

**IDEA Public Schools, Inc.**

Consolidated Financial Statements  
and Independent Auditors' Report  
for the years ended June 30, 2021 and 2020

# IDEA Public Schools, Inc.

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**Board of Directors**

Al Lopez, Board Chair

Collin Sewell, Vice Chair

Ed Rivera, Treasurer

Ryan Vaughan, Secretary

Michael Burke, Member

Reba Cardenas McNair, Member

David Earl, Member

Xenia Garza, Member

David Handley, Member

Erich Holmsten, Member

Dr. Saam Zarrabi, Member

**Acting Chief Executive Officer and Superintendent**

Al Lopez

**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, 2021, at a meeting of the governing body of the charter holder on the 19<sup>th</sup> day of November, 2021.

DocuSigned by:  
  
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\_\_\_\_\_  
Signature of Board Secretary

DocuSigned by:  
  
E761BEBA9DE6430  
\_\_\_\_\_  
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, 2021 and 2020, 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**

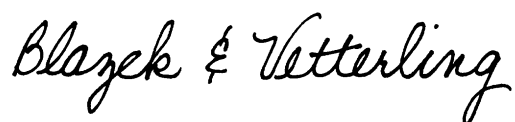
In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of IDEA Public Schools, Inc. as of June 30, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting 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, 2021, 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 47 through 64 is presented for purposes of additional analysis as required by the Texas Education Agency and is not a required part of the financial statements. Supplementary 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 November 19, 2021 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.



November 19, 2021

## IDEA Public Schools, Inc.

### Consolidated Statements of Financial Position as of June 30, 2021 and 2020

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	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 215,021,093	\$ 140,896,632
Cash and cash equivalents – held in trust	61,239,145	56,185,034
Government grant receivables	141,917,724	83,298,662
Contributions receivable, net	6,295,240	3,982,805
Accounts receivable	4,968,228	5,810,293
Investments – operating	60,593,266	75,910,710
Prepaid expenses	3,587,827	1,135,398
Other current assets	<u>723,674</u>	<u>1,208,446</u>
Total current assets	<u>494,346,197</u>	<u>368,427,980</u>
Fixed assets:		
Right of use asset – operating leases	17,269,102	-
Right of use asset – finance leases, net	8,709,146	-
Property and equipment, net	<u>1,270,176,133</u>	<u>1,077,717,916</u>
Total fixed assets	<u>1,296,154,381</u>	<u>1,077,717,916</u>
Other noncurrent assets:		
Cash and cash equivalents – held in trust	35,698,972	4,164,696
Contributions receivable, net	7,010,429	7,055,238
Investments – held in trust	<u>1,016,231</u>	<u>25,028,844</u>
Total other noncurrent assets	<u>43,725,632</u>	<u>36,248,778</u>
TOTAL ASSETS	<u>\$ 1,834,226,210</u>	<u>\$ 1,482,394,674</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidated Statements of Financial Position as of June 30, 2021 and 2020

*(continued)*

	<u>2021</u>	<u>2020</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 49,996,395	\$ 39,736,199
Accrued wages, benefits, and taxes	64,107,173	44,759,439
Accrued interest payable	19,056,310	18,137,402
Accrued expenses	21,655,753	10,360,638
Refundable advances	14,209,172	18,694,333
Other liabilities	7,320,267	2,741,598
Bonds payable – current portion	19,720,000	15,350,000
Notes payable – current portion	12,026,179	64,469,776
Operating lease payable – current portion	7,956,534	-
Finance leases payable – current portion	<u>1,793,495</u>	<u>2,558,754</u>
Total current liabilities	<u>217,841,278</u>	<u>216,808,139</u>
Long-term liabilities:		
Bonds payable, net	1,135,171,910	971,697,451
Notes payable, net	141,354,689	36,450,091
Operating leases payable	9,348,118	-
Finance leases payable	<u>7,809,292</u>	<u>12,882,400</u>
Total long-term liabilities	<u>1,293,684,009</u>	<u>1,021,029,942</u>
TOTAL LIABILITIES	<u>1,511,525,287</u>	<u>1,237,838,081</u>
Commitments and contingencies		
Net assets:		
Without donor restrictions	(1,997,567)	(1,426,764)
With donor restrictions	<u>324,698,490</u>	<u>245,983,357</u>
Total net assets	<u>322,700,923</u>	<u>244,556,593</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,834,226,210</u>	<u>\$ 1,482,394,674</u>

*See accompanying notes to consolidated financial statements.*



## IDEA Public Schools, Inc.

### Consolidated Statement of Activities for the year ended June 30, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUE AND OTHER SUPPORT:</b>			
<b>Local support:</b>			
Grants	\$ 228,221	\$ 27,765,658	\$ 27,993,879
Grant reversion	-	(4,933,059)	(4,933,059)
Contributions	453,252	1,549,766	2,003,018
Management fees	33,222,721	-	33,222,721
Net investment return	3	1,469,270	1,469,273
Other revenue	<u>4,020,925</u>	<u>4,149,663</u>	<u>8,170,588</u>
Total local support	<u>37,925,122</u>	<u>30,001,298</u>	<u>67,926,420</u>
<b>State program revenue:</b>			
Foundation School Program	-	653,738,802	653,738,802
Other state aid	<u>-</u>	<u>2,490,216</u>	<u>2,490,216</u>
Total state program revenue	<u>-</u>	<u>656,229,018</u>	<u>656,229,018</u>
<b>Federal program revenue:</b>			
ESEA Title I – Part A	-	18,949,137	18,949,137
ESEA Title II – Part A Teacher/ Principal Training	-	2,110,132	2,110,132
ESEA Title III – Part A Language Acquisition	-	1,522,503	1,522,503
IDEA B Formula – Special Education	-	6,406,239	6,406,239
IDEA B Preschool – Special Education	-	1,611	1,611
ESEA Title V – Part B Charter Schools	-	21,174,213	21,174,213
Teacher Incentive Fund	-	658,647	658,647
Lone Star STEM Cycle 2 Year 1	-	25,140	25,140
Instructional Continuity	-	9,085	9,085
Twenty-First Century Community Learning Centers	-	2,454,309	2,454,309
Education Innovation and Research	-	895,944	895,944
Corona Relief Fund	-	100,403	100,403
Elementary and Secondary School Emergency Relief Fund	-	4,967,612	4,967,612
Child Nutrition	-	58,678,796	58,678,796
Food and Nutrition Service	-	15,852	15,852
IDEA Comprehensive Health Professions SSA, Title XIX – School Health and Related Services	<u>-</u>	<u>4,175,821</u>	<u>4,175,821</u>
Total federal program revenue	<u>-</u>	<u>126,493,176</u>	<u>126,493,176</u>
Net assets released for purpose restrictions	<u>733,226,556</u>	<u>(733,226,556)</u>	<u>-</u>
Total revenue and other support	<u>771,151,678</u>	<u>79,496,936</u>	<u>850,648,614</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidated Statement of Activities for the year ended June 30, 2021

(continued)

	WITHOUT DONOR <u>RESTRICTIONS</u>	WITH DONOR <u>RESTRICTIONS</u>	<u>TOTAL</u>
<b>EXPENSES:</b>			
Program services:			
Instructional and instructional-related services	\$ 374,220,506	\$ -	\$ 374,220,506
Instructional and school leadership	107,511,775	-	107,511,775
Support services – student (pupil)	128,381,263	-	128,381,263
Support services – nonstudent based	80,073,391	-	80,073,391
Ancillary services	<u>738,225</u>	-	<u>738,225</u>
Total program services	<u>690,925,160</u>	-	<u>690,925,160</u>
Support services:			
Administrative support services	51,776,292	-	51,776,292
Support services – nonstudent based	24,928,947	-	24,928,947
Fundraising	<u>4,505,616</u>	-	<u>4,505,616</u>
Total support services	<u>81,210,855</u>	-	<u>81,210,855</u>
Total expenses	<u>772,136,015</u>	-	<u>772,136,015</u>
Gain on disposal of assets	432,340	913,109	1,345,449
Realized gain on investments	-	35,452	35,452
Unrealized loss on investments	<u>-</u>	<u>(843,276)</u>	<u>(843,276)</u>
<b>CHANGE IN NET ASSETS</b>	(551,997)	79,602,221	79,050,224
Net assets, beginning of year, as originally reported	(1,426,764)	245,983,357	244,556,593
Prior period adjustment due to change in accounting principle	<u>(18,806)</u>	<u>(887,088)</u>	<u>(905,894)</u>
Net assets, beginning of year, as restated	<u>(1,445,570)</u>	<u>245,096,269</u>	<u>243,650,699</u>
Net assets, end of year	<u>\$ (1,997,567)</u>	<u>\$ 324,698,490</u>	<u>\$ 322,700,923</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 Statements of Cash Flows for the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 79,050,224	\$ 57,540,311
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	43,091,093	33,015,356
Amortization of premium and debt issuance costs	(5,421,822)	(5,471,393)
Bad debt expense	916,612	758,168
Unrealized gain on investments	800,566	(298,984)
Gain on disposal of property and equipment	(1,345,451)	(26,612)
Changes in current assets and liabilities:		
Government grant receivables	(58,619,062)	(21,718,517)
Contributions receivable	(2,267,626)	(8,193,048)
Accounts receivable	2,056,344	(1,823,370)
Prepaid expenses	(2,452,429)	(94,633)
Other current assets	484,772	(308,147)
Accounts payable	10,260,196	14,054,795
Accrued wages, benefits, and taxes	19,347,733	12,066,077
Accrued interest payable	918,908	3,401,177
Accrued expenses	11,295,115	1,192,494
Refundable advances	(4,485,161)	4,474,300
Other liabilities	<u>3,364,390</u>	<u>1,953,109</u>
Net cash provided by operating activities	<u>96,994,402</u>	<u>90,521,083</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Construction and purchase of property and equipment	(253,339,456)	(291,492,787)
Proceeds from disposal of property and equipment	11,393,406	169,980
Purchase of certificates of deposit	(47,375,562)	(25,780,616)
Proceeds from maturity of certificates of deposit	48,156,178	12,325,553
Purchases of investments	(34,644,579)	(201,985,135)
Proceeds from sale of investments	72,393,454	202,378,687
Investments in notes receivable from graduates	<u>(916,612)</u>	<u>(758,168)</u>
Net cash used by investing activities	<u>(204,333,171)</u>	<u>(305,142,486)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings of long-term debt	401,904,026	354,586,766
Principal payments on long-term debt	(164,459,305)	(84,989,365)
Payments on capital leases	(10,706,799)	(1,846,291)
Payment of debt issuance costs	<u>(8,686,306)</u>	<u>(9,253,584)</u>
Net cash provided by financing activities	<u>218,051,616</u>	<u>258,497,526</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>110,712,847</b>	<b>43,876,123</b>
Cash and cash equivalents, beginning of year	<u>201,246,363</u>	<u>157,370,239</u>
Cash and cash equivalents, end of year	<u>\$ 311,959,210</u>	<u>\$ 201,246,362</u>

(continued)

**IDEA Public Schools, Inc.**Consolidated Statements of Cash Flows for the years ended June 30, 2021 and 2020 *(continued)*

	2021	<u>2020</u>
<i>Reconciliation of cash and cash equivalents:</i>		
Cash and cash equivalents	\$ 215,021,093	\$ 140,896,632
Cash and cash equivalents – held in trust	61,239,145	56,185,034
Cash and cash equivalents – noncurrent – held in trust	<u>35,698,972</u>	<u>4,164,696</u>
Total cash and cash equivalents	<u>\$ 311,959,210</u>	<u>\$ 201,246,362</u>
 <i>Supplemental disclosure of cash flow information:</i>		
Cash paid for interest	\$45,169,266	\$39,485,901
 Right of use assets obtained in exchange for new lease obligations:		
Operating lease obligations	\$15,634,110	
Finance lease obligations	\$3,346,588	\$3,196,027

See accompanying notes to consolidated financial statements.

**IDEA Public Schools, Inc.**

**Consolidated Statement of Functional Expenses for the year ended June 30, 2021**

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	<u>PAYROLL COSTS</u>	<u>PROFESSIONAL AND CONTRACTED SERVICES</u>	<u>SUPPLIES AND MATERIALS</u>	<u>OTHER OPERATING COSTS</u>	<u>DEBT</u>	<u>TOTAL</u>
Program services:						
Instructional and instructional-related services	\$ 269,567,745	\$ 22,111,170	\$ 44,699,255	\$ 2,837,638	\$ 35,004,698	\$ 374,220,506
Instructional and school leadership	94,024,722	6,296,562	4,958,220	2,232,271	-	107,511,775
Support services – student (pupil)	74,529,288	6,419,513	39,905,962	7,526,500	-	128,381,263
Support services – nonstudent based	16,761,206	22,911,676	5,306,617	35,093,892	-	80,073,391
Ancillary services	<u>297,588</u>	<u>232,152</u>	<u>38,020</u>	<u>170,465</u>	-	<u>738,225</u>
Total program services	<u>455,180,549</u>	<u>57,971,073</u>	<u>94,908,074</u>	<u>47,860,766</u>	<u>35,004,698</u>	<u>690,925,160</u>
Support services:						
Administrative support services	22,948,502	21,756,057	934,837	2,527,998	3,608,898	51,776,292
Support services – nonstudent based	8,329,172	7,067,456	6,380,228	3,152,091	-	24,928,947
Fundraising	<u>3,391,331</u>	<u>647,344</u>	<u>100,772</u>	<u>366,169</u>	-	<u>4,505,616</u>
Total support services	<u>34,669,005</u>	<u>29,470,857</u>	<u>7,415,837</u>	<u>6,046,258</u>	<u>3,608,898</u>	<u>81,210,855</u>
Total expenses	<u>\$ 489,849,554</u>	<u>\$ 87,441,930</u>	<u>\$ 102,323,911</u>	<u>\$ 53,907,024</u>	<u>\$ 38,613,596</u>	<u>\$ 772,136,015</u>

*See accompanying notes to consolidated financial statements.*

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**IDEA Public Schools, Inc.**

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

	PAYROLL COSTS	PROFESSIONAL AND CONTRACTED SERVICES	SUPPLIES AND MATERIALS	OTHER OPERATING COSTS	DEBT	TOTAL
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.

Notes to Consolidated Financial Statements for the years ended June 30, 2021 and 2020

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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 62,158 students at 111 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 to be in effect for an initial ten-year school 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.

**Adoption of accounting standard:** The School adopted 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 are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of income. The ASU also required expanded disclosures related to the amount, timing and uncertainty of cash flows arising from leases. ASU No. 2018-11, *Leases (Topic 842) – Targeted Improvements* – provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the financial statements and instead recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. The School elected to adopt the transition relief provisions from ASU 2018-11 and recorded the impact of adoption as of July 1, 2020, using the modified retrospective method, without restating any prior year amounts or disclosures. The adoption resulted in the recognition of operating and finance right-of-use assets totaling \$9,988,190 and \$7,122,372, respectively, as well as operating and finance lease liabilities totaling \$9,988,123 and \$8,332,495, respectively, as of July 1, 2020. An adjustment to net assets of \$905,894 (\$18,806 without donor restrictions and \$887,088 with donor restrictions) was reported as of July 1, 2020.

**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.

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

### 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.
- *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 government 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.

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

**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 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. Non-negotiable 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, 2021 and 2020 totaled \$3,815,782 and \$2,899,170, respectively. The School considers notes receivable to be uncollectible; accordingly, an allowance for doubtful accounts of \$3,815,782 and \$2,899,170 at June 30, 2021 and 2020, respectively, is recorded in these financial statements.

**Lease adoption elections:** Certain accounting policy elections were required for the implementation of the new lease standard. The School has made the following elections:

- *Relief package* – For leases that commenced before the effective date, the School did not reassess 1) whether any expired or existing contracts contain leases, 2) the lease classification for any expired or existing leases, and 3) initial indirect costs for any existing leases.
- *Hindsight* – The School did not make the practical expedient election to use hindsight in determining the lease term and in assessment impairments of the School’s right-of-use assets.
- *Land easements* – The School did not elect the practical expedient to not assess whether existing land easements that were not previously accounted for as leases contain a lease under the new lease standard.
- *Lease and non-lease components* – The School elected a practical expedient by class of underlying assets and choose whether to separate non-lease components from the lease components or account for it as a single lease component. The School elected to not separate the lease components and the non-lease components for real estate leases and copier rentals. As for laptops, the School has chosen to separate its lease components from the non-lease components for determination.

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

- *Short-term leases* – The School elected to not apply the recognition requirements in ASC 842 to short-term leases. Instead these leases are recognized as expense on a straight-line basis over the lease term.
- *Discount rates* – The School elected to use its incremental borrowing rate for its discount rate.
- *Portfolio approach* – The School has elected to use the portfolio approach for leases with similar characteristics with the expectation that the application of the portfolio model will not differ materially from the application to the individual leases in that portfolio.

**Property and equipment and right-of-use assets – finance:** 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 finance leases are recorded at present value of the lease payments at the inception of the lease.

Depreciation and amortization 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.

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

**Right-of-use assets – operating:** A right-of-use asset – operating is recognized at the present value of the lease payments at inception of the lease. Lease expense is recognized on a straight-line basis as rent expense in the statement of activities.

**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, 2021 and 2020.

**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

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

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, 2021, 2020, and 2019 totaled \$8,289,374, \$5,810,293 and \$3,986,923, 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 and non-student based 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 Enterprises, Inc. is a Texas nonprofit corporation. The determination of tax exempt status is pending. 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, 2021 and 2020, 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, 2021 and 2020 are \$12,429,044 and \$7,349,056, 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, 2021, through the date of this report on November 19, 2021, 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>2021</u>	<u>2020</u>
Petty cash	\$ 301	\$ 301
Checking accounts	138,463,797	108,419,888
Money market mutual funds	<u>173,495,112</u>	<u>92,826,173</u>
Total cash and cash equivalents	<u>\$ 311,959,210</u>	<u>\$ 201,246,362</u>

Cash and cash equivalents held in trust are designated as follows:

	<u>2021</u>	<u>2020</u>
Debt service fund held in trust	\$ 42,319,084	\$ 27,502,058
Construction	<u>54,619,033</u>	<u>32,847,672</u>
Total	96,938,117	60,349,730
Less current cash and cash equivalents – held in trust	<u>61,239,145</u>	<u>56,185,034</u>
Total cash and cash equivalents – noncurrent – held in trust	<u>\$ 35,698,972</u>	<u>\$ 4,164,696</u>

The School maintains cash deposits at Regions Bank. At June 30, 2021, the carrying amount of the deposits was \$129,128,268 and the respective bank balance was \$130,048,840. The deposits are insured up to \$250,000 by the FDIC. Additionally, investment securities held by Regions Bank that had a carrying value at June 30, 2021 of \$129,798,840, 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, which have bank balances and carrying amounts of \$97,227,273 at June 30, 2021. The Office of the Comptroller of the Currency, Regulation 9, requires that banks collateralize uninvested cash in fiduciary accounts. At June 30, 2021, 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.

IPS maintains cash deposits at Regions Bank. At June 30, 2021, the carrying amount of the deposits was \$9,336,052 and the respective bank balance was \$9,247,211, which are insured up to \$250,000 by the FDIC.

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>2021</u>	<u>2020</u>
Investments at fair value:		
U. S. Treasury securities	\$ 24,592,489	\$ 60,522,512
Government agency securities	11,515,265	3,280,005
Domestic corporate bonds	<u>501,743</u>	<u>11,356,421</u>
Total investments at fair value	36,609,497	75,158,938
Investments at cost – non-negotiable certificates of deposit	<u>25,000,000</u>	<u>25,780,616</u>
Total investments	61,609,497	100,939,554
Less current investments – held in trust	<u>(60,593,266)</u>	<u>(75,910,710)</u>
Total investments – noncurrent – held in trust	<u>\$ 1,016,231</u>	<u>\$ 25,028,844</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>2021</u>	<u>2020</u>
Texas Department of Education, Texas Education Agency (TEA)	\$ 115,666,951	\$ 73,195,670
United States Department of Education	15,549,190	1,554,699
Texas Medicaid and Healthcare Partnership	3,898,504	3,519,356
U. S. Department of Agriculture passed through TEA	3,354,628	2,700,992
U. S. Department of Education passed through TEA	2,581,325	1,250,600
Florida Department of Education	398,670	398,670
Texas Parks and Wildlife Department	337,957	13,532
Universal Service Admin. Co. (USAC) E-Rate Program	115,999	-
United States Department of Agriculture	14,500	8,115
Texas Division of Emergency Management	-	526,111
Federal Emergency Management Agency	<u>-</u>	<u>130,917</u>
Total government grant receivables	<u>\$ 141,917,724</u>	<u>\$ 83,298,662</u>

All amounts due from government agencies at June 30, 2021 are expected to be collected in fiscal year 2021-2022.

#### 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>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 311,959,210	\$ 201,246,362
Investments	61,609,497	100,939,554
Government grant and contributions receivables	155,223,393	94,336,705
Accounts receivable	<u>4,968,228</u>	<u>5,810,293</u>
Total financial assets	533,760,328	402,332,914
Less financial assets not available for general expenditure:		
Contractually-obligated financial assets	(64,735,804)	(85,170,389)
Cash restricted for long-term purposes	(35,698,972)	(4,164,696)
Donor-restricted assets not expected to be satisfied in coming year	<u>(297,426,391)</u>	<u>(223,780,140)</u>
Total financial assets available for general expenditure	<u>\$ 135,899,161</u>	<u>\$ 89,217,689</u>

#### NOTE 5 – CONTRIBUTIONS RECEIVABLE

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

	<u>2021</u>	<u>2020</u>
Contributions receivable	\$ 13,560,181	\$ 11,109,473
Allowance	(207,559)	-
Discount at interest rates ranging from 0.17% to 3.07%	<u>(46,953)</u>	<u>(71,430)</u>
Contributions receivable, net	<u>\$ 13,305,669</u>	<u>\$ 11,038,043</u>

Contributions receivable at June 30, 2021 are expected to be collected as follows:

2022	\$ 6,295,240
2023	3,717,210
2024	2,585,430
2025	625,007
2026	<u>337,294</u>
Total	<u>\$ 13,560,181</u>



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

The School has received conditional contributions 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, 2021 and 2020, the amounts of conditional promises to give were \$67,985,670 and \$88,706,115, respectively. Refundable advances are recorded for amounts received in advance from those conditional promises to give, which totaled \$14,209,172 and \$18,694,333 at June 30, 2021 and 2020, respectively.

As of June 30, 2021, the School has received approximately \$98,102,000 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>2021</u>	<u>2020</u>
Land and improvements	\$ 166,346,552	\$ 136,694,238
Buildings and improvements	976,833,567	791,220,558
Furniture and equipment	32,343,709	26,066,353
Vehicles	11,136,533	18,241,384
Construction in progress	<u>263,559,313</u>	<u>249,788,983</u>
Total	1,450,219,674	1,222,011,516
Less accumulated depreciation and amortization	<u>(180,043,541)</u>	<u>(144,293,600)</u>
Property and equipment, net	<u>\$ 1,270,176,133</u>	<u>\$ 1,077,717,916</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. At June 30, 2021 and 2020, these assets totaled approximately \$1,370,352,063 and \$1,187,747,000, respectively.

#### 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, 2021 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
U. S. Treasury securities	\$ 24,592,489	\$ -	\$ -	\$ 24,592,489
Domestic corporate bonds	-	11,515,265	-	11,515,265
Government agency securities	-	<u>501,743</u>	-	<u>501,743</u>
Total investments at fair value	24,592,489	12,017,008	-	36,609,497
Cash and cash equivalents:				
Money market mutual funds	<u>173,495,112</u>	-	-	<u>173,495,112</u>
Total assets at fair value	<u>\$ 198,087,601</u>	<u>\$ 12,017,008</u>	<u>\$ -</u>	<u>\$ 210,104,609</u>

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	-	<u>3,280,005</u>	-	<u>3,280,005</u>
Total investments at fair value	60,522,512	14,636,426	-	75,158,938
Cash and cash equivalents:				
Money market mutual funds	<u>92,826,173</u>	-	-	<u>92,826,173</u>
Total assets at fair value	<u>\$ 153,348,685</u>	<u>\$ 14,636,426</u>	<u>\$ -</u>	<u>\$ 167,985,111</u>

- *U. S. Treasury securities* are valued using prices obtained from active markets and inter-dealer brokers on a daily basis.
- *Government agency securities* and *domestic corporate bonds* 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, 2021 and 2020.

**NOTE 8 – BONDS PAYABLE**

Bonds payable at June 30, 2021 consist of the following:

	OUTSTANDING BALANCE	PREMIUM	ISSUANCE COSTS	TOTAL
Series 2010	\$ 7,555,000	\$ -	\$ (61,808)	\$ 7,493,192
Series 2012	51,370,000	1,455,907	(998,460)	51,827,447
Series 2013	56,910,000	678,722	(1,068,384)	56,520,338
Series 2014	83,065,000	4,067,611	(1,154,891)	85,977,720
Series 2015	65,975,000	3,069,048	(1,025,286)	68,018,762
Series 2016 A	98,690,000	14,590,983	(1,311,904)	111,969,079
Series 2016 B	14,765,000	1,218,227	(410,150)	15,573,077
Series 2017	167,315,000	9,278,505	(2,462,745)	174,130,760
Series 2018	162,805,000	8,492,783	(5,759,604)	165,538,179
Series 2019	214,165,000	22,307,358	(7,821,763)	228,650,595
Series 2021	<u>196,750,000</u>	<u>-</u>	<u>(7,557,239)</u>	<u>189,192,761</u>
Total	1,119,365,000	65,159,144	(29,632,234)	1,154,891,910
Less current portion	<u>19,720,000</u>	<u>-</u>	<u>-</u>	<u>19,720,000</u>
Net long-term bonds payable	<u>\$1,099,645,000</u>	<u>\$ 65,159,144</u>	<u>\$ (29,632,234)</u>	<u>\$ 1,135,171,910</u>

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

	OUTSTANDING BALANCE	PREMIUM	ISSUANCE COSTS	TOTAL
Series 2010	\$ 8,560,000	\$ -	\$ (81,343)	\$ 8,478,657
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>-</u>	<u>-</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>

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

Interest cost, including amortization of debt issuance costs and premium incurred for the years ended June 30, 2021 and 2020, totaled \$35,917,105 and \$34,056,563, respectively, of which \$35,373,054 and \$28,840,076 was expensed and \$544,051 and \$5,216,487 was capitalized for the years ended June 30, 2021 and 2020, respectively. The effective interest rate on the bonds for fiscal year 2021 and fiscal year 2020 was 3.35% and 3.87%, respectively.

The Series 2010 Q bonds tax credit interest subsidy for the years ended June 30, 2021 and 2020, totaled \$391,964 and \$389,676, 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 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 Series 2012 bonds are subject to optional redemption in whole or in part by the School 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 Series 2013 bonds are subject to optional redemption in whole or in part by the School on August 15, 2023.

**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%.

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

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

The Series 2014 bonds are subject to optional redemption in whole or in part by the School 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 Series 2015 bonds are subject to optional redemption in whole or in part by the School 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 Series 2016 A bonds are subject to optional redemption in whole or in part by the School 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 Series 2016 B bonds are subject to optional redemption in whole or in part by the School 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 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 Series 2017 bonds are subject to optional redemption in whole or in part by the School on August 15, 2027.

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

**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 Series 2018 bonds maturing on or after August 15, 2029 are subject to optional redemption in whole or in part by the School 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 Series 2019 bonds maturing on or after August 15, 2030 are subject to optional redemption in whole or in part by the School on August 15, 2029.

**Series 2021 bonds:** In March 2021, the School issued \$196,750,000 of Education Revenue Bonds, Series 2021. Proceeds of the bonds were for construction and future debt service. The Series 2021 bonds mature serially each August 15, starting in 2022 through 2050, with stated interest rates ranging from 0.75% to 2.80%.

The Series 2021 bonds maturing on or after August 15, 2031 are subject to optional redemption in whole or in part by the School on August 15, 2030.

The Series 2014, 2015, 2016 A, 2017, 2018, 2019 and 2021 bonds are guaranteed by TEA under the Permanent School Fund Guarantee program.

All of the bond issuances require the School to maintain a debt reserve fund equal to the maximum annual principal and interest requirements of the respective bond issuance.

**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, 2021 and 2020.

Debt service requirements for bonds payable for the year ended June 30, 2021 are as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TAX CREDIT SUBSIDY</u>	<u>TOTAL</u>
2022	\$ 19,720,000	\$ 42,056,460	\$ (623,288)	\$ 61,153,172
2023	25,040,000	45,329,229	(623,288)	69,745,941
2024	26,140,000	44,240,323	(623,288)	69,757,035
2025	27,370,000	43,011,989	(595,444)	69,786,545
2026	28,715,000	41,669,540	(513,975)	69,870,565
Thereafter	<u>992,380,000</u>	<u>486,530,657</u>	<u>(935,961)</u>	<u>1,477,974,696</u>
Total bonds payable	<u>\$1,119,365,000</u>	<u>\$ 702,838,198</u>	<u>\$ (3,915,244)</u>	<u>\$ 1,818,287,954</u>

## NOTE 9 – NOTES PAYABLE

Notes payable consist of the following:

	<u>2021</u>	<u>2020</u>
A multiple draw term note payable to BBVA USA, in the original amount equal to or less than \$100,000,000 during the draw period; requiring monthly payments of interest on the 14 <sup>th</sup> of each month; beginning December 14, 2020 at monthly LIBOR plus 1.20% (1.35% at June 30, 2021) until maturity on October 14, 2023. 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.	\$ 54,533,604	\$ -
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 at monthly LIBOR plus 1.00% until November 2024 (5.50% at June 30, 2021). This note is secured by a subordinate interest in the corresponding land and School facility.	16,024,277	8,258,279
A multiple draw term note payable to CIT Bank, N.A. in the original amount equal to or less than \$18,960,000 during the draw period; requiring monthly payments of interest on the 10 <sup>th</sup> day of every month beginning October 10, 2020 at the greater of 4.90% per annum or the 4.25% (plus) the 5-Year Treasury Rate (4.90% at June 30, 2021). Principal plus interest shall be due and payable in monthly installments commencing on October 10, 2021. The maturity date is October 31, 2025. This note is secured by a senior and first priority mortgage and Assignment of Rents and Security Agreement and Fixture Filing in favor of Holder, Encumbering certain real property located in Louisiana.	16,803,655	-
A term note payable to Central Bank & Trust Co., in the original amount of \$10,125,000 maturing October 2, 2021. Borrower shall make payments of interest only on this note beginning on May 2, 2021 at a rate of 4.25% per annum. The outstanding principal and all accrued but unpaid interest thereon shall be due on the maturity date. This note is secured by a commercial mortgage and assignment of leases and tent and fixture filing from borrower on certain real property held in Hamilton County, Ohio.	10,125,000	-

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

A multiple draw term note payable to PNC Bank, National Association, in the original amount equal to or less than \$18,530,521 during the draw period; requiring monthly payments of interest on the 1 <sup>st</sup> day of every month; beginning November 1, 2020 at monthly LIBOR plus 3.50% (4.00% at June 30, 2021). Principal plus interest shall be due and payable in monthly installments commencing on April 1, 2022. This note is secured by a subordinate interest in the corresponding land and School facility.	8,960,530	-
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 at monthly LIBOR plus 1.30% until August 15, 2020 (3.70% at June 30, 2021). 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.	8,394,013	59,988,909
A term note payable to Building Hope Finance, in the original amount of \$7,969,479; maturing August 1, 2023; bearing interest at a rate per annum equal to 1.04% paid monthly until the maturity date when the entire amount hereof, principal and accrued interest then remaining unpaid, shall be then due and payable. The note is secured on a subordinate basis by pledged revenues under the Master Indenture of Trust dated as of September 1, 2020.	7,969,479	-
A multiple draw term note payable to Home Bank, N.A., in the original amount equal to or less than \$11,211,655 during the draw period; requiring monthly payments of interest on the 15 <sup>th</sup> day of every month at a rate equal to 4.25%; beginning November 15, 2020. The note is secured by a subordinate interest in the corresponding land and School facility.	1,673,257	-
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 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.	4,829,268	5,414,634



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

A term note payable to BlueHub Loan Fund, Inc., in the original amount of \$4,913,034; maturing October 1, 2025; bearing interest on the outstanding and unpaid principal amount of the note at a rate per annum of 6.00%. All accrued and unpaid interest will be payable on the monthly payment date commencing January 15, 2021 until the conversion date of December 15, 2021. Commencing on the conversion date and thereafter on the 15<sup>th</sup> day of each calendar month up to the maturity date, borrower shall pay to lender the monthly installments of principal plus interest. One final installment of all outstanding principal and unpaid interest shall be due and payable by the maturity date. This note is secured by a multiple indebtedness mortgage, security agreement and pledge of leases and rents for real property recorded with the mortgage records office in the parish of East Baton Rouge, State of Louisiana.

4,563,447 -

A term note payable to BlueHub Loan Fund, Inc., in the original amount of \$4,131,000; maturing April 1, 2026 bearing interest on the outstanding and unpaid principal amount of the note at a rate per annum of 6.00%. This note is secured on a subordinate basis by a commercial mortgage and assignment of leases and tent and fixture filing from borrower on certain real property held in Hamilton County, Ohio.

3,055,376 -

A term note payable to Building Hope Finance, in the original amount of \$8,155,501; maturing March 1, 2028; bearing interest on the outstanding and unpaid principal amount of the note at a rate per annum equal to 1.09% paid monthly until the maturity date when the entire amount hereof, principal and accrued interest then remaining unpaid, shall be then due and payable. This note is secured by pledged revenues under the Master Indenture of Trust dated March 1, 2021.

3,374,261 -

A term note payable to Charter Fund, Inc., in the original amount of \$2,200,000; maturing June 30, 2021; with a \$2,200,000 balloon payment at the end of the term, including interest at 1.00% through June 30, 2021. This note is unsecured and subordinate to all other debt obligations of IPS.

2,200,000 2,200,000

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

A term note payable to BlueHub Loan Fund, Inc., in the original amount of \$2,000,000; maturing April 1, 2026; bearing interest on the outstanding and unpaid principal at a rate per annum equal to 6.00%. All accrued and unpaid interest will be payable monthly commencing November 1, 2020 until October 1, 2021. Commencing on October 1, 2021 and thereafter, borrower shall pay principal plus interest. One final installment of the entire outstanding principal balance and all accrued interest shall be due and payable by the maturity date. This note is secured by a multiple indebtedness mortgage, security agreement and pledge of leases and rents recorded with the Mortgage Records Office in the parish of East Baton Rouge, State of Louisiana, which relates to property located at 1500 North Airway Drive, Baton Rouge, Louisiana.	2,000,000	-
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.	1,202,794	1,383,027
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.	900,000	1,800,000
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 at monthly LIBOR plus 1.40% until August 15, 2023 (3.80% at June 30, 2021). 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.	273,987	10,000,000
A term note payable to Building Hope Finance, in the original amount of \$8,152,777; maturing September 1, 2024 bearing interest on the outstanding and unpaid principal amount of the note at a rate per annum equal to 1.09% paid on each principal payment date until the maturity date when the entire amount hereof, principal and accrued interest then remaining unpaid, shall be then due and payable. This note is secured by pledged revenues and the mortgage.	8,152,777	-

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

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.

131,043 433,208

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

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

Total	155,166,768	101,717,932
Less current portion	(12,026,179)	(64,469,776)
Less debt issuance costs	<u>(1,785,270)</u>	<u>(798,065)</u>
Total notes payable – long-term	<u>\$ 141,355,319</u>	<u>\$ 36,450,091</u>

The future minimum payments for notes payable as of June 30, 2021 are as follows:

2022	\$ 12,026,179
2023	55,065,197
2024	18,623,975
2025	24,981,561
2026	39,035,688
Thereafter	<u>5,434,168</u>
Total	<u>\$ 155,166,768</u>

Interest cost incurred for the years ended June 30, 2021 and 2020 totaled \$3,257,529 and \$2,433,445, respectively, of which \$1,997,603 and \$2,022,977 was expensed and \$1,259,926 and \$410,468 was capitalized for the years ended June 30, 2021 and 2020, respectively.

## NOTE 10 – LEASES UNDER TOPIC 842

The School has 372 operating leases for office space and storage facilities, laptops, copiers, musical instruments, water dispensers, postage meters, and GPS trackers. The School has 20 finance leases for buildings and portable buildings, gym flooring, and vehicles.

The School evaluated its lease portfolio and did not identify any residual value guarantees related to its leases. Additionally, the School determined that it would not exercise the renewal options on copier leases. The office and storage facility leases contain renewal options which were evaluated individually in regard to the likelihood of renewal.

The following table shows the components of lease cost for the year ended June 30, 2021:

Finance lease cost:	
Amortization of right-of-use assets	\$ 1,753,203
Interest on lease liabilities	340,583
Operating lease cost	8,907,138
Short-term lease cost	140,904
Variable lease cost	1,951,589
Sublease income	<u>(664,543)</u>
Total lease cost	<u>\$ 12,428,874</u>

Other information for leases:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for finance leases	\$340,583
Operating cash flows for operating leases	\$8,876,689
Financing cash flows for finance leases	\$2,070,137

The following table provides the weighted-average term and discount rates for both operating and finance leases outstanding as of June 30, 2021:

	<u>OPERATING</u>	<u>FINANCE</u>
Weighted-average remaining lease term	1.52 years	4.29 years
Weighted average discount rate	1.68%	3.38%

Reconciliation of the undiscounted cash flows related to operating and finance leases to the discounted amount reported on the statement of financial position as of June 30, 2021:

<u>UNDISCOUNTED CASH FLOWS DUE</u>	<u>FINANCE</u>	<u>OPERATING</u>
2022	\$ 2,074,381	\$ 8,173,544
2023	2,061,767	6,351,420
2024	1,878,253	2,942,626
2025	1,860,929	135,401
2026	1,336,208	32,850
Thereafter	<u>1,238,980</u>	<u>-</u>
Total undiscounted cash flows	10,450,518	17,635,841
Less present value discount	<u>(847,731)</u>	<u>(331,189)</u>
Total present value of lease liabilities	<u>\$ 9,602,787</u>	<u>\$ 17,304,652</u>

## NOTE 11 – CAPITAL AND OPERATING LEASES BEFORE ADOPTION OF NEW ACCOUNTING PRINCIPLE

Capital leases payable at June 30, 2020 consist of the following prior to adoption of Topic 842:

### *Buildings:*

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

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

### *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

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

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

**NOTE 11 – CAPITAL AND OPERATING LEASES BEFORE ADOPTION OF NEW ACCOUNTING PRINCIPLE**  
**(continued)**

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
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>
Total capital leases payable	15,441,154
Less current portion	<u>(2,558,754)</u>
Capital leases payable – long term	<u>\$ 12,882,400</u>

Interest expense for the year ended June 30, 2020 totaled \$790,273.

Rent expense for operating leases for the year ended June 30, 2020 totaled \$6,935,322. Rent revenue for operating leases for the year ended June 30, 2020 totaled \$2,833,901.

## NOTE 12 – NET ASSETS WITHOUT DONOR RESTRICTIONS

At June 30, 2021, the School had a deficit in net assets without donor restrictions. The deficit is the result of excess expenses over revenues from unrestricted operating sources and earning lower than anticipated revenues in IPS. The School anticipates reducing the overall deficit in fiscal year 2021-2022.

In accordance with the School’s net asset policy, the Board of Directors may designate surplus of net assets for a specific purpose, generally for capital campaigns, future programs, long-term investment contingencies, real property acquisitions, construction services or other uses. Expenditures of board-designated funds must be in accordance with the adopted budget or approval of the Finance Committee.

## NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Foundation School Program – charter school activities	\$ 250,509,565	\$ 188,073,584
Child Nutrition Program	32,139,262	23,709,634
Permian Basin Region	15,823,320	11,133,568
Fort Worth Region	7,525,534	6,034,939
Houston Region	4,349,681	7,947,530
El Paso Region	3,884,525	33,313
Campus Activity Funds	2,580,795	2,453,318
Austin Region	2,242,998	1,600,061
Area of Greatest Need	1,256,355	1,094,628
Expansion	1,004,273	970,415
San Antonio Region	717,315	695,866
Rio Grande Valley	573,801	-
Cameron County	459,298	-
Healthy Kids Here	429,775	536,217
Camp Rio	420,333	197,517
College Matriculation	422,255	634,153
Coastal Bend Region	99,904	-
Carver Campus	87,428	323,741
Summer Meals Program	50,000	-
Advocacy Program	43,865	-
Additional Days of School	36,851	-
Texas Winter Storm	29,983	-
Farm to School Learning Hub	9,096	-
Autism Awareness	1,408	1,408
Najim Campus	870	865
Growing Emotional Support	-	487,600
Meals on Wheels	-	30,000
Teacher Fellow Program	-	25,000
Total net assets with donor restrictions and subject to expenditure for specified purpose	<u>\$ 324,698,490</u>	<u>\$ 245,983,357</u>

**NOTE 14 – GOVERNMENT GRANTS**

Government grants include the following:

	<u>2021</u>	<u>2020</u>
Federal grants:		
U. S. Department of Agriculture	\$ 58,694,648	\$ 49,247,820
U. S. Department of Education	63,622,707	47,232,227
Title XIX-School Health and Related Services	<u>4,175,821</u>	<u>5,016,938</u>
Total federal grants	<u>\$ 126,493,176</u>	<u>\$ 101,496,985</u>

Substantially all of the School’s state grants are from the TEA in fiscal years 2021 and 2020.

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 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS**

Performance obligations from contracts with customers is satisfied over time, other than food service fees, which are satisfied at a point in time. Revenue recognized 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>2021</u>	<u>2020</u>
Performance obligations satisfied over time:		
Employee leasing	\$ 23,201,195	\$ 15,099,752
Management and shared services fees	11,495,506	2,053,457
Academic support fees	365,340	828,171
Other	<u>74,875</u>	<u>178,027</u>
Total	35,136,916	18,159,407
Performance obligations satisfied at a point in time –		
Food service fees	<u>28,082</u>	<u>201,022</u>
Total revenue from contracts with customers	<u>\$ 35,164,998</u>	<u>\$ 18,360,429</u>



#### **NOTE 15 – 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. 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 16 – 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 2021 and 2020. The School contributes 7.5% for new members the first 90 days of employment, and the State of Texas contributes 7.5%. 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 2021 and 2020, the School contributed approximately \$19,357,000 and \$15,446,000, respectively, to TRS. There have been no significant changes that affected the comparability of the 2021 and 2020 contributions.

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, 2020 and 2019 were \$184.4 billion and \$181.8 billion, respectively. Accumulated benefit obligations as of August 31, 2020 and 2019 were \$218.9 billion and \$209.9 billion, respectively. The plan was 75.5% funded at August 31, 2020 and 76.4% funded at August 31, 2019.

**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, 2021 and 2020.

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 \$995,268 and \$613,077 for the years ended June 30, 2021 and 2020, respectively.

#### **NOTE 17 – COMMITMENTS AND CONTINGENCIES**

At June 30, 2021, the School had outstanding construction commitments related to the construction of School facilities. The School has paid \$186,795,722 on contracts totaling \$249,364,252 as of June 30, 2021, leaving total remaining commitments of \$64,735,804.

**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>2021</u>	<u>2020</u>
Payments	\$2,119,911	\$766,064
Accounts payable	\$12,681	\$614

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## IDEA Public Schools, Inc.

Consolidating Statement of Financial Position as of June 30, 2021

	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	\$ 204,703,607	\$ 981,426	\$ -	\$ 205,685,033	\$ 9,336,060	\$ -	\$ 215,021,093
Cash and cash equivalents – held in trust	61,153,173	-	-	61,153,173	85,972	-	61,239,145
Government grant receivables	141,441,074	-	-	141,441,074	476,650	-	141,917,724
Contributions receivable, net	6,265,240	30,000	-	6,295,240	-	-	6,295,240
Accounts receivable	2,282,416	27,138	(226,583)	2,082,971	4,822,468	(1,937,211)	4,968,228
Investments – operating	60,593,266	-	-	60,593,266	-	-	60,593,266
Prepaid expenses	2,247,133	-	-	2,247,133	1,340,694	-	3,587,827
Other current assets	<u>680,374</u>	<u>-</u>	<u>-</u>	<u>680,374</u>	<u>43,300</u>	<u>-</u>	<u>723,674</u>
Total current assets	<u>479,366,283</u>	<u>1,038,564</u>	<u>(226,583)</u>	<u>480,178,264</u>	<u>16,105,144</u>	<u>(1,937,211)</u>	<u>494,346,197</u>
<b>Fixed assets:</b>							
ROU Asset – operating leases	16,837,719	421,199	-	17,258,918	10,184	-	17,269,102
ROU Asset – finance leases, net	7,488,895	16,588	-	7,505,483	1,203,663	-	8,709,146
Property and equipment, net	<u>1,176,097,189</u>	<u>886,807</u>	<u>-</u>	<u>1,176,983,996</u>	<u>93,192,137</u>	<u>-</u>	<u>1,270,176,133</u>
Total fixed assets	<u>1,200,423,803</u>	<u>1,324,594</u>	<u>-</u>	<u>1,201,748,397</u>	<u>94,405,984</u>	<u>-</u>	<u>1,296,154,381</u>
<b>Other noncurrent assets:</b>							
Cash and cash equivalents – held in trust	35,698,972	-	-	35,698,972	-	-	35,698,972
Contributions receivable, net	6,838,104	172,325	-	7,010,429	-	-	7,010,429
Investments – held in trust	<u>1,016,231</u>	<u>-</u>	<u>-</u>	<u>1,016,231</u>	<u>-</u>	<u>-</u>	<u>1,016,231</u>
Total other noncurrent assets	<u>43,553,307</u>	<u>172,325</u>	<u>-</u>	<u>43,725,632</u>	<u>-</u>	<u>-</u>	<u>43,725,632</u>
<b>TOTAL ASSETS</b>	<u>\$1,723,343,393</u>	<u>\$ 2,535,483</u>	<u>\$ (226,583)</u>	<u>\$1,725,652,293</u>	<u>\$ 110,511,128</u>	<u>\$ (1,937,211)</u>	<u>\$1,834,226,210</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidating Statement of Financial Position as of June 30, 2021

(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	\$ 37,507,267	\$ 142,972	\$ -	\$ 37,650,239	\$ 12,346,156	\$ -	\$ 49,996,395
Accrued wages, benefits, and taxes	61,193,794	533,836	-	61,727,630	2,379,543	-	64,107,173
Accrued interest payable	17,840,759	11	-	17,840,770	1,215,540	-	19,056,310
Accrued expenses	19,363,236	49,790	-	19,413,026	2,242,727	-	21,655,753
Refundable advances	14,209,172	-	-	14,209,172	-	-	14,209,172
Other liabilities	164,806	201,445	(226,583)	139,668	9,117,810	(1,937,211)	7,320,267
Bonds payable – current portion	19,720,000	-	-	19,720,000	-	-	19,720,000
Notes payable – current portion	9,826,179	-	-	9,826,179	2,200,000	-	12,026,179
Operating leases payable – current portion	7,773,931	175,866	-	7,949,797	6,737	-	7,956,534
Finance leases payable – current portion	1,551,485	4,494	-	1,555,979	237,516	-	1,793,495
Total current liabilities	<u>189,150,629</u>	<u>1,108,414</u>	<u>(226,583)</u>	<u>190,032,460</u>	<u>29,746,029</u>	<u>(1,937,211)</u>	<u>217,841,278</u>
<b>Long-term liabilities:</b>							
Bonds payable, net	1,135,171,910	-	-	1,135,171,910	-	-	1,135,171,910
Notes payable	59,265,303	2,794	-	59,268,097	82,086,592	-	141,354,689
Operating leases payable	9,099,538	245,134	-	9,344,672	3,446	-	9,348,118
Finance leases payable	6,725,353	14,256	-	6,739,609	1,069,683	-	7,809,292
Total long-term liabilities	<u>1,210,262,104</u>	<u>262,184</u>	<u>-</u>	<u>1,210,524,288</u>	<u>83,159,721</u>	<u>-</u>	<u>1,293,684,009</u>
<b>Net assets:</b>							
Without donor restrictions	367,959	54,863	-	422,822	(2,420,389)	-	(1,997,567)
With donor restrictions	323,562,701	1,110,022	-	324,672,723	25,767	-	324,698,490
Total net assets	<u>323,930,660</u>	<u>1,164,885</u>	<u>-</u>	<u>325,095,545</u>	<u>(2,394,622)</u>	<u>-</u>	<u>322,700,923</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$1,723,343,393</u>	<u>\$ 2,535,483</u>	<u>\$ (226,583)</u>	<u>\$1,725,652,293</u>	<u>\$ 110,511,128</u>	<u>\$ (1,937,211)</u>	<u>\$1,834,226,210</u>

## IDEA Public Schools, Inc.

Consolidating Statement of Activities for the year ended June 30, 2021

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	IPS ENTERPRISES, INC.	TOTAL
<b>REVENUE AND OTHER SUPPORT:</b>				
Local support:				
Grants	\$ 27,012,372	\$ 783,286	\$ 198,221	\$ 27,993,879
Grant reversion	(4,933,059)	-	-	(4,933,059)
Contributions	1,549,766	2,529	450,723	2,003,018
Management fees	-	7,485,688	25,737,033	33,222,721
Net investment return	1,469,270	-	3	1,469,273
Other revenue	<u>5,475,106</u>	<u>52,804</u>	<u>2,642,678</u>	<u>8,170,588</u>
Total local support	<u>30,573,455</u>	<u>8,324,307</u>	<u>29,028,658</u>	<u>67,926,420</u>
State program revenue:				
Foundation School Program	653,738,802	-	-	653,738,802
Other state aid	<u>2,490,216</u>	-	-	<u>2,490,216</u>
Total state program revenue	<u>656,229,018</u>	-	-	<u>656,229,018</u>
Federal program revenue:				
ESEA Title I – Part A	18,949,137	-	-	18,949,137
ESEA Title II – Part A Teacher/ Principal Training	2,110,132	-	-	2,110,132
ESEA Title III – Part A Language Acquisition	1,522,503	-	-	1,522,503
IDEA B Formula – Special Education	6,406,239	-	-	6,406,239
IDEA B Preschool – Special Education	1,611	-	-	1,611
ESEA Title V – Part B Charter Schools	20,960,243	213,970	-	21,174,213
Teacher Incentive Fund	658,647	-	-	658,647
Lone Star STEM Cycle 2 Year 1	25,140	-	-	25,140
Instructional Continuity	9,085	-	-	9,085
Twenty-First Century Community Learning Centers	2,454,309	-	-	2,454,309
Education Innovation and Research	380,393	-	515,551	895,944
Corona Relief Fund	100,855	(452)	-	100,403
Elementary and Secondary School Emergency Relief Fund	4,967,612	-	-	4,967,612
Child Nutrition	58,678,796	-	-	58,678,796
Food and Nutrition Service	15,852	-	-	15,852
IDEA Comprehensive Health Professions	4,347,732	-	-	4,347,732
SSA, Title XIX – School Health and Related Services	<u>4,175,821</u>	-	-	<u>4,175,821</u>
Total federal program revenue	<u>125,764,107</u>	<u>213,518</u>	<u>515,551</u>	<u>126,493,176</u>
Total revenue and other support	<u>812,566,580</u>	<u>8,537,825</u>	<u>29,544,209</u>	<u>850,648,614</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidating Statement of Activities for the year ended June 30, 2021

(continued)

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	IPS ENTERPRISES, INC.	TOTAL
EXPENSES:				
Program services:				
Instructional and instructional – related services	\$ 361,360,140	\$ 5,022,469	\$ 7,837,897	\$ 374,220,506
Instructional and school leadership	97,231,413	1,673,760	8,606,602	107,511,775
Support services – student (pupil)	123,532,963	249,370	4,598,930	128,381,263
Support services – nonstudent based	78,220,278	607,589	1,245,524	80,073,391
Ancillary services	<u>728,216</u>	<u>10,009</u>	<u>-</u>	<u>738,225</u>
Total program services	<u>661,073,010</u>	<u>7,563,197</u>	<u>22,288,953</u>	<u>690,925,160</u>
Support services:				
Administrative support services	44,917,688	18,018	6,840,586	51,776,292
Support services – nonstudent based	24,879,274	10,902	38,771	24,928,947
Fundraising	<u>4,039,296</u>	<u>755</u>	<u>465,565</u>	<u>4,505,616</u>
Total support services	<u>73,836,258</u>	<u>29,675</u>	<u>7,344,922</u>	<u>81,210,855</u>
Total expenses	<u>734,909,268</u>	<u>7,592,872</u>	<u>29,633,875</u>	<u>772,136,015</u>
Gain on disposal of assets	912,040	802	432,607	1,345,449
Realized gain on investments	35,452	-	-	35,452
Unrealized loss on investments	<u>(843,276)</u>	<u>-</u>	<u>-</u>	<u>(843,276)</u>
CHANGE IN NET ASSETS	77,761,528	945,755	342,941	79,050,224
Net assets, beginning of year, as originally reported	245,429,450	237,940	(1,110,797)	244,556,593
Prior period adjustment due to change in accounting principle	<u>739,682</u>	<u>(18,810)</u>	<u>(1,626,766)</u>	<u>(905,894)</u>
Net assets, beginning of year, as restated	<u>246,169,132</u>	<u>219,130</u>	<u>(2,737,563)</u>	<u>243,650,699</u>
Net assets, end of year	<u>\$ 323,930,660</u>	<u>\$ 1,164,885</u>	<u>\$ (2,394,622)</u>	<u>\$ 322,700,923</u>

## IDEA Public Schools, Inc.

### Consolidating Statement of Cash Flows for the year ended June 30, 2021

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	IPS ENTERPRISES INC.	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Change in net assets	\$ 77,761,528	\$ 945,755	\$ 342,941	\$ 79,050,224
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation and amortization	41,861,826	69,025	1,160,242	43,091,093
Amortization of premium and debt issuance costs	(5,722,122)	-	300,300	(5,421,822)
Allowance for doubtful accounts	916,612	-	-	916,612
Unrealized loss on investments	800,566	-	-	800,566
Gain on disposal of property and equipment	(912,041)	(803)	(432,607)	(1,345,451)
Changes in current assets and liabilities:				
Government grant receivables	(59,261,997)	641,482	1,453	(58,619,062)
Contributions receivable	(2,065,301)	(202,325)	-	(2,267,626)
Accounts receivable	584,480	270,675	1,201,189	2,056,344
Prepaid expenses	(1,162,746)	-	(1,289,683)	(2,452,429)
Other current assets	442,794	-	41,978	484,772
Accounts payable	(1,072,682)	141,903	11,190,975	10,260,196
Accrued wages, benefits, and taxes	17,797,780	484,202	1,065,751	19,347,733
Accrued interest payable	12,724	(222)	906,406	918,908
Accrued expenses	9,417,054	41,361	1,836,700	11,295,115
Refundable advances	(4,485,161)	-	-	(4,485,161)
Other liabilities	(635,494)	(855,384)	4,855,268	3,364,390
Net cash provided by operating activities	<u>74,277,820</u>	<u>1,535,669</u>	<u>21,180,913</u>	<u>96,994,402</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Construction and purchase of property and equipment	(182,035,535)	(555,487)	(70,748,434)	(253,339,456)
Proceeds from disposal of property and equipment	4,007,407	21,366	7,364,633	11,393,406
Purchase of certificates of deposit	(47,375,562)	-	-	(47,375,562)
Proceeds from maturity of certificates of deposit	48,156,178	-	-	48,156,178
Purchases of investments	(34,644,579)	-	-	(34,644,579)
Proceeds from sale of investments	72,393,454	-	-	72,393,454
Investment in notes receivable from graduates	(916,612)	-	-	(916,612)
Net cash used by investing activities	<u>(140,415,249)</u>	<u>(534,121)</u>	<u>(63,383,801)</u>	<u>(204,333,171)</u>

(continued)

**IDEA Public Schools, Inc.**

Consolidating Statement of Cash Flows for the year ended June 30, 2021

(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	\$ 326,092,700	\$ 2,794	\$ 75,808,532	\$ 401,904,026
Debt issuance costs	(7,695,458)	-	(990,848)	(8,686,306)
Principal payments on long-term debt	(149,519,430)	-	(14,939,875)	(164,459,305)
Payments on finance leases	<u>(1,289,301)</u>	<u>(22,916)</u>	<u>(9,394,582)</u>	<u>(10,706,799)</u>
Net cash provided by financing activities	<u>167,588,511</u>	<u>(20,122)</u>	<u>50,483,227</u>	<u>218,051,616</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>101,451,082</b>	<b>981,426</b>	<b>8,280,339</b>	<b>110,712,847</b>
Cash and cash equivalents, beginning of year	<u>200,104,670</u>	<u>-</u>	<u>1,141,693</u>	<u>201,246,363</u>
Cash and cash equivalents, end of year	<u>\$ 301,555,752</u>	<u>\$ 981,426</u>	<u>\$ 9,422,032</u>	<u>\$ 311,959,210</u>
<i>Reconciliation of cash and cash equivalents:</i>				
Cash and cash equivalents	\$ 204,703,607	\$ 981,426	\$ 9,336,060	\$ 215,021,093
Cash and cash equivalents – held in trust	61,153,173	-	85,972	61,239,145
Cash and cash equivalents – noncurrent – held in trust	<u>35,698,972</u>	<u>-</u>	<u>-</u>	<u>35,698,972</u>
Total cash and cash equivalents	<u>\$ 301,755,752</u>	<u>\$ 981,426</u>	<u>\$ 9,422,032</u>	<u>\$ 311,959,210</u>
<i>Supplemental disclosure of cash flow information:</i>				
Cash paid for interest	\$43,604,358	\$309	\$1,564,599	\$45,169,266
Finance lease obligations	\$2,967,837		\$378,751	\$3,346,588
Operating lease obligations	\$15,133,831	\$500,279		\$15,634,110



**IDEA Public Schools, Inc.**

Schedule of Activities for Individual Charter School for the years ended June 30, 2021 and 2020

	WITHOUT DONOR <u>RESTRICTIONS</u>	WITH DONOR <u>RESTRICTIONS</u>	2021 <u>TOTAL</u>	2020 <u>TOTAL</u>
<b>REVENUE AND OTHER SUPPORT:</b>				
Local support:				
5730 Tuition and fees	\$ -	\$ 2,820	\$ 2,820	\$ 72,835
5740 Other revenue from local sources	1,484,796	29,057,157	30,541,953	53,212,542
5750 Other revenue from other activities	<u>-</u>	<u>28,682</u>	<u>28,682</u>	<u>446,022</u>
Total local support	<u>1,484,796</u>	<u>29,088,659</u>	<u>30,573,455</u>	<u>53,731,399</u>
State program revenue:				
5810 Foundation School Program Act revenue	-	653,738,802	653,738,802	493,793,798
5820 State program revenue distributed by the Texas Education Agency	-	2,027,140	2,027,140	4,772,441
5830 State revenues – other agencies	<u>-</u>	<u>463,076</u>	<u>463,076</u>	<u>29,887</u>
Total state program revenue	<u>-</u>	<u>656,229,018</u>	<u>656,229,018</u>	<u>498,596,126</u>
Federal program revenue:				
5920 Federal revenue distributed by the Texas Education Agency	-	95,261,542	95,261,542	77,421,060
5930 Federal revenue distributed by other State of Texas government agencies	-	4,175,821	4,175,821	5,016,939
5940 Federal revenue distributed directly from the federal government	<u>-</u>	<u>26,326,744</u>	<u>26,326,744</u>	<u>17,874,566</u>
Total federal program revenue	<u>-</u>	<u>125,764,107</u>	<u>125,764,107</u>	<u>100,312,565</u>
Net assets released for purpose restrictions	<u>734,048,528</u>	<u>(734,048,528)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>735,533,324</u>	<u>77,033,256</u>	<u>812,566,580</u>	<u>652,640,090</u>

(continued)

## IDEA Public Schools, Inc.

### Schedule of Activities for Individual Charter School for the years ended June 30, 2021 and 2020 *(continued)*

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2021 TOTAL	2020 TOTAL
<b>EXPENSES:</b>				
11 Instruction	\$ 317,046,553	\$ -	\$ 317,046,553	\$ 251,556,227
12 Instructional resources and media services	2,881,299	-	2,881,299	2,990,082
13 Curriculum and instructional staff development	6,485,846	-	6,485,846	3,401,125
21 Instructional leadership	21,074,964	-	21,074,964	23,005,836
23 School leadership	76,156,449	-	76,156,449	64,530,663
31 Guidance, counseling and evaluation services	26,230,059	-	26,230,059	20,757,467
32 Social work services	1,105,048	-	1,105,048	785,585
33 Health services	13,218,610	-	13,218,610	2,827,588
34 Student (pupil) transportation	22,762,012	-	22,762,012	20,974,270
35 Food services	56,379,299	-	56,379,299	48,483,670
36 Cocurricular/extracurricular activities	3,837,932	-	3,837,932	5,755,169
41 General administration	42,759,366	-	42,759,366	35,792,690
51 Plant maintenance and operations	78,086,479	-	78,086,479	62,455,263
52 Security and monitoring services	2,014,584	-	2,014,584	3,871,562
53 Data processing services	22,998,490	-	22,998,490	14,357,249
61 Community services	728,216	-	728,216	538,245
71 Debt service	37,104,768	-	37,104,768	30,618,584
81 Fundraising	4,039,294	-	4,039,294	4,262,331
Total expenses	<u>734,909,268</u>	<u>-</u>	<u>734,909,268</u>	<u>596,963,606</u>
Gain on disposal of assets	-	912,040	912,040	27,597
Realized gain on investments	-	35,452	35,452	442,916
Unrealized gain (loss) on investments	-	(843,276)	(843,276)	298,983
CHANGE IN NET ASSETS	624,056	77,137,472	77,761,528	56,445,980
Net assets, beginning of year, as originally reported	(256,097)	245,685,547	245,429,450	188,983,470
Prior period adjustment due to change in accounting principle	-	739,682	739,682	-
Net assets, beginning of year, as restated	<u>(256,097)</u>	<u>246,425,229</u>	<u>246,169,132</u>	<u>188,983,470</u>
Net assets, end of year	<u>\$ 367,959</u>	<u>\$ 323,562,701</u>	<u>\$ 323,930,660</u>	<u>\$ 245,429,450</u>

**IDEA Public Schools, Inc.**

Schedule of Expenses for Individual Charter School for the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Expenses:		
6100 Payroll costs	\$ 459,813,852	\$ 384,723,750
6200 Professional and contracted services	85,455,197	69,016,828
6300 Supplies and materials	101,053,030	60,543,757
6400 Other operating costs	51,482,421	52,152,709
6500 Debt	<u>37,104,768</u>	<u>30,526,562</u>
Total expenses	<u>\$ 734,909,268</u>	<u>\$ 596,963,606</u>

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**IDEA Public Schools, Inc.**

Schedule of Capital Assets for Individual Charter School for the year ended June 30, 2021

<u>ASSET CLASSIFICATION</u>	<u>OWNERSHIP INTEREST</u>		
	<u>LOCAL</u>	<u>STATE</u>	<u>FEDERAL</u>
Property and equipment:			
1510 Land and improvements	\$ 8,800	\$ 153,464,490	\$ 18,900
1520 Building and improvements	21,517	963,686,220	32,929
1531 Vehicles	113,970	10,789,163	123,342
1539 Furniture and equipment	20,710	18,925,974	13,150,682
Finance leases:			
1551 Building	-	1,818,092	-
1558 Vehicles	-	7,090,105	-
1559 Equipment	-	139,565	-
1580 Construction in progress	<u>15,237</u>	<u>194,262,212</u>	<u>-</u>
Total	<u>\$ 180,234</u>	<u>\$ 1,350,175,821</u>	<u>\$ 13,325,853</u>

**IDEA Public Schools, Inc.**

Budgetary Comparison Schedule for Individual Charter School for the year ended June 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUE:</b>				
Local support:				
5730 Tuition and fees	\$ -	\$ 2,810	\$ 2,820	\$ 10
5740 Other revenue from local sources	38,637,556	33,967,889	30,541,953	(3,425,936)
5750 Other revenue from other activities	<u>330,975</u>	<u>28,556</u>	<u>28,682</u>	<u>126</u>
Total local support	<u>38,968,531</u>	<u>33,999,255</u>	<u>30,573,455</u>	<u>(3,425,800)</u>
State program revenue:				
5810 Foundation School Program Act revenue	583,337,607	665,082,446	653,738,802	(11,343,644)
5820 State program revenue distributed by the Texas Education Agency	4,815,292	2,289,830	2,027,140	(262,690)
5830 State revenues – other agencies	<u>-</u>	<u>463,056</u>	<u>463,076</u>	<u>20</u>
Total state program revenue	<u>588,152,899</u>	<u>667,835,332</u>	<u>656,229,018</u>	<u>(11,606,314)</u>
Federal program revenue:				
5920 Federal revenue distributed by the Texas Education Agency	98,157,374	91,404,723	95,261,542	3,856,819
5930 Federal revenue distributed by other State of Texas government agencies	2,500,000	4,175,000	4,175,821	821
5940 Federal revenue distributed directly from the federal government	<u>43,970,292</u>	<u>28,133,126</u>	<u>26,326,744</u>	<u>(1,806,382)</u>
Total federal program revenue	<u>144,627,666</u>	<u>123,712,849</u>	<u>125,764,107</u>	<u>2,051,258</u>
Total revenue	<u>771,749,096</u>	<u>825,547,436</u>	<u>812,566,580</u>	<u>(12,980,856)</u>

(continued)

**IDEA Public Schools, Inc.**

Budgetary Comparison Schedule for Individual Charter School for the year ended June 30, 2021(continued)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENSES:				
11 Instruction	\$ 290,414,264	\$ 318,888,503	\$ 317,046,553	\$ 1,841,950
12 Instructional resources and media services	5,172,994	3,123,478	2,881,299	242,179
13 Curriculum and instructional staff development	6,668,925	6,747,703	6,485,846	261,857
21 Instructional leadership	37,468,849	23,120,961	21,074,964	2,045,997
23 School leadership	72,356,911	78,739,393	76,156,449	2,582,944
31 Guidance, counseling and evaluation services	27,139,514	27,658,341	26,230,059	1,428,282
32 Social work services	1,015,054	1,206,734	1,105,048	101,686
33 Health services	5,795,551	12,191,577	13,218,610	(1,027,033)
34 Student (pupil) transportation	22,371,883	24,975,497	22,762,012	2,213,485
35 Food services	59,989,192	61,898,886	56,379,299	5,519,587
36 Cocurricular/extracurricular activities	5,252,251	4,132,010	3,837,932	294,078
41 General administration	36,944,042	46,668,899	42,759,366	3,909,533
51 Plant maintenance and operations	73,544,992	81,409,297	78,086,479	3,322,818
52 Security and monitoring services	1,948,545	2,128,525	2,014,584	113,941
53 Data processing services	25,513,748	28,136,790	22,998,490	5,138,300
61 Community services	952,260	721,869	728,216	(6,347)
71 Debt service	39,627,134	37,258,043	37,104,768	153,275
81 Fundraising	<u>4,292,086</u>	<u>4,423,648</u>	<u>4,039,294</u>	<u>384,354</u>
Total expenses	<u>716,468,195</u>	<u>763,430,154</u>	<u>734,909,268</u>	<u>28,520,886</u>
Gain on disposal of assets	-	-	912,040	912,040
Realized and unrealized loss on investments	-	-	<u>(807,824)</u>	<u>(807,824)</u>
CHANGE IN NET ASSETS	<u>\$ 55,280,901</u>	<u>\$ 62,117,282</u>	77,761,528	15,644,246
Net assets, beginning of year, restated			<u>246,169,132</u>	-
Net assets, end of year			<u>\$ 323,930,660</u>	<u>\$ -</u>

## IDEA Public Schools, Inc.

### Schedule of Real Property Ownership Interest for the year ended June 30, 2021

<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 Block A Lot 1 Albright, Alexander F Survey	1900 Thomas Rd., Haltom City, TX 76117	\$ 15,544,346	\$	\$ 15,544,346	\$
Abstract 1849 Tract 3	1000 N. Old Decatur Rd., Saginaw, TX 76179	420,530		420,530	
Seminary Twin Drive-in Theatre Lot 1R	2935 E. Seminary Dr., Fort Worth, TX 76119	2,194,044		2,194,044	
IPS Addition Block 4 Lot 1	3000 Cherry Lane, Fort Worth, TX 76116	708,471		708,471	
Anderson, J R Addition Block 1 Lot 1	1640 Altamesa Blvd., Fort Worth, TX 76134	835,971		835,971	
Emilia Subdivision Blk 23, 0.643 Acre out of 1.659 Acres	205 Railroad St., Brownsville, TX 78520	9,259		9,259	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 1.190	36298 Chachalaca Bend, Los Fresnos, TX 78566	244,143		244,143	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 0.6860 Acres	36270 Chachalaca Bend, Los Fresnos, TX 78566	55,871		55,871	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 0.984 Acres	36298 Chachalaca Bend, Los Fresnos, TX 78566	23,468		23,468	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 3.380 Acres	36298 Chachalaca Bend, Los Fresnos, TX 78566	343,111		343,111	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 8.070 Acres Resaca Pt	36298 Chachalaca Bend, Los Fresnos, TX 78566	46,593		46,593	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) N 4.5050 Acres	36298 Chachalaca Bend, Los Fresnos, TX 78566	133,247		133,247	
Lot 34 Blk 6 Citrus Gardens Subdivision 1 (Vol 8 pg 5) 2.50 Acres	36298 Chachalaca Bend, Los Fresnos, TX 78566	155,290		155,290	
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	53,490		53,490	

(continued)

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2021

*(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, 2021

*(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 TRS 2B & 2J Abst 1515 WCRR CO Sec 6 Blk 4	1930 Little York Rd., Houston, TX 77093	0		0	
TR 3H & TRS 6 THRU 15 ABST 68 E Shipman	2010 Spears Rd., Houston, TX 77067	9,208,822		9,208,822	
TR 16 68 E Shipman	5627 S. Lake Houston Pky., Houston, TX 77049	1,944,520		1,944,520	
TR 17 & 18 Abst 68 E Shipman	5627 S. Lake Houston Pky., Houston, TX 77049	140,000		140,000	
Lot 1-2 Bluestein PARK PHS 1	5627 S. Lake Houston Pky., Houston, TX 77049	510,888		510,888	
Lot 1 K/N Subdivision	5816 Wilcab Rd., Austin, TX 78721	27,614,543		27,614,543	
Abs A0397 Hunt M, 4. Acres	9504 N. IH. Hwy. 35, San Antonio, TX 78753	9,060,556		9,060,556	
Abs 397 Survey 88 Hunt M, Acres 9.050	1438 E. Yager Lane, Austin, TX 78753	1,086,834		1,086,834	
IDEA Pflugerville	1438 E. Yager Lane, Austin, TX 78753	1,971,090		1,971,090	
Lot 4 Bluestein Park PHS 1	1901 Wells Branch Pky., Pflugerville, TX 78660	3,670,859		3,670,859	
	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, 2021

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

*(continued)*

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2021

*(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	384,195		384,195	
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, 2021

*(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 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, 2021

*(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 CB 5065 P-1B (2.99 Acres) & P-2 (8.194 Acres) ABS 971	6445 Walzem Rd., San Antonio, TX 78239	486,650		486,650	
CB 5065 P-1E & 2B ABS 971	5160 Martinez Convers, Converse, TX 78109	397,120		397,120	
NCB 9483 Blk Lot 90	5180 Martinez Convers, Converse, TX 78109	96,360		96,360	
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)	6911 S. Flores St., San Antonio, TX 78221	107,670		107,670	
NCB 14165 Blk 7 Lot 4	7011 San Pedro Ave., San Antonio, TX 78216	1,367,780		1,367,780	
NCB 14165 Blk 7 Lot 5 GIS 2.713 Acres	2825 Majestic Dr., San Antonio, TX 78228	16,470		16,470	
NCB 15858 Blk 15 Lot 1	2814 Majestic Dr., San Antonio, TX 78228	172,540		172,540	
NCB 11186 Blk 1 Lot 17	3100 Majestic Dr., San Antonio, TX 78228	187,470		187,470	
	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, 2021

*(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	\$ 1,000	\$	\$ 1,000	\$
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, 2021

*(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>
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) Public High School	7300 E. Yukon Rd., Odessa, TX 79765	133		133	
IDEA Kyle Academy, Block A, Lot 1, Acres 12.79	Holiday Hill Rd., Midland, TX 79707 (empty lot)	971,700		971,700	
	2803 Monarch Lane, Rio Grande City, TX 78582	8,047,020		8,047,020	
	640 Philomena Dr., Kyle, TX 78640	12,199,360		12,199,360	

*(continued)*

**IDEA Public Schools, Inc.**

Schedule of Real Property Ownership Interest for the year ended June 30, 2021

*(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>
Lehigh Plaza Lot 49-7.583ACS, Lot 50 – 9.479 ACS, Lot 51-.747ACS					
17.971 AC GR 17.293 AC NET	2700 W Wisconsin Rd, Edinburg, TX 78539	\$ 1,712,007	\$	\$ 1,712,007	\$
Tracts 6 & 10 ABST 543 A Mays	21423 Aldine Westfield Rd, Humble TX 77338	3,773,070		3,773,070	
Tracts 33,34,35A & 35B ABST 513	0 N. Sam Houston Parkway, Humble TX 77396	631,620		631,620	
Acres 14.810 Blk 083 Lot 011A	Tilden Street N, Midland, TX 79706	281,390		281,390	
Johannsen Survey #185 ABST2789					
TR 3 12.1644 AC	5980 Johannsen Road, El Paso, TX 79932	0		0	
AW0021 Addison Wm 14.854 AC	Rockride Lane, Georgetown, TX 78626	610,770		610,770	
Bohemian Colony Lands 3.449 ACS					
SE COR LT 3 SEC 4	Ayers Street, Corpus Christi, TX 78417	300,477		300,477	
Lexington Center 11.579 ACS					
LT 1 BLK 9	Ayers Street, Corpus Christi, TX 78417	782,185		782,185	
Flour Bluff & Enc From GDN Tract					
14.091 ACS LT 7 SEC 20	7001 Saratoga Blvd., Corpus Christi, TX 78414	2,071		2,071	
Flour Bluff & Enc From GDN Tract					
.61 ACS LOT 7 BLOCK 20	7002 Saratoga Blvd., Corpus Christi, TX 78414	<u>183</u>		<u>183</u>	
Total		<u>\$ 468,002,285</u>	<u>\$ -</u>	<u>\$ 468,002,285</u>	<u>\$ -</u>



**IDEA Public Schools, Inc.**

Schedule of Related Party Transactions for the year ended June 30, 2021

<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>
Print Globe	Vanessa Barry	Spouse	Check	None	Local & Phil.	Monthly	\$ 72,124	\$ 8,276
RGV Pro Direct	Irma Munoz	Spouse	Check	None	Local	Monthly	1,719,537	
RGV Toros FC Youth	Diego Reyna	Board Member	Check	None	Local	Monthly	221,397	
MJ Vinyl	Marina Guerra	Spouse	Check	None	Local & Campus Act	One time	6,125	4,249
GT Goldsport	Radha Guajardo	Spouse	Check	None	Local	Monthly	<u>100,728</u>	<u>156</u>
Total							<u>\$ 2,119,911</u>	<u>\$ 12,681</u>

**IDEA Public Schools, Inc.**

Schedule of Related Party Compensation and Benefits for the year ended June 30, 2021

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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>\$ 30,968</u>
Total							<u>\$ 30,968</u>

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