360,000	5,413,685	(1,253,996)	91,519,689
Series 2015	68,530,000	3,932,489	(1,109,700)	71,352,789
Series 2016 A	98,865,000	16,428,113	(1,415,817)	113,877,296
Series 2016 B	17,505,000	1,851,714	(442,616)	18,914,098
Series 2017	175,225,000	12,274,264	(2,665,465)	184,833,799
Series 2018	<u>165,680,000</u>	<u>10,351,951</u>	<u>(6,461,864)</u>	<u>169,570,087</u>
Total	735,790,000	52,585,419	(15,708,679)	772,666,740
Less current portion	<u>11,990,000</u>	-	-	<u>11,990,000</u>
Net long-term bonds payable	<u>\$ 723,800,000</u>	<u>\$ 52,585,419</u>	<u>\$ (15,708,679)</u>	<u>\$ 760,676,740</u>

**NOTE 8 – BONDS PAYABLE (continued)**

Interest cost including amortization of debt issuance costs and premium incurred for the years ended June 30, 2020 and 2019 totaled \$34,056,563 and \$28,736,498, respectively, of which \$28,840,076 and \$24,051,471 was expensed and \$5,216,487 and \$4,685,027 was capitalized for the years ended June 30, 2020 and 2019, respectively. The effective interest rate on the bonds for fiscal year 2020 and fiscal year 2019 was 3.87% and 4.15%, respectively.

The Series 2010 Q bonds tax credit interest subsidy for the years ended June 30, 2020 and 2019, totaled \$389,676 and \$388,224, respectively, and is reflected in local support, other revenues in the consolidated statements of activities.

**Series 2010 A and Q bonds:** In December 2010, the School issued \$33,780,000 of Education Revenue Bonds. Series 2010 A; and \$7,555,000 of Qualified School Construction Bonds – Direct Pay, Series Q. Proceeds of the bonds were used for construction and future debt service.

The Series 2010 A bonds mature serially each August 15, starting 2020 through 2024, with a stated interest rate ranging from 5.125% to 5.750%.

As part of the Series 2016 bonds issuance, the School called and defeased \$23,175,000 of Series 2010 A, Education Revenue Bonds. As part of the Series 2017 bonds issuance, the School called and defeased \$3,930,000 of Series 2010A, Education Revenue Bonds.

The Series 2010 Q bonds mature August 15, 2029, with a stated interest rate of 8.25%. Interest on the Series 2010 A and Q bonds is due semiannually on February 15 and August 15. The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2010 bonds. The Series 2010 A bonds were subject to optional redemption in whole or in part on August 15, 2020.

The Series 2010 Q bonds have been designated as “qualified school’s construction bonds” pursuant to section 54F of the Internal Revenue Code of 1986, as amended (the Code) and are subject to an irrevocable election to treat such bonds as “specified tax credit bonds” pursuant to section 6431(f) of the Code.

**Series 2012 bonds:** In August 2012, the School issued \$59,730,000 of Education Revenue Bonds, Series 2012. Proceeds of the bonds were for construction and future debt service. The Series 2012 bonds mature serially each August 15, starting 2015 through 2042, with a stated interest rate ranging from 2.15% to 5.00%.

The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2012 bonds. The Series 2012 bonds are subject to optional redemption in whole or in part on August 15, 2022.

**Series 2013 bonds:** In October 2013, the School issued \$63,025,000 of Education Revenue Bonds, Series 2013. Proceeds of the bonds were for construction and future debt service and repayment of the multiple draw term notes payable to Regions Bank. The Series 2013 bonds mature serially each August 15, starting 2015 through 2043, with a stated interest rate ranging from 5% to 6%.

The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2013 bonds. The Series 2013 bonds are subject to optional redemption in whole or in part on August 15, 2023.

## **NOTE 8 – BONDS PAYABLE (continued)**

**Series 2014 bonds:** In October 2014, the School issued \$90,600,000 of Education Revenue and Refunding Bonds, Series 2014. Proceeds of the bonds were for construction and future debt service and repayment of the multiple draw term notes payable to Regions Bank. The Series 2014 bonds mature serially each August 15, starting 2016 through 2044, with a stated interest rate ranging from 2% to 5%.

As part of this issuance, the School called and defeased \$29,340,000 of 2007 A, Education Revenue Bonds.

The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2014 bonds. The Series 2014 bonds are subject to optional redemption in whole or in part on August 15, 2024.

**Series 2015 bonds:** In October 2015, the School issued \$70,885,000 of Education Revenue Bonds, Series 2015. Proceeds of the bonds were for construction and future debt service and repayment of the multiple draw term notes payable to Regions Bank. The Series 2015 bonds mature serially each August 15, starting 2017 through 2045, with a stated interest rate ranging from 3% to 5%.

The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2015 bonds. The Series 2015 bonds are subject to optional redemption in whole or in part on August 15, 2025.

**Series 2016 A bonds:** In September 2016, the School issued \$99,025,000 of Education Revenue and Refunding Bonds, Series 2016 A. Proceeds of the bonds were for construction and future debt service and repayment of the multiple draw term notes payable to Regions Bank. The Series 2016 A bonds mature serially each August 15, starting 2017 through 2046, with a stated interest rate ranging from 2% to 5%.

As part of this issuance, the School called and defeased \$13,495,000 of Series 2009 A, Education Revenue Bonds and \$23,175,000 of Series 2010 A, Education and Revenue bonds.

The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2016 A bonds. The Series 2016 A bonds are subject to optional redemption in whole or in part on August 15, 2026.

**Series 2016 B bonds:** In October 2016, the School issued \$18,190,000 of Education Revenue Bonds, Series 2016 B. Proceeds of the bonds were for construction and future debt service. The Series 2016 B bonds mature serially each August 15, starting 2018 through 2028, with a stated interest rate ranging from 2% to 5%.

The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2016 B bonds. The Series 2016 B bonds are subject to optional redemption in whole or in part on August 15, 2026.

**Series 2017 bonds:** In August 2017, the School issued \$176,585,000 of Education Revenue and Refunding Bonds, Series 2017. Proceeds of the bonds were for construction and future debt service and repayment of the multiple draw term notes payable to Regions Bank. The Series 2017 bonds mature serially each August 15, starting 2018 through 2047, with a stated interest rate ranging from 1.5% to 4.0%.

As part of this issuance, the School called and defeased \$12,995,000 of Series 2009 A, Education Revenue Bonds, \$3,930,000 of Series 2010 A, Education and Revenue Bonds and \$24,565,000 of Series

**NOTE 8 – BONDS PAYABLE (continued)**

2011 Education Revenue Bonds, which resulted in a noncash loss on extinguishment of debt of \$7,043,148 in fiscal year 2018. As a result of this defeasance, the School realized a total decrease in debt service payments of \$13,177,252, net of refunding expenses, which resulted in an economic gain of \$5,266,407.

The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2017 bonds. The Series 2017 bonds are subject to optional redemption in whole or in part on August 15, 2027.

**Series 2018 bonds:** In October 2018, the School issued \$165,680,000 of Education Revenue Bonds, Series 2018. Proceeds of the bonds were for construction and future debt service. The Series 2018 bonds mature serially each August 15, starting in 2020 through 2048, with stated interest rates ranging from 3% to 5%.

The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2018 bonds. The Series 2018 bonds maturing on or after August 15, 2029 are subject to optional redemption in whole or in part on August 15, 2028.

**Series 2019 bonds:** In October 2019, the School issued \$214,165,000 of Education Revenue Bonds, Series 2019. Proceeds of the bonds were for construction and future debt service. The Series 2019 bonds mature serially each August 15, starting in 2021 through 2049, with stated interest rates ranging from 3% to 5%.

The School is required to maintain a debt service reserve fund, which currently is equal to the maximum annual principal and interest requirements of the Series 2019 bonds. The Series 2019 bonds maturing on or after August 15, 2030 are subject to optional redemption in whole or in part on August 15, 2029.

The Series 2014, 2015, 2016A, 2017, 2018 and 2019 bonds are guaranteed by TEA under the Permanent School Fund Guarantee program.

**Covenants:** All bond loan agreements establish a debt service coverage ratio, which stipulates that available revenues for each fiscal year (without excluding any discretionary expense actually incurred in such fiscal year) must be equal to 1.10 times the annual debt service requirements of the School as of the end of the fiscal year after the date of issuance of the bonds and thereafter until the bonds have been paid in full. Management believes the School was in compliance with this covenant and all other applicable covenants contained in the loan agreements during the years ended June 30, 2020 and 2019.

Debt service requirements for bonds payable for the year ended June 30, 2020 are as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TAX CREDIT SUBSIDY</u>	<u>TOTAL</u>
2021	\$ 15,350,000	\$ 41,458,322	\$ (623,288)	\$ 56,185,034
2022	19,720,000	40,744,794	(623,288)	59,841,506
2023	20,580,000	39,882,669	(623,288)	59,839,381
2024	21,550,000	38,920,463	(623,288)	59,847,175
2025	22,650,000	37,822,469	(595,444)	59,877,025
Thereafter	<u>838,115,000</u>	<u>453,593,638</u>	<u>(1,449,938)</u>	<u>1,290,258,700</u>
Total bonds payable	<u>\$ 937,965,000</u>	<u>\$ 652,422,355</u>	<u>\$ (4,538,534)</u>	<u>\$ 1,585,848,821</u>

**NOTE 9 – NOTES PAYABLE**

Notes payable consist of the following:

	<u>2020</u>	<u>2019</u>
A multiple draw term note payable to Regions Commercial Equipment Finance, LLC, in the original amount equal to or less than \$65,000,000 during the draw period; requiring semi-annual payments of interest on the 15 <sup>th</sup> of February and August of each calendar year; beginning August 15, 2017 and continuing regularly and semi-annually thereafter at monthly LIBOR plus 1.30% until August 15, 2020 (3.70% at June 30, 2020). The note is secured by a first and prior lien and security interest on any real property securing the Master Indenture and any other security pledged by the School.	\$ 59,988,909	\$ 35,594,841
A multiple draw term note payable to Regions Commercial Equipment Finance, LLC in the original amount equal to or less than \$10,000,000 during the draw period; requiring monthly payments of interest on the 15 <sup>th</sup> of each month; beginning July 15, 2019 and continuing regularly and thereafter at monthly LIBOR plus 1.40% until August 15, 2023 (3.80% at June 30, 2020). The note is secured by a first and prior lien and security interest on any real property securing the Master Indenture and any other security pledged by the School.	10,000,000	-
A multiple draw term note payable to Mutual of Omaha Bank Equipment Finance, LLC, in the original amount equal to or less than \$11,360,000 during the draw period; requiring monthly payments of interest only at 4.00% plus the 5-year treasury rate through August 18, 2019 (5.70% at June 30, 2020) and thereafter requiring monthly payments of principal and interest through August 18, 2022. The initial 4.00% interest rate may vary during the loan term based on the average collected balance on deposit in the compensating balances account maintained by IPS and the School. The note is secured by the corresponding land and School facility.	9,539,875	9,693,286
A multiple draw term note payable to CLI Capital, in the original amount equal to or less than \$25,000,000 during the draw period; requiring monthly payments of principal and interest on the 1 <sup>st</sup> day of every month; beginning September 1, 2020 and continuing regularly and semi-annually thereafter at monthly LIBOR plus 1.00% until November 2024 (5.50% at June 30, 2020). This note is secured by a subordinate interest in the corresponding land and School facility.	8,258,279	-

**NOTE 9 – NOTES PAYABLE (continued)**

A multiple draw term note payable to Regions Capital Advantage, in the original amount equal to or less than \$6,000,000 during the draw period; requiring quarterly payments of interest on the 1 <sup>st</sup> day of January, April, July and October of each calendar year; beginning October 1, 2017 and continuing regularly and quarterly thereafter at monthly interest of 3.48%; maturing July 1, 2029. The note is secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the School.	5,414,634	6,000,000
A term note payable to IPSBN, LLC, in the original amount of \$2,700,000; maturing February 28, 2023; requiring monthly payments of interest only at 11.75% through August 31, 2020 and thereafter requiring monthly payments of \$27,940 principal and interest through February 28, 2023. This note is secured by a subordinate interest in the corresponding land and School facility.	2,700,000	2,700,000
A term note payable to Charter Fund, Inc., in the original amount of \$2,200,000; maturing June 30, 2020; with a \$2,200,000 balloon payment at the end of the term, including interest at 1.00% through June 30, 2020. This note is unsecured and subordinate to all other debt obligations of IPS.	2,200,000	2,200,000
A term note payable to CSGF Facility Fund III, in the original amount of \$1,800,000; maturing February 28, 2023; with a \$900,000 balloon payment on February 28, 2021 and \$900,000 at the end of the term, including interest at 3.00% through February 28, 2023. This note is unsecured and subordinate to all other debt obligations of IPS.	1,800,000	1,800,000
A term note payable to Frost Bank, in the original amount of \$1,600,000; requiring monthly payments of principal and interest at 4.83%, due on the 1 <sup>st</sup> day of each month starting April 1, 2019 until maturity on February 1, 2027. This loan is unsecured and subordinate to all other debt obligations of the School.	1,383,027	1,554,476
A term note payable to Frost Bank, in the original amount of \$2,500,000; maturing February 1, 2027; requiring monthly payments of principal and interest, including interest at 4.83% through February 1, 2027. This note is unsecured and subordinate to all other debt obligations of the School.	433,208	720,890
A term note payable to Charter Fund, Inc., in the original amount of \$500,000; maturing June 30, 2019; with a \$500,000 balloon payment at the end of the term, including interest at 1.00% through June 30, 2019. This note is unsecured and subordinate to all other debt obligations of the School. This note plus interest was repaid on July 2, 2019.	-	500,000

**NOTE 9 – NOTES PAYABLE (continued)**

A term note payable to Charter Fund, Inc., in the original amount of \$100,000; maturing June 30, 2019; with a \$100,000 balloon payment at the end of the term, including interest at 1.00% through June 30, 2019. This note is unsecured and subordinate to all other debt obligations of the School. This note plus interest was repaid on July 2, 2019.

	-	<u>100,000</u>
Total	101,717,932	60,863,493
Less current portion	(64,469,776)	(37,422,563)
Less debt issuance costs	<u>(798,065)</u>	<u>(435,339)</u>
Total notes payable – long-term	<u>\$ 36,450,091</u>	<u>\$ 23,005,591</u>

The future minimum payments for notes payable as of June 30, 2020 are as follows:

2021	\$ 64,469,776
2022	11,072,806
2023	3,690,658
2024	1,949,487
2025	9,335,045
Thereafter	<u>11,200,160</u>
Total	<u>\$ 101,717,932</u>

Interest cost incurred for the years ended June 30, 2020 and 2019 totaled \$2,433,445 and \$1,922,218, respectively, of which \$2,022,977 and \$1,810,771 was expensed and \$410,468 and \$111,447 was capitalized for the years ended June 30, 2020 and 2019, respectively.

**NOTE 10 – CAPITAL LEASES PAYABLE**

Capital leases payable consist of the following:

	<u>2020</u>	<u>2019</u>
<i>Buildings:</i>		
Capital lease payable to NSBR-F Gardere, in the original amount of \$9,185,202, requiring monthly payments ranging from \$81,978 to \$185,335, including interest at 6.00% through October 2024; secured by the corresponding building acquired.	\$ 7,801,546	\$ 8,813,093
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$2,952,500, requiring monthly payments in the amount of \$29,809, including interest at 3.94% through September 2026; secured by the corresponding portable buildings acquired.	1,978,781	2,252,640



**NOTE 10 – CAPITAL LEASES PAYABLE (continued)***Vehicles:*

Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$1,490,700, requiring monthly payments in the amount of \$16,112, including interest at 5.41% through June 2028; secured by the corresponding buses acquired.	1,253,234	1,375,171
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$1,147,582, requiring semi-annual payments of principal and interest on the 15 <sup>th</sup> day of February and August of each calendar year; beginning August 15, 2020 and continuing regularly and semi-annually thereafter at monthly interest of 2.77% through February 2025; secured by the corresponding buses acquired.	1,147,582	-
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$1,173,000, requiring semi-annual payments of principal and interest on the 15 <sup>th</sup> day of February and August of each calendar year; beginning August 15, 2019 and continuing regularly and semi-annually thereafter at monthly interest of 3.42% through August 2026; secured by the corresponding buses acquired.	1,098,567	-
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$704,800, requiring monthly payments in the amount of \$10,041, including interest at 5.41% through August 2025; secured by the corresponding buses acquired.	544,367	633,778
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$1,105,000, requiring monthly payments in the amount of \$14,636, including interest at 3.07% through July 2023; secured by the corresponding buses acquired.	499,002	650,970
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$486,900, requiring bi-annual payments in the amount of \$40,460, including interest of 4.17% through August 2026; secured by the corresponding buses acquired.	456,472	-
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$382,500, requiring semi-annual payments of principal and interest on the 15 <sup>th</sup> day of February and August of each calendar year; beginning August 15, 2018 and continuing regularly and semi-annually thereafter at monthly interest of 3.85% through August 2024; secured by the corresponding buses acquired.	284,022	337,722

**NOTE 10 – CAPITAL LEASES PAYABLE (continued)**

Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$223,629, requiring semi-annual payments of principal and interest on the 15 <sup>th</sup> day of February and August of each calendar year; beginning February 15, 2020 and continuing regularly and semi-annually thereafter at monthly interest of 2.98% through February 2025; secured by the corresponding buses acquired.	223,629	-
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$90,000, requiring monthly payments in the amount of \$1,230, including interest at 4.02% through January 2027, secured by the corresponding buses acquired.	85,274	-
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$52,000, requiring monthly payments in the amount of \$4,250, including interest at 3.70% through September 2026, secured by the corresponding buses acquired.	48,695	-
Capital lease payable to Regions Commercial Equipment, LLC, in the original amount of \$40,089, requiring monthly payments in the amount of \$745, including interest at 3.62% through September 2022; secured by the corresponding truck and golf cart acquired.	<u>19,983</u>	<u>28,044</u>
Total capital leases payable	15,441,154	14,091,418
Less current portion	<u>(2,558,754)</u>	<u>(1,710,422)</u>
Capital leases payable – long term	<u>\$ 12,882,400</u>	<u>\$ 12,380,996</u>

The future minimum lease payments under the capital leases and the net present value of future minimum lease payments as of June 30, 2020 are as follows:

2021	\$ 3,274,039
2022	3,653,013
2023	3,605,913
2024	3,487,796
2025	2,062,815
Thereafter	<u>1,491,483</u>
Total future minimum lease payments	17,575,059
Less amount representing interest	<u>2,133,905</u>
Present value of future minimum lease payments	15,441,154
Less current portion	<u>2,558,754</u>
Net long-term capital leases payable	<u>\$ 12,882,400</u>

Interest expense for the years ended June 30, 2020 and 2019, totaled \$790,273 and \$682,748, respectively.



### NOTE 13 – GOVERNMENT GRANTS

Government grants include the following:

	<u>2020</u>	<u>2019</u>
Federal grants:		
U. S. Department of Agriculture	\$ 49,247,820	\$ 44,569,844
U. S. Department of Education	47,232,227	37,990,363
U. S. Environmental Protection Agency	-	46,581
Title XIX School Health and Related Services	<u>5,016,938</u>	<u>2,183,371</u>
Total federal grants	<u>\$ 101,496,985</u>	<u>\$ 84,790,159</u>

Primarily all of the School's state grants are from the Texas Education Agency in fiscal years 2020 and 2019.

The grants from government funding sources require fulfillment of certain conditions as set forth in the grant contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of non-compliance by the School with the terms of the contracts. Management believes such disallowances, if any, would not be material to the School's financial position or changes in net assets.

### NOTE 14 – REVENUE FROM CONTRACTS WITH CUSTOMERS

All of the revenue from contracts with customers is satisfied over time, other than food service fees, which are satisfied at a point in time. Revenue satisfied over time is recognized ratably as services are rendered over the term of the agreement using the output method. Food service fees are recognized as meals are provided to students. The employee leasing and management fees are derived from agreements with other charter schools in Baton Rouge and New Orleans, Louisiana, and Tampa Bay, Florida. Academic support, shared service and food service fees are derived from customers in Texas. The revenue is included in management fees and other revenue in the statement of activities.

The following table disaggregates the School's revenue based on the timing of satisfaction of performance obligations for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Performance obligations satisfied over time:		
Employee leasing	\$ 15,099,752	\$ 8,887,704
Management and shared services fees	2,053,457	897,183
Academic support fees	828,171	618,500
Other	<u>178,027</u>	<u>167,404</u>
Total	18,159,407	10,570,791
Performance obligations satisfied at a point in time – food service fees	<u>201,022</u>	<u>230,398</u>
Total revenue from contracts with customers	<u>\$ 18,360,429</u>	<u>\$ 10,801,189</u>

#### **NOTE 14 – REVENUE FROM CONTRACTS WITH CUSTOMERS *(continued)***

The performance obligations related to the employee leasing services control is transferred to the customer over time and the revenue is recognized on the basis of reimbursement of actual costs incurred by IPS. Rental income, management and shared services fees, academic support fees, and food service fee revenue are recognized on the basis of negotiated contracts for these goods and services.

#### **NOTE 15 – RETIREMENT PLANS**

**Plan description:** The School's full-time employees participate in the Teacher Retirement System of Texas (TRS), a public employee retirement system. TRS is a cost-sharing, multiemployer, defined benefit pension plan. All risks and costs are not shared by the School, but are the liability of the State of Texas.

**Funding policy:** Plan members contributed 7.7% of their annual covered salary in 2020 and 2019. The School contributes 6.8% for new members the first 90 days of employment, and the State of Texas contributes 6.8%. Additionally, the School makes a 1.5% non-OASDI payment for all TRS eligible employees. The School's contributions do not represent more than 5% of the TRS' total contributions. For 2020 and 2019, the School contributed \$15,446,000 and \$8,420,880, respectively, to TRS.

The risks of participating in a multiemployer, defined benefit plan are different from single-employer plans because (a) amounts contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers and (b) if an employer stops contributing to TRS, unfunded obligations of TRS may be required to be borne by the remaining employers. There is no withdrawal penalty for leaving TRS.

Total TRS plan assets as of the most recent fiscal years ended for TRS of August 31, 2019 and 2018 were \$181.8 billion and \$176.9 billion. Accumulated benefit obligations as of August 31, 2019 and 2018 were \$209.9 billion and \$179.3 billion, respectively. The plan was 76.4% funded at August 31, 2019 and 76.9% funded at August 31, 2018.

**Supplemental retirement payments:** The School offers a voluntary section 403(b) plan for all employees to make elective contributions to the plan. The School is not required to match any employee contributions and made no matching contributions for the years June 30, 2020 and 2019.

The School has adopted an employer-paid section 403(b) plan for eligible employees in top management positions to make elective contributions to this plan. The School provides a 1-to-1 match on employee contributions up to 10% of the employee's annual salary. Employer contributions to the plan totaled \$613,077 and \$368,791 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 16 – OPERATING LEASES**

For the year ended June 30, 2020, future minimum lease payments on long-term noncancelable operating leases are as follows:

2021	\$ 5,374,149
2022	3,708,084
2023	1,733,834
2024	196,333
2025	130,764
Thereafter	<u>32,850</u>
Total future minimum lease payments	<u>\$ 11,176,014</u>

Rent expense for the years ended June 30, 2020 and 2019 totaled \$6,935,322 and \$5,232,433, respectively.

For the year ended June 30, 2020, future minimum receivables for long-term noncancelable operating leases, which are primarily for buildings, are as follows:

2021	\$ 4,090,577
2022	3,511,430
2023	6,897,429
2024	3,148,877
2025	3,216,720
Thereafter	<u>14,145,330</u>
Total future minimum rent receipts	<u>\$ 35,010,363</u>

Rent revenue for the years ended June 30, 2020 and 2019 totaled \$2,833,901 and \$1,949,003, respectively.

**NOTE 17 – COMMITMENTS AND CONTINGENCIES**

At June 30, 2020, the School had outstanding construction commitments related to the construction of School facilities. The School has paid \$184,492,720 on contracts totaling \$326,759,648 as of June 30, 2020, leaving total remaining commitments of \$142,266,929.

**NOTE 18 – RELATED PARTIES**

In the ordinary course of business, the School has entered into contracted service transactions with vendors affiliated with School employees. Related-party transactions consist of the following:

	<u>2020</u>	<u>2019</u>
Payments	\$766,064	\$556,699
Accounts payable	\$614	\$80,190

Additionally, the School was party to certain real estate transactions in which the real estate agent was a related party. The related party earned a 3% commission on real estate purchases totaling \$3,597,406 during the year ended June 30, 2019.

## IDEA Public Schools, Inc.

### Consolidating Statement of Financial Position as of June 30, 2020

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	ELIMINATIONS	TOTAL IDEA PUBLIC SCHOOLS, INC.	IPS ENTERPRISES, INC.	ELIMINATIONS	TOTAL
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 139,754,940	\$ -	\$ -	\$ 139,754,940	\$ 1,141,692	\$ -	\$ 140,896,632
Cash and cash equivalents – held in trust	56,185,034	-	-	56,185,034	-	-	56,185,034
Government grant receivables	82,179,077	641,482	-	82,820,559	478,103	-	83,298,662
Contributions receivable, net	3,982,805	-	-	3,982,805	-	-	3,982,805
Accounts receivable	2,866,896	297,813	(297,813)	2,866,896	6,023,657	(3,080,260)	5,810,293
Investments – operating	75,910,710	-	-	75,910,710	-	-	75,910,710
Prepaid expenses	1,084,387	-	-	1,084,387	51,011	-	1,135,398
Other current assets	1,123,168	-	-	1,123,168	85,278	-	1,208,446
<b>Total current assets</b>	<b>363,087,017</b>	<b>939,295</b>	<b>(297,813)</b>	<b>363,728,499</b>	<b>7,779,741</b>	<b>(3,080,260)</b>	<b>368,427,980</b>
Property and equipment, net	1,045,679,186	437,755	-	1,046,116,941	31,600,975	-	1,077,717,916
<b>Other noncurrent assets:</b>							
Cash and cash equivalents – held in trust	4,164,696	-	-	4,164,696	-	-	4,164,696
Contributions receivable, net	7,055,238	-	-	7,055,238	-	-	7,055,238
Investments – held in trust	25,028,844	-	-	25,028,844	-	-	25,028,844
<b>Total other noncurrent assets</b>	<b>36,248,778</b>	<b>-</b>	<b>-</b>	<b>36,248,778</b>	<b>-</b>	<b>-</b>	<b>36,248,778</b>
<b>TOTAL ASSETS</b>	<b>\$1,445,014,981</b>	<b>\$ 1,377,050</b>	<b>\$ (297,813)</b>	<b>\$1,446,094,218</b>	<b>\$ 39,380,716</b>	<b>\$ (3,080,260)</b>	<b>\$1,482,394,674</b>

(continued)

**IDEA Public Schools, Inc.**

Consolidating Statement of Financial Position as of June 30, 2020

(continued)

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	ELIMINATIONS	TOTAL IDEA PUBLIC SCHOOLS, INC.	IPS ENTERPRISES, INC.	ELIMINATIONS	TOTAL
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current liabilities:</b>							
Accounts payable	\$ 38,579,949	\$ 1,069	\$ -	\$ 38,581,018	\$ 1,155,181	\$ -	\$ 39,736,199
Accrued wages, benefits, and taxes	43,396,014	49,633	-	43,445,647	1,313,792	-	44,759,439
Accrued interest payable	17,828,035	233	-	17,828,268	309,134	-	18,137,402
Accrued expenses	9,946,182	8,429	-	9,954,611	406,027	-	10,360,638
Refundable advances	18,694,333	-	-	18,694,333	-	-	18,694,333
Other liabilities	800,300	1,056,829	(297,813)	1,559,316	4,262,542	(3,080,260)	2,741,598
Bonds payable – current portion	15,350,000	-	-	15,350,000	-	-	15,350,000
Notes payable – current portion	61,138,636	-	-	61,138,636	3,331,140	-	64,469,776
Capital leases payable – current portion	<u>1,041,826</u>	<u>4,335</u>	<u>-</u>	<u>1,046,161</u>	<u>1,512,593</u>	<u>-</u>	<u>2,558,754</u>
Total current liabilities	<u>206,775,275</u>	<u>1,120,528</u>	<u>(297,813)</u>	<u>207,597,990</u>	<u>12,290,409</u>	<u>(3,080,260)</u>	<u>216,808,139</u>
<b>Long-term liabilities:</b>							
Bonds payable, net	971,697,451	-	-	971,697,451	-	-	971,697,451
Notes payable	15,672,748	-	-	15,672,748	20,777,343	-	36,450,091
Capital leases payable	<u>5,440,057</u>	<u>18,582</u>	<u>-</u>	<u>5,458,639</u>	<u>7,423,761</u>	<u>-</u>	<u>12,882,400</u>
Total long-term liabilities	<u>992,810,256</u>	<u>18,582</u>	<u>-</u>	<u>992,828,838</u>	<u>28,201,104</u>	<u>-</u>	<u>1,021,029,942</u>
<b>Net assets:</b>							
Without donor restrictions	(256,098)	(59,874)	-	(315,972)	(1,110,797)	-	(1,426,769)
With donor restrictions	<u>245,685,548</u>	<u>297,814</u>	<u>-</u>	<u>245,983,362</u>	<u>-</u>	<u>-</u>	<u>245,983,362</u>
Total net assets	<u>245,429,450</u>	<u>237,940</u>	<u>-</u>	<u>245,667,390</u>	<u>(1,110,797)</u>	<u>-</u>	<u>244,556,593</u>
<b>TOTAL ASSETS</b>	<u>\$1,445,014,981</u>	<u>\$ 1,377,050</u>	<u>\$ (297,813)</u>	<u>\$1,446,094,218</u>	<u>\$ 39,380,716</u>	<u>\$ (3,080,260)</u>	<u>\$1,482,394,674</u>



## IDEA Public Schools, Inc.

Consolidating Statement of Activities for the year ended June 30, 2020

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	IPS ENTERPRISES, INC.	TOTAL
<b>REVENUE AND OTHER SUPPORT:</b>				
Local support:				
Grants	\$ 35,378,744	\$ 681,297	\$ 1,499,452	\$ 37,559,493
Contributions	6,276,538	-	503	6,277,041
Management fees	-	-	16,328,437	16,328,437
Net investment return	3,868,308	-	2,697	3,871,005
Other revenue	<u>8,207,809</u>	<u>-</u>	<u>3,732,252</u>	<u>11,940,061</u>
Total local support	<u>53,731,399</u>	<u>681,297</u>	<u>21,563,341</u>	<u>75,976,037</u>
State program revenue:				
Foundation School Program	493,793,798	-	-	493,793,798
Other state aid	<u>4,802,328</u>	<u>-</u>	<u>1,652,746</u>	<u>6,455,074</u>
Total state program revenue	<u>498,596,126</u>	<u>-</u>	<u>1,652,746</u>	<u>500,248,872</u>
Federal program revenue:				
ESEA Title I – Part A	16,762,106	-	-	16,762,106
ESEA Title II – Part A Teacher/ Principal Training	1,569,358	-	-	1,569,358
ESEA Title III – Part A Language Acquisition	553,377	-	-	553,377
IDEA B Formula – Special Education	5,991,582	-	-	5,991,582
ESEA Title V – Part B Charter Schools	12,874,724	641,030	-	13,515,754
ESEA Title V – Part C Charter Schools	(73,286)	-	-	(73,286)
HEA Title IV – Part A GEAR UP – Connect2College	331,011	-	-	331,011
Twenty-First Century Community Learning Centers	2,535,345	-	-	2,535,345
Education Innovation and Research	149,635	-	542,938	692,573
Corona Relief Fund	656,576	452	-	657,028
Elementary and Secondary School Emergency Relief Fund	769,587	-	-	769,587
Child Nutrition	49,239,705	-	-	49,239,705
Food and Nutrition Service	8,115	-	-	8,115
IDEA Comprehensive Health Professions	3,927,791	-	-	3,927,791
SSA, Title XIX – School Health and Related Services	<u>5,016,939</u>	<u>-</u>	<u>-</u>	<u>5,016,939</u>
Total federal program revenue	<u>100,312,565</u>	<u>641,482</u>	<u>542,938</u>	<u>101,496,985</u>
Total revenue and other support	<u>652,640,090</u>	<u>1,322,779</u>	<u>23,759,025</u>	<u>677,721,894</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidating Statement of Activities for the year ended June 30, 2020

(continued)

	IDEA <u>CHARTER</u>	MISD IN-DISTRICT <u>CHARTER</u>	IPS ENTERPRISES, <u>INC.</u>	<u>TOTAL</u>
<b>EXPENSES:</b>				
Program services:				
Instructional and instructional- related services	\$ 286,148,283	\$ 469,952	\$ 6,857,368	\$ 293,475,603
Instructional and school leadership	87,536,499	569,162	4,360,814	92,466,475
Support services – student (pupil)	99,583,749	-	4,436,731	104,020,480
Support services – nonstudent based	61,729,365	41,726	312,387	62,083,478
Ancillary services	<u>538,243</u>	<u>-</u>	<u>-</u>	<u>538,243</u>
Total program services	<u>535,536,139</u>	<u>1,080,840</u>	<u>15,967,300</u>	<u>552,584,279</u>
Support services:				
Administrative support services – local	38,210,425	-	6,335,915	44,546,340
Administrative support services – central office	18,954,711	-	198,170	19,152,881
Fundraising	<u>4,262,331</u>	<u>3,999</u>	<u>400,264</u>	<u>4,666,594</u>
Total support services	<u>61,427,467</u>	<u>3,999</u>	<u>6,934,349</u>	<u>68,365,815</u>
Total expenses	<u>596,963,606</u>	<u>1,084,839</u>	<u>22,901,649</u>	<u>620,950,094</u>
Gain on disposal of assets	27,597	-	(985)	26,612
Realized gain on investments	442,916	-	-	442,916
Unrealized gain on investments	<u>298,983</u>	<u>-</u>	<u>-</u>	<u>298,983</u>
CHANGE IN NET ASSETS	56,445,980	237,940	856,391	57,540,311
Net assets, beginning of year	<u>188,983,470</u>	<u>-</u>	<u>(1,967,188)</u>	<u>187,016,282</u>
Net assets, end of year	<u>\$ 245,429,450</u>	<u>\$ 237,940</u>	<u>\$ (1,110,797)</u>	<u>\$ 244,556,593</u>

## IDEA Public Schools, Inc.

### Consolidating Statement of Cash Flows for the year ended June 30, 2020

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	IPS ENTERPRISES INC.	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Changes in net assets	\$ 56,445,980	\$ 237,940	\$ 856,391	\$ 57,540,311
Adjustments to reconcile changes in net assets to net cash provided by operating activities:				
Depreciation and amortization	33,084,011	5,888	(74,543)	33,015,356
Amortization of unamortized discount and debt issuance costs	(5,606,804)	-	135,411	(5,471,393)
Allowance for doubtful accounts	758,168	-	-	758,168
Unrealized gain on investments	(298,984)	-	-	(298,984)
Gain on disposal of property and equipment	(27,597)	-	985	(26,612)
Changes in current assets and liabilities:				
Government grant receivables	(20,618,773)	(641,482)	(458,262)	(21,718,517)
Contributions receivable	(8,333,206)	-	140,158	(8,193,048)
Accounts receivable	(933,207)	-	(890,163)	(1,823,370)
Prepaid expenses	(98,388)	-	3,755	(94,633)
Other current assets	(307,347)	-	(800)	(308,147)
Accounts payable	12,961,263	1,069	1,092,463	14,054,795
Accrued wages, benefits and taxes	11,546,493	49,633	469,951	12,066,077
Accrued interest payable	3,142,045	233	258,899	3,401,177
Accrued expenses	803,056	8,429	381,009	1,192,494
Refundable advance	4,474,300	-	-	4,474,300
Other liabilities	61,384	1,056,829	834,896	1,953,109
Net cash provided by operating activities	<u>87,052,394</u>	<u>718,539</u>	<u>2,750,150</u>	<u>90,521,083</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Construction and purchase of property and equipment	(281,874,015)	(420,726)	(9,198,046)	(291,492,787)
Proceeds from disposal of property and equipment	107,980	-	62,000	169,980
Purchase of certificates of deposit	(25,780,616)	-	-	(25,780,616)
Proceeds from maturity of certificates of deposit	12,325,553	-	-	12,325,553
Purchases of investments	(201,985,135)	-	-	(201,985,135)
Proceeds from sale of investments	202,378,687	-	-	202,378,687
Investment in notes receivable from graduates	(758,168)	-	-	(758,168)
Net cash used by investing activities	<u>(295,585,714)</u>	<u>(420,726)</u>	<u>(9,136,046)</u>	<u>(305,142,486)</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidating Statement of Cash Flows for the year ended June 30, 2020

(continued)

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	IPS ENTERPRISES, INC.	TOTAL
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds from borrowings of long-term debt	\$ 346,328,487	\$ -	\$ 8,258,279	\$ 354,586,766
Principal payments on long-term debt	(84,835,954)	-	(153,411)	(84,989,365)
Payments on capital leases	(706,873)	-	(1,139,418)	(1,846,291)
Payment of debt issuance costs	<u>(8,993,816)</u>	<u>-</u>	<u>(259,768)</u>	<u>(9,253,584)</u>
Net cash provided by financing Activities	<u>251,791,844</u>	<u>-</u>	<u>6,705,682</u>	<u>258,497,526</u>
Elimination of intercompany activities	<u>297,813</u>	<u>(297,813)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>43,556,337</b>	<b>-</b>	<b>319,786</b>	<b>43,876,123</b>
Cash and cash equivalents, beginning of year	<u>156,548,333</u>	<u>-</u>	<u>821,906</u>	<u>157,370,239</u>
Cash and cash equivalents, end of year	<u>\$ 200,104,670</u>	<u>\$ -</u>	<u>\$ 1,141,692</u>	<u>\$ 201,246,362</u>
<i>Reconciliation of cash and cash equivalents:</i>				
Cash and cash equivalents	\$ 139,754,940	\$ -	\$ 1,141,692	\$ 140,896,632
Cash and cash equivalents – held in trust	56,185,034	-	-	56,185,034
Cash and cash equivalents – noncurrent – held in trust	<u>4,164,696</u>	<u>-</u>	<u>-</u>	<u>4,164,696</u>
Total cash and cash equivalents	<u>\$ 200,104,670</u>	<u>\$ -</u>	<u>\$ 1,141,692</u>	<u>\$ 201,246,362</u>
<i>Supplemental disclosure of cash flow information:</i>				
Cash paid for interest	\$37,972,724		\$1,513,177	\$39,485,901
Capital leases related to the purchase of property and equipment	\$2,544,207	\$22,917	\$628,903	\$3,196,027

**IDEA Public Schools, Inc.**

Schedule of Activities for Individual Charter School for the years ended June 30, 2020 and 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>2020 TOTAL</u>	<u>2019 TOTAL</u>
<b>REVENUE AND OTHER SUPPORT:</b>				
Local support:				
5730 Tuition and fees	\$ -	\$ 72,835	\$ 72,835	\$ -
5740 Other revenue from local sources	3,474,079	49,738,463	53,212,542	37,748,561
5750 Other revenue from other activities	<u>-</u>	<u>446,022</u>	<u>446,022</u>	<u>230,392</u>
Total local support	<u>3,474,079</u>	<u>50,257,320</u>	<u>53,731,399</u>	<u>37,978,953</u>
State program revenue:				
5810 Foundation School Program Act revenue	-	493,793,798	493,793,798	391,666,694
5820 State program revenue distributed by the Texas Education Agency	-	4,772,441	4,772,441	4,464,084
5830 State revenues-other agencies	<u>-</u>	<u>29,887</u>	<u>29,887</u>	<u>-</u>
Total state program revenue	<u>-</u>	<u>498,596,126</u>	<u>498,596,126</u>	<u>396,130,778</u>
Federal program revenue:				
5920 Federal revenue distributed by the Texas Education Agency	-	77,421,060	77,421,060	68,756,882
5930 Federal revenue distributed by other State of Texas government agencies	-	5,016,939	5,016,939	2,183,371
5940 Federal revenue distributed directly from the federal government	<u>-</u>	<u>17,874,566</u>	<u>17,874,566</u>	<u>13,186,320</u>
Total federal program revenue	<u>-</u>	<u>100,312,565</u>	<u>100,312,565</u>	<u>84,126,573</u>
Net assets released for purpose restrictions	<u>593,473,713</u>	<u>(593,473,713)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>596,947,792</u>	<u>55,692,298</u>	<u>652,640,090</u>	<u>518,236,304</u>

(continued)

## IDEA Public Schools, Inc.

### Schedule of Activities for Individual Charter School for the years ended June 30, 2020 and 2019 *(continued)*

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2020 TOTAL	2019 TOTAL
<b>EXPENSES:</b>				
11 Instruction	\$ 251,556,227	\$ -	\$ 251,556,227	\$ 200,971,359
12 Instructional resources and media services	2,990,082	-	2,990,082	3,246,975
13 Curriculum and instructional staff development	3,401,125	-	3,401,125	4,613,567
21 Instructional leadership	23,005,836	-	23,005,836	18,805,819
23 School leadership	64,530,663	-	64,530,663	52,096,068
31 Guidance, counseling and evaluation services	20,757,467	-	20,757,467	17,900,446
32 Social work services	785,585	-	785,585	427,269
33 Health services	2,827,588	-	2,827,588	1,957,486
34 Student (pupil) transportation	20,974,270	-	20,974,270	15,366,314
35 Food services	48,483,670	-	48,483,670	35,721,635
36 Cocurricular/extracurricular activities	5,755,169	-	5,755,169	5,063,668
41 General administration	35,792,690	-	35,792,690	30,162,725
51 Plant maintenance and operations	62,455,263	-	62,455,263	48,417,924
52 Security and monitoring services	3,871,562	-	3,871,562	3,130,751
53 Data processing services	14,357,249	-	14,357,249	9,794,102
61 Community services	538,245	-	538,245	581,479
71 Debt service	30,618,584	-	30,618,584	25,774,734
81 Fundraising	<u>4,262,331</u>	<u>-</u>	<u>4,262,331</u>	<u>3,643,218</u>
Total expenses	<u>596,963,606</u>	<u>-</u>	<u>596,963,606</u>	<u>477,675,539</u>
Gain on disposal of assets	11,891	15,706	27,597	201,807
Realized gain on investments	-	442,916	442,916	
Unrealized gain on investments	<u>-</u>	<u>298,983</u>	<u>298,983</u>	<u>1,370,120</u>
CHANGE IN NET ASSETS	(3,923)	56,449,903	56,445,980	42,132,692
Net assets, beginning of year	<u>(252,174)</u>	<u>189,235,644</u>	<u>188,983,470</u>	<u>146,850,778</u>
Net assets, end of year	<u>\$ (256,097)</u>	<u>\$ 245,685,547</u>	<u>\$ 245,429,450</u>	<u>\$ 188,983,470</u>

**IDEA Public Schools, Inc.**

Schedule of Expenses for Individual Charter School for the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Expenses:		
6100 Payroll costs	\$ 384,723,750	\$ 291,265,768
6200 Professional and contracted services	69,016,828	59,987,056
6300 Supplies and materials	60,543,757	51,753,699
6400 Other operating costs	52,152,709	48,894,282
6500 Debt	<u>30,526,562</u>	<u>25,774,734</u>
Total expenses	<u>\$ 596,963,606</u>	<u>\$ 477,675,539</u>

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## IDEA Public Schools, Inc.

### Schedule of Capital Assets for Individual Charter School for the year ended June 30, 2020

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<u>ASSET CLASSIFICATION</u>	<u>OWNERSHIP INTEREST</u>		
	<u>LOCAL</u>	<u>STATE</u>	<u>FEDERAL</u>
Property and equipment:			
1510 Land and improvements	\$ -	\$ 132,202,553	\$ 18,900
1520 Building and improvements	-	765,556,790	14,500
1531 Vehicles	43,028	11,058,748	123,342
1539 Furniture and equipment	59,839	12,624,198	13,151,844
Capital leases:			
1558 Vehicles	-	5,527,892	-
1559 Equipment	-	49,008	-
1580 Construction in progress	-	247,419,137	-
Total	<u>\$ 102,867</u>	<u>\$ 1,174,438,326</u>	<u>\$ 13,308,586</u>

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**IDEA Public Schools, Inc.**

Budgetary Comparison Schedule for Individual Charter School for the year ended June 30, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	VARIANCE WITH FINAL BUDGET POSITIVE <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUE:</b>				
Local support:				
5730 Tuition and fees	\$ -	\$ 72,835	\$ 72,835	\$ -
5740 Other revenue from local sources	33,952,979	51,677,426	53,212,542	1,535,116
5750 Other revenue from other activities	<u>438,695</u>	<u>438,695</u>	<u>446,022</u>	<u>7,327</u>
Total local support	<u>34,391,674</u>	<u>52,188,956</u>	<u>53,731,399</u>	<u>1,542,443</u>
State program revenue:				
5810 Foundation School Program Act revenue	460,432,377	494,114,558	493,793,798	(320,760)
5820 State program revenue distributed by the Texas Education Agency	5,762,274	4,964,449	4,772,441	(192,008)
5830 State revenues-other agencies	<u>-</u>	<u>29,076</u>	<u>29,887</u>	<u>811</u>
Total state program revenue	<u>466,194,651</u>	<u>499,108,083</u>	<u>498,596,126</u>	<u>(511,957)</u>
Federal program revenue:				
5920 Federal revenue distributed by the Texas Education Agency	80,885,985	80,885,985	77,421,060	(3,464,925)
5930 Federal revenue distributed by other State of Texas government agencies	2,500,000	4,800,000	5,016,939	216,939
5940 Federal revenue distributed directly from the federal government	<u>33,891,390</u>	<u>19,005,691</u>	<u>17,874,566</u>	<u>(1,131,125)</u>
Total federal program revenue	<u>117,277,375</u>	<u>104,691,676</u>	<u>100,312,565</u>	<u>(4,379,111)</u>
Total revenue	<u>617,863,700</u>	<u>655,988,715</u>	<u>652,640,090</u>	<u>(3,348,625)</u>

(continued)

**IDEA Public Schools, Inc.**

Budgetary Comparison Schedule for Individual Charter School for the year ended June 30, 2020(continued)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
EXPENSES:				
11 Instruction	\$ 225,198,151	\$ 260,772,834	\$ 251,556,227	\$ 9,216,607
12 Instructional resources and media services	4,576,241	3,240,538	2,990,082	250,456
13 Curriculum and instructional staff development	9,073,053	3,707,384	3,401,125	306,259
21 Instructional leadership	35,777,146	25,527,644	23,005,836	2,521,808
23 School leadership	65,878,864	69,850,744	64,530,663	5,320,081
31 Guidance, counseling and evaluation services	21,932,721	22,806,688	20,757,467	2,049,221
32 Social work services	364,816	793,611	785,585	8,026
33 Health services	1,914,284	2,782,792	2,827,588	(44,796)
34 Student (pupil) transportation	20,757,009	21,168,703	20,974,270	194,433
35 Food services	51,659,572	51,456,021	48,483,670	2,972,351
36 Cocurricular/extracurricular activities	4,274,846	5,786,282	5,755,169	31,113
41 General administration	33,704,693	34,125,203	35,792,690	(1,667,487)
51 Plant maintenance and operations	52,986,975	59,178,240	62,455,263	(3,277,023)
52 Security and monitoring services	1,975,875	3,566,636	3,871,562	(304,926)
53 Data processing services	13,547,332	13,697,284	14,357,249	(659,965)
61 Community services	679,402	555,480	538,245	17,235
71 Debt service	29,873,519	29,176,503	30,618,584	(1,442,081)
81 Fundraising	<u>3,979,700</u>	<u>4,470,924</u>	<u>4,262,331</u>	<u>208,593</u>
Total expenses	<u>578,154,199</u>	<u>612,663,511</u>	<u>596,963,606</u>	<u>15,699,905</u>
Gain on disposal of assets	-	-	27,597	27,597
Realized and unrealized gain on investments	-	-	<u>741,899</u>	<u>741,899</u>
CHANGE IN NET ASSETS	39,709,501	43,325,204	56,445,980	13,120,776
Net assets, beginning of year	-	-	<u>188,983,470</u>	<u>188,983,470</u>
Net assets, end of year	<u>\$ 39,709,501</u>	<u>\$ 43,325,204</u>	<u>\$ 245,429,450</u>	<u>\$ 202,104,246</u>

## IDEA Public Schools, Inc.

### Schedule of Real Property Ownership Interest for the year ended June 30, 2020

DESCRIPTION	PROPERTY ADDRESS	TOTAL ASSESSED VALUE	OWNERSHIP INTEREST		
			LOCAL	STATE	FEDERAL
IDEA Public Schools Black A Lot 1 Albright, Alexander F Survey Abstract 1849 Tract 3	1900 Thomas Rd., Haltom City, TX 76117	\$ 15,544,346	\$	\$ 15,544,346	\$
Ahler, P H Survey Abstract 33 Tract 2	1000 N. Old Decatur Rd., Saginaw, TX 76179	420,530		420,530	
Ahler, P H Survey Abstract 33 Tract 3A	4725 E. Rosedale St., Fort Worth, TX 76105	265,585		265,585	
Seminary Twin Drive-in Theatre Lot 1R	4811 E. Rosedale St., Fort Worth, TX 76105	141,177		141,177	
IPS Addition Block 4 Lot 1	2935 E. Seminary Dr., Fort Worth, TX 76119	2,194,044		2,194,044	
Anderson, J R Addition Block 1 Lot 1	3000 Cherry Lane, Fort Worth, TX 76116	708,471		708,471	
Emilia Subdivision Blk 23, 0.643 Acre out of 1.659 Acres	1640 Altamesa Blvd., Fort Worth, TX 76134	835,971		835,971	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 1.190	205 Railroad St., Brownsville, TX 78520	9,259		9,259	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 0.6860 Acres	36298 Chachalaca Bend, Los Fresnos, TX 78566	244,143		244,143	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 0.984 Acres	36270 Chachalaca Bend, Los Fresnos, TX 78566	55,871		55,871	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 3.380 Acres	36298 Chachalaca Bend, Los Fresnos, TX 78566	23,468		23,468	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 8.070 Acres Resaca Pt	36298 Chachalaca Bend, Los Fresnos, TX 78566	343,111		343,111	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) N 4.5050 Acres	36298 Chachalaca Bend, Los Fresnos, TX 78566	46,593		46,593	
Citrus Gardens Subdivision No 4 Sec 3 Lots 19, 17.8300 Acres, .5 miles north on tract 43	36298 Chachalaca Bend, Los Fresnos, TX 78566	133,247		133,247	
		155,290		155,290	
		53,490		53,490	

(continued)

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2020

(continued)

DESCRIPTION	PROPERTY ADDRESS	TOTAL ASSESSED VALUE	OWNERSHIP INTEREST		
			LOCAL	STATE	FEDERAL
Citrus Gardens Subdivision No 3 Sec 3 Lot 20 Tract 43 Rd	36298 Chachalaca Bend, Los Fresnos, TX 78566	\$ 28,320	\$	\$ 28,320	\$
El Jardin Resubdivision W 21.00 Acres of E 42 Acres of Lot 8 BLK 104	6200 Dockberry Rd., Brownsville, TX 78521	218,918		218,918	
El Jardin Resubdivision 19.7682 Acres of E 42 Acres of Lot 8 BLK 104	2800 S. Dakota Ave., Brownsville, TX 78521	251,004		251,004	
Abst 2 - Palo Alto Gr 1, 1.1612 Acres out of 18.09 Acres of Block 40	1000 Sports Park Blvd., Brownsville, TX 78526	4,645		4,645	
Abst 2 - Unsubdivided Share 12 Tract A-1 Acres 85.7	280 Fish Hatchery Rd., Brownsville, TX 78520	854,636		854,636	
Survey - Petersburg BLK 2 E .500 Acre of 37.110 Acres	3301 Wilson Rd., Harlingen, TX 78552	57,139		57,139	
Survey - Petersburg BLK 2 E 36,610 Acres of 37.110 Acres	24240 Wilson Rd., Harlingen, TX 78552	1,890,388		1,890,388	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 1.640 Acres	36298 Chachalaca Bend, Los Fresnos, TX 78566	39,114		39,114	
Lot1 IDEA Academy San Benito Subdivision (2011 C1-3034 B Filed 7/23/10)	2151 Russell Lane, San Benito, TX 78586	1,495,612		1,495,612	
Espiritu Santo Grant Share 22, 20.00 Acres out of 100.366 Acres out of 173.7 Acres Survey 34	4395 Paredes Line Rd., Brownsville, TX 78526	7,930,191		7,930,191	
PT Reserve A University Plaza Subdivision PH (c1-2788B CCMR Files 3-14-07), 20.3 Acres	30 Palm Blvd., Brownsville, TX 78520	12,531,716		12,531,716	
Abst 2 - Palo Alto GR1 Blk 50 N, 0.2763 Acres	1000 Sports Park Blvd., Brownsville, TX 78526	1,395		1,395	
Abst 2 - Palo Alto GR1 Blk 51, 3.3627 Acres	1000 Sports Park Blvd., Brownsville, TX 78526	16,982		16,982	

(continued)

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2020

*(continued)*

<u>DESCRIPTION</u>	<u>PROPERTY ADDRESS</u>	TOTAL ASSESSED <u>VALUE</u>	<u>OWNERSHIP INTEREST</u>		
			<u>LOCAL</u>	<u>STATE</u>	<u>FEDERAL</u>
Abst 2 - Palo Alto GR1 Blk 52, .1922 Acres	1000 Sports Park Blvd., Brownsville, TX 78526	\$ 971	\$	\$ 971	\$
Abst 2 - Palo Alto GR1 Blk 42, 1.6017 Acres	1000 Sports Park Blvd., Brownsville, TX 78526	8,089		8,089	
Abst 2 - Palo Alto GR1 Blk 41, 13.3459 Acres	1000 Sports Park Blvd., Brownsville, TX 78526	67,397		67,397	
Lot 1 Blk IDEA Academy Robindale Subdivision (2019 Plat C1-3731 & 3732 CCMR Filed 6/8/2018)	3802 Ruben M. Torres, Brownsville, TX 78521	5,459,613		5,459,613	
Lot 2 Blk IDEA Academy Robindale Subdivision (2019 Plat C1-3731 & 3732 CCMR Filed 6/8/2018)	3802 Ruben M. Torres, Brownsville, TX 78521	59,154		59,154	
Survey - Petersburg Blk 2 E 70' X 120' Canal right of way	3301 Wilson Rd., Harlingen, TX 78552	330		330	
Res A Blk 1 Little York IDEA School	1930 Little York Rd., Houston, TX 77093	0		0	
TRS 2B & 2J Abst 1515 WCRR CO Sec 6 Blk 4	2010 Spears Rd., Houston, TX 77067	9,208,822		9,208,822	
TR 3H & TRS 6 THRU 15 ABST 68 E Shipman	5627 S. Lake Houston Pky., Houston, TX 77049	1,944,520		1,944,520	
TR 16 68 E Shipman	5627 S. Lake Houston Pky., Houston, TX 77049	140,000		140,000	
TRS 17 & 18 Abst 68 E Shipman	5627 S. Lake Houston Pky., Houston, TX 77049	510,888		510,888	
Lot 1-2 Bluestein PARK PHS 1	5816 Wilcab Rd., Austin, TX 78721	27,614,543		27,614,543	
Lot 1 K/N Subdivision	9504 N. IH. Hwy. 35, San Antonio, TX 78753	9,060,556		9,060,556	
Abs A0397 Hunt M, 4. Acres	1438 E. Yager Lane, Austin, TX 78753	1,086,834		1,086,834	
Abs 397 Survey 88 Hunt M, Acres 9.050	1438 E. Yager Lane, Austin, TX 78753	1,971,090		1,971,090	
IDEA Pflugerville	1901 Wells Branch Pky., Pflugerville, TX 78660	3,670,859		3,670,859	
Lot 4 Bluestein Park PHS 1	3708 Bluestein Dr., Austin, TX 78721	136,995		136,995	

*(continued)*

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2020

*(continued)*

<u>DESCRIPTION</u>	<u>PROPERTY ADDRESS</u>	TOTAL ASSESSED <u>VALUE</u>	<u>OWNERSHIP INTEREST</u>		
			<u>LOCAL</u>	<u>STATE</u>	<u>FEDERAL</u>
Lot 3 Bluestein Park PHS 1	3702 Bluestein Dr., Austin, TX 78721	\$ 146,908	\$	\$ 146,908	\$
15.0176 Acres of Lot 1 Blk A IDEA School at Rundberg-Showplace	700 Showplace Lane, Austin, TX 78753	3,144,524		3,144,524	
9.3622 Acres of Lot Blk A Riverside Vargas	1701 Vargas Rd., Austin, TX 78741	26,128,000		26,128,000	
Lot 1 Texas Twenty #2 Subdivision	1700 E. Slaughter Lane, Austin, TX 78747	19,696,301		19,696,301	
4.8336 Acres of Lot 2A Easton Park Sec 1B Amended	7325 McKinney Falls Pky., Austin, TX 78744	315,827		315,827	
Abs 315 Survey 63 Gates G Acres 13.189	N. FM Rd. 973, Manor, TX 78653	263,780		263,780	
Lot 1 Blk A IDEA - Yager Academy	1438 E. Yager Lane, Austin, TX 78753	2,840,112		2,840,112	
6.3094 Acres of Lot 1A Easton Park Section 1B Amended	7325 McKinney Falls Pky., Austin, TX 78744	1,099,350		1,099,350	
Lot 1 Blk A IDEA Greenlawn Subdivision (9.8985 Acres in Travis County)(1-D-1)	3301 Greenlawn Blvd., Round Rock, TX 78664	2,715		2,715	
55 Ysleta Track 8-B (2.00 Acres)	9050 Escobar Dr., El Paso, TX 79907	125,453		125,453	
Blk 1 Rio Vista School Lot 1	210 N. Rio Vista Rd., Socorro, TX 79927	13,417,241		13,417,241	
Blk 1 Wallenberg #1 Lot 1	405 Wallenberg Dr., El Paso, TX 79912	3,919,182		3,919,182	
Blk 1 Tierra Del Este #88 Lot 1 (School Site)	15101 Edgemere Blvd., El Paso, TX 79938	11,300,994		11,300,994	
Blk 22 Horizon Town Center #3 Lot 29	201 Horizon Crossing St., Horizon City, TX 79928	348,480		348,480	
Blk 56 Mesquite Hills #10 Lot 1	11881 Dyer St., El Paso, TX 79934	1,317,662		1,317,662	
55 Ysleta 5-C-2 (0.1240 Acres) & 6-C-2 (0.5903 Acres) (0.7143 Acres)	9050 Escobar Dr., El Paso, TX 79907	95,834		95,834	
55 Ysleta Track 7-C-2 (10.4857 Acres)	9050 Escobar Dr., El Paso, TX 79907	274,054		274,054	
55 Ysleta 5-C-3 (0.3914 Acres) & 6-C-3 (1.2726 Acres)	9050 Escobar Dr., El Paso, TX 79907	0		0	
55 Ysleta TR 7-C-3 (2.4552 Acres)	9050 Escobar Dr., El Paso, TX 79907	0		0	

*(continued)*

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2020

*(continued)*

<u>DESCRIPTION</u>	<u>PROPERTY ADDRESS</u>	TOTAL ASSESSED <u>VALUE</u>	<u>OWNERSHIP INTEREST</u>		
			<u>LOCAL</u>	<u>STATE</u>	<u>FEDERAL</u>
Caledonian Estates Unit No. 2 All Lot 26, E429.09' Lot 27 & S589.40' Lots 34 & 35 27.52 Acres GR 26.28 Acres	3300 E. Texas Rd., Edinburg, TX 78542	\$ 480,240	\$	\$ 480,240	\$
Caledonian Estates Unit No. 2 E7.00 Acres Lot 30 6.82 Acres Net	3300 E. Texas Rd., Edinburg, TX 78542	122,760		122,760	
Valley Orchards S11.58 Acres Lot F & S11.11 Acres Lot G 21.80 Acres Net	401 S. 1 <sup>ST</sup> St., Donna, TX 78537	5,979,536		5,979,536	
West Tract N880'-FT 104 26.67 Acres GR 26.06 Acres Net	N. Bridge Ave., Weslaco, TX 78596 (empty lot)	312,720		312,720	
West Tract AN Irr Tract 19.52 Acres FT 152 EXC 8.64 Acres N540'-E700' 10.88 Acres Net	2321 W. Pike Blvd., Weslaco, TX 78596	72,466		72,466	
Steel Horse Industrial Park Lot 11	5802 N. Gumwood St., Pharr, TX 78577	125,806		125,806	
RGV Professional Center Condominiums (2 <sup>ND</sup> AMND) Building B Unit 8	505 Angelita Dr., Suite 8, Weslaco, TX 78599	384,195		384,195	
RGV Professional Center Condominiums (2 <sup>ND</sup> AMND) Building B Unit 9	505 Angelita Dr., Suite 9, Weslaco, TX 78599	386,781		386,781	
RGV Professional Center Condominiums (2 <sup>ND</sup> AMND) Building B Unit 10	505 Angelita Dr., Suite 10, Weslaco, TX 78599	390,251		390,251	
RGV Professional Center Condominiums (2 <sup>ND</sup> AMND) Building B Unit 11	505 Angelita Dr., Suite 11, Weslaco, TX 78599	384,195		384,195	
IDEA Public School Lot 1	1600 S. Schuerbach, Mission, TX 78572	7,268,975		7,268,975	
IDEA San Juan Lot 1	600 W. Sioux Rd., San Juan, TX 78589	11,440,738		11,440,738	
IDEA Public Schools - McAllen Lot 1	201 N. Bentsen Rd., McAllen, TX 78501	10,891,738		10,891,738	
IDEA Quest Lot 1	14001 Russell Rd., Edinburg, TX 78541	10,333,385		10,333,385	
IDEA Public School Weslaco Lot 1	1000 E. Pike Blvd., Weslaco, TX 78596	13,489,698		13,489,698	
IDEA Public School Headquarters Lot 1	2115 W. Pike Blvd., Weslaco, TX 78596	6,330,244		6,330,244	

*(continued)*

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2020

(continued)

DESCRIPTION	PROPERTY ADDRESS	TOTAL ASSESSED VALUE	OWNERSHIP INTEREST		
			LOCAL	STATE	FEDERAL
IDEA Public School Holland Lot 1	2706 N. Holland Ave., Mission, TX 78574	\$ 10,573,622	\$	\$ 10,573,622	\$
IDEA Tres Lagos	5200 Tres Lagos Blvd., McAllen, TX 78504	13,687,397		13,687,397	
IDEA North Pharr Lot 1	1000 E. Owassa Rd., Pharr, TX 78577	13,265,630		13,265,630	
IDEA Public School Elsa Lot 1	411 S. Fannin St., Elsa, TX 78543	17,497,024		17,497,024	
Hidalgo Canal Co - VV An Irr Tract N808.30'-E1251.79' Lot 1 Blk 2					
18.49 Acres GR 18.15 Acres Net	Arena Drive, Hidalgo, TX 78557 (empty lot)	490,050		490,050	
IDEA Public Schools South McAllen Lot 1	5400 S. Ware Rd., McAllen, TX 78503	21,876,060		21,876,060	
IDEA - Palmview an Irr 24.95 Acres Tract-S1326.74' Lot 1 23.63 Acres Net	4100 N. Schuerbach Rd., Mission, TX 78572	4,185,731		4,185,731	
IDEA Toros Lot 1	3300 E. Texas Rd., Edinburg, TX 78542	5,007,766		5,007,766	
IDEA - Palmview an Irr 2.04 Acres Tract-N370.76'-W479.48' Lot 1 1.82 Acres Net	4100 N. Schuerbach Rd., Mission, TX 78572	91,171		91,171	
Schunior an Irr 21.35 Acres Tract- E1418.96'-W1538.96'-E1107.42'- 35.61 Acres Tract SH 3A 21.35 Acres	725 E. Expressway 83, La Joya, TX 78560	4,782		4,782	
Mid Valley Industrial Park No. 8 Lot 2	2931 Sugar Cane Dr., Weslaco, TX 78599	5,711,257		5,711,257	
Boys and Girls Club Lot 3	2553 Roegiers Rd., Edinburg, TX 78541	445,553		445,553	
Boys and Girls Club Lot 4, 6 & 7	2553 Roegiers Rd., Edinburg, TX 78541	3,655,084		3,655,084	
Alamo Country Club PH 3 Lot 1	325 Kansas Rd., Alamo, TX 78516	3,863,002		3,863,002	
IDEA Public School #2 BNG A 20.07 Acres Tract	600 E. Las Milpas Rd., Pharr, TX 78577	15,567,402		15,567,402	
NCB 592 Blk 7 Lot 2 Exc NW Irr 5.69 Ft	226 N. Hackberry, San Antonio, TX 78202	4,231,680		4,231,680	
NCB 1450 Blk 19 Lot 12 (Springview Unit-3 Phase III)	2806 Harney St., San Antonio, TX 78203	39,100		39,100	

(continued)



**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2020

*(continued)*

<u>DESCRIPTION</u>	<u>PROPERTY ADDRESS</u>	TOTAL ASSESSED <u>VALUE</u>	<u>OWNERSHIP INTEREST</u>		
			<u>LOCAL</u>	<u>STATE</u>	<u>FEDERAL</u>
NCB 1450 Blk 19 Lot 13 (Springview Unit-3 Phase III)	2802 Harney St., San Antonio, TX 78203	\$ 33,630	\$	\$ 33,630	\$
NCB 1450 Blk 19 Lot 14 (Springview Unit-3 Phase III )	2803 Harney St., San Antonio, TX 78203	37,660		37,660	
NCB 1450 Blk 19 Lot 15 (Springview Unit-3 Phase III)	619 Fisk St., San Antonio, TX 78203	26,880		26,880	
NCB 1450 Blk 19 Lot 16 (Springview Unit-3 Phase III)	615 Fisk St., San Antonio, TX 78203	24,640		24,640	
NCB 1450 Blk 19 Lot 17 (Springview Unit-3 Phase III)	611 Fisk St., San Antonio, TX 78203	24,640		24,640	
NCB 1450 Blk 19 Lot 18 (Springview Unit-3 Phase III)	607 Fisk St., San Antonio, TX 78203	24,820		24,820	
NCB 1450 Blk 19 Lot 19 (Springview Unit-3 Phase III)	603 Fisk St., San Antonio, TX 78203	25,010		25,010	
CB 5051 A Lot N IRR 1788.78 FT of 27	6445 Walzem Rd., San Antonio, TX 78239	486,650		486,650	
CB 5065 P-1B (2.99 Acres) & P-2 (8.194 Acres) ABS 971	5160 Martinez Convers, Converse, TX 78109	397,120		397,120	
CB 5065 P-1E & 2B ABS 971	5180 Martinez Convers, Converse, TX 78109	96,360		96,360	
NCB 9483 Blk Lot 90	6911 S. Flores St., San Antonio, TX 78221	107,670		107,670	
NCB 12962 Blk Lot S IRR 31.18' of W IRR 413.83' of 1 (2.158), NE TRI 36.23' of S 399.12' of 1 (0.088), 4A (0.2)	7011 San Pedro Ave., San Antonio, TX 78216	1,367,780		1,367,780	
NCB 14165 Blk 7 Lot 4	2825 Majestic Dr., San Antonio, TX 78228	16,470		16,470	
NCB 14165 Blk 7 Lot 5 GIS 2.713 Acres	2814 Majestic Dr., San Antonio, TX 78228	172,540		172,540	
NCB 15858 Blk 15 Lot 1	3100 Majestic Dr., San Antonio, TX 78228	187,470		187,470	
NCB 11186 Blk 1 Lot 17	2523 W. Ansley Blvd., San Antonio, TX 78224	9,216,300		9,216,300	

*(continued)*

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2020

*(continued)*

<u>DESCRIPTION</u>	<u>PROPERTY ADDRESS</u>	TOTAL ASSESSED <u>VALUE</u>	<u>OWNERSHIP INTEREST</u>		
			<u>LOCAL</u>	<u>STATE</u>	<u>FEDERAL</u>
IDEA Public Schools 1301 E Commerce Street Inv	1301 E. Commerce St., San Antonio, TX 78205	\$ 1000	\$	\$ 1000	\$
NCB 8244 Blk 3 Lot 25 (IDEA Public School-Commerce)	222 SW 39 <sup>th</sup> St., San Antonio, TX 78237	419,490		419,490	
NCB 594 Blk 5 Lot 19 (IDEA Carver PH II Subdivision)	1511 E. Commerce St., San Antonio, TX 78205	0		0	
NCB 17172 (Waters Edge Business Park), Block 1 Lot 17	1210 Horal Dr., San Antonio, TX 78227	1,235,930		1,235,930	
NCB 17359 Blk 4 Lot 34 (IDEA Feather Ridge)	13427 Judson Rd., San Antonio, TX 78233	12,934,020		12,934,020	
NCB 1521 Blk 8 Lot 2 (IDEA Eastside)	2519 Martin Luther King, San Antonio, TX 78203	0		0	
NCB 15252 (IDEA Pearsall), Block 2 Lot 4	5555 Old Pearsall Rd., San Antonio, TX 78242	10,419,510		10,419,510	
NCB 10615 (IDEA W W White), Lot 80	926 S. WW White Road, San Antonio, TX 78220	0		0	
NCB 8244 Blk 3 Lot E Irr 112 FT of 26 (IDEA Monterrey Park)	222 SW 39 <sup>th</sup> St., San Antonio, TX 78237	353,440		353,440	
NCB 9483 Lot 120 (IDEA South Flores Expansion)	6919 S. Flores St., San Antonio, TX 78221	4,962,230		4,962,230	
CB 5197E Blk 30 Lot 4 (IDEA Marbach)	10434 Marbach Rd., San Antonio, TX 78245	11,821,860		11,821,860	
NCB 17639 (IDEA Culebra), Lot 16	10138 Culebra Rd., San Antonio, TX 78251	1,089,680		1,089,680	
NCB 18160 P-3 (2.296) CB 5983 (73.8209 Acres)	4500 W. Pue Road, San Antonio, TX 78245	96,930		96,930	
Abs: 153 Sur: T Herrera 6.3290 Acres	Maske Rd., Schertz, TX 78154 (empty lot)	336,990		336,990	
Abs: 153 Sur: T Herrera 4.4760 Acres	Maske Rd., Schertz, TX 78154 (empty lot)	238,326		238,326	
Abs: 153 Sur: T Herrera 5.65 Acres	Maske Rd., Schertz, TX 78154 (empty lot)	300,836		300,836	
Abs: 153 Sur: T Herrera 6.675 Acres	Maske Rd., Schertz, TX 78154 (empty lot)	355,413		355,413	
Abs: 259 Sure: William H Pate 12.1550 Acres	2072 FM 725, New Braunfels, TX 78130	5,148		5,148	

*(continued)*

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2020

(continued)

DESCRIPTION	PROPERTY ADDRESS	TOTAL ASSESSED VALUE	OWNERSHIP INTEREST		
			LOCAL	STATE	FEDERAL
Abs: 259 Sure: William H Pate 1.00 Acres S12118 - IDEA Greenlawn, Lot 1 (PT), Acres 2.715, (R587628/REF)	2072 FM 725, New Braunfels, TX 78130	\$ 16,696	\$	\$ 16,696	\$
A W0181 A W0292 - Hornsby, M Sur., Acres 11.431, (R508760 MH) (Pro EX 02/14/20-12/31/20)	3001 Greenlawn Blvd., Round Rock, TX 78664	774		774	
A W0181 A W0292 - Hornsby, M Sur., Acres 5.098, (PRO EX 02/14/20- 12/31/20)	205 N. Bagdad Rd., Leander, TX 78641	679,161		679,161	
S8752 - Greener Acres, Lot 2, Acres 4.197 (PRO EX 02/14/20 12/31/20)	251 N. Bagdad Rd., Leander, TX 78641	685,637		685,637	
Travis County Reference - S12118 IDEA Greenlawn, Lot 1 (PT), Acres 9.962 (R587627/GWI)	Hero Way & 251 N. Bagdad, Leander, TX 78641	564,460		564,460	
Henderson Block 49 all of Block (12.33 Acres)	3001 Greenlawn Blvd., Round Rock, TX 78664	2,839		2,839	
Parks Bell Ranch North Block 5 Lot 8 (18.98)	3401 W. 5 <sup>th</sup> St., Odessa, TX 79763	139,644		139,644	
Acres: 32.390, E/PT, SEC: 24,Blk: 40-TIS IDEA Academy S/D Lot 1 (Vacant Lot)	7300 E. Yukon Rd., Odessa, TX 79765	133		133	
Public High School	Holiday Hill Rd., Midland, TX 79707 (empty lot)	971,700		971,700	
IDEA Kyle Academy, Block A, Lot 1, Acres 12.79	2803 Monarch Lane, Rio Grande City, TX 78582	8,047,020		8,047,020	
	640 Philomena Dr., Kyle, TX 78640	<u>12,199,360</u>		<u>12,199,360</u>	
Total		<u>\$ 460,581,640</u>	<u>\$ 0</u>	<u>\$ 460,581,640</u>	<u>\$ 0</u>

**IDEA Public Schools, Inc.**

Schedule of Related Party Transactions for the year ended June 30, 2020

<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 FISCAL YEAR</u>	<u>PRINCIPAL BALANCE DUE</u>
Burton Companies	Ryan Vaughan	Brother	Check	None	Local	One time	\$ 18,927	\$ (225)
Print globe	Matt Barry	Spouse	Check	None	Local and Phil.	One time	621,536	-
RGV Pro Direct	Oscar Chapa	Spouse	Check	None	Local and Phil.	One time	112,941	839
RGVision	Gabriel Puente	Board Member	Check	None	Local	One time	9,720	-
Xenia Garza	Xenia Garza	Board Member	Check	None	Phil.	One time	<u>2,940</u>	<u>-</u>
Total							<u>\$ 766,064</u>	<u>\$ 614</u>

**IDEA Public Schools, Inc.**

Schedule of Related Party Compensation and Benefits for the year ended June 30, 2020

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<u>RELATED PARTY NAME</u>	<u>NAME OF RELATION TO 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 FISCAL YEAR</u>
Alfredo Gama	JoAnn Gama	Father-in-law	Compensation	Bi-Weekly	Salary	Local	<u>\$ 37,075</u>
Total							<u>\$ 37,075</u>

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