

**IDEA Public Schools**

Consolidated Financial Statements,  
Independent Auditors' Report,  
and Texas Education Agency Reports  
for the year ended June 30, 2025

**IDEA Public Schools****Table of Contents**

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**Board of Directors**

Collin Sewell, Board Chair

Ed Rivera, Vice Chair, IDEA Secretary

Erich Holmsten, Treasurer

Dr. Nanette Cocero, Member

Gary Lindgren, Member

Theresa Barrera-Shaw, Member

Constanza Miner, IDEA Member Board

David Dunn, IDEA Member Board (effective January 2025)

Anthony Ryan Vaughan, IPS Member only Secretary

Marcia Aaron, IPS Member only (November 2024)

**Superintendent and Chief Executive Officer**

Dr. Jeffrey Cottrill

**Chief Financial Officer**

Kathleen Zimmermann

**Certificate of Board**

We, the undersigned, certify that the attached financial and compliance report of IDEA Public Schools was reviewed and (check one) ✓ approved \_\_\_\_\_ disapproved for the year ended June 30, 2025, at a meeting of the governing body of the charter holder on the   <sup>nd</sup> day of November 2025.

\_\_\_\_\_  
Signature of Board Secretary

\_\_\_\_\_  
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:

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of IDEA Public Schools (IDEA), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, 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 consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of IDEA as of June 30, 2025 and 2024, 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.

***Basis for Opinion***

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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of IDEA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IDEA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IDEA's ability to continue as a going concern for a reasonable period of time.

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

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Supplementary information in the consolidating financial statements and supplementary information required by the Texas Education Agency and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audits 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.

***Unaudited Information***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The unaudited information required by the Texas Education Agency is presented for purposes of additional analysis as required by the Texas Education Agency and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Report Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE OPEN** on our consideration of IDEA'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'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's internal control over financial reporting and compliance.

**DATE OPEN PENDING MANAGEMENT REVIEW AND APPROVAL**

**IDEA Public Schools**Consolidated Statements of Financial Position as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 434,843,246	\$ 361,485,029
Cash and cash equivalents – held in trust	92,936,480	83,624,815
Government grants receivable, net	214,028,699	238,964,531
Contributions receivable, net	749,370	688,427
Accounts receivable	54,133	1,156,256
Accounts receivable from affiliates	8,230,624	11,347,103
Prepaid expenses	5,121,503	2,600,700
Other current assets	<u>665,282</u>	<u>706,833</u>
Total current assets	<u>756,629,337</u>	<u>700,573,694</u>
Fixed assets:		
Right-of-use assets – operating leases	1,112,172	1,663,338
Property and equipment, net	<u>1,553,633,769</u>	<u>1,535,458,910</u>
Total fixed assets	<u>1,554,745,941</u>	<u>1,537,122,248</u>
Other noncurrent assets:		
Cash and cash equivalents – held in trust	232,537,776	89,008,997
Contributions receivable, net	-	160,705
Cash and cash equivalents – held for endowment	<u>418,487</u>	<u>396,952</u>
Total other noncurrent assets	<u>232,956,263</u>	<u>89,566,654</u>
TOTAL ASSETS	<u>\$ 2,544,331,541</u>	<u>\$ 2,327,262,596</u>

*(continued)*



**IDEA Public Schools**

Consolidated Statements of Financial Position as of June 30, 2025 and 2024

*(continued)*

	<u>2025</u>	<u>2024</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 21,734,420	\$ 14,260,585
Accounts payable to affiliates	-	8,777,535
Accrued wages, benefits, and taxes	80,680,027	60,186,386
Accrued interest payable	21,871,789	21,932,350
Accrued expenses	23,116,574	9,328,748
Refundable advances	10,549,069	12,495,068
Other liabilities	867,144	5,114,844
Note payable to U. S. Department of Education	7,894,033	7,894,032
Bonds payable – current portion	26,870,000	24,630,000
Notes payable – current portion	107,072,703	105,502,063
Operating leases payable – current portion	<u>470,761</u>	<u>910,666</u>
Total current liabilities	<u>301,126,520</u>	<u>271,032,277</u>
Long-term liabilities:		
Note payable to U. S. Department of Education	3,947,016	11,626,599
Bonds payable, net	1,601,318,451	1,415,068,344
Notes payable, net	99,482,118	159,180,603
Operating leases payable	<u>648,924</u>	<u>761,025</u>
Total long-term liabilities	<u>1,705,396,509</u>	<u>1,586,636,571</u>
TOTAL LIABILITIES	<u>2,006,523,029</u>	<u>1,857,668,848</u>
Commitments and contingencies	-	-
Net assets:		
Without donor restrictions	13,236,410	6,187,351
With donor restrictions	<u>524,572,102</u>	<u>463,406,397</u>
Total net assets	<u>537,808,512</u>	<u>469,593,748</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,544,331,541</u>	<u>\$ 2,327,262,596</u>

*See accompanying notes to consolidated financial statements.*

**IDEA Public Schools**Consolidated Statement of Activities for the year ended June 30, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUE AND OTHER SUPPORT:</b>			
Local support:			
Contributions – cash and financial assets	\$ 1,744,406	\$ 10,806,554	\$ 12,550,960
Grant reversions	-	(3,654)	(3,654)
Contributed nonfinancial assets	363,672	-	363,672
Management fees	82,367,710	-	82,367,710
Rental income	21,305,865	-	21,305,865
Net investment return	1,884,158	12,824,879	14,709,037
Other revenue	24,072	11,608,716	11,632,788
Total local support	107,689,883	35,236,495	142,926,378
State program revenue:			
Foundation School Program	-	899,211,433	899,211,433
Other state aid	-	55,543,151	55,543,151
Total state program revenue	-	954,754,584	954,754,584
Federal program revenue:			
ESEA Title I – Part A	-	48,916,615	48,916,615
ESEA Title II – Part A Teacher/Principal Training	-	7,539,709	7,539,709
ESEA Title III – Part A Language Acquisition	-	2,862,268	2,862,268
ESEA Title IV – Part A	-	5,401,256	5,401,256
TCLAS High Quality After School	-	108,260	108,260
IDEA B Formula – Special Education	-	15,692,214	15,692,214
IDEA B Preschool – Special Education	-	59,586	59,586
LEP Summer	-	186,352	186,352
ARP Homeless II	-	7,780	7,780
Twenty-First Century Community Learning Centers	-	1,846,420	1,846,420
Education Innovation and Research	-	167,204	167,204
School-based Mental Health	-	490,750	490,750
Energy Equity Initiative	-	41,439	41,439
Elementary and Secondary School Emergency Relief Fund II	-	(23,924)	(23,924)
Elementary and Secondary School Emergency Relief Fund III	-	23,749,046	23,749,046
Child Nutrition (including \$2.0 million of nonfinancial assets)	-	93,466,810	93,466,810
SSA, Title XIX – School Health and Related Services	-	2,273,176	2,273,176
Total federal program revenue	-	202,784,961	202,784,961
Net assets released for purpose restrictions	1,147,728,264	(1,147,728,264)	-
Total revenue and other support	1,255,418,147	45,047,776	1,300,465,923

*(continued)*

**IDEA Public Schools****Consolidated Statement of Activities for the year ended June 30, 2025***(continued)*

	WITHOUT DONOR <u>RESTRICTIONS</u>	WITH DONOR <u>RESTRICTIONS</u>	<u>TOTAL</u>
EXPENSES:			
Program services:			
Instructional and instructional-related services	\$ 645,909,828	\$ -	\$ 645,909,828
Instructional and school leadership	143,133,287	-	143,133,287
Support services – student (pupil)	230,025,917	-	230,025,917
Support services – student based	91,895,998	-	91,895,998
Ancillary services	<u>21,919,325</u>	<u>-</u>	<u>21,919,325</u>
Total program services	<u>1,132,884,355</u>	<u>-</u>	<u>1,132,884,355</u>
Support services:			
Administrative support services	65,599,151	-	65,599,151
Support services – nonstudent based	46,295,515	-	46,295,515
Fundraising	<u>2,540,189</u>	<u>-</u>	<u>2,540,189</u>
Total support services	<u>114,434,855</u>	<u>-</u>	<u>114,434,855</u>
Total expenses	<u>1,247,319,210</u>	<u>-</u>	<u>1,247,319,210</u>
OTHER INCREASES (DECREASES) IN NET ASSETS:			
Net gain (loss) on disposal of assets	(1,110,791)	9,915	(1,100,876)
Other gains		251,275	251,275
Gain on valuation of grants receivable	<u>60,913</u>	<u>15,856,739</u>	<u>15,917,652</u>
CHANGE IN NET ASSETS	7,049,059	61,165,705	68,214,764
Net assets, beginning of year	<u>6,187,351</u>	<u>463,406,397</u>	<u>469,593,748</u>
Net assets, end of year	<u>\$ 13,236,410</u>	<u>\$ 524,572,102</u>	<u>\$ 537,808,512</u>

*See accompanying notes to consolidated financial statements.*

**IDEA Public Schools****Consolidated Statement of Activities for the year ended June 30, 2024**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>REVENUE AND OTHER SUPPORT:</b>			
Local support:			
Grants – cash and financial assets	\$ 53,571	\$ 1,512,710	\$ 1,566,281
Grant reversions	-	(6,424,466)	(6,424,466)
Contributions – cash and other			
financial assets	-	1,456,441	1,456,441
Contributed nonfinancial assets	-	96,950	96,950
Management fees	75,018,671	-	75,018,671
Rental income	22,314,566	-	22,314,566
Net investment return	1,991,571	7,615,650	9,607,221
Other revenue	<u>3,579,217</u>	<u>6,031,666</u>	<u>9,610,883</u>
Total local support	<u>102,957,596</u>	<u>10,288,951</u>	<u>113,246,547</u>
State program revenue:			
Foundation School Program	-	847,660,815	847,660,815
Other state aid	<u>-</u>	<u>62,043,441</u>	<u>62,043,441</u>
Total state program revenue	<u>-</u>	<u>909,704,256</u>	<u>909,704,256</u>
Federal program revenue:			
ESEA Title I – Part A	-	48,044,721	48,044,721
ESEA Title II – Part A Teacher/Principal Training	-	5,783,390	5,783,390
ESEA Title III – Part A Language Acquisition	-	1,995,602	1,995,602
ESEA Title IV – Part A	-	49,709	49,709
TCLAS High Quality After School	-	515,615	515,615
IDEA B Formula – Special Education	-	11,295,359	11,295,359
IDEA B Preschool – Special Education	-	11,379	11,379
ESEA Title V – Part B Charter Schools	-	8,730,591	8,730,591
Teacher Incentive Fund	-	(17,005)	(17,005)
Lone Star STEM Cycle 2 Year 1	-	(15,351)	(15,351)
ELC Reopening Schools	-	(64,673)	(64,673)
ARP Homeless II	-	22,601	22,601
Twenty-First Century Community			
Learning Centers	-	1,727,477	1,727,477
Education Innovation and Research	-	578,553	578,553
School-based Mental Health	-	412,500	412,500
Energy Equity Initiative	-	82,877	82,877
Elementary and Secondary School			
Emergency Relief Fund II	-	(81,880)	(81,880)
Elementary and Secondary School			
Emergency Relief Fund III	-	88,790,381	88,790,381
Child Nutrition (including \$978,637 of			
in-kind contributions)	-	86,657,091	86,657,091
IDEA Comprehensive Health Professions	-	(2,602,799)	(2,602,799)
SSA, Title XIX – School Health and			
Related Services	<u>-</u>	<u>4,535,970</u>	<u>4,535,970</u>
Total federal program revenue	<u>-</u>	<u>256,452,108</u>	<u>256,452,108</u>
Net assets released for purpose restrictions	<u>1,086,374,942</u>	<u>(1,086,374,942)</u>	<u>-</u>
Total revenue and other support	<u>1,189,332,538</u>	<u>90,070,373</u>	<u>1,279,402,911</u>

*(continued)*

**IDEA Public Schools**

Consolidated Statement of Activities for the year ended June 30, 2024

*(continued)*

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
EXPENSES:			
Program services:			
Instructional and instructional-related services	\$ 589,986,318	\$ -	\$ 589,986,318
Instructional and school leadership	137,752,614	-	137,752,614
Support services – student (pupil)	206,454,014	-	206,454,014
Support services – student based	91,044,810	-	91,044,810
Ancillary services	<u>33,127,026</u>	<u>-</u>	<u>33,127,026</u>
Total program services	<u>1,058,364,782</u>	<u>-</u>	<u>1,058,364,782</u>
Support services:			
Administrative support services	46,806,047	-	46,806,047
Support services – nonstudent based	32,166,304	-	32,166,304
Fundraising	<u>4,091,220</u>	<u>-</u>	<u>4,091,220</u>
Total support services	<u>83,063,571</u>	<u>-</u>	<u>83,063,571</u>
Total expenses	<u>1,141,428,353</u>	<u>-</u>	<u>1,141,428,353</u>
OTHER INCREASES (DECREASES) IN NET ASSETS:			
Net gain on disposal of assets	359,327	-	359,327
Net unrealized gains on investments	415,360	-	415,360
Loss on impairment of assets	(12,613,688)	-	(12,613,688)
Loss on valuation of grants receivable	(23,000,000)	-	(23,000,000)
Donation to affiliates	<u>(6,183,095)</u>	<u>-</u>	<u>(6,183,095)</u>
CHANGE IN NET ASSETS	6,882,089	90,070,373	96,952,462
Net assets, beginning of year	<u>(694,738)</u>	<u>373,336,024</u>	<u>372,641,286</u>
Net assets, end of year	<u>\$ 6,187,351</u>	<u>\$ 463,406,397</u>	<u>\$ 469,593,748</u>

*See accompanying notes to consolidated financial statements.*

**IDEA Public Schools**Consolidated Statements of Cash Flows for the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 68,214,764	\$ 96,952,462
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	75,708,460	58,474,249
Amortization of premium and debt issuance costs	(6,285,294)	(5,795,818)
Amortization of operating leases	1,097,050	5,006,813
(Gain) loss on valuation of government grants receivable	(15,917,652)	23,000,000
(Gain) loss on disposal of property and equipment	1,128,965	(258,321)
Net realized/unrealized gains on investments	-	(415,360)
Loss on valuation of contributions receivable	-	1,856,104
Loss on impairment of land held for sale	-	12,613,688
Changes in current assets and liabilities:		
Government grants receivable	40,853,484	(4,751,032)
Contributions receivable	99,762	1,499,981
Accounts receivable	4,218,602	14,951,745
Prepaid expenses	(2,520,803)	3,151,085
Other current assets	41,551	678,333
Accounts payable	(1,303,700)	8,199,036
Accrued wages, benefits, and taxes	20,493,641	6,265,501
Accrued interest payable	(60,561)	(400,893)
Accrued expenses	13,787,826	(14,708,218)
Refundable advances	(1,945,999)	7,278,024
Other liabilities	(4,247,700)	(2,565,266)
Operating leases payable	<u>(1,097,890)</u>	<u>(9,760,892)</u>
Net cash provided by operating activities	<u>192,264,506</u>	<u>201,271,221</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from maturity of certificates of deposit	-	25,045,690
Proceeds from sale of investments	-	16,778,920
Construction and purchase of property and equipment	(125,268,137)	(108,980,613)
Proceeds from sale of property	<u>30,255,853</u>	<u>-</u>
Net cash used by investing activities	<u>(95,012,284)</u>	<u>(67,156,003)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings of long-term debt	208,154,438	542,367,984
Principal payments on long-term debt	(69,761,102)	(467,098,179)
Payments of debt issuance costs	(9,425,362)	(57,162)
Payments on finance leases	<u>-</u>	<u>(4,897,136)</u>
Net cash provided by financing activities	<u>128,967,974</u>	<u>70,315,507</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>226,220,196</b>	<b>204,430,725</b>
Cash and cash equivalents, beginning of year	<u>534,515,793</u>	<u>330,085,068</u>
Cash and cash equivalents, end of year	<u>\$ 760,735,989</u>	<u>\$ 534,515,793</u>

*(continued)*

**IDEA Public Schools**Consolidated Statements of Cash Flows for the years ended June 30, 2025 and 2024 *(continued)*

	<u>2025</u>	<u>2024</u>
<i>Reconciliation of cash and cash equivalents:</i>		
Cash and cash equivalents	\$ 434,843,246	\$ 361,485,029
Cash and cash equivalents – held in trust	92,936,480	83,624,815
Cash and cash equivalents – noncurrent – held in trust	232,537,776	89,008,997
Cash and cash equivalents – held for endowment	<u>418,487</u>	<u>396,952</u>
Total cash and cash equivalents	<u>\$ 760,735,989</u>	<u>\$ 534,515,793</u>
 <i>Supplemental disclosure of cash flow information:</i>		
Cash paid for interest	\$70,551,810	\$72,034,403
Right-of-use assets obtained in exchange for new lease obligations:		
Operating lease obligations	\$545,884	\$74,924
Principal payments on debt from proceeds of refinancing	\$149,414,671	

See accompanying notes to consolidated financial statements.

**IDEA Public Schools**Consolidated Statement of Functional Expenses for the year ended June 30, 2025

	<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	\$ 466,347,193	\$ 33,609,488	\$ 33,615,524	\$ 51,973,044	\$ 60,364,579	\$ 645,909,828
Instructional and school leadership	130,814,054	2,436,292	5,366,937	4,516,004	-	143,133,287
Support services – student (pupil)	151,879,526	7,752,522	59,070,950	11,322,919	-	230,025,917
Support services – student based	32,436,101	29,421,055	10,173,616	19,865,226	-	91,895,998
Ancillary services	<u>1,018,424</u>	<u>717,514</u>	<u>307,633</u>	<u>19,875,754</u>	<u>-</u>	<u>21,919,325</u>
Total program services	<u>782,495,298</u>	<u>73,936,871</u>	<u>108,534,660</u>	<u>107,552,947</u>	<u>60,364,579</u>	<u>1,132,884,355</u>
Support services:						
Administrative support services	43,604,563	15,627,348	1,046,326	3,395,637	1,925,277	65,599,151
Support services – nonstudent based	24,438,974	4,715,916	1,895,745	15,244,880	-	46,295,515
Fundraising	<u>2,037,069</u>	<u>98,092</u>	<u>108,308</u>	<u>296,720</u>	<u>-</u>	<u>2,540,189</u>
Total support services	<u>70,080,606</u>	<u>20,441,356</u>	<u>3,050,379</u>	<u>18,937,237</u>	<u>1,925,277</u>	<u>114,434,855</u>
Total expenses	<u>\$ 852,575,904</u>	<u>\$ 94,378,227</u>	<u>\$ 111,585,039</u>	<u>\$ 126,490,184</u>	<u>\$ 62,289,856</u>	<u>\$1,247,319,210</u>

See accompanying notes to consolidated financial statements.



**IDEA Public Schools****Consolidated Statement of Functional Expenses for the year ended June 30, 2024**

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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	\$ 406,199,505	\$ 36,301,157	\$ 44,353,802	\$ 41,111,150	\$ 62,020,704	\$ 589,986,318
Instructional and school leadership	123,526,165	6,157,169	4,012,153	4,057,127	-	137,752,614
Support services – student (pupil)	133,985,652	6,265,339	54,006,501	12,196,522	-	206,454,014
Support services – nonstudent based	28,931,021	28,901,501	11,359,687	21,852,601	-	91,044,810
Ancillary services	<u>1,198,257</u>	<u>305,481</u>	<u>133,871</u>	<u>31,489,417</u>	<u>-</u>	<u>33,127,026</u>
Total program services	<u>693,840,600</u>	<u>77,930,647</u>	<u>113,866,014</u>	<u>110,706,817</u>	<u>62,020,704</u>	<u>1,058,364,782</u>
Support services:						
Administrative support services	32,613,547	11,942,214	986,221	(616,059)	1,880,124	46,806,047
Support services – nonstudent based	20,612,696	3,038,767	1,791,388	6,723,453	-	32,166,304
Fundraising	<u>1,847,130</u>	<u>33,702</u>	<u>145,590</u>	<u>2,064,798</u>	<u>-</u>	<u>4,091,220</u>
Total support services	<u>55,073,373</u>	<u>15,014,683</u>	<u>2,923,199</u>	<u>8,172,192</u>	<u>1,880,124</u>	<u>83,063,571</u>
Total expenses	<u>\$ 748,913,973</u>	<u>\$ 92,945,330</u>	<u>\$ 116,789,213</u>	<u>\$ 118,879,009</u>	<u>\$ 63,900,828</u>	<u>\$1,141,428,353</u>

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*See accompanying notes to consolidated financial statements.*

**IDEA Public Schools**

Notes to Consolidated Financial Statements for the years ended June 30, 2025 and 2024

**NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization:** IDEA Public Schools (charter holder known as IDEA Academy, Inc.) is a nonprofit Texas corporation formed in June 2000. IDEA Public Schools (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 the Charter granted by the State Board of Education of the State of Texas pursuant to Chapter 12 of the Texas Education Code is effective until June 2035. The School provides educational services to students in grades Pre-K through 12, with total enrollment of approximately 79,430 students at 125 schools.

The School operates as a single charter school and conducts noncharter activities with and through IPS Enterprises, Inc. (IPS), a Texas nonprofit corporation whose sole member is the School. IPS provides public charter school management services to IDEA to manage organizations in Louisiana, Florida, Texas and Ohio. 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 the 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 Pre-K through 10<sup>th</sup>.

Basis of consolidation: The consolidated financial statements include the accounts of the School and IPS (collectively IDEA). All balances and transactions between the consolidated entities have been eliminated.

**ACCOUNTING POLICIES:**

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

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

In accordance with IDEA's net asset policy, the Board of Directors may designate surpluses of net assets for a specific purpose, generally for capital expansion, 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 by approval of the Finance Committee.

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

**Cash and cash equivalents:** IDEA 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.

**Contributions and grants revenue and contributions and grants receivable:** Contributions and grants are recognized at fair value when an unconditional commitment is received from the donor. Contributions and grants received with donor stipulations that limit their use are classified as restricted support. Conditional contributions and grants are subject to one or more barriers that must be overcome before IDEA is entitled to receive or retain funding. Conditional contributions are recognized in the same manner when the conditions have been substantially met. IDEA reports all government grants as conditional contributions, as they are subject to one or more barriers that must be overcome before the School is entitled to receive or retain funding. IDEA recognizes revenue from government grants as performance requirements are met or eligible expenditures are incurred in compliance with specific grant provisions. Funds received before conditions have been met are reported as refundable advances. All contributions and grants receivable are due within one year.

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, IDEA 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, IDEA 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 contribution revenue.

**Allowance for doubtful accounts:** An allowance for doubtful accounts is established on government grants receivable and contributions receivable 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.

**Contributed nonfinancial assets:** Contributions of 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 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.

**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

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

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.

**Property and equipment and right-of-use assets – finance:** Property and equipment are stated at cost or at fair value, if donated. IDEA 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 the 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:** Lease right-of-use assets are recognized at the present value of the lease payments at the inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Finance lease right-of-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. Operating lease right-of-use assets are amortized so that lease costs remain constant over the lease term.

The following accounting elections were made:

- *Short-term leases* – The School elected to not apply the recognition requirements in Accounting Standards Codification 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 as the discount rate.
- *Portfolio approach* – The School 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.
- *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 them 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.

**Impairment of long-lived assets:** IDEA 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

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

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. IDEA recognized an impairment loss of approximately \$12.6 million in fiscal year ended June 30, 2024. No impairment loss was recognized in fiscal year ended June 30, 2025.

**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.

**Management fees and other revenue:** Revenue from contracts with customers is derived primarily from employee leasing, management and shared services fees, academic support fees, food service fees and other miscellaneous fees. Revenue is recognized as the services are provided to a customer in an amount that reflects the consideration the School expects to be entitled to in exchange for those services taking into consideration historical collection trends and consideration of future economic trends.

Performance obligations from contracts with customers, other than employee leasing and food services fees, are satisfied over time. Revenue recognized over time is recognized ratably as services are rendered over the term of the agreement using the output method. Performance obligations related to the employee leasing services are transferred to the customer over time and the revenue is recognized on the basis of reimbursement of actual costs incurred by IPS. The employee leasing and management fees are derived from agreements with other charter schools in Louisiana, Florida, Ohio, and Texas. The revenue is included in management fees in the statement of activities. Management and shared services fees are recognized on the basis of negotiated contracts for these goods and services. Food service revenue is recognized at a point in time when services are provided.

Payment is due monthly for all services. An allowance for accounts receivable is established when there has been an adverse change in the organization's ability to pay. Management expects to collect all balances at June 30, 2025 and no allowance has been provided. These services do not give rise to contract assets, contract liabilities, or any variable considerations, warranties, or other related obligations.

Accounts receivable at June 30, 2025, 2024, and 2023 totaled \$8,284,757, \$12,503,359 and \$27,455,105, 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.

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

**Federal income taxes:** The School is a nonprofit organization and is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business income. The School files a Form 990 (Return of Organization Exempt from Income Tax) and, if applicable, unrelated business income (UBI) is reported on a Form 990-T. IPS is a Texas nonprofit corporation and is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a Type 1 supporting organization under §501(a)(3). 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, 2025 and 2024, there were no uncertain tax positions. 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, 2025 and 2024 are \$10,402,991 and \$9,546,292, 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:** IDEA has evaluated subsequent events that occurred after June 30, 2025 through the date of this report on November 18, 2025, 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>2025</u>	<u>2024</u>
Petty cash	\$ 301	\$ 301
Checking accounts	270,047,520	292,328,772
Money market mutual funds	<u>490,688,168</u>	<u>242,186,720</u>
Total cash and cash equivalents	<u>\$ 760,735,989</u>	<u>\$ 534,515,793</u>

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

	<u>2025</u>	<u>2024</u>
Debt service	\$ 66,367,186	\$ 66,608,660
Construction	<u>259,107,070</u>	<u>106,025,152</u>
Total	325,474,256	172,633,812
Less:		
Current cash and cash equivalents – held in trust	<u>(92,936,480)</u>	<u>(83,624,815)</u>
Total cash and cash equivalents – noncurrent – held in trust	<u>\$ 232,537,776</u>	<u>\$ 89,008,997</u>

Money market mutual funds are included in Level 1 of the fair value hierarchy and are valued at net asset value.

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

The School maintains cash deposits at Regions Bank. At June 30, 2025, the carrying amount of the deposits was \$257,633,432 and the respective bank balance was \$259,679,143. The deposits are insured up to \$250,000 by the FDIC.

The School maintains proceeds received from the sale of bonds in fiduciary accounts at Regions Bank, Bank, Corporate Trust Services, which have bank balances and carrying amounts of \$299,872,628 at June 30, 2025. The Office of the Comptroller of the Currency, Regulation 9, requires that banks collateralize uninvested cash in fiduciary accounts. At June 30, 2025, assets held by Regions Bank, 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, 2025, the carrying amount of the deposits was \$12,185,566 and the respective bank balance was \$11,312,202 which are insured up to \$250,000 by the FDIC. IPS 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 \$25,601,628 at June 30, 2025.

The School considers the credit worthiness of financial institutions.

**NOTE 3 – GOVERNMENT GRANTS RECEIVABLE**

Amounts due from government agencies consist of the following:

	<u>2025</u>	<u>2024</u>
Texas Department of Education, Texas Education Agency (TEA)	\$ 162,634,083	\$ 141,071,956
U. S. Department of Education passed through TEA	25,279,976	55,140,739
U. S. Department of Education	1,308,433	46,292,890
U. S. Department of Agriculture passed through TEA	10,363,756	7,825,382
Florida Department of Education	12,573,962	5,904,734
Texas Medicaid and Healthcare Partnership	<u>1,868,489</u>	<u>5,730,380</u>
Total	214,028,699	261,966,081
Allowance for uncollectible accounts	<u>-</u>	<u>(23,001,550)</u>
Total government grants receivable, net	<u>\$ 214,028,699</u>	<u>\$ 238,964,531</u>

All amounts due from government agencies at June 30, 2025 are expected to be collected in fiscal year 2024-2025.

**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.

**NOTE 4 – LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)**

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>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 760,735,989	\$ 534,515,793
Government grants receivable and contributions receivable	214,028,699	238,964,531
Contributions receivable	749,370	-
Accounts receivable	<u>8,284,757</u>	<u>12,503,359</u>
Total financial assets	983,798,815	785,983,683
Less financial assets not available for general expenditure:		
Contractually-obligated financial assets	(325,474,256)	(172,633,812)
Donor-restricted assets not expected to be satisfied in coming year	<u>(19,040,584)</u>	<u>(21,167,276)</u>
Total financial assets available for general expenditure	<u>\$ 639,283,975</u>	<u>\$ 592,182,595</u>

**NOTE 5 – CONTRIBUTIONS RECEIVABLE**

IDEA has unconditional promises to give from philanthropic organizations as follows:

	<u>2025</u>	<u>2024</u>
Contributions receivable	\$ 750,920	\$ 849,132
Allowance	<u>(1,550)</u>	<u>-</u>
Contributions receivable, net	<u>\$ 749,370</u>	<u>\$ 849,132</u>

Contributions receivable at June 30, 2025 are due as follows:

2026	\$ 749,420
2027	<u>1,500</u>
Total	<u>\$ 750,920</u>

IDEA 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, 2025 and 2024, the amounts of conditional promises to give were approximately \$49,807,410 and \$43,374,000, respectively. Included in refundable advances are amounts received in advance from those conditional promises to give, which totaled approximately \$10,549,000 and \$12,495,000 at June 30, 2025 and 2024, respectively.



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

As of June 30, 2025, IDEA has received approximately \$10,969,000 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>2025</u>	<u>2024</u>
Land and improvements	\$ 181,830,042	\$ 181,524,540
Buildings and leasehold improvements	1,542,089,179	1,396,811,097
Furniture and equipment	89,449,944	39,180,322
Vehicles	36,212,122	35,352,254
Construction in progress	<u>119,692,954</u>	<u>230,353,941</u>
Total	1,969,274,241	1,883,222,154
Less accumulated depreciation	<u>(415,640,472)</u>	<u>(347,763,244)</u>
Property and equipment, net	<u>\$ 1,553,633,769</u>	<u>\$ 1,535,458,910</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, 2025 and 2024, the cost basis of these assets totaled \$1,691,021,395 and \$1,604,262,225, respectively.

**NOTE 7 – NOTE PAYABLE TO U. S. DEPARTMENT OF EDUCATION**

A program specific audit was performed for the U. S. Department of Education awards for fiscal years 2016-2021. As a result of the program specific audit and discussion with the U. S. Department of Education, the School executed a note payable to the U. S. Department of Education for \$28.7 million to repay costs deemed unallowable for lack of appropriate documentation. A payment of \$5 million was made in December 2023, thereafter monthly payments of \$688,704 for thirty-six months. The note bears interest at 3%. Interest expense was \$555,624 in fiscal year June 30, 2025. There was no interest expense in fiscal year June 30, 2024. The future minimum payments for the U. S. Department of Education note payable as of June 30, 2025 are as follows:

2026	\$ 7,894,033
2027	<u>3,947,016</u>
Total	<u>\$ 11,841,049</u>

**NOTE 8 – BONDS PAYABLE**

Bonds payable at June 30, 2025 consist of the following:

	OUTSTANDING BALANCE	PREMIUM	ISSUANCE COSTS	TOTAL
Series 2010 Q	\$ 6,880,000	\$ -	\$ -	\$ 6,880,000
Series 2014	35,675,000	2,101,035	(956,682)	36,819,353
Series 2015	27,055,000	1,689,441	(856,457)	27,887,984
Series 2016 A	98,300,000	10,943,470	(1,104,077)	108,139,393
Series 2016 B	8,465,000	296,488	(345,217)	8,416,271
Series 2017	145,785,000	4,816,970	(2,086,275)	148,515,695
Series 2018	150,230,000	5,204,089	(4,430,808)	151,003,281
Series 2019	198,015,000	13,803,871	(6,057,526)	205,761,345
Series 2021 RMKT	162,325,000	20,539,491	(7,319,735)	175,544,756
Series 2022 A	91,590,000	8,804,838	(1,344,218)	99,050,620
Series 2024	204,610,000	5,976,729	(6,311,340)	204,275,389
Series 2025	286,940,000	12,629,110	(9,423,362)	290,145,748
Series 2021 IPS	28,100,000	-	(752,243)	27,347,757
Series 2022 IPS	22,600,000	-	(624,040)	21,975,960
Series 2023 A Lakeland	32,790,000	-	(893,023)	31,896,977
Series 2023 B Lakeland	440,000	-	(11,983)	428,017
Series 2023 A Florida	86,645,000	(516,363)	(2,374,005)	83,754,632
Series 2023 B Florida	<u>355,000</u>	<u>-</u>	<u>(9,727)</u>	<u>345,273</u>
Total	1,586,800,000	86,289,169	(44,900,718)	1,628,188,451
Less current portion	<u>26,870,000</u>	<u>-</u>	<u>-</u>	<u>26,870,000</u>
Net long-term bonds payable	<u>\$ 1,559,930,000</u>	<u>\$ 86,289,169</u>	<u>\$ (44,900,718)</u>	<u>\$ 1,601,318,451</u>

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

Bonds payable at June 30, 2024 consist of the following:

	OUTSTANDING BALANCE	PREMIUM	ISSUANCE COSTS	TOTAL
Series 2010 Q	\$ 7,555,000	\$ -	\$ (3,202)	\$ 7,551,798
Series 2014	75,785,000	2,507,133	(1,006,234)	77,285,899
Series 2015	61,670,000	1,990,612	(898,664)	62,761,948
Series 2016 A	98,405,000	11,851,864	(1,156,034)	109,100,830
Series 2016 B	10,160,000	478,459	(361,451)	10,277,008
Series 2017	151,050,000	5,692,737	(2,180,392)	154,562,345
Series 2018	153,575,000	5,941,853	(4,752,728)	154,764,125
Series 2019	202,360,000	15,711,228	(6,485,199)	211,586,029
Series 2021 RMKT	165,555,000	22,414,140	(7,838,363)	180,130,777
Series 2022 A	93,300,000	9,707,251	(1,432,798)	101,574,453
Series 2024	204,610,000	6,974,914	(6,765,690)	204,819,224
Series 2021 IPS	28,100,000	-	(776,542)	27,323,458
Series 2022 IPS	22,600,000	-	(781,692)	21,818,308
Series 2023 A Lakeland	32,790,000	-	(1,071,627)	31,718,373
Series 2023 B Lakeland	440,000	-	(14,380)	425,620
Series 2023 A Florida	86,645,000	(545,885)	(2,445,944)	83,653,171
Series 2023 B Florida	355,000	-	(10,022)	344,978
Total	1,394,955,000	82,724,306	(37,980,962)	1,439,698,344
Less current portion	24,630,000	-	-	24,630,000
Net long-term bonds payable	<u>\$ 1,370,325,000</u>	<u>\$ 82,724,306</u>	<u>\$ (37,980,962)</u>	<u>\$ 1,415,068,344</u>

Interest cost, including amortization of debt issuance costs and premium incurred for the years ended June 30, 2025 and 2024, totaled \$55,064,646 and \$67,767,493, respectively, of which \$52,516,762 and \$65,521,189 were expensed and \$2,547,884 and \$2,246,272 were capitalized for the years ended June 30, 2025 and 2024, respectively. The effective interest rate on the bonds for fiscal year 2025 and fiscal year 2024 was 3.58% and 5.10%, respectively.

The Series 2010 Q bonds tax credit interest subsidy was \$595,444 for the year ended June 30, 2025 and \$632,288 for the year ended June 30, 2024, and is reflected in local support, other revenue in the consolidated statements of activities.

BONDS PAYABLE	STATED INTEREST RATE	MATURITY	SUBORDINATE FEATURES
Series 2010 Q	8.25%	August 15, 2029	
Series 2014	2.00%-5.00%	Annually August 15, 2016-2044	Optional redemption in whole or in part by the School on August 15, 2024.
Series 2015	3.00%-5.00%	Annually August 15, 2017-2045	Optional redemption in whole or in part by the School on August 15, 2025.
Series 2016 A	2.00%-5.00%	Annually August 15, 2017-2046	Optional redemption in whole or in part by the School on August 15, 2026.
Series 2016 B	2.00%-5.00%	Annually August 15, 2018-2028	Optional redemption in whole or in part by the School on August 15, 2026.

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

<u>BONDS PAYABLE</u>	<u>STATED INTEREST RATE</u>	<u>MATURITY</u>	<u>SUBORDINATE FEATURES</u>
Series 2017	1.50%-4.00%	Annually August 15, 2020-2048	Optional redemption in whole or in part by the School on August 15, 2027.
Series 2018	3.00%-5.00%	Annually August 15, 2018-2048	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	3.00%-5.00%	Annually August 15, 2021-2049	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	0.75%-2.80%	Annually August 15, 2022-2050	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.
Series 2021 RMKT-Term	2.85%-4.00%	\$33,590,000 August 15, 2047; \$7,000,000 August 15, 2047; \$28,410,000 August 15, 2050	
Series 2021 RMKT-Serial	4.00%-5.00%	Annually August 15, 2022-2024	
Series 2021 IPS	4.37%	June 15, 2056	
Series 2022 A - Serial	4.00%-5.00%	Annually August 15, 2023-2042	
Series 2022 A - Term	3.00%-4.00%	\$21,610,000 August 15, 2047; \$13,795,000 August 15, 2051; \$6,750,000 August 15, 2051	
2022 IPS	5.25%	June 15, 2029	
Series 2023 A Lakeland	7.00%	June 15, 2030	Yield to call at par on June 15, 2028 at 100%.
Series 2023 B Lakeland	8.75%	June 15, 2030	Yield to call at par on June 15, 2028 at 100%.
Series 2023 A Florida	5.12%-6.375%	June 15, 2033-2058	Yield to call on June 15, 2030.
Series 2023 B Florida	8.00%	June 15, 2028	
Series 2024	5.00%	August 15, 2054	Bonds maturing on or after August 15, 2033 are subject to optional redemption, prior to scheduled maturity, in whole or in part, on August 15, 2023, or on any date thereafter, at the option of the borrower, at a price of par plus interest accrued thereon to the redemption date.
Series 2025	5.00%	August 15, 2055	Bonds maturing on or after August 15, 2035 are subject to optional redemption, prior to scheduled maturity, in whole or in part, on August 15, 2034, or on any date thereafter, at the option of the borrower, at a price of par plus interest accrued thereon to the redemption date, upon written notice not later than the 35th day prior to the date of redemption.

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

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 and IPS 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, 2025 and 2024.

Debt service requirements for bonds payable for the year ended June 30, 2025 are as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TAX CREDIT SUBSIDY</u>	<u>TOTAL</u>
2026	\$ 26,870,000	\$ 66,580,455	\$ (513,975)	\$ 92,936,480
2027	36,430,000	70,185,025	(405,075)	106,209,950
2028	40,750,000	68,212,981	(293,081)	108,669,900
2029	65,440,000	66,107,850	(177,994)	131,369,856
2030	77,925,000	62,760,407	(59,813)	140,625,594
Thereafter	<u>1,339,385,000</u>	<u>695,590,133</u>	<u>-</u>	<u>2,034,975,133</u>
Total bonds payable	<u>\$ 1,586,800,000</u>	<u>\$1,029,436,851</u>	<u>\$ (1,449,938)</u>	<u>\$ 2,614,786,913</u>

**NOTE 9 – NOTES PAYABLE**

Notes payable consist of the following:

	<u>2025</u>	<u>2024</u>
A multiple draw term note payable to CIT Bank, N.A., in the original amount equal to or less than \$18,960,000; requiring monthly principal plus interest installments commencing on October 10, 2021; bearing interest at the greater of 4.90% per annum or the 4.25% (plus) the 5-Year Treasury Rate (5.54% at June 30, 2025). 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.	\$ 16,604,339	\$ 17,020,999
A multiple draw term note payable to Regions Commercial Equipment Finance, LLC, in the original amount equal to or less than \$145,000,000; requiring semi-annual payments of interest; beginning August 15, 2017 at monthly LIBOR plus 1.30% until August 15, 2023 (5.7% at June 30, 2025). The note is secured by a first and prior lien and security interest on any real property securing the Master Indenture of Trust and any other security pledged by the School.	43,835,112	63,195,223

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

<p>A term note payable to Building Hope Finance, in the original amount of \$7,969,479; maturing August 1, 2027; 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 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.</p>	7,377,380	7,673,694
<p>A multiple draw term note payable to Home Bank, N.A., in the original amount equal to or less than \$11,211,655; requiring monthly payments of interest at a rate equal to 4.25%. The note is secured by a subordinate interest in the corresponding land and School facility. Matured August 1, 2025.</p>	-	10,595,626
<p>A term note payable to BlueHub Loan Fund, Inc., in the original amount of \$4,913,034; maturing October 1, 2025; bearing interest at a rate per annum of 6.00%. All accrued and unpaid interest will be payable monthly commencing January 15, 2021 until the conversion date of December 15, 2021. Commencing on the conversion date and thereafter, borrower shall pay 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. The note payable was prepaid in June 2025.</p>	-	4,695,343
<p>A term note payable to Building Hope Finance, in the original amount of \$8,155,501; maturing March 1, 2028; bearing interest at a rate per annum equal to 1.09% paid monthly until the maturity date when the entire amount hereof, principal and accrued interest, shall be due and payable. This note is secured by pledged revenues under the Master Indenture of Trust dated March 1, 2021.</p>	7,656,095	7,888,300
<p>A term note payable to Charter Fund, Inc., in the original amount of \$2,200,000; with a \$2,200,000 balloon payment at the end of the term, including interest at 1.00% through June 30, 2026. This note is unsecured and subordinate to all other debt obligations of IPS.</p>	2,200,000	2,200,000
<p>A term note payable to BlueHub Loan Fund, Inc., in the original amount of \$2,000,000; maturing April 1, 2026; bearing interest at a rate per annum equal to 6.00%. Borrower shall pay principal plus interest monthly. 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.</p>	1,853,387	1,893,916

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

A term note payable to CSGF Facility Fund III, in the original amount of \$1,800,000; bearing interest at an annual rate of 3.00% maturing April 1, 2026; with a \$900,000 balloon payment on February 28, 2021 and the remainder of the principal due semi-annually beginning July 2024 until the full principal amounts are due at maturity. This note is unsecured and subordinate to all other debt obligations of IPS.	885,570	900,000
A multiple draw term note payable to Regions Commercial Equipment Finance, LLC, in the original amount equal to or less than \$40,000,000; requiring monthly payments of interest at monthly LIBOR plus 1.40% (5.8% at June 30, 2025) maturing August 15, 2023. The note is secured by a first and prior lien and security interest on any real property securing the Master Indenture of Trust and any other security pledged by the School.	32,000,000	40,000,000
A term note payable to Building Hope Finance, in the original amount of \$8,152,777; maturing September 1, 2024; bearing interest at a rate per annum of 1.09% until the maturity date when the entire amount hereof, principal and accrued interest, shall be due and payable. This note is secured by pledged revenues and the mortgage.	7,696,292	8,000,758
A term note payable to Building Hope Finance, in the original amount of \$7,715,788; maturing April 1, 2029; bearing interest at a rate per annum equal to 1.15%. Principal and interest paid monthly until the maturity date when the entire amount hereof, principal and accrued interest remaining unpaid, shall be due and payable. This note is secured by pledged revenues and the mortgage dated April 27, 2022.	1,387,159	1,673,337
A term note payable to Building Hope Finance, in the original amount of \$9,280,594; maturing June 1, 2029; bearing interest at a rate per annum equal to 1.23%, principal and interest paid monthly when the entire amount hereof, principal and accrued interest remaining unpaid, shall be due and payable. This note is secured by pledged revenues and the mortgage dated June 24, 2022.	-	1,122,047
A term note payable to Building Hope Finance, in the original amount of \$8,155,501; maturing May 1, 2028; bearing interest at a rate per annum equal to 1.09% until the maturity date when the entire amount hereof, principal and accrued interest then remaining unpaid, shall be due and payable. This note is secured by pledged revenues under the Master Indenture of Trust dated July 15, 2021.	7,656,095	7,888,300

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

A term note payable to Building Hope Finance, in the original amount of \$8,155,501; maturing February 28, 2027; bearing interest at a rate per annum equal to 1.07% until the maturity date when the entire amount hereof, principal and accrued interest, shall be due and payable. This note is secured by pledged revenues under the Master Indenture of Trust dated February 28, 2022.	-	1,531,803
A term note payable to Central Bank & Trust Co., in the original amount of \$16,912,500; maturing October 15, 2027. Borrower shall make payments of interest only 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 rent and fixture filing from borrower on certain real property held in Hamilton County, Ohio.	16,049,954	16,455,423
A term note payable to BlueHub Loan Fund, Inc., in the original amount of \$11,000,000; maturing July 30, 2027; bearing interest at a rate per annum equal to 6.00%. All accrued and unpaid interest will be payable monthly commencing November 1, 2021 until March 15, 2023. Commencing on March 15, 2023 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 on a subordinate basis by a commercial mortgage and assignment of leases and rent and fixture filing from borrower on certain real property held in Hamilton County, Ohio.	10,567,577	10,768,472
A term note payable to Home Bank, N. A., in the original amount of \$745,630; maturing September 29, 2028; bearing interest at 5.00%; monthly payments of principal and interest. This note is secured by collateral.	-	492,207
A term note payable to Home Bank, N. A., in the original amount of \$22,539; maturing October 18, 2028; requiring monthly payments of principal and interest, including interest at 5.00% and continuing until the note is paid in full. This note is secured by collateral.	-	14,877
A multiple draw term note payable to Texas Capital Bank, in the original amount equal to or less than \$32,000,000 during the draw period; requiring quarterly payments of interest beginning March 30, 2023, and continuing regularly and quarterly thereafter at SOFR + 1.35% (5.74% at June 30, 2025) maturing July 31, 2028. The note is secured by any mortgage, lien, charge, encumbrance, pledge or other security interest on property owned.	26,000,000	32,000,000



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

A term note payable to Charter Asset Management Fund LP in the original amount of \$3,000,000; maturing August 31, 2024 at the interest rate of prime rate plus 3.20% (11.49% at June 30, 2024).

Principal of \$8,000 plus interest due monthly beginning July 2023. - 1,580,163

Purchase agreement payable to Regions Commercial Equipment Finance for buses, trucks and vans in the amounts \$109,630 at June 30, 2025 and \$3,324,933 at June 30, 2024; various maturity dates ranging from August 2025 through September 30, 2030, with interest rates of 2.48%-5.32%. Principal and interest payments due monthly or semi-monthly.

28,639 1,626,191

A term note payable for the purpose of acquiring, constructing, equipping and improving educational facilities located in Jacksonville, Florida in the amount of \$9,280,594 with a maturity date of February 28, 2029. IPS shall make quarterly principal payments and monthly interest payments. Interest on amounts outstanding will be payable monthly at a rate of 1.31% per annum.

9,007,233 9,280,594

A term note payable to Equitable Facilities Fund, Inc., in the original amount of \$17,500,000; maturing November 1, 2050 and interest and principal payable in monthly installments on each payment date starting November 1, 2022. Interest on amounts outstanding will be payable at a rate of 4.70% per annum.

16,149,976 16,463,720

A term note payable to Regions Commercial Equipment Finance, in the amount of \$750,000 maturing September 1, 2027 with a 5.83% per annum rate. Interest paid monthly, commencing October 1, 2023 until September 1, 2027.

443,390 622,401

A purchase agreement payable to Regions Commercial Equipment Finance entered in September 2023 for 2 passenger buses in the amount of \$236,928, maturing September 1, 2030, with an interest rate of 6.36%. Principal and interest payments due monthly.

- 215,998

Total	207,398,198	265,799,392
Less current portion	(107,072,703)	(105,502,063)
Less debt issuance costs	(843,377)	(1,116,726)
Total notes payable – long-term	<u>\$ 99,482,118</u>	<u>\$ 159,180,603</u>

The future minimum payments for notes payable as of June 30, 2025 are as follows:

2026	\$ 107,072,703
2027	2,164,917
2028	67,919,033
2029	15,997,806
2030	502,670
Thereafter	<u>13,741,069</u>
Total	<u>\$ 207,398,198</u>

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

Interest cost, including amortization of debt issuance costs, incurred for the years ended June 30, 2025 and 2024 totaled \$9,108,720 and \$15,014,446, respectively, of which \$9,108,720 and \$14,864,340 were expensed and \$0 and \$150,106 were capitalized for the years ended June 30, 2025 and 2024, respectively.

**Covenants:** The note agreements establish debt coverage ratios ranging from 1.05%-1.25% and a required number of days of cash on hand ranging from 30-60 days. Management believes the School is in compliance with these covenants and all other applicable covenants contained in the loan agreements during the years ended June 30, 2025 and 2024.

**NOTE 10 – LEASES**

The School has 198 operating leases for office space and storage facilities, copiers, water dispensers, and postage meters.

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 space and storage facilities 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:

	<u>2025</u>	<u>2024</u>
Finance lease cost:		
Amortization of right-of-use assets	\$ -	\$ 26,657
Interest on lease liabilities	-	716
Operating lease cost	1,043,299	5,211,262
Short-term lease cost	391,695	854,407
Variable lease cost	<u>357,167</u>	<u>32,740</u>
Total lease cost	<u>\$ 1,792,161</u>	<u>\$ 6,125,782</u>

Other information for leases:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for finance leases	-	\$716
Operating cash flows for operating leases	\$1,101,473	\$5,213,145
Finance cash flows for finance leases	-	\$27,246

The following table provides the weighted-average term and discount rates for both operating and finance leases outstanding as of June 30, 2025 and 2024:

<u>2025</u>		<u>OPERATING</u>
Weighted-average remaining lease term		2.14 years
Weighted-average discount rate		2.93%
<u>2024</u>	<u>OPERATING</u>	<u>FINANCE</u>
Weighted-average remaining lease term	1.48 years	3.11 years
Weighted-average discount rate	2.74%	2.96%

**NOTE 10 – LEASES (continued)**

Reconciliation of the undiscounted cash flows related to operating to the discounted amount reported in the statement of financial position as of June 30, 2025:

<u>UNDISCOUNTED CASH FLOWS DUE</u>	<u>OPERATING</u>
2026	\$ 470,761
2027	386,867
2028	266,818
2029	<u>32,630</u>
Total undiscounted cash flows	1,157,076
Less present value discount	<u>(36,756)</u>
Total present value of lease liabilities	<u>\$ 1,120,320</u>

**NOTE 11 – NONFINANCIAL CONTRIBUTIONS**

The School recognized the following nonfinancial contributions:

<u>CONTRIBUTED NONFINANCIAL ASSETS</u>	<u>MONETIZED OR UTILIZED IN PROGRAMS/ACTIVITIES</u>	<u>DONOR RESTRICTIONS</u>	<u>VALUATION TECHNIQUES AND INPUTS</u>	<u>2025</u>	<u>2024</u>
Food commodities	Provided to students.	Federal program.	Value provided by USDA.	\$1,995,651	\$978,637
Other donated goods	Utilized for fundraising events.	None.	Fair value estimated using the donor's selling price or retail value.	59,176	96,650
Professional services	Management and general.	None.	Fair value estimated using current rates for similar services.	304,496	-
Total contributed nonfinancial assets				<u>\$2,359,323</u>	<u>\$1,075,287</u>

**NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted as follows:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Foundation School Program – charter school activities	\$ 491,827,434	\$ 420,458,607
Child Nutrition Program	14,584,281	18,820,951
Permian Basin Region	5,383,309	12,408,138
Fort Worth Region	2,883,453	3,082,642
Campus Activity Funds	2,761,223	2,795,792
College Matriculation	1,909,319	1,672,063
Houston Region	1,626,847	623,169
Expansion	1,040,536	1,137,332
Austin Region	762,643	1,006,003
Area of Greatest Need	292,394	221,536
Healthy Kids Here	260,210	465,247
Other	<u>321,966</u>	<u>323,836</u>
Total subject to expenditure for specified purpose	523,653,615	463,015,316
Subject to passage of time	500,000	-
Endowment subject to spending policy	<u>418,487</u>	<u>391,081</u>
Total net assets with donor restrictions	<u>\$ 524,572,102</u>	<u>\$ 463,406,397</u>

**NOTE 13 – ENDOWMENT**

In 2023, IDEA established a donor-restricted endowment fund to provide scholarship opportunities for students graduating high school from the School and attending a college or university.

Changes in donor-restricted endowment funds are as follows:

	<u>WITH DONOR RESTRICTIONS</u>		
	ACCUMULATED NET INVESTMENT <u>RETURN</u>	REQUIRED TO BE MAINTAINED IN <u>PERPETUITY</u>	<u>TOTAL</u>
Endowment net assets, June 30, 2023	\$ (704)	\$ 385,510	\$ 384,806
Contributions	-	6,667	6,667
Net investment return	<u>(392)</u>	<u>-</u>	<u>(392)</u>
Endowment net assets, June 30, 2024	(1,096)	392,177	391,081
Contributions	-	19,366	19,366
Appropriations	(9,218)	-	(9,218)
Net investment return	<u>17,258</u>	<u>-</u>	<u>17,258</u>
Endowment net assets, June 30, 2025	<u>\$ 6,944</u>	<u>\$ 411,543</u>	<u>\$ 418,487</u>

**NOTE 13 – ENDOWMENT (continued)**

Donor-restricted endorsement funds are maintained in accordance with explicit donor stipulations and are subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). TUPMIFA provides guidelines about what constitutes prudent spending and explicitly requires consideration of preservation of the fund. The Board of Directors has interpreted TUPMIFA as requiring a focus on the entirety of donor-restricted endowment funds, including original gift amounts and net appreciation, allowing for the prudent uses, benefits, purposes, and duration for which the fund was established, subject to explicit donor stipulations.

As a result of this interpretation, the School classifies contributions to an endowment plus any donor-stipulated accumulations as *net assets with donor restrictions* required to be maintained in perpetuity. This amount is not reduced by investment losses or by appropriation and spending. The portion of the endowment not required to be maintained in perpetuity is also classified as *net assets with donor restrictions* until appropriated in accordance with spending policies and used for the stipulated purpose, if any.

An endowment fund is *underwater* if the fair value of the fund's investments falls below the amount required to be maintained in perpetuity because of declines in the fair value of investments and/or continued appropriation and spending in accordance with prudent spending. At June 30, 2024, there was a deficit of \$1,096. There was not a deficit at June 30, 2025.

**Investment Policy**

The endowment assets are maintained in money market accounts. The Endowment Committee is developing an investment policy to be approved by the Board of Directors for investment composition and objectives.

**Spending Policy**

Annually, the Endowment Committee shall recommend to the Board of Directors, the distributions to be made from the endowment fund, taking into consideration the investment growth of the fund over the previous year, the new gifts added to the fund, the distributions previously made, the need for distributions and such other factors as the Endowment Committee deems relevant. There is no obligation to make distributions from the endowment fund in any given year.

**NOTE 14 – GOVERNMENT GRANTS**

The School is party to agreements with government agencies. Should these agreements not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Sources of significant government revenue recognized include the following:

	<u>2025</u>	<u>2024</u>
State grants:		
Foundation School Program	\$ 899,211,433	\$ 847,660,815
State of Florida – School of Hope	19,466,950	30,888,386
Other	<u>36,076,201</u>	<u>31,155,055</u>
Total state grants	<u>954,754,584</u>	<u>909,704,256</u>
Federal grants:		
U. S. Department of Education	107,044,975	165,259,045
U. S. Department of Agriculture	93,466,810	86,657,091
Title XIX – School Health and Related Services	<u>2,273,176</u>	<u>4,535,972</u>
Total federal grants	<u>202,784,961</u>	<u>256,452,108</u>
Total state and federal grants	<u>\$ 1,157,539,545</u>	<u>\$ 1,166,156,364</u>

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.

**NOTE 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS**

Performance obligations from contracts with customers are 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 Louisiana, Florida, and Ohio. 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 year ended June 30:

	<u>2025</u>	<u>2024</u>
Performance obligations satisfied over time:		
Management fees	\$ 82,367,710	\$ 75,018,671
Performance obligations satisfied at a point in time:		
Food service and other fees	<u>11,632,788</u>	<u>7,272,128</u>
Total revenue from contracts with customers	<u>\$ 94,000,498</u>	<u>\$ 82,290,799</u>

**NOTE 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)**

The performance obligations related to the employee leasing services are 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**

The School's full-time employees participate in the Teacher Retirement System of Texas (TRS), a public employee retirement system. The TRS Plan is a cost-sharing, multiemployer, defined-benefit pension plan which has a plan year from September 1 to August 31. All risks and costs are not shared by the School, but are the liability of the State of Texas. TRS plan contribution rates are effective with TRS eligible compensation paid on or after September 1 of each plan year.

TRS Plan contribution rates are as follows:

	TRS PLAN <u>2025 PLAN YEAR</u>	TRS PLAN <u>2024 PLAN YEAR</u>
Member retirement contribution	8.25%	8.25%
State of Texas contribution	8.25%	8.25%
IDEA's public education employer contribution	2.0%	1.9%

IDEA is required to pay the State of Texas's contribution during the first 90 days of employment of a new TRS Plan member, after which the employer and the State of Texas contributes the aforementioned percentage.

TRS Plan assets, obligation and funded status as of August 31 are as follows:

	TRS PLAN <u>2024 PLAN YEAR</u>	TRS PLAN <u>2023 PLAN YEAR</u>
Plan assets	\$243.1 billion	\$213.5 billion
Accumulated benefit obligations	\$271.6 billion	\$255.9 billion
Funded status	77.5%	73.2%

Texas Public School Retired Employees Group Insurance Program (TRS-Care), is a multi-employer, cost-sharing, defined benefit plan with plan year from September 1 to August 31, TRS-Care provides health insurance coverage for retirees who are members of the TRS pension system with at least 10 years of service credit in the TRS pension system. TRS-Care Plan contribution rates are effective for TRS-eligible compensation paid on or after September 1 of each plan year.

TRS-Care Plan contributions rates are as follows:

	TRS-CARE PLAN <u>2025 PLAN YEAR</u>	TRS-CARE PLAN <u>2024 PLAN YEAR</u>
Member TRS-Care contribution	0.65%	0.65%
State of Texas contribution	1.25%	1.25%
IDEA's TRS-Care contribution	0.75%	0.75%

**NOTE 16 – RETIREMENT PLANS (continued)**

TRS-Care Plan assets, obligations, and funded status as of August 31, are as follows:

	TRS-CARE PLAN <u>2024 PLAN YEAR</u>	TRS-CARE PLAN <u>2023 PLAN YEAR</u>
Plan assets	\$5.0 billion	\$4.1 billion
Accumulated benefit obligations	\$35.2 billion	\$26.0 billion
Funded status	13.70%	14.94%

The risks of participating in a multiemployer, defined benefit plan are different from single-employer plan 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, the unfunded obligation of TRS may be required to be borne by the remaining employers. There is no withdrawal penalty for leaving TRS.

IDEA recognized expense of \$37.2 million during the year ended June 30, 2025 and \$36.8 million during the year ended June 30, 2024 for contributions to TRS and TRS-Care plans. IDEA's contributions do not represent more than 5% of TRS's or TRS-Care's total plan contributions. The State of Texas matched approximately \$29.8 in 2025 and \$24.2 million in 2024 on behalf of IDEA's employees with respect to these plans.

**Supplemental retirement payments:** The School and IPS offer 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, 2025 and 2024.

IPS has adopted an employer-paid section 403(b) plan for eligible employees in top management positions to make elective contributions to this plan. IPS provides a 1-to-1 match on employee contributions up to 10% of the employee's annual salary. Employer contributions to the plan totaled \$1,662,908 and \$1,549,432 for the years ended June 30, 2025 and 2024, respectively.

**NOTE 17 – COMMITMENTS AND CONTINGENCIES**

At June 30, 2025, IDEA had outstanding construction commitments related to the construction of School facilities in the amount of approximately \$57.4 million.

In fiscal year 2020, Accelerated Greater Schools (AGS) awarded a conditional contribution of \$37,500,000. The initial grant of \$37,500,000 was awarded to IDEA for the operating of six IDEA public schools in the Cincinnati area. At the time, IPS had not yet earned its 501(c)(3) status; in September 2023, the grant agreement was amended and updated, substituting IPS as the grantee, and reflecting that there were two IPS schools in Cincinnati, rather than six (as indicated in the original grant agreement). As the grant is for opening and operating IDEA public schools in the Cincinnati area, IDEA recognizes it as an agency transaction beginning fiscal year 2024, therefore no revenue or expenses are reflected in the statement of activities. For a period of at least twenty (20) years after the final disbursement of the grant (the Term) the grantee shall operate tuition-free charter campuses in Cincinnati. In accordance with the agreement, if at any time during the Term an event of default occurs, AGS has the right to send written notice to IPS within 120 days of such event of default exercising its option to purchase each campus funded with proceeds from this grant (the Property).

If during the Term of the agreement, IPS receives a bona fide third-party offer to purchase all or any part of the Property on terms that are acceptable to IPS, in IPS's sole discretion, within five business days after IPS's receipt of the offer, IPS shall notify AGS in writing of the terms of the offer. AGS shall have 30 days to notify IPS that AGS elects to purchase the Property on the same terms as the offer.



**IDEA Public Schools**

Consolidating Statement of Financial Position as of June 30, 2025

	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	\$ 416,941,030	\$ 5,716,650	\$ -	\$ 422,657,680	\$ 12,185,566	\$ -	\$ 434,843,246
Cash and cash equivalents – held in trust	81,923,636	-	-	81,923,636	11,012,844	-	92,936,480
Government grants receivable	200,938,724	516,013	-	201,454,737	12,573,962	-	214,028,699
Contributions receivable, net	249,370	-	-	249,370	500,000	-	749,370
Accounts receivable	38,295	-	-	38,295	15,838	-	54,133
Accounts receivable from affiliates	69,271	-	-	69,271	8,161,353	-	8,230,624
Intercompany receivables	720,052	125,104	(420,356)	424,800	-	(424,800)	-
Prepaid expenses	3,824,122	-	-	3,824,122	1,297,381	-	5,121,503
Other current assets	<u>654,069</u>	<u>11,213</u>	<u>-</u>	<u>665,282</u>	<u>-</u>	<u>-</u>	<u>665,282</u>
Total current assets	<u>705,358,569</u>	<u>6,368,980</u>	<u>(420,356)</u>	<u>711,307,193</u>	<u>45,746,944</u>	<u>(424,800)</u>	<u>756,629,337</u>
<b>Fixed assets:</b>							
ROU assets – operating leases	1,055,765	56,407	-	1,112,172	-	-	1,112,172
Property and equipment, net	<u>1,317,013,818</u>	<u>3,495,591</u>	<u>-</u>	<u>1,320,509,409</u>	<u>233,124,360</u>	<u>-</u>	<u>1,553,633,769</u>
Total fixed assets	<u>1,318,069,583</u>	<u>3,551,998</u>	<u>-</u>	<u>1,321,621,581</u>	<u>233,124,360</u>	<u>-</u>	<u>1,554,745,941</u>
<b>Other noncurrent assets:</b>							
Cash and cash equivalents – held in trust	217,948,992	-	-	217,948,992	14,588,784	-	232,537,776
Cash and cash equivalents – held for endowment	<u>418,487</u>	<u>-</u>	<u>-</u>	<u>418,487</u>	<u>-</u>	<u>-</u>	<u>418,487</u>
Total other noncurrent assets	<u>218,367,479</u>	<u>-</u>	<u>-</u>	<u>218,367,479</u>	<u>14,588,784</u>	<u>-</u>	<u>232,956,263</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,241,795,631</u>	<u>\$ 9,920,978</u>	<u>\$ (420,356)</u>	<u>\$ 2,251,296,253</u>	<u>\$ 293,460,088</u>	<u>\$ (424,800)</u>	<u>\$ 2,544,331,541</u>

(continued)

**IDEA Public Schools**

**Consolidating Statement of Financial Position as of June 30, 2025**

*(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	\$ 13,541,224	\$ 41,684	\$ -	\$ 13,582,908	\$ 8,151,512	\$ -	\$ 21,734,420
Accrued wages, benefits, and taxes	76,949,625	640,866	-	77,590,491	3,089,536	-	80,680,027
Accrued interest payable	20,928,492	-	-	20,928,492	943,297	-	21,871,789
Accrued expenses	19,803,902	43,300	-	19,847,202	3,269,372	-	23,116,574
Refundable advances	8,896,809	484	-	8,897,293	1,651,776	-	10,549,069
Intercompany payables	125,104	295,252	(420,356)	-	424,800	(424,800)	-
Other liabilities	532,726	43	-	532,769	334,375	-	867,144
Due to U. S. Department of Education – current portion	7,894,033	-	-	7,894,033	-	-	7,894,033
Bonds payable – current portion	25,940,000	-	-	25,940,000	930,000	-	26,870,000
Notes payable – current portion	66,665,400	-	-	66,665,400	40,407,303	-	107,072,703
Operating leases payable – current portion	451,413	19,348	-	470,761	-	-	470,761
Total current liabilities	<u>241,728,728</u>	<u>1,040,977</u>	<u>(420,356)</u>	<u>242,349,349</u>	<u>59,201,971</u>	<u>(424,800)</u>	<u>301,126,520</u>
<b>Long-term liabilities:</b>							
Due to U. S. Department of Education	3,947,016	-	-	3,947,016	-	-	3,947,016
Bonds payable, net	1,436,499,835	-	-	1,436,499,835	164,818,616	-	1,601,318,451
Notes payable, net	35,116,565	-	-	35,116,565	64,365,553	-	99,482,118
Operating leases payable	611,865	37,059	-	648,924	-	-	648,924
Total long-term liabilities	<u>1,476,175,281</u>	<u>37,059</u>	<u>-</u>	<u>1,476,212,340</u>	<u>229,184,169</u>	<u>-</u>	<u>1,705,396,509</u>
<b>TOTAL LIABILITIES</b>	<u>1,717,904,009</u>	<u>1,078,036</u>	<u>(420,356)</u>	<u>1,718,561,689</u>	<u>288,386,140</u>	<u>(424,800)</u>	<u>2,006,523,029</u>
<b>Net assets:</b>							
Without donor restrictions	493,613	8,224,069	-	8,717,682	4,518,728	-	13,236,410
With donor restrictions	523,398,009	618,873	-	524,016,882	555,220	-	524,572,102
Total net assets	<u>523,891,622</u>	<u>8,842,942</u>	<u>-</u>	<u>532,734,564</u>	<u>5,073,948</u>	<u>-</u>	<u>537,808,512</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,241,795,631</u>	<u>\$ 9,920,978</u>	<u>\$ (420,356)</u>	<u>\$ 2,251,296,253</u>	<u>\$ 293,460,088</u>	<u>\$ (424,800)</u>	<u>\$ 2,544,331,541</u>

**IDEA Public Schools**

Consolidating Statement of Activities for the year ended June 30, 2025

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	TOTAL IDEA PUBLIC SCHOOLS, INC.	IPS ENTERPRISES, INC.	ELIMINATIONS	TOTAL
REVENUE AND OTHER SUPPORT:						
Local support:						
Grant reversions	\$ -	\$ (3,654)	\$ (3,654)	\$ -	\$ -	\$ (3,654)
Contributions	10,114,337	385	10,114,722	2,436,238	-	12,550,960
Contributions of nonfinancial assets	59,176	-	59,176	304,496	-	363,672
Management fees	1,910,782	11,672,704	13,583,486	70,695,006	(1,910,782)	82,367,710
Rental income	-	-	-	21,305,865	-	21,305,865
Net investment return	12,824,880	-	12,824,880	1,884,157	-	14,709,037
Other revenue	<u>11,582,870</u>	<u>26,516</u>	<u>11,609,386</u>	<u>23,402</u>	<u>-</u>	<u>11,632,788</u>
Total local support	<u>36,492,045</u>	<u>11,695,951</u>	<u>48,187,996</u>	<u>96,649,164</u>	<u>(1,910,782)</u>	<u>142,926,378</u>
State program revenue:						
Foundation School Program	899,207,124	4,309	899,211,433	-	-	899,211,433
Other state aid	<u>35,853,631</u>	<u>222,570</u>	<u>36,076,201</u>	<u>19,466,950</u>	<u>-</u>	<u>55,543,151</u>
Total state program revenue	<u>935,060,755</u>	<u>226,879</u>	<u>935,287,634</u>	<u>19,466,950</u>	<u>-</u>	<u>954,754,584</u>
Federal program revenue:						
ESEA Title I – Part A	48,752,767	163,848	48,916,615	-	-	48,916,615
ESEA Title II – Part A Teacher/Principal Training	7,508,145	31,564	7,539,709	-	-	7,539,709
ESEA Title III – Part A Language Acquisition	2,857,103	5,165	2,862,268	-	-	2,862,268
ESEA Title IV – Part A	5,395,105	6,151	5,401,256	-	-	5,401,256
TCLAS High Quality After School	108,260	-	108,260	-	-	108,260
IDEA B Formula – Special Education	15,499,972	192,242	15,692,214	-	-	15,692,214
IDEA B Preschool – Special Education	59,269	317	59,586	-	-	59,586
Energy Equity Initiative	41,439	-	41,439	-	-	41,439
LED Summer	186,352	-	186,352	-	-	186,352

(continued)

**IDEA Public Schools**

Consolidating Statement of Activities for the year ended June 30, 2025

(continued)

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	TOTAL IDEA PUBLIC SCHOOLS, INC.	IPS ENTERPRISES, INC.	ELIMINATIONS	TOTAL
ARP Homeless II	\$ 7,780	\$ -	\$ 7,780	\$ -	\$ -	\$ 7,780
Twenty-First Century Community Learning Centers	1,846,420	-	1,846,420	-	-	1,846,420
Education Innovation and Research	167,204	-	167,204	-	-	167,204
School-based Mental Health	490,750	-	490,750	-	-	490,750
Elementary and Secondary School Emergency Relief Fund II	(23,924)	-	(23,924)	-	-	(23,924)
Elementary and Secondary School Emergency Relief Fund III	23,749,046	-	23,749,046	-	-	23,749,046
Child Nutrition	92,166,455	1,300,355	93,466,810	-	-	93,466,810
SSA, Title XIX – School Health and Related Services	<u>2,273,176</u>	<u>-</u>	<u>2,273,176</u>	<u>-</u>	<u>-</u>	<u>2,273,176</u>
Total federal program revenue	<u>201,085,319</u>	<u>1,699,642</u>	<u>202,784,961</u>	<u>-</u>	<u>-</u>	<u>202,784,961</u>
Total revenue and other support	<u>1,172,638,119</u>	<u>13,622,472</u>	<u>1,186,260,591</u>	<u>116,116,114</u>	<u>(1,910,782)</u>	<u>1,300,465,923</u>
<b>EXPENSES:</b>						
Program services:						
Instructional and instructional-related services	588,101,488	7,051,209	595,152,697	50,758,676	(1,545)	645,909,828
Instructional and school leadership	125,688,464	1,633,353	127,321,817	15,970,451	(158,981)	143,133,287
Support services – student (pupil)	216,110,315	1,575,867	217,686,182	12,582,202	(242,467)	230,025,917
Support services – nonstudent based	87,335,840	890,155	88,225,995	3,670,003	-	91,895,998
Ancillary services	<u>2,356,293</u>	<u>9,102</u>	<u>2,365,395</u>	<u>19,553,930</u>	<u>-</u>	<u>21,919,325</u>
Total program services	<u>1,019,592,400</u>	<u>11,159,686</u>	<u>1,030,752,086</u>	<u>102,535,262</u>	<u>(402,993)</u>	<u>1,132,884,355</u>

(continued)

**IDEA Public Schools**

Consolidating Statement of Activities for the year ended June 30, 2025

(continued)

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	TOTAL IDEA PUBLIC SCHOOLS, INC.	IPS ENTERPRISES, INC.	ELIMINATIONS	TOTAL
Support services:						
Administrative support services	\$ 60,207,987	\$ 14,477	\$ 60,222,464	\$ 6,668,073	\$ (1,291,386)	\$ 65,599,151
Support services – nonstudent based	45,726,008	308,322	46,034,330	470,450	(209,265)	46,295,515
Fundraising	<u>2,534,877</u>	<u>-</u>	<u>2,534,877</u>	<u>12,450</u>	<u>(7,138)</u>	<u>2,540,189</u>
Total support services	<u>108,468,872</u>	<u>322,799</u>	<u>108,791,671</u>	<u>7,150,973</u>	<u>(1,507,789)</u>	<u>114,434,855</u>
Total expenses	<u>1,128,061,272</u>	<u>11,482,485</u>	<u>1,139,543,757</u>	<u>109,686,235</u>	<u>(1,910,782)</u>	<u>1,247,319,210</u>
OTHER INCREASES (DECREASES) IN NET ASSETS:						
Net gain (loss) on disposal of assets	9,915	-	9,915	(1,110,791)	-	(1,100,876)
Gains	251,275	-	251,275	-	-	251,275
Valuation of government grants receivable	<u>15,917,652</u>	<u>-</u>	<u>15,917,652</u>	<u>-</u>	<u>-</u>	<u>15,917,652</u>
CHANGE IN NET ASSETS	60,755,689	2,139,987	62,895,676	5,319,088	-	68,214,764
Net assets, beginning of year	<u>463,135,933</u>	<u>6,702,955</u>	<u>469,838,888</u>	<u>(245,140)</u>	<u>-</u>	<u>469,593,748</u>
Net assets, end of year	<u>\$ 523,891,622</u>	<u>\$ 8,842,942</u>	<u>\$ 532,734,564</u>	<u>\$ 5,073,948</u>	<u>\$ -</u>	<u>\$ 537,808,512</u>

**IDEA Public Schools**Consolidating Statement of Cash Flows for the year ended June 30, 2025

	IDEA CHARTER	MISD IN-DISTRICT CHARTER	IPS ENTERPRISES, INC.	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Change in net assets	\$ 60,755,689	\$ 2,139,987	\$ 5,319,088	\$ 68,214,764
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	68,295,676	581,167	6,831,617	75,708,460
Amortization of premium and debt issuance costs	(7,010,063)	-	724,769	(6,285,294)
Amortization of operating leases	1,078,290	18,760	-	1,097,050
Gain on valuation of government grants receivable	(15,917,652)	-	-	(15,917,652)
Loss on disposal of property and equipment	18,174	-	1,110,791	1,128,965
Changes in current assets and liabilities:				
Government grants receivable	47,008,348	514,365	(6,669,229)	40,853,484
Contributions receivable	599,762	-	(500,000)	99,762
Accounts receivable	686,909	14,392	3,517,301	4,218,602
Prepaid expenses	(3,092,200)	-	571,397	(2,520,803)
Other current assets	43,870	(2,319)	-	41,551
Accounts payable	1,896,658	(15,582)	(3,184,776)	(1,303,700)
Accrued wages, benefits, and taxes	21,025,608	108,964	(640,931)	20,493,641
Accrued interest payable	(116,818)	-	56,257	(60,561)
Accrued expenses	11,851,298	(14,153)	1,950,681	13,787,826
Refundable advances	(946,118)	119	(1,000,000)	(1,945,999)
Intercompany receivable/payable	(42,573)	102,813	(60,240)	-
Other liabilities	(1,000,071)	(4,926)	(3,242,703)	(4,247,700)
Operating leases payable	(1,079,130)	(18,760)	-	(1,097,890)
Net cash provided by operating activities	<u>184,055,657</u>	<u>3,424,827</u>	<u>4,784,022</u>	<u>192,264,506</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Construction and purchase of property and equipment	(102,496,692)	(1,223,084)	(21,548,361)	(125,268,137)
Proceeds from sale of property	<u>9,731,389</u>	<u>-</u>	<u>20,524,464</u>	<u>30,255,853</u>
Net cash used by investing activities	<u>(92,765,303)</u>	<u>(1,223,084)</u>	<u>(1,023,897)</u>	<u>(95,012,284)</u>

*(continued)*

**IDEA Public Schools**

Consolidating Statement of Cash Flows for the year ended June 30, 2025

(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	\$ 208,154,438	\$ -	\$ -	\$ 208,154,438
Principal payments on long-term debt	(44,720,020)	-	(25,041,082)	(69,761,102)
Payments of debt issuance costs	<u>(9,425,362)</u>	<u>-</u>	<u>-</u>	<u>(9,425,362)</u>
Net cash provided (used) by financing activities	<u>154,009,056</u>	<u>-</u>	<u>(25,041,082)</u>	<u>128,967,974</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>245,299,410</b>	<b>2,201,743</b>	<b>(21,280,957)</b>	<b>226,220,196</b>
Cash and cash equivalents, beginning of year	<u>471,932,735</u>	<u>3,514,907</u>	<u>59,068,151</u>	<u>534,515,793</u>
Cash and cash equivalents, end of year	<u>\$ 717,232,145</u>	<u>\$ 5,716,650</u>	<u>\$ 37,787,194</u>	<u>\$ 760,735,989</u>
<i>Reconciliation of cash and cash equivalents:</i>				
Cash and cash equivalents	\$ 416,941,030	\$ 5,716,650	\$ 12,185,566	\$ 434,843,246
Cash and cash equivalents – held in trust	81,923,636	-	11,012,844	92,936,480
Cash and cash equivalents – noncurrent – held in trust	217,948,992	-	14,588,784	232,537,776
Cash and cash equivalents – held for endowment	<u>418,487</u>	<u>-</u>	<u>-</u>	<u>418,487</u>
Total cash and cash equivalents	<u>\$ 717,232,145</u>	<u>\$ 5,716,650</u>	<u>\$ 37,787,194</u>	<u>\$ 760,735,989</u>
<i>Supplemental disclosure of cash flow information:</i>				
Cash paid for interest	\$55,902,970		\$ 14,648,840	\$70,551,810
Right-of-use assets obtained in exchange for new lease obligations:				
Operating lease obligations	\$545,884	\$	\$	\$545,884
Principal payments of debt from proceed of refinancing	\$149,414,671	\$	\$	\$149,414,671

**IDEA Public Schools**Schedule of Activities for Individual Charter School for the years ended June 30, 2025 and 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2025 TOTAL	2024 TOTAL
<b>REVENUE AND OTHER SUPPORT:</b>				
Local support:				
5720 Local revenues realized as a result of services rendered to other school districts	\$ -	\$ -	\$ -	\$ 3,563,558
5740 Other revenue from local sources	1,910,782	32,772,714	34,683,496	12,169,286
5750 Other revenue from other activities	<u>-</u>	<u>1,808,549</u>	<u>1,808,549</u>	<u>1,407,782</u>
Total local support	<u>1,910,782</u>	<u>34,581,263</u>	<u>36,492,045</u>	<u>17,140,626</u>
State program revenue:				
5810 Foundation School Program Act revenue	-	899,206,899	899,206,899	847,660,815
5820 State program revenue distributed by the Texas Education Agency	-	6,098,787	6,098,787	6,962,835
5831 State revenues – other agencies	<u>-</u>	<u>29,755,069</u>	<u>29,755,069</u>	<u>24,192,220</u>
Total state program revenue	<u>-</u>	<u>935,060,755</u>	<u>935,060,755</u>	<u>878,815,870</u>
Federal program revenue:				
5910 Federal revenues distributed through government entities other than state and federal agencies	-	490,750	490,750	-
5920 Federal revenue distributed by the Texas Education Agency	-	198,112,749	198,112,749	239,414,044
5930 Federal revenue distributed by other State of Texas government agencies	-	2,273,176	2,273,176	7,588,558
5940 Federal revenue distributed directly from the federal government	<u>-</u>	<u>208,644</u>	<u>208,644</u>	<u>7,168,335</u>
Total federal program revenue	<u>-</u>	<u>201,085,319</u>	<u>201,085,319</u>	<u>254,170,937</u>
Net assets released for purpose restrictions	<u>1,126,143,190</u>	<u>(1,126,143,190)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>1,128,053,972</u>	<u>44,584,147</u>	<u>1,172,638,119</u>	<u>1,150,127,433</u>

(continued)



**IDEA Public Schools**Schedule of Activities for Individual Charter School for the years ended June 30, 2025 and 2024 (continued)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2025 TOTAL	2024 TOTAL
EXPENSES:				
11 Instruction	\$ 517,287,575	\$ -	\$ 517,287,575	\$ 477,323,391
12 Instructional resources and media services	6,665,519	-	6,665,519	5,876,777
13 Curriculum and instructional staff development	16,735,857	-	16,735,857	11,079,382
21 Instructional leadership	29,495,673	-	29,495,673	32,906,448
23 School leadership	96,192,791	-	96,192,791	88,076,306
31 Guidance, counseling and evaluation services	54,808,646	-	54,808,646	44,027,207
32 Social work services	646,208	-	646,208	1,564,635
33 Health services	9,098,589	-	9,098,589	7,444,740
34 Student (pupil) transportation	43,870,174	-	43,870,174	41,667,020
35 Food services	97,004,771	-	97,004,771	87,616,656
36 Cocurricular/extracurricular activities	10,681,925	-	10,681,925	10,350,667
41 General administration	58,313,954	-	58,313,954	42,681,494
51 Plant maintenance and operations	81,160,124	-	81,160,124	71,199,674
52 Security and monitoring services	12,993,763	-	12,993,763	10,789,239
53 Data processing services	38,907,965	-	38,907,965	32,571,001
61 Community services	2,356,293	-	2,356,293	1,942,493
71 Debt service	49,306,568	-	49,306,568	50,035,610
81 Fundraising	<u>2,534,877</u>	<u>-</u>	<u>2,534,877</u>	<u>4,073,732</u>
Total expenses	<u>1,128,061,272</u>	<u>-</u>	<u>1,128,061,272</u>	<u>1,021,226,472</u>
Net gain on disposal of assets	-	9,915	9,915	367,935
Other gains	-	251,275	251,275	415,360
Loss on impairment of assets	-	-	-	(8,500,000)
Gain (loss) on valuation of grants receivable	<u>-</u>	<u>15,917,652</u>	<u>15,917,652</u>	<u>(23,000,000)</u>
CHANGE IN NET ASSETS	(7,300)	60,762,989	60,755,689	98,184,256
Net assets, beginning of year	<u>500,913</u>	<u>462,635,020</u>	<u>463,135,933</u>	<u>364,951,677</u>
Net assets, end of year	<u>\$ 493,613</u>	<u>\$ 523,398,009</u>	<u>\$ 523,891,622</u>	<u>\$ 463,135,933</u>

**IDEA Public Schools**Schedule of Expenses for Individual Charter School for the years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Expenses:		
6100 Payroll costs	\$ 778,524,123	\$ 682,068,051
6200 Professional and contracted services	93,142,722	91,989,902
6300 Supplies and materials	110,201,590	115,450,389
6400 Other operating costs	96,886,268	81,682,520
6500 Debt	<u>49,306,568</u>	<u>50,035,610</u>
Total expenses	<u>\$ 1,128,061,271</u>	<u>\$ 1,021,226,472</u>

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**IDEA Public Schools**Schedule of Assets for Individual Charter School for the year ended June 30, 2025

<u>ASSET CLASSIFICATION</u>	<u>OWNERSHIP INTEREST</u>			<u>TOTAL</u>
	<u>LOCAL</u>	<u>STATE</u>	<u>FEDERAL</u>	
Cash	\$ 25,358,528	\$ 703,552,179	\$ (11,678,562)	\$ 717,232,145
Property and equipment:				
1510 Land and improvements	-	154,062,893	18,900	154,081,793
1520 Building and improvements	-	1,348,942,133	27,126	1,348,969,259
1531 Vehicles	-	35,727,501	210,697	35,938,198
1539 Furniture and equipment	-	69,210,523	19,014,882	88,225,405
1580 Construction in progress	<u>1,564,535</u>	<u>83,078,345</u>	<u>21,000</u>	<u>84,663,880</u>
Total property and equipment	<u>1,564,535</u>	<u>1,691,021,395</u>	<u>19,292,605</u>	<u>1,711,878,535</u>
Accumulated depreciation	-	-	-	<u>(394,864,717)</u>
Property and equipment, net	-	-	-	<u>1,317,013,818</u>
Right-of-use assets:				
1554 Operating lease for buildings	-	2,292,072	-	2,292,072
1559 Operating leases for furniture and equipment	-	<u>7,393,787</u>	-	<u>7,393,787</u>
Total right-of-use assets	-	<u>9,685,859</u>	-	<u>9,685,859</u>
Accumulated amortization	-	-	-	<u>(8,630,094)</u>
Operating leases, net	-	-	-	<u>1,055,765</u>
Total assets	<u>\$ 26,923,063</u>	<u>\$ 2,404,259,433</u>	<u>\$ 7,614,043</u>	
Total assets, net				<u>\$ 2,035,301,728</u>

**IDEA Public Schools**

Charter #108807

Use of Funds Report – Select State Allotment Programs for the year ended June 30, 2025

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<b>Section A: Compensatory Education Programs</b>	<b>Responses</b>
Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
Does the LEA have written policies and procedures for its state compensatory education program?	Yes
List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$103,129,660
List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$27,560,320
<b>Section B: Bilingual Education Programs</b>	<b>Responses</b>
Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
Does the LEA have written policies and procedures for its bilingual education program?	Yes
List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$19,688,491
List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$2,222,542

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**IDEA Public Schools**

Schedule of Related Party Transactions for the year ended June 30, 2025

<u>RELATED PARTY NAME</u>	<u>NAME OF RELATION TO THE RELATED PARTY</u>	<u>RELATIONSHIP</u>	<u>TYPE OF TRANSACTION</u>	<u>DESCRIPTION OF TERMS AND CONDITIONS</u>	<u>SOURCE OF FUNDS USED</u>	<u>PAYMENT FREQUENCY</u>	<u>TOTAL PAID DURING FISCAL YEAR</u>	<u>PRINCIPAL BALANCE DUE</u>
None								

**IDEA Public Schools**

Schedule of Related Party Compensation and Benefits for the year ended June 30, 2025

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<u>RELATED PARTY NAME</u>	NAME OF RELATION TO THE <u>RELATED PARTY</u>	<u>RELATIONSHIP</u>	COMPENSATION <u>OR BENEFIT</u>	PAYMENT <u>FREQUENCY</u>	<u>DESCRIPTION</u>	SOURCE OF <u>FUNDS USED</u>	TOTAL PAID DURING <u>FISCAL YEAR</u>
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None

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**IDEA Public Schools**

Budgetary Comparison Schedule for Individual Charter School for the year ended June 30, 2025

	BUDGETED AMOUNTS		VARIANCE WITH ORIGINAL BUDGET	NOTE	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	NOTE
	ORIGINAL	FINAL					
REVENUE:							
Local support:							
5740 Other revenue from local sources	\$ 11,046,163	\$ 27,912,646	\$ (16,866,483)	(1)	\$ 34,683,496	\$ 6,770,850	(13)
5750 Other revenue from other activities	<u>170,500</u>	<u>1,764,854</u>	<u>(1,594,354)</u>	(2)	<u>1,808,549</u>	<u>43,695</u>	
Total local support	<u>11,216,663</u>	<u>29,677,500</u>	<u>(18,460,837)</u>		<u>36,492,045</u>	<u>6,814,545</u>	
State program revenue:							
5810 Foundation School Program Act revenue	888,274,602	895,886,600	(7,611,998)		899,206,899	3,320,299	
5820 State program revenue distributed by the Texas Education Agency	23,255,724	25,475,144	(2,219,420)	(3)	6,098,787	(19,376,357)	(14)
5831 State revenues – other agencies	<u>-</u>	<u>-</u>	<u>-</u>		<u>29,755,069</u>	<u>29,755,069</u>	(15)
Total state program revenue	<u>911,530,326</u>	<u>921,361,744</u>	<u>(9,831,418)</u>		<u>935,060,755</u>	<u>13,699,011</u>	
Federal program revenue:							
5910 Federal revenues distributed through government entities other than state and federal agencies	-	-	-		490,750	490,750	(16)
5920 Federal revenue distributed by the Texas Education Agency	211,745,565	224,989,406	(13,243,841)		198,112,749	(26,876,657)	(17)
5930 Federal revenue distributed by other State of Texas government agencies	15,000,000	15,000,000	-		2,273,176	(12,726,824)	(18)
5940 Federal revenue distributed directly from the federal government	<u>-</u>	<u>499,000</u>	<u>(499,000)</u>	(4)	<u>208,644</u>	<u>(290,356)</u>	(19)
Total federal program revenue	<u>226,745,565</u>	<u>240,488,406</u>	<u>(13,742,841)</u>		<u>201,085,319</u>	<u>(39,403,087)</u>	
Total revenue	<u>1,149,492,554</u>	<u>1,191,527,650</u>	<u>(42,035,096)</u>		<u>1,172,638,119</u>	<u>(18,889,531)</u>	

(continued)

**IDEA Public Schools**

Budgetary Comparison Schedule for Individual Charter School for the year ended June 30, 2025

(continued)

	BUDGETED AMOUNTS		VARIANCE WITH ORIGINAL BUDGET	NOTE	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	NOTE
	ORIGINAL	FINAL					
EXPENSES:							
11 Instruction	\$ 508,788,077	\$ 521,262,089	\$ (12,474,012)		\$ 517,287,575	\$ 3,974,514	
12 Instructional resources and media services	6,415,092	5,073,924	1,341,168	(5)	6,665,519	(1,591,595)	(20)
13 Curriculum and instructional staff development	6,063,728	20,448,272	(14,384,544)	(6)	16,735,857	3,712,415	(21)
21 Instructional leadership	53,681,383	49,677,461	4,003,922		29,495,673	20,181,788	(22)
23 School leadership	89,543,492	95,574,997	(6,031,505)		96,192,791	(617,794)	
31 Guidance, counseling and evaluation services	49,201,563	52,554,893	(3,353,330)		54,808,646	(2,253,753)	
32 Social work services	1,350,514	463,543	886,971	(7)	646,208	(182,665)	(23)
33 Health services	10,824,053	10,751,089	72,964		9,098,589	1,652,500	(24)
34 Student (pupil) transportation	50,886,673	49,840,536	1,046,137		43,870,174	5,970,362	(25)
35 Food services	113,023,055	113,531,026	(507,971)		97,004,771	16,526,255	(26)
36 Cocurricular/extracurricular Activities	5,825,516	8,499,835	(2,674,319)	(8)	10,681,925	(2,182,090)	(27)
41 General administration	64,985,809	61,030,238	3,955,571		58,313,954	2,716,284	
51 Plant maintenance and Operations	81,035,364	86,915,485	(5,880,121)		81,160,124	5,755,361	
52 Security and monitoring services	11,107,282	13,465,958	(2,358,676)	(9)	12,993,763	472,195	
53 Data processing services	28,419,613	35,405,459	(6,985,846)	(10)	38,907,965	(3,502,506)	(28)
61 Community services	1,326,634	3,740,626	(2,413,992)	(11)	2,356,293	1,384,333	(29)
71 Debt service	48,147,882	50,132,939	(1,985,057)		49,306,568	826,371	
81 Fundraising	3,103,105	2,633,791	469,314	(12)	2,534,877	98,914	
Total expenses	1,133,728,835	1,181,002,161	(47,273,326)		1,128,061,272	52,940,889	

(continued)



**IDEA Public Schools**

Budgetary Comparison Schedule for Individual Charter School for the year ended June 30, 2025

*(continued)*

	BUDGETED AMOUNTS		VARIANCE WITH			VARIANCE WITH	
	ORIGINAL	FINAL	ORIGINAL BUDGET	NOTE	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)	NOTE
Net gain on disposal of assets	\$ -	\$ -	\$ -		\$ 9,915	\$ 9,915	(30)
Other gains	-	-	-		251,275	251,275	(30)
Gain on valuation of government grants receivable	-	-	-		<u>15,917,652</u>	<u>15,917,652</u>	(30)
CHANGE IN NET ASSETS	15,763,719	10,525,489	5,238,230		60,755,689	(50,230,200)	
Net assets, beginning of year	<u>463,135,933</u>	<u>463,135,933</u>	-		<u>463,135,933</u>	-	
Net assets, end of year	<u>\$ 478,899,652</u>	<u>\$ 473,661,422</u>	<u>\$ 5,238,230</u>		<u>\$ 523,891,622</u>	<u>\$ (50,230,200)</u>	

**IDEA Public Schools**Budget Variance Explanations for the year ended June 30, 2025 (unaudited)

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The following is an explanation of the 10% variances from original budget to final budget on the Budgetary Comparison Schedule:

- (1) Variance primarily driven by interest income from bond funds cash and cash equivalents interest not included in original budget.
- (2) Variance primarily driven by SBAA (activity revenues) actuals coming in higher than original budget so final budget was adjusted.
- (3) State revenues of other agencies exceeded the budget as on-behalf payments made by the State of Texas to the TRS retirement plan were not budgeted.
- (4) UTRGV carryover award not included in original adoption and so final budget was revised.
- (5) Variance is primarily driven by compensation higher than expected payroll costs coded to Function 12 under Funds 4120, 4124, and 4312.
- (6) Account coding for positions was reviewed and properly aligned in accordance with TEA guidelines and the Financial Accounting System Resource Guide (FASRG).
- (7) Variance is primarily driven by compensation higher than expected payroll costs coded to Function 31 under Fund 4124.
- (8) Variance is primarily driven by compensation, including transfers to cover extra duty, stipends, bonuses, and employee allowances, as well as operating expenses such as travel and dues reclassified to cover required yearly payments.
- (9) Security and monitoring service budget increase primarily due to a review and realignment of position coding to ensure compliance with TEA guidelines and FASRG, and transfers between Campus Discretionary to cover security costs and monitor wages.
- (10) Data processing services includes budget increased for IT projects not included in the original budget and depreciation function corrections.
- (11) Community service budget increase primarily due to a review and realignment of position coding to ensure compliance with TEA guidelines and FASRG and increases for Title I Parent & Family Engagement budget.
- (12) Variance is primary driven by miscellaneous contracted services under budget due to budget corrections from FPA and transfer to a different function for College Matriculation for Financial Literacy.

The following is an explanation of the 10% variances from final budget to actual revenue or expense reported on the Budgetary Comparison Schedule:

- (13) Variance is primarily driven by interest income from bond funds cash and cash equivalents interest.
- (14) Revenue for IMTA & Safety Grants were not fully recognized in FY25.
- (15) On-behalf payments made by the State of Texas to the TRS retirement plan were not budgeted.
- (16) Actual revenue variance as School Mental Health Grant was recognized in Fund 5910, but budgeted in Fund 5940.
- (17) Federal grants final budget was amended for prior year (FY24) carryover but not fully recognized, with 12% carrying over to FY26.
- (18) SHARS revenue was below budget projections due to TMHP rule changes and denied claims.
- (19) Variance is primary driven by compensation. Variance due to higher-than-budgeted actuals for payroll costs coded to Function 12 under Funds 4120, 4124, and 4312. Revised vs actuals difference of \$2M.

**IDEA Public Schools**Budget Variance Explanations for the year ended June 30, 2025 (unaudited)

---

- (20) Variance is primary driven underspent contracted services of education service center fees and other operating dues fees.
  - (21) Variance is primary driven by payroll underspent from open position savings and insurance actuals under budget from revised budget due to mostly recorded in function 51.
  - (22) Variance is primarily driven by compensation. Variance due to higher-than-budgeted actuals for payroll costs coded to Function 31 under Fund 4124 revised vs actuals difference of (\$172K).
  - (23) Health services is under budget as a result of savings from open positions.
  - (24) Transportation is under budget as a result of savings from open positions.
  - (25) Food service is under budget as a result of lower-than-expected student participation in the food service program.
  - (26) Variance is primarily driven by compensation, including stipends and employee allowances, which posted higher than the budgeted amounts due to timing of payments and reclassifications across functions.
  - (27) Data processing was over budget as corrections were made to code depreciation expense to the correct function which was not reflected in the final budget.
  - (28) Variance is primarily the result of underspending due to Title IV consolidation of increased reservation for compliance.
  - (29) Gains and losses are over and under budget as gains and losses are not budgeted.
  - (30) Account coding for positions was reviewed and properly aligned in accordance with TEA guidelines and FASRG.
-

**IDEA Public Schools**

Schedule of Real Property Ownership Interest for the year ended June 30, 2025 (unaudited)

<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	1900 Thomas Rd., Haltom City, TX 76117	\$ 27,056,884.00	\$ -	\$ 27,056,884.00	\$ -
Hatcher SA Survey Abstract 1792					
Tract 1B03	3621 NW Loop 820, Fort Worth, TX 76106	706,161.00	-	706,161.00	-
Seminary Twin Drive-in Theatre Lot 1R	2935 E. Seminary Dr., Fort Worth, TX 76119	26,852,379.00	-	26,852,379.00	-
IPS Addition Block 4 Lot 1	3000 Cherry Lane, Fort Worth, TX 76116	23,111,674.00	-	23,111,674.00	-
Anderson, J R Addition Block 1 Lot 1	1640 Altamesa Blvd., Fort Worth, TX 76134	37,671,331.00	-	37,671,331.00	-
Emilia Subdivision Blk 23, 0.643 Acres out of 1.659 Acres	205 Railroad St., Brownsville, TX 78520	9,259.00	-	9,259.00	-
El Jardin Resubdivision W 21.00 Acres of E 42 Acres of Lot 8 BLK 104	6200 Dockberry Rd., Brownsville, TX 78521	554,918.00	\$ -	554,918.00	\$ -
El Jardin Resubdivision 19.7682 Acres of E 42 Acres of Lot 8 BLK 104	2800 S. Dakota Ave., Brownsville, TX 78521	518,369.00	-	518,369.00	-
Abst 2 - Palo Alto Gr 1, 1.1612 Acres out of 18.09 Acres of Block 40	1000 Sports Park Blvd., Brownsville, TX 78526	-	-	-	-
Abst 2 - Unsubdivided Share 12					
Tract A-1 Acres 85.7	280 Fish Hatchery Rd., Brownsville, TX 78520	971,762.00	-	971,762.00	-
Survey - Petersburg BLK 2 E .500 Acres of 37.110 Acres	3301 Wilson Rd., Harlingen, TX 78552	119,158.00	-	119,158.00	-
Survey - Petersburg BLK 2 E 36,610 Acres of 37.110 Acres	24240 Wilson Rd., Harlingen, TX 78552	-	-	-	-
Lot 1 IDEA Academy San Benito Subdivision (2011 C1-3034 B Filed 7/23/10)	2151 Russell Lane, San Benito, TX 78586	2,840,255.00	-	2,840,255.00	-
Lot 1 Blk 1 IDEA Academy Sports Park Subdivision (2021 Subd Plat C1-4056 & 4057 CCMR Filed 8/14/20)	6650 Old Alice Rd., Brownsville, TX 78526	3,194,069.00	-	3,194,069.00	-
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	8,027,321.00	-	8,027,321.00	-

(continued)

**IDEA Public Schools**

Schedule of Real Property Ownership Interest for the year ended June 30, 2025 (unaudited)

*(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>
PT Reserve A University Plaza Subdivision PH (c1-2788B CCMR Files 3-14-07), 20.3 Acres	30 Palm Blvd., Brownsville, TX 78520	\$ 11,828,752.00	-	\$ 11,828,752.00	-
Lot 1 Blk IDEA Academy Robindale Subdivision (2019 Plat C1-3731 & 3732 CCMR Filed 6/8/2018)	3802 Ruben M. Torres, Brownsville, TX 78521	9,560,034.00	-	9,560,034.00	-
11.73 Acres in Sec 1 Blk 39 T25 Tahoe Lakes Addition	Lamesa Rd & I-20, Midland, TX 79701	2,043,840.00	\$ -	2,043,840.00	\$ -
TRS 2B & 2J Abst 1515 WCRR CO Sec 6 Blk 4	2010 Spears Rd., Houston, TX 77067	14,231,142.00	-	14,231,142.00	-
RES A Blk Crosby IDEA School	5627 S. Lake Houston Pky., Houston, TX 77049	6,774,823.00	-	6,774,823.00	-
Lot 1-2 Bluestein PARK PHS 1	5816 Wilcab Rd., Austin, TX 78721	39,082,062.00	-	39,082,062.00	-
Lot 1 K/N Subdivision	9504 N. IH. Hwy. 35, San Antonio, TX 78753	11,293,614.00	-	11,293,614.00	-
Abs A0397 Hunt M, 4. Acres	1438 E. Yager Lane, Austin, TX 78753	1,144,772.00	-	1,144,772.00	-
Abs 397 Survey 88 Hunt M, Acres 9.050	1438 E. Yager Lane, Austin, TX 78753	1,971,090.00	-	1,971,090.00	-
IDEA Pflugerville	1901 Wells Branch Pky., Pflugerville, TX 78660	5,103,774.00	-	5,103,774.00	-
Lot 4 Bluestein Park PHS 1	3708 Bluestein Dr., Austin, TX 78721	410,984.00	-	410,984.00	-
Lot 3 Bluestein Park PHS 1	3702 Bluestein Dr., Austin, TX 78721	440,724.00	-	440,724.00	-
15.0176 Acres of Lot 1 Blk A IDEA School at Rundberg-Showplace	700 Showplace Lane, Austin, TX 78753	5,643,130.00	-	5,643,130.00	-
9.3622 Acres of Lot Blk A Riverside Vargas	1701 Vargas Rd., Austin, TX 78741	33,937,807.00	-	33,937,807.00	-
Lot 1 Texas Twenty #2 Subdivision	1700 E. Slaughter Lane, Austin, TX 78747	26,484,595.00	-	26,484,595.00	-
4.8336 Acres of Lot 2A Easton Park Sec 1B Amended	7325 McKinney Falls Pky., Austin, TX 78744	-	-	-	-
Lot 1 Blk A IDEA - Yager Academy	1438 E. Yager Lane, Austin, TX 78753	7,384,291.00	-	7,384,291.00	-
6.3094 Acres of Lot 1A Easton Park Section 1B Amended	7325 McKinney Falls Pky., Austin, TX 78744	-	-	-	-

*(continued)*

**IDEA Public Schools**

Schedule of Real Property Ownership Interest for the year ended June 30, 2025 (unaudited)

(continued)

DESCRIPTION	PROPERTY ADDRESS	TOTAL ASSESSED VALUE	OWNERSHIP INTEREST		
			LOCAL	STATE	FEDERAL
Lot 1 Blk A IDEA Greenlawn Subdivision- (9.8985 Acres in Travis County)(1-D-1)	3301 Greenlawn Blvd., Round Rock, TX 78664	\$ 4,417,816.00	-	\$ 4,417,816.00	-
55 Ysleta Track 8-B (2.00 Acres)	9050 Escobar Dr., El Paso, TX 79907	19,000.00	-	19,000.00	-
Blk 1 Rio Vista School Lot 1	210 N. Rio Vista Rd., Socorro, TX 79927	20,538,003.00	-	20,538,003.00	-
Blk 1 Wallenberg #1 Lot 1	405 Wallenberg Dr., El Paso, TX 79912	4,534,524.00	-	4,534,524.00	-
Blk 1 Tierra Del Este #88 Lot 1 (School Site)	15101 Edgemere Blvd., El Paso, TX 79938	800,000.00	-	800,000.00	-
Blk 22 Horizon Town Center #3 Lot 29	201 Horizon Crossing St., Horizon City, TX 79928	15,349,361.00	-	15,349,361.00	-
Blk 56 Mesquite Hills #10 Lot 1	11881 Dyer St., El Paso, TX 79934	802,000.00	\$ -	802,000.00	\$ -
55 Ysleta 5-C-2 (0.1240 Acres) & 6-C-2 (0.5903 Acres) (0.7143 Acres)	9050 Escobar Dr., El Paso, TX 79907	6,786.00	-	6,786.00	-
55 Ysleta Track 7-C-2 (10.4857 Acres)	9050 Escobar Dr., El Paso, TX 79907	99,614.00	-	99,614.00	-
55 Ysleta 5-C-3 (0.3914 Acres) 0 & 6-C-3 (1.2726 Acres)	9050 Escobar Dr., El Paso, TX 79907	144,968.00	-	144,968.00	-
55 Ysleta TR 7-C-3 (2.4552 Acres)	9050 Escobar Dr., El Paso, TX 79907	64,169.00	-	64,169.00	-
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	480,240.00	-	480,240.00	-
Caledonian Estates Unit No. 2 E7.00 Acres Lot 30 6.82 Acres Net	3300 E. Texas Rd., Edinburg, TX 78542	122,760.00	-	122,760.00	-
Valley Orchards S11.58 Acres Lot F & S11.11 Acres Lot G 21.80 Acres Net	401 S. 1st St., Donna, TX 78537	8,308,664.00	-	8,308,664.00	-
Alsbury, Hanson Survey Abstract 31 Tract 3A01C & TR 4B	NE Renfro Street, Burleson, TX 76028	3,166,752.00	-	3,166,752.00	-
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	489,600.00	-	489,600.00	-
Steel Horse Industrial Park Lot 11	5802 N. Gumwood St., Pharr, TX 78577	15,349,361.00	-	15,349,361.00	-
RGV Professional Center Condominiums (2ND AMND) Building B Unit 8	505 Angelita Dr., Suite 8, Weslaco, TX 78599	383,750.00	-	383,750.00	-

(continued)

**IDEA Public Schools**

Schedule of Real Property Ownership Interest for the year ended June 30, 2025 (unaudited)

(continued)

DESCRIPTION	PROPERTY ADDRESS	TOTAL ASSESSED VALUE	OWNERSHIP INTEREST		
			LOCAL	STATE	FEDERAL
RGV Professional Center Condominiums (2ND AMND) Building B Unit 9	505 Angelita Dr., Suite 9, Weslaco, TX 78599	\$ 388,864.00	-	\$ 388,864.00	-
RGV Professional Center Condominiums (2ND AMND) Building B Unit 10	505 Angelita Dr., Suite 10, Weslaco, TX 78599	392,205.00	-	392,205.00	-
RGV Professional Center Condominiums (2ND AMND) Building B Unit 11	505 Angelita Dr., Suite 11, Weslaco, TX 78599	291,402.00	-	291,402.00	-
IDEA Public School Lot 1	1600 S. Schuerbach, Mission, TX 78572	7,268,975.00 \$	-	7,268,975.00 \$	-
IDEA San Juan Lot 1	600 W. Sioux Rd., San Juan, TX 78589	16,854,690.00	-	16,854,690.00	-
IDEA Public Schools - McAllen Lot 1	201 N. Bentsen Rd., McAllen, TX 78501	11,690,835.00	-	11,690,835.00	-
IDEA Quest Lot 1	14001 Russell Rd., Edinburg, TX 78541	9,471,892.00	-	9,471,892.00	-
IDEA Public School Weslaco Lot 1	1000 E. Pike Blvd., Weslaco, TX 78596	7,184,961.00	-	7,184,961.00	-
IDEA Public School Headquarters Lot 1	2115 W. Pike Blvd., Weslaco, TX 78596	7,334,667.00	-	7,334,667.00	-
IDEA Public School Holland Lot 1	2706 N. Holland Ave., Mission, TX 78574	10,573,622.00	-	10,573,622.00	-
IDEA Tres Lagos	5200 Tres Lagos Blvd., McAllen, TX 78504	14,360,658.00	-	14,360,658.00	-
IDEA North Pharr Lot 1	1000 E. Owassa Rd., Pharr, TX 78577	13,240,630.00	-	13,240,630.00	-
IDEA Public School Elsa Lot 1	411 S. Fannin St., Elsa, TX 78543	19,418,971.00	-	19,418,971.00	-
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)	N/A	-	N/A	-
IDEA Public Schools South McAllen Lot 1	5400 S. Ware Rd., McAllen, TX 78503	22,093,365.00	-	22,093,365.00	-
IDEA - Palmview an Irr 24.95 Acres Tract-S1326.74' Lot 1 23.63 Acres Net	4100 N. Schuerbach Rd., Mission, TX 78572	15,363,489.00	-	15,363,489.00	-
IDEA Toros Lot 1	3300 E. Texas Rd., Edinburg, TX 78542	5,479,951.00	-	5,479,951.00	-
IDEA Public Schools La Joya Lot 1	725 E. Expressway 83, La Joya, TX 78560	-	-	-	-
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	91,171.00	-	91,171.00	-
Mid Valley Industrial Park No. 8 Lot 2	2931 Sugar Cane Dr., Weslaco, TX 78599	13,158,687.00	-	13,158,687.00	-

(continued)

**IDEA Public Schools**

Schedule of Real Property Ownership Interest for the year ended June 30, 2025 (unaudited)

(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>
Boys and Girls Club Lot 3	2553 Roegiers Rd., Edinburg, TX 78541	\$ 273,272.00	-	\$ 273,272.00	-
Boys and Girls Club Lot 4, 6 & 7	2553 Roegiers Rd., Edinburg, TX 78541	5,064,941.00	-	5,064,941.00	-
Alamo Country Club PH 3 Lot 1	325 Kansas Rd., Alamo, TX 78516	6,995,004.00	-	6,995,004.00	-
IDEA Public School #2 BNG A					
20.07 Acres Tract	600 E. Las Milpas Rd., Pharr, TX 78577	14,466,226.00	-	14,466,226.00	-
NCB 592 Blk 7 Lot 2 Exc NW Irr 5.69 Ft	226 N. Hackberry, San Antonio, TX 78202	5,117,930.00	\$ -	5,117,930.00	\$ -
NCB 1450 Blk 19 Lot 12 (Springview					
Unit-3 Phase III)	2806 Harney St., San Antonio, TX 78203	146,970.00	-	146,970.00	-
NCB 1450 Blk 19 Lot 13 (Springview					
Unit-3 Phase III)	2802 Harney St., San Antonio, TX 78203	126,540.00	-	126,540.00	-
NCB 1450 Blk 19 Lot 14 (Springview					
Unit-3 Phase III) NCB 1450 Blk	2803 Harney St., San Antonio, TX 78203	141,670.00	-	141,670.00	-
NCB 1450 Blk 19 Lot 15 (Springview					
Unit-3 Phase III)	619 Fisk St., San Antonio, TX 78203	100,340.00	-	100,340.00	-
NCB 1450 Blk 19 Lot 16 (Springview					
Unit-3 Phase III)	615 Fisk St., San Antonio, TX 78203	91,990.00	-	91,990.00	-
NCB 1450 Blk 19 Lot 17 (Springview					
Unit-3 Phase III)	611 Fisk St., San Antonio, TX 78203	91,990.00	-	91,990.00	-
NCB 1450 Blk 19 Lot 18 (Springview					
Unit-3 Phase III)	607 Fisk St., San Antonio, TX 78203	92,520.00	-	92,520.00	-
NCB 1450 Blk 19 Lot 19 (Springview					
Unit-3 Phase III)	603 Fisk St., San Antonio, TX 78203	93,280.00	-	93,280.00	-
CB 5051 A Lot N IRR 1788.78 FT of 27	6445 Walzem Rd., San Antonio, TX 78239	39,167,920.00	-	39,167,920.00	-
CB5081C (IDEA-Converse), Blk 1 Lot 2	5160 Martinez Converse, Converse, TX 78109	-	-	-	-
NCB 9483 Blk Lot 90	6911 S. Flores St., San Antonio, TX 78221	160,710.00	-	160,710.00	-
NCB 12962 Blk Lot S IRR 31.18' of W IRR					
413.83' of 1 (2.158), NE TRI 36.23' of					
S 399.12' of 1 (0.088), 4A (0.2)	7011 San Pedro Ave., San Antonio, TX 78216	1,724,490.00	-	1,724,490.00	-

(continued)



**IDEA Public Schools**

Schedule of Real Property Ownership Interest for the year ended June 30, 2025 (unaudited)

(continued)

DESCRIPTION	PROPERTY ADDRESS	TOTAL ASSESSED VALUE	OWNERSHIP INTEREST		
			LOCAL	STATE	FEDERAL
NCB 14165 Blk 7 Lot 4	2825 Majestic Dr., San Antonio, TX 78228	\$ 48,780.00	-	\$ 48,780.00	-
NCB 14165 Blk 7 Lot 5 GIS 2.713 Acres	2814 Majestic Dr., San Antonio, TX 78228	269,450.00	-	269,450.00	-
NCB 15858 Blk 15 Lot 1	3100 Majestic Dr., San Antonio, TX 78228	22,720,470.00	-	22,720,470.00	-
NCB 11186 Blk 1 Lot 17	2523 W. Ansley Blvd., San Antonio, TX 78224	-	-	-	-
IDEA Public Schools 1301 E Commerce Street Inv	1301 E. Commerce St., San Antonio, TX 78205	1,000.00	-	1,000.00	-
NCB 8244 Blk 3 Lot 25 (IDEA Public School-Commerce)	222 SW 39 <sup>th</sup> St., San Antonio, TX 78237	20,480,190.00 \$	-	20,480,190.00 \$	-
NCB 594 Blk 5 Lot 19 (IDEA Carver PH II Subdivision)	1511 E. Commerce St., San Antonio, TX 78205	1,571,650.00	-	1,571,650.00	-
NCB 17172 (Waters Edge Business Park), Block 1 Lot 17	1210 Horal Dr., San Antonio, TX 78227	25,264,360.00	-	25,264,360.00	-
NCB 17359 Blk 4 Lot 34 (IDEA Feather Ridge)	13427 Judson Rd., San Antonio, TX 78233	17,089,120.00	-	17,089,120.00	-
NCB 1521 Blk 8 Lot 2 (IDEA Eastside)	2519 Martin Luther King, San Antonio, TX 78203	-	-	-	-
NCB 15252 (IDEA Pearsall), Block 2 Lot 4	5555 Old Pearsall Rd., San Antonio, TX 78242	13,927,030.00	-	13,927,030.00	-
NCB 10615 (IDEA W W White), Lot 80	926 S. WW White Road, San Antonio, TX 78220	-	-	-	-
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	530,160.00	-	530,160.00	-
NCB 9483 Lot 120 (IDEA South Flores Expansion)	6919 S. Flores St., San Antonio, TX 78221	6,575,320.00	-	6,575,320.00	-
CB 5197E Blk 30 Lot 4 (IDEA Marbach)	10434 Marbach Rd., San Antonio, TX 78245	15,406,750.00	-	15,406,750.00	-
NCB 17639 (IDEA Culebra), Lot 16	10138 Culebra Rd., San Antonio, TX 78251	19,188,410.00	-	19,188,410.00	-
NCB 18160 P-3 (2.296) CB 5983 (73.8209 Acres)	4500 W. Pue Road, San Antonio, TX 78245	-	-	-	-
Abs: 153 Sur: T Herrera 6.3290 Acres	Maske Rd., Schertz, TX 78154 (empty lot)	181,184.00	-	181,184.00	-
Abs: 153 Sur: T Herrera 4.4760 Acres	Maske Rd., Schertz, TX 78154 (empty lot)	128,137.00	-	128,137.00	-
Abs: 153 Sur: T Herrera 5.65 Acres	Maske Rd., Schertz, TX 78154 (empty lot)	161,746.00	-	161,746.00	-
Abs: 153 Sur: T Herrera 6.675 Acres	Maske Rd., Schertz, TX 78154 (empty lot)	191,089.00	-	191,089.00	-

(continued)

**IDEA Public Schools**

Schedule of Real Property Ownership Interest for the year ended June 30, 2025 (unaudited)

(continued)

DESCRIPTION	PROPERTY ADDRESS	TOTAL ASSESSED VALUE	OWNERSHIP INTEREST		
			LOCAL	STATE	FEDERAL
S12118 - IDEA Greenlawn, Lot 1 (PT), Acres 2.715, (R587628/REF)	3001 Greenlawn Blvd., Round Rock, TX 78664	\$ 415,815.00	-	\$ 415,815.00	-
A W0181 A W0292 - Hornsby, M Sur., Acres 11.431, (R508760 MH) (Pro EX 02/14/20-12/31/20)	205 N. Bagdad Rd., Leander, TX 78641	1,715,777.00	-	1,715,777.00	-
A W0181 A W0292 - Hornsby, M Sur., Acres 5.098, (PRO EX 02/14/20- 12/31/20)	251 N. Bagdad Rd., Leander, TX 78641	1,243,586.00	\$ -	1,243,586.00	\$ -
S8752 - Greener Acres, Lot 2, Acres 4.197 (PRO EX 02/14/20. 12/31/20)	Hero Way & 251 N. Bagdad, Leander, TX 78641	1,023,799.00	-	1,023,799.00	-
Travis County Reference - S12118 IDEA Greenlawn, Lot 1 (PT), Acres 9.962 (R587627/GWI)	3001 Greenlawn Blvd., Round Rock, TX 78664	N/A	-	N/A	-
Henderson Block 49 all of Block (12.33 Acres)	3401 W. 5 <sup>th</sup> St., Odessa, TX 79763	112,790.00	-	112,790.00	-
Parks Bell Ranch North Block 5 Lot 8 (18.98)	7300 E. Yukon Rd., Odessa, TX 79765	11,786,448.00	-	11,786,448.00	-
Acres: 32.390, E/PT, SEC: 24, Blk: 40-TIS	Holiday Hill Rd., Midland, TX 79707 (empty lot)	-	-	-	-
IDEA Academy S/D Lot 1 (vacant lot) Public High School	2803 Monarch Lane, Rio Grande City, TX 78582	10,626,040.00	-	10,626,040.00	-
IDEA Kyle Academy, Block A, Lot 1, Acres 12.79	640 Philomena Dr., Kyle, TX 78640	19,361,600.00	-	19,361,600.00	-
NCB 1450 Blk 19 Lot 13 (Springview 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	-	-	-	-
Tracts 6 & 10 ABST 543 A Mays	21423 Aldine Westfield Rd., Humble, TX 77338	4,716,338.00	-	4,716,338.00	-
Tracts 33, 34, 35A & 35B ABST 513	0 N. Sam Houston Parkway, Humble, TX 77396	6,316,200.00	-	6,316,200.00	-
Acres 14.810 Blk 083 Lot 011A	Tilden Street N., Midland, TX 79706	281,390.00	-	281,390.00	-

(continued)

**IDEA Public Schools**

Schedule of Real Property Ownership Interest for the year ended June 30, 2025 (unaudited)

(continued)

DESCRIPTION	PROPERTY ADDRESS	TOTAL ASSESSED VALUE	OWNERSHIP INTEREST		
			LOCAL	STATE	FEDERAL
AW0021 Addison Wm 14.854 AC Bohemian Colony Lands 3.449 ACS SE COR LT 3 SEC 4	# Rockride Lane, Georgetown, TX 78626 # Ayers Street, Corpus Christi, TX 78417	\$ 2,819,277.00 300,477.00	\$ -	\$ 2,819,277.00	\$ -
Bowman, Joseph Survey Abstract 81 Tract 1E1	3631 NW Loop 820, Fort Worth, TX 76106	164,439.00	-	164,439.00	-
Lexington Center 11.579 ACS LT 1 BLK 9	5333 Ayers Street, Corpus Christi, TX 78417	1,042,914.00	-	1,042,914.00	-
Flour Bluff & Enc From GDN Tract 14.091 ACS LT 7 SEC 20	7001 Saratoga Blvd., Corpus Christi, TX 78414	1,657,455.00	-	1,657,455.00	-
Flour Bluff & Enc From GDN Tract .61 ACS LOT 7 BLOCK 20	7002 Saratoga Blvd., Corpus Christi, TX 78414	183.00	-	183.00	-
Survey-Petersburg BLK 2 E 70' X 120' Canal Right of Way	3301 Wilson Rd., Harlingen, TX 78552	330.00	-	330.00	-
RES A BLK 1 Little York IDEA School Supplies Furniture Fixtures & Equipment	0 Skinner Rd., Houston, TX 77093	19,712,609.00	-	19,712,609.00	-
At 2115 W Pike Blvd (Headquarter)	2115 W. Pike, Weslaco, TX 78596	1,544,678.00	-	1,544,678.00	-
IDEA HARVEY E NAJIM PUBLIC SCHOOL 926 S WW White Rd Furn Fixt Equip Sup LI	926 WW White Rd., San Antonio, TX 78220	21,797,310.00	-	21,797,310.00	-
IDEA Public School 226 N Hackbery Furn Fixt Eqpt Sup	226 N. Hackberry, San Antonio, TX 78202	795,780.00	-	795,780.00	-
IDEA Public School 2519 Martin Luther King Dr Furn Fixt Eqpt Sup	2519 Martin Luther King Dr., San Antonio, TX 78220	10,500.00	-	10,500.00	-
Redbird Business Center BLK d/6050 TR1 ACS 78804	5701 Red Bird Center Dr., Dallas, TX, 75237	12,657,760.00	-	12,657,760.00	-
Total		\$ 896,399,511.00	\$ -	\$ 896,399,511.00	\$ -

**Independent Auditors' Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

To the Board of Directors of  
IDEA Public Schools:

We have audited, 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, the financial statements of IDEA Public Schools (the School), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, of cash flows, and of functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2025.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**DATE OPEN**