EL PASO EDUCATION INITIATIVE, INC.

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED
AUGUST 31, 2025

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EL PASO EDUCATION INITIATIVE, INC.

CERTIFICATE OF BOARD

AUGUST 31, 2025

Burnham Wood Charter School	El Paso	071801
Vista del Futuro Charter School	El Paso	071809
Name of Charter Schools	County	Co.-Dist. Numbers
Federal EIN: 74-2855052		

We, the undersigned, certify that the attached Financial and Compliance Report of the above-named charter holder was reviewed and (check one) ✓ approved ______ disapproved for the year ended August 31, 2025, at a meeting of the governing body of the charter holder on the 22nd day of January, 2026.

Signature of Board Secretary

Signature of Board President

If the governing body of the charter holder does not approve the independent auditors' report, the reason(s) for disapproving it is (are): (attach list as necessary)

FREEMON, SHAPARD & STORY

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
El Paso Education Initiative, Inc.
785 Southwestern Dr.
El Paso, TX 79912

Members of the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of El Paso Education Initiative, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of El Paso Education Initiative, Inc. as of August 31, 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 audit 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 El Paso Education Initiative, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 El Paso Education Initiative,

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Inc.'s ability to continue as a going concern within 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 than 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 El Paso Education Initiative, Inc.'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 El Paso Education Initiative, Inc.'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. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and*

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Audit Requirements for Federal Awards, specific-purpose financial statements, and the supplementary information including the Schedules of Expenses, Schedules of Assets, Budgetary Comparison Schedules, Material Budget Variance Expenditures, Use of Funds Report – Select State Allotment Programs, Schedule of Real Property Ownership Interest, Schedule of Related Party Transactions, and Schedule of Related Party Compensation are presented for purposes of additional analysis as required by the Texas Education Agency and are 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, except for the Material Budget Variance Expenditures, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The budget variance explanations have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2026, on our consideration of El Paso Education Initiative Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of El Paso Education Initiative Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering El Paso Education Initiative Inc.'s internal control over financial reporting and compliance.

Respectfully submitted,

Freemon, Shapard & Story

Freemon, Shapard, & Story
Windthorst, TX
January 16, 2026

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General-Purpose
Financial Statements

EL PASO EDUCATION INITIATIVE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF AUGUST 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,895,513	$ 5,048,969
Restricted investments	76,317	944,458
Due from governments	3,476,544	2,973,593
Accounts receivable	14,431	5,578
Inventory	5,436	16,666
Total Current Assets	8,468,241	8,989,264
Property and Equipment		
Land	4,339,371	4,339,371
Buildings and improvements	36,052,055	30,573,466
Furniture and equipment	4,260,613	3,200,605
Right of use lease assets-finance lease	222,691	118,844
Right of use lease assets-operating lease	2,118,534	2,136,414
Less accumulated depreciation	(7,461,937)	(6,394,338)
Total Property and Equipment	39,531,327	33,974,362
Total Assets	$ 47,999,568	$ 42,963,626
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 183,369	$ 80,624
Interest payable	29,237	29,387
Payroll deductions and withholdings	103,472	66,219
Accrued wages payable	28,601	34,229
Due to student groups	21,581	7,278
Vacation benefits payable	163,665	151,156
Other current liabilities	-	-
Current portion of long-term debt	430,000	410,000
Current portion of lease liability-finance lease	45,156	23,163
Current portion of lease liability-operating lease	564,517	418,688
Total Current Liabilities	1,569,598	1,220,744
Long-Term Debt		
Conduit bonds payable, net	18,583,670	19,041,461
Loans payable	2,061,177	-
Lease liability-finance lease	140,302	-
Lease liability-operating lease	1,554,017	1,717,726
Total Long-Term Liabilities	22,339,166	20,759,187
Total Liabilities	$ 23,908,764	$ 21,979,931
Net Assets		
Without donor restrictions	1,236,622	1,278,214
With donor restrictions	22,854,182	19,705,481
Total Net Assets	$ 24,090,804	$ 20,983,695
Total Liabilities and Net Assets	$ 47,999,568	$ 42,963,626

The accompanying notes are an integral part of these financial statements.

Exhibit A-2

EL PASO EDUCATION INITIATIVE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	Total 2025
Revenues			
Local Support:			
Contributions	$ 216,650	$ -	$ 216,650
Investment Income	51,991	-	51,991
Other Revenues from Local Sources	701,994	-	701,994
Food Service Revenue	53,743	-	53,743
Total Local Support	1,024,378	-	1,024,378
State Program Revenues:			
Foundation School Program Act Revenues	-	21,385,210	21,385,210
State Program Revenue Distributed by TEA	-	757,045	757,045
State Revenue From State of TX Agencies	-	870,077	870,077
Total State Program Revenues	-	23,012,332	23,012,332
Federal Program Revenues:			
ESEA Title I, Part A Improving Basic Programs	-	712,890	712,890
IDEA Part B, Formula	-	340,238	340,238
IDEA Part B, Preschool	-	2,429	2,429
National School Breakfast and Lunch Program	-	1,657,209	1,657,209
ARP ESSER III	-	353	353
SHARS	-	3,277	3,277
ESEA Title II, Part A Teacher and Principal Training	-	101,792	101,792
Public Charter Schools	-	801,991	801,991
Title III, Part A, English Language Acquisition	-	95,830	95,830
Title IV Part A, Subpart 1	-	41,602	41,602
TCLAS ESSER III	-	41,500	41,500
Career and Technical	-	28,538	28,538
LEP Summer School	-	4,090	4,090
Total Federal Program Revenues	-	3,831,739	3,831,739
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	23,699,627	(23,699,627)	-
Total Revenues	$ 24,724,005	$ 3,144,444	$ 27,868,449
Expenses			
Program Services:			
Instruction and Instructional-Related Services	12,037,368	-	12,037,368
Instructional and School Leadership	1,545,032	-	1,545,032
Support Services			
Student Support Services	3,425,047	-	3,425,047
Administrative Support Services	1,571,881	-	1,571,881
Support Services-Non-Student Based	5,530,820	-	5,530,820
Debt Service	655,449	-	655,449
Total Expenses	$ 24,765,597	$ -	$ 24,765,597
Gain on Termination of Right of Use Finance Lease Assets	-	4,257	4,257
Change in Net Assets	(41,592)	3,148,701	3,107,109
Net Assets, Beginning of Year	1,278,214	19,705,481	20,983,695
Net Assets, End of Year	$ 1,236,622	$ 22,854,182	$ 24,090,804

The accompanying notes are an integral part of these financial statements.

EL PASO EDUCATION INITIATIVE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	Total 2024
Revenues			
Local Support:			
Contributions	$ 57,000	$ -	$ 57,000
Investment Income	242,463	-	242,463
Other Revenues from Local Sources	647,378	-	647,378
Food Service Revenue	78,707	-	78,707
Total Local Support	1,025,548	-	1,025,548
State Program Revenues:			
Foundation School Program Act Revenues	-	19,799,342	19,799,342
State Program Revenue Distributed by TEA	-	1,146,512	1,146,512
State Revenue From State of TX Agencies	-	841,424	841,424
Total State Program Revenues	-	21,787,278	21,787,278
Federal Program Revenues:			
ESEA Title I, Part A Improving Basic Programs	-	508,803	508,803
IDEA Part B, Formula	-	322,686	322,686
IDEA Part B, Preschool	-	2,574	2,574
National School Breakfast and Lunch Program	-	1,458,830	1,458,830
ADSY Summer Learning Accelerator	-	202,200	202,200
ARP ESSER III	-	9,043	9,043
SHARS	-	9,107	9,107
ESEA Title II, Part A Teacher and Principal Training	-	79,573	79,573
Title III, Part A, English Language Acquisition	-	82,560	82,560
Title IV Part A, Subpart 1	-	39,165	39,165
TCLAS ESSER III	-	35,500	35,500
Career and Technical	-	21,000	21,000
LEP Summer School	-	2,939	2,939
ARP Homeless	-	8,965	8,965
Total Federal Program Revenues	-	2,782,945	2,782,945
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	20,124,908	(20,124,908)	-
Total Revenues	$ 21,150,456	$ 4,445,315	$ 25,595,771
Expenses			
Program Services:			
Instruction and Instructional-Related Services	11,287,695	-	11,287,695
Instructional and School Leadership	1,048,268	-	1,048,268
Support Services			
Student Support Services	2,978,546	-	2,978,546
Administrative Support Services	1,343,221	-	1,343,221
Support Services-Non-Student Based	3,754,086	-	3,754,086
Debt Service	530,294	-	530,294
Total Expenses	$ 20,942,110	$ -	$ 20,942,110
Change in Net Assets	208,346	4,445,315	4,653,661
Net Assets, Beginning of Year	1,069,868	15,260,166	16,330,034
Net Assets, End of Year	$ 1,278,214	$ 19,705,481	$ 20,983,695

The accompanying notes are an integral part of these financial statements.

EL PASO EDUCATION INITIATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	Program Services	Management and General	2025 Total
Expenses			
Salaries and Wages	$ 11,243,035	$ 760,562	$ 12,003,597
Benefits	1,669,203	77,644	1,746,847
Payroll Taxes	205,944	13,568	219,512
Total Payroll Expenses	13,118,182	851,774	13,969,956
Professional Services	195,052	290,127	485,179
Education Service Center Services	131,685	250	131,935
Repairs and Maintenance	1,222,003	-	1,222,003
Utilities	714,273	13,801	728,074
Rentals	676,305	-	676,305
Contracted Services	2,702,128	170,526	2,872,654
Maintenance Supplies	92,369	104,597	196,966
Instructional Materials	160,161	-	160,161
Testing Materials	18,409	-	18,409
Food Service	912,110	-	912,110
General Supplies	441,228	18,313	459,541
Travel	448,085	59,221	507,306
Insurance	250,701	27,856	278,557
Interest	-	675,740	675,740
Debt Service Fees	-	7,500	7,500
Miscellanous	246,814	76,641	323,455
Total Non-Payroll Expenses	8,211,323	1,444,572	9,655,895
Total Before Depreciation and Amortization	21,329,505	2,296,346	23,625,851
Amortization	-	(27,791)	(27,791)
Depreciation	1,083,388	84,149	1,167,537
Total Expenses	$ 22,412,893	$ 2,352,704	$ 24,765,597

The accompanying notes are an integral part of these financial statements.

EL PASO EDUCATION INITIATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	Program Services	Management and General	2024 Total
Expenses			
Salaries and Wages	$ 10,326,839	$ 800,519	$ 11,127,358
Benefits	1,570,536	105,879	1,676,415
Payroll Taxes	168,711	11,754	180,465
Total Payroll Expenses	12,066,086	918,152	12,984,238
Professional Services	303,436	112,427	415,863
Tuition	8,737	-	8,737
Education Service Center Services	123,228	796	124,024
Repairs and Maintenance	577,130	-	577,130
Utilities	597,991	10,458	608,449
Rentals	832,619	-	832,619
Contracted Services	1,655,415	79,587	1,735,002
Maintenance Supplies	44,201	106,541	150,742
Instructional Materials	296,543	-	296,543
Testing Materials	18,456	-	18,456
Food Service	842,663	-	842,663
General Supplies	318,213	15,689	333,902
Travel	243,765	38,034	281,799
Insurance	169,327	18,814	188,141
Interest	-	551,085	551,085
Debt Service Fees	-	7,000	7,000
Miscellanous	163,223	95,052	258,275
Total Non-Payroll Expenses	6,194,947	1,035,483	7,230,430
Total Before Depreciation and Amortization	18,261,033	1,953,635	20,214,668
Amortization	-	(27,791)	(27,791)
Depreciation	731,829	23,404	755,233
Total Expenses	$ 18,992,862	$ 1,949,248	$ 20,942,110

The accompanying notes are an integral part of these financial statements.

EL PASO EDUCATION INITIATIVE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 3,107,109	$ 4,653,661
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	1,167,537	755,233
(Increase) Decrease in Due from Governments	(502,951)	(155,228)
(Increase) Decrease in Accounts Receivable	(8,853)	(3,693)
(Increase) Decrease in Inventory	11,230	2,725
(Increase) Decrease in Right of Use Assets-Operating Leases	17,880	-
Increase (Decrease) in Accounts Payable	102,745	(131,364)
Increase (Decrease) in Interest Payable	(150)	106
Increase (Decrease) in Payroll Deductions and Withholdings	37,253	26,407
Increase (Decrease) in Accrued Wages Payable	(5,628)	(808)
Increase (Decrease) in Due to Student Groups	14,303	(14,556)
Increase (Decrease) in Vacation Benefits Payable	12,509	10,455
Increase (Decrease) in Other Current Liabilities	-	(1,722)
Increase (Decrease) in Operating Lease Liability	(17,880)	-
Net Cash Provided (Used) by Operating Activities	3,935,104	5,141,216
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,096,500)	(1,335,213)
Withdrawal of Investments	2,016,632	8,051,361
Dividends Reinvested in Investments	(51,991)	
Purchase of Land, Buildings, and Equipment	(6,538,597)	(7,354,559)
Purchase of Right to Use Finance Lease Assets	(222,691)	(2,136,414)
Disposition of Right to Use Finance Lease Assets	18,906	-
Net Cash Provided (Used) by Investing Activities	(5,874,241)	(2,774,825)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amortization of Debt Issuance Costs	46,087	46,087
Amortization of Premiums on Bonds	(73,878)	(73,878)
Proceeds from Loan Payable	2,061,177	-
Proceeds from Right to Use Assets Finance Lease Liability	222,691	2,136,414
Principal Payments on Right to Use Finance Lease Liability	(60,396)	(33,327)
Principal Payments on Debt	(410,000)	(390,000)
Net Cash Provided (Used) by Financing Activities	1,785,681	1,685,296
Net Increase (Decrease) in Cash and Cash Equivalents	(153,456)	4,051,687
Cash and Cash Equivalents, Beginning of Year	5,048,969	997,282
Cash and Cash Equivalents, End of Year	$ 4,895,513	$ 5,048,969
Interest Paid During the Period Ended August 31, 2025 and 2024	$ 691,892	$ 704,822
Income Taxes Paid During the Period Ended August 31, 2025 and 2024	-	-

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

EL PASO EDUCATION INITIATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general-purpose financial statements of El Paso Education Initiative, Inc. (the corporation) were prepared in conformity with accounting principles generally accepted in the United States. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

A. *Reporting Entity*

The corporation is a not-for-profit organization incorporated in the State of Texas in 1998 and exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. The corporation is governed by a Board of Directors comprised of seven members. The Board of Directors is selected pursuant to the bylaws of the corporation and has the authority to make decisions, appoint the chief executive officer of the corporation, and significantly influence operations. The Board of Directors has the primary accountability for the fiscal affairs of the corporation. Since the corporation received funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds.

B. *Corporate Operations*

El Paso Education Initiative, Inc. operates eight campuses under two open enrollment charters granted by the Texas State Board of Education. Effective August 2025, the two charters are Vista del Futuro Charter School offering Prekindergarten through 12th grade, and Burnham Wood Charter School offering Prekindergarten through 6th grade at Howard Burnham Elementary School, Prekindergarten through 6th grade at the Linguistic Academy of El Paso, and 7th through 12th grade at the Da Vinci School for Science and the Arts, a Texas STEM Academy recognized by the Texas Education Agency. In August 2025, an eighth location was added in San Antonio offering Kindergarten through 12th grade at Da Vinci Academy for Science and the Arts at San Antonio.

C. *Basis of Accounting and Presentation*

The accompanying general-purpose financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors are reported as net assets without donor restrictions, board-designated.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

D. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. *Revenue Recognition and Receivables*

The corporation recognizes revenue from government grants and state aid as revenue when eligible costs are incurred or services are provided. A receivable is recognized to the extent revenue earned exceeds cash advances. Conversely, deferred revenue and refundable advances are recorded when cash advances exceed support and revenue earned.

The corporation accounts for contributions as support without donor restrictions and with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions in the reporting period in which the support is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. No amounts have been reflected in the financial statements for donated materials or services since no objective basis is available to measure the value thereof; however, a substantial number of volunteers donate their time to the school program services and in fund-raising activities.

F. *Cash and Cash Equivalents*

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

G. *Inventories*

Inventories of food commodities are taken at year-end and recorded at market values supplied by the Texas Department of Agriculture. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Agriculture and recorded as expenditures and revenue when received.

H. *Capital Assets*

Capital assets, which include land, buildings and improvements, furniture, equipment, vehicles, and other personal property, are reported in the general-purpose and specific-purpose financial statements. Capital assets are defined by the corporation as assets with an estimated useful life of more than one year and a cost of $5,000 or more. Such assets are recorded at historical cost and are depreciated over the estimated useful lives of the assets, which range from two to thirty-nine years, using the straight-line method of depreciation. Expenditures for additions, major renewals, and betterments are capitalized, and maintenance and repairs are charged to expense as incurred. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which is then treated as cost.

I. *Functional Allocation of Expenses*

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

J. *Personal Leave*

All employees of the charter schools working a minimum of 30 hours per week accrue personal and sick leave benefits at the rate of five sick days and two personal days per year. Sick leave may accrue up to 12 days. Personal leave does not accrue. Upon termination of employment, an employee will receive payment for unused, accrued leave based on the employee's current base rate of compensation for up to $3,000 of all accrued time at release after at least five years of consecutive employment and up to $5,000 after at least ten years of consecutive employment. Any unused paid accrued leave, regardless of what type, is forfeited upon separation from employment, whether voluntary or involuntary. Upon written request and approval from the superintendent, leave may be transferred to either a leave bank or directly to another employee who is in need. No additional vacation is offered beyond the predetermined holidays and school closures.

2. CASH DEPOSITS

The charter schools' (Burnham Wood Charter School's and Vista del Futuro Charter School's) funds were deposited and invested with depository banks. The depository banks should deposit for safekeeping and trust with the charter schools' agent banks approved pledged securities in an amount sufficient to protect charter school funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository banks' dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At August 31, 2025, the combined carrying amount of the charter schools' deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $4,891,018, and the bank balance was $5,702,036. The charter schools' cash deposits during the year ended August 31, 2025, were entirely covered by FDIC insurance or by pledged collateral held by the charter holder's agent bank in the corporation's name.

At August 31, 2024, the combined carrying amount of the charter schools' deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $5,048,969, and the bank balance was $5,677,845. The charter schools' cash deposits during the year ended August 31, 2024, were not entirely covered by FDIC insurance or by pledged collateral held by the charter holder's agent bank in the corporation's name. The deposits at PNC Bank were short $18,427 of coverage until September 3, 2024.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit during the year ended August 31, 2025:

a. The market value of securities pledged on behalf of Burnham Wood Charter School at PNC Bank as of the date of the highest combined balance on deposit was $934,978. The market value of securities pledged on behalf of Vista Del Futuro Charter School at Regions Bank as of the date of highest combined balance on deposit was $3,598,251.

b. The highest combined balance of cash, savings, and time deposit accounts for Burnham Wood Charter School at Regions Bank amounted to $4,984,426 and occurred during the month of August 2025. The highest combined balance of cash, savings, and time deposit accounts for Burnham Wood Charter School at PNC Bank amounted to $936,414 and occurred during the month of August 2025. The highest combined balances of cash, savings, and time deposit accounts for Vista Del Futuro Charter School at Regions Bank amounted to $1,216,278 and occurred during the month of September 2024. The highest combined balance of cash, savings, and time deposit accounts for Vista del Futuro Charter School at PNC Bank amounted to $94,262 and occurred during the month of August 2025.

c. Total amount of FDIC coverage at the time of the largest combined balance was $250,000 for Burnham Wood Charter School at Regions Bank and PNC Bank, and $250,000 for Vista del Futuro Charter School at Regions Bank and PNC Bank.

3. DEFINED BENEFIT PENSION PLAN

A. *Plan Description*

The charter schools participate in a multiple-employer, cost-sharing, defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Sec. 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

B. *Pension Plan Fiduciary Net Position*

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

The information provided in the Notes to the Financial Statements in the 2024 Annual Comprehensive Financial Report for TRS provides the following information regarding the pension plan fiduciary net position as of August 31, 2024.

Components of Net Pension Liability	Amount
Total Pension Liability	$271,627,434,294
Less: Plan Fiduciary Net Position	(210,543,258,495)
Net Pension Liability	$ 61,084,175,799

Net Position as Percentage of Total Pension Liability 77.51%

C. *Benefits Provided*

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

One-Time Stipends

Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time $7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time $2,400 stipend to eligible annuitants age 70 to 74.

Cost-of-Living Adjustment

A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

D. *Contributions*

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025. Contribution rates can be found in the TRS 2024 ACFR, Note 11, on page 87.

Contribution Rates		
	2025	2024
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%
Burnham Wood's Employer Contributions	$421,859	$361,490
Burnham Wood's Member Contributions	$756,100	$702,883
Vista del Futuro's Employer Contributions	$110,032	$ 95,348
Vista del Futuro's Member Contributions	$195,929	$175,534
Measurement Year	2024	2023
Burnham Wood's NECE On-Behalf Contributions	$478,866	$533,460
Vista del Futuro's NECE On-Behalf Contributions	$124,846	$142,368

Contributors to the plan include active members, employers, and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA). As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.

- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above, there is a surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.9% of the member's salary beginning in fiscal year 2024, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

E. *Actuarial Assumptions*

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions: Actuarial assumptions can be found in the 2024 TRS ACFR, Note 11, page 89.

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Rate	7.00%
Municipal Bond Rate	3.87%*
Last Year Ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Ad hoc Post Employment Benefit Changes	None

**Source: Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders as of August 2024.*

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions, please see the actuarial valuation report dated November 21, 2023.

F. *Discount Rate*

The single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2024 (see page 56 of the 2024 TRS ACFR), are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18%	4.4%	1.0%
Non-U.S. Developed	13%	4.2%	0.8%
Emerging Markets	9%	5.2%	0.7%
Private Equity	14%	6.7%	1.2%
Stable Value			
Government Bonds	16%	1.9%	0.4%
Absolute Return*	0%	4.0%	0.0%
Stable Value Hedge Funds	5%	3.0%	0.2%
Real Return			
Real Estate	15%	6.6%	1.2%
Energy, Natural Resources, and Infrastructure	6%	5.6%	0.4%
Commodities	0%	2.5%	0.0%
Risk Parity			
Risk Parity	8%	4.0%	0.4%
Asset Allocation Leverage			
Cash	2%	1.0%	0.0%
Asset Allocation Leverage	-6%	1.3%	-0.1%
Inflation Expectation			2.4%
Volatility Drag****			-0.7%
Total	100%		7.9%

* *Absolute Return includes Credit Sensitive Investments*
** *Target allocations are based on the FY2024 policy model.*
*** *Capital Market Assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023)*
**** *The volatility drag results from the conversion between arithmetic and geometric mean returns.*

G. *Discount Rate Sensitivity Analysis*

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (7%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Burnham Wood Charter School's proportionate share of the net pension liability	$6,427,346	$4,023,999	$2,032,655
Vista del Futuro Charter School's proportionate share of the net pension liability	$1,672,976	$1,047,408	$ 529,081

H. *Pension Liabilities*

On August 31, 2024, Burnham Wood Charter School and Vista del Futuro Charter School disclosed a liability of $4,023,999 and $1,047,408, respectively, for their proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Burnham Wood Charter School and Vista del Futuro Charter School. The amount disclosed by Burnham Wood Charter School and Vista del Futuro Charter School as their proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Burnham Wood Charter School and Vista del Futuro Charter School were as follows:

Burnham Wood Charter School's proportionate share of collective net pension liability	$ 4,023,999
State's proportionate share that is associated with Burnham Wood Charter School	$ 5,190,646
Total	$ 9,214,645

Vista del Futuro's proportionate share of the collective net pension liability	$ 1,047,408
State's proportionate share that is associated with Vista del Futuro Charter School	$ 1,353,265
Total	$ 2,400,673

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

On August 31, 2024, Burnham Wood Charter School's proportion of the collective net pension liability was .0065876291% which was an increase from its proportion of .0064000209% measured as of August 31, 2023. On August 31, 2024, Vista del Futuro Charter School's proportion of the collective net pension liability was .0017146964 which was a decrease from its proportion of .0018355027% measured as of August 31, 2023.

I. *Changes in Assumptions and Benefits Since the Prior Actuarial Valuation*

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability. The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 of the 88th Regular Legislative Session appropriated payments of $1.645 billion for one-time stipends and $3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

4. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

A. *Plan Description*

The charter schools participate in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature. The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

B. *OPEB Plan Fiduciary Net Position*

Detailed information about TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report (ACRF) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

Components of the Net OPEB Liability of the TRS-Care plan as of August 31, 2024 are as follows:

Components of Net OPEB Liability	Amount
Total OPEB Liability	$ 35,168,178,563
Less: Plan Fiduciary Net Position	(4,816,646,311)
Net OPEB Liability	$ 30,351,532,252
Net Position as a Percentage of Total OPEB Liability	13.70%

C. *Benefits Provided*

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers, and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table.

TRS-Care Monthly Premium Rates		
	Medicare	**Non-Medicare**
Retiree or Surviving Spouse	$ 135	$200
Retiree and Spouse	$ 529	$689
Retiree or Surviving Spouse and Children	$ 468	$408
Retiree and Family	$1,020	$999

D. *Contributions*

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and participating employers based on active employee compensation. The TRS Board does not have the authority to set or amend contribution rates.

Texas Insurance Code, Sections 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2024. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	2025	2024
Active Employee	0.65%	0.65%
State	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding	1.25%	1.25%

	2025	2024
Burnham Wood Employer Contributions	$ 79,057	$ 70,685
Burnham Wood Member Contributions	$ 59,571	$ 55,379
Vista del Futuro Employer Contributions	$ 21,622	$ 23,644
Vista del Futuro Member Contributions	$ 15,436	$ 13,830
	2024	2023
Burnham Wood NECE On-Behalf Contributions	$ 88,567	$ 85,573
Vista del Futuro NECE On-Behalf Contributions	$ 28,621	$ 36,500

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether they participate in the TRS-Care OPEB program). When hiring a TRS retiree, employers are required to pay to TRS-Care a monthly surcharge of $535 per retiree.

E. *Actuarial Assumptions*

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2024. The actuarial valuation was determined using the following actuarial assumptions: *Actuarial assumptions can be found in the 2024 TRS ACFR, Note 9, page 78.*

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

Rates of Mortality	Rates of Disability
Rates of Retirement	General Inflation
Rates of Termination	Wage Inflation

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvements rates from mortality projection scale MP-2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024

Aging Factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs – From Birth to Death".
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	2.95% - 8.95%, including inflation
Ad-hoc Post Employment Benefit Changes	None

F. *Discount Rate*

A single discount rate of 3.87% was used to measure the total OPEB liability. This was a decrease of .26 percent in the discount rate since the previous year. The Discount Rate can be found in the 2024 TRS ACFR on page 79. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Bond Buyer's "20-Bond GO Index" as of August 31, 2024, using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

G. *Discount Rate Sensitivity Analysis*

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.87%)	Current Single Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
Burnham Wood Charter School's proportionate share of the Net OPEB Liability:	$2,806,010	$2,361,869	$2,002,996
Vista del Futuro Charter School's proportionate share of the Net OPEB Liability:	$ 906,768	$ 763,243	$ 647,272

H. *Healthcare Trend Rates Sensitivity Analysis*

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is one-percentage point lower or one-percentage point higher than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)

Burnham Wood Charter School's proportionate share of the Net OPEB Liability:	$1,923,391	$2,361,869	$2,933,248
Vista del Futuro Charter School's proportionate share of the Net OPEB Liability:	$ 621,548	$ 763,243	$ 947,885

I. *OPEB Liabilities and OPEB Expense*

At August 31, 2024, Burnham Wood Charter School disclosed a liability of $2,361,869, and Vista del Futuro Charter School disclosed a liability of $763,243 for their proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the schools. The amount disclosed by the schools as their proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with Burnham Wood Charter School and Vista del Futuro Charter School were as follows:

Burnham Wood's Proportionate share of the collective net OPEB liability	$ 2,361,869
State's proportionate share that is associated with Burnham Wood Charter School	2,959,389
Total	$ 5,321,258

Vista del Futuro's Proportionate share of the collective net OPEB liability	$ 763,243
State's proportionate share that is associated with Vista del Futuro Charter School	956,333
Total	$ 1,719,576

The Net OPEB Liability was measured as of August 31, 2023 and rolled forward to August 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024. On August 31, 2024, Burnham Wood Charter School's proportion of the collective net OPEB liability was 0.0077817117% compared to 0.0081752236% as of August 31, 2023, and Vista del Futuro's proportion of the collective net OPEB liability was 0.0025146758% compared to 0.0034870179% as of August 31, 2023.

J. *Changes Since the Prior Actuarial Valuation*

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period: *These can be found in the 2024 TRS ACFR on page 79.*

- The single discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

K. *Changes of Benefit Terms Since the Prior Measurement Date*

There were no changes in benefit terms since the prior measurement date.

L. *Additional Plans*

Certain employees of the charter holder are also provided with Social Security and Medicare coverage. Under provisions of federal law, covered employees contribute 6.2% (Social Security) and 1.45% (Medicare) of their annual covered salary, and the charter holder contributes 6.2% (Social Security) and 1.45% (Medicare) of the covered payroll.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions for the years ending August 31, 2025 and 2024, consisted of the following:

	2025	2024
National School Breakfast and Lunch Program	$ 1,846,770	1,465,308
Career and Technical	28,538	-
Public Charter Schools	377,268	-
Safety and Security Grant	1,107,848	556,128
Foundation School Program	19,493,758	17,684,045
Total Net Assets With Donor Restrictions	$ 22,854,182	$ 19,705,481

6. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

At August 31, 2025, the charter holder had a liability of $163,665 for accrued sick leave or vacation leave. At August 31, 2024, the charter holder had a liability of $151,156 for accrued sick leave or vacation leave.

7. COMMITMENTS AND CONTINGENCIES

The charter schools receive funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the Texas Education Agency and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agencies. The programs administered by the charter schools have complex compliance requirements and should state or federal auditors discover areas of noncompliance, charter school funds may be subject to refund if so determined by the Texas Education Agency or the grantor agencies. In the opinion of the charter schools, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

8. HEALTH CARE COVERAGE

During the years ended August 31, 2025 and 2024, full-time employees of the charter schools were covered by a health insurance plan (the Plan). The charter schools contributed $275 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers.

9. INTERCOMPANY ELIMINATIONS

For the years ended August 31, 2025 and 2024, intercompany accounts payable and accounts receivable consisted of $0 and $403,121, respectively. These accounts payable and accounts receivable are included in the special-purpose Statements of Financial Position (Exhibits B-1.1 and B-1.2), but are eliminated on the consolidated general-purpose Statement of Financial Position (Exhibit A-1).

10. CAPITAL ASSETS

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

	Balance 9/1/2024	Additions	Deletions	Balance 8/31/2025
Land	$ 4,339,371	$ -	$ -	$ 4,339,371
Buildings and Improvements	30,573,466	5,478,589	-	36,052,055*
Furniture and Equipment	3,200,605	1,060,008	-	4,260,613
Right of Use Lease Assets-Finance Lease	118,844	222,691	(118,844)	222,691
Right of Use Lease Assets-Operating Lease	2,136,414	451,081	(468,961)	2,118,534
Accumulated Depreciation	(6,394,338)	(1,167,537)	99,938	(7,461,937)
	$33,974,362	$ 6,044,832	$(487,867)	$39,531,327

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

	Balance 9/1/2023	Additions	Deletions	Balance 8/31/2024
Land	$ 4,327,099	$ 12,272	$ -	$ 4,339,371
Buildings and Improvements	24,011,694	6,561,772	-	30,573,466
Furniture and Equipment	2,420,090	780,515	-	3,200,605
Right of Use Lease Assets-Finance Lease	118,844	-	-	118,844
Right of Use Lease Assets-Operating Lease	-	2,136,414	-	2,136,414
Accumulated Depreciation	(5,639,105)	(755,233)	-	(6,394,338)
	$25,238,622	$ 8,735,740	$ -	$33,974,362

*Buildings and Improvements include $11,167,371 of construction in progress.

Capital assets acquired with public funds received by the corporation for the operation of Burnham Wood Charter School and Vista del Futuro Charter School constitute public property pursuant to Chapter 12 of the Texas Education Code. These assets are specifically identified on the Schedule of Assets for each individual charter school.

11. LONG-TERM DEBT

On November 2, 2020, conduit bonds were issued by the Arlington Higher Education Finance Corporation as follows: $19,450,000 of Education Revenue Bonds (Series 2020A) and $550,000 of Taxable Education Revenue Bonds (Series 2020B), the proceeds of which were loaned to the corporation to be used to finance the acquisition, construction and equipping, rehabilitation and renovations of certain land, buildings, equipment, facilities and improvements located on two campuses in El Paso, TX, to advance refund two old loans and to pay certain costs of issuing the series 2020 bonds. The issue proceeds were placed in accounts designated for construction and future debt service at UMB Bank (currently Regions Bank) (the Trustee). The bonds mature serially each August 1st starting 2021 until 2050 with interest ranging from 1.0% to 5.0%.

The debt issuance costs for the 2020 bonds were $1,382,618 and premiums were $2,216,347. These costs and premiums were capitalized and are being amortized over the term of the debt. The unamortized amounts of issuance costs of $1,175,225 and premiums of $1,883,895 at August 31, 2025 are recorded in Long-Term Debt. Amortization expense related to the debt issuance costs totaled $46,087 and $46,087 for the years ended August 31, 2025 and 2024. Premiums/discounts amortization was $73,878 and $73,878 for the years ended August 31, 2025 and 2024.

Debt service for the Series 2020 bonds at August 31, 2025, is as follows:

Year Ended August 31,	Principal	Interest	Total Requirements
2026	$ 430,000	$ 662,750	$ 1,092,750
2027	450,000	641,250	1,091,250
2028	475,000	618,750	1,093,750
2029	500,000	595,000	1,095,000
2030	525,000	570,000	1,095,000
Thereafter	15,925,000	5,940,450	21,865,450
Total	$18,305,000	$ 9,028,200	$27,333,200

In addition, the corporation opened a $5,000,000 line of credit at Texas Capital Bank on August 28, 2025, interest payable monthly maturing August 31, 2028. The current interest rate is 4.32%, and the loan balance at August 31, 2025 was $2,061,177.

The corporation reflects interest expense in the amount of $667,536 ($683,100 less construction period interest capitalized of $15,564) and $549,013 ($702,856 less construction period interest capitalized of $153,843) for the years ended August 31, 2025 and 2024.

12. ON-BEHALF PAYMENTS

Burnham Wood Charter School recorded on-behalf payments from the State of Texas to be used for Teacher Retirement in the amount of $656,681 and $602,781 for the years ended August 31, 2025 and 2024, respectively. Vista del Futuro Charter School recorded on-behalf payments from the State of Texas to be used for Teacher Retirement in the amount of $160,688 and $180,904 for the years ended August 31, 2025 and 2024, respectively.

13. INCOME TAX

On December 30, 2008, FASB issued FASB Staff Position (FSP) FIN 48-3, Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises. There was no apparent unrelated business income for the year ended August 31, 2025, and as a result, there was no income tax liability.

14. LEASES

Operating Leases

Vista del Futuro Charter School reinstated a property lease agreement originally signed in 2009 with Burnham Family, LP. The monthly lease payments are $32,067 from September 2024 through July 2025, increasing to $32,388 through August 2026, with a 1% annual increase through August 2029.

Burnham Wood and Vista del Futuro Charter Schools did not record any short-term leases of less than twelve months on the balance sheet as right-of-use assets or other liabilities. The Company elected to use the risk-free rate as the discount rate for the present value calculations for right-of-use-asset. The risk-free rate at year end was 4.85%.

Total short-term rent expense for all operating leases was $676,305 and $832,619 for the years ended August 31, 2025 and 2024. These consist primarily of bus leases and facilities leases.

Under the adoption of ASU No. 2016-02, Leases (Topic 842), Burnham Wood Charter School recognized a lease liability of $496,685 effective April 1, 2024. This represents the present value of the remaining operating lease payments of $496,685 discounted using the risk-free rate of return. In conjunction with the lease liability of $496,685, the Organization recognized a right-of-use asset of $496,685 on April 1, 2024.

Vista del Futuro Charter School recognized a lease liability of $1,958,917 effective September 1, 2023. This represents the present value of the remaining operating lease payments of $1,958,917 discounted using the risk-free rate of return. In conjunction with the lease liability of $1,958,917, the Organization recognized a right-of-use asset of $1,958,917 on September 1, 2023.

Future minimum operating lease payments and reconciliation to the statements of financial position at August 31, 2025, respectively, is as follows:

For years ended December 31,		
2026	$	665,528
2027		678,993
2028		612,704
2029		400,429
Total future undiscounted operating lease payments		2,357,654
Less interest		(239,120)
Total operating leases liabilities	$	2,118,534

The weighted average remaining lease terms at August 31, 2025 and 2026, is 3.59 years and 4.70 years, respectively, and the weighted average interest rate on these operating leases is 4.77% and 4.85%, respectively.

Finance Leases

Under the adoption of the ASU No. 2016-02, Leases (Topic 842), the school recognized a lease liability of $118,844 effective September 1, 2021. This represents the present value of the remaining lease payments of $129,800 discounted using the school's incremental borrowing rate of 5%. In conjunction with the lease liability, the school recognized a right-of-use assets of $118,844 which represents the lease liability of $118,844, a right-of-use (ROU) asset was recorded at the date of adoption of ASC 842. The last payment on this lease was paid in April of 2025, and the right-of-use asset and lease liability were removed from the financial statements.

The school recognized a lease liability of $222,691 effective October 7, 2024. This represents the present value of the remaining lease payments of $249,102 discounted using the school's incremental borrowing rate of 4.64%. In conjunction with the lease liability, the school recognized a right-of-use assets of $222,691 which represents the lease liability of $222,691.

A summary of obligations under finance leases at August 31, 2025 and 2024 is as follows:

	2025	2024
Finance lease obligation payable to Toshiba for copiers, with interest at 5%, payable in monthly installments of $2,950 (including principal and interest) through April 28, 2025, secured by copiers.	$ -	$ 23,163
Finance lease obligation payable to Toshiba for copiers, with interest at 5%, payable in monthly installments of $695 (including principal and interest) through October 5, 2027, secured by copiers.	17,092	-
Finance lease obligation payable to Toshiba for copiers, with interest at 4.64% payable in		

	2025	2024
monthly installments of $3,710 (including principal and interest) through October 7, 2029, secured by copiers.	168,366	-
Total finance leases	$ 185,458	23,163
Less current portion	(45,156)	(23,163)
Long-term finance leases, net of current portion	$ 140,302	$ -

Amortization of the related right-of-use assets are included in depreciation expense.

Future minimum annual rentals under finance lease arrangements at August 31, 2025 and 2024 were as follows:

For years ended August 31,	2025
2026	$ 52,858
2027	52,858
2028	45,908
2029	44,517
2030	7,419
Total required payments	203,560
Less interest included in payments	(18,102)
Total finance leases payable	$ 185,458

The weighted average remaining lease term at August 31, 2025 and 2024 was 3.99 years and .75 years for finance leases, respectively, and the weighted average interest rate was 4.67% and 5.00%, respectively.

The corporation paid Burnham Family, LP $385,125 and $381,312 in rent for the years ended August 31, 2025 and 2024 for the use of facilities by Vista del Futuro Charter School. The rent was paid pursuant to a lease agreement between Burnham Family, LP and El Paso Education Initiative, Inc. The ten year lease agreement was approved on August 27, 2009, by the Board and Directors of El Paso Education Initiative, Inc. The lease agreement was amended effective May 4, 2017, to include an option to purchase fee simple title to the facilities based upon a current fair market value and renewal option to extend for 25 years effective upon expiration of the "initial term". The option to renew provided reason for the charter holder to request the appraisal district to grant a tax abatement for public property. The abatement was granted. Burnham Family, L.P. and El Paso Education Initiative, Inc. could not agree on terms to purchase the facilities. In 2025, a contract dispute was settled resulting in the lease agreement being extended until 2029 while alternative expansion plans are pursued for Vista del Futuro Charter School.

15. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the corporation through financial statement issuance and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements other than the planned construction and renovation projects discussed below.

The restricted investments reflected include $28,696 from the conduit bond proceeds for completion of construction and renovation projects for the following projects in progress. The remaining balance of $3,000,000 to complete will be paid out of state foundation funds.

Da Vinci school renovations and improvements	$ 6,925,608
Linguistics Academy renovations and improvements	4,362,786
Technology, safety, portables and improvements	3,571,000
Total projected at August 31, 2021	$ 14,859,394
Less work performed in 2021-22	(3,478,012)
Less work performed in 2022-23	(6,146,310)
Less work performed in 2023-24	(5,436,534)
Less work performed in 2024-25	(920,132)
Additional projected costs 2024-25	4,121,594
Estimated balance to complete	$ 3,000,000

16. RELATED PARTY TRANSACTIONS

Dr. Gonzales' (the Superintendent's) son, Steve Gonzales, works as a facilities consultant as general bond coordinator for the schools. He had been engaged in this role by the former Superintendent and then by the School Board prior to Dr. Gonzales's engagement as Superintendent and was paid $286,812 (100% owned by Steve Gonzales S&C Building Contractors) and $267,602 (100% owned S&C Building Contractors) for contract maintenance and consulting services during the years ended August 31, 2025 and 2024.

17. LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	$ 1,244,027

Except for the financial assets listed above, Burnham Wood Charter School's and Vista del Futuro Charter School's cash, due from governments, accounts receivable, inventory, and fixed assets' use are restricted by the Texas Education Agency, federal agencies, and donors for charter school operations. As part of the corporation's liquidity management plan, $76,317 of cash is invested in Regions Investments.

18. FAIR VALUE MEASUREMENTS

FASB ASC 820 *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Significant direct or indirect, observable inputs other than quoted prices.

Level 3 – Unobservable inputs based on assumptions of the reporting entity.

The fair value measurement of assets and liabilities within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair Value Measurements as of August 31, 2025 and 2024:

August 31, 2025	Fair Value Measurements at Reporting Date Using			
Description	Fair Value	(Level 1)	(Level 2)	(Level 3)
Equity Securities	$ 76,317	$ 76,317	$ -	$ -
Total	$ 76,317	$ 76,317	$ -	$ -

August 31, 2024	Fair Value Measurements at Reporting Date Using			
Description	Fair Value	(Level 1)	(Level 2)	(Level 3)
Equity Securities	$ 944,458	$ 944,458	$ -	$ -
Total	$ 944,458	$ 944,458	$ -	$ -

19. ECONOMIC DEPENDENCY

During the year ended August 31, 2025 and 2024, the charter schools earned revenue of $23,012,332 and $21,787,278 from the Texas Education Agency (TEA). These amounts constitute approximately 82.57% and 85.12% of total revenue earned. Any unforeseen loss of the charter agreement with TEA or changes in legislative funding could have a material effect on the ability of the charter school to continue to provide the current level of services to its students.

Specific-Purpose Financial Statements

BURNHAM WOOD CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AS OF AUGUST 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,195,802	$ 4,015,625
Restricted investments	76,317	944,458
Due from governments	3,077,365	2,548,038
Accounts receivable	12,556	5,578
Inventory	2,101	12,904
Total Current Assets	7,364,141	7,526,603
Property and Equipment		
Land	4,083,452	4,083,452
Buildings and improvements	35,128,612	30,483,968
Furniture and equipment	3,872,427	2,821,460
Right of use lease assets-finance lease	173,031	99,324
Right of use lease assets-operating lease	715,521	463,483
Less accumulated depreciation	(7,119,928)	(6,077,440)
Total Property and Equipment	36,853,115	31,874,247
Total Assets	$ 44,217,256	$ 39,400,850
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 138,796	$ 67,126
Accounts payable-Intercompany	-	403,121
Interest payable	29,237	29,387
Payroll deductions and withholdings	82,982	61,092
Accrued wages payable	18,632	24,615
Due to student groups	16,580	2,277
Vacation benefits payable	126,368	113,635
Current portion of long-term debt	430,000	410,000
Current porton of lease liability-finance lease	35,766	19,358
Current porton of lease liability-operating lease	243,911	115,021
Total Current Liabilities	1,122,272	1,245,632
Long-Term Debt		
Conduit bonds payable, net	18,583,670	19,041,461
Loan payable	2,061,177	-
Lease liability-finance lease	107,531	-
Lease liability-operating lease	471,610	348,462
Total Long Term Liabilities	21,223,988	19,389,923
Total Liabilities	$ 22,346,260	$ 20,635,555
Net Assets		
Without donor restrictions	1,049,046	1,117,338
With donor restrictions	20,821,950	17,647,957
Total Net Assets	$ 21,870,996	$ 18,765,295
Total Liabilities and Net Assets	$ 44,217,256	$ 39,400,850

The accompanying notes are an integral part of these financial statements.

VISTA DEL FUTURO CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AS OF AUGUST 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 699,711	$ 1,033,344
Due from governments	399,179	425,555
Accounts receivable	1,875	-
Accounts receivable - Intercompany	-	403,121
Inventory	3,335	3,762
Total Current Assets	1,104,100	1,865,782
Property and Equipment		
Land	255,919	255,919
Furniture and equipment	388,186	379,145
Buildings and improvements	923,443	89,498
Right of use lease assets-finance lease	49,660	19,520
Right of use lease assets-operating lease	1,403,013	1,672,931
Less accumulated depreciation	(342,009)	(316,898)
Total Property and Equipment	2,678,212	2,100,115
Total Assets	$ 3,782,312	$ 3,965,897
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 44,573	$ 13,498
Payroll deductions and withholdings	20,490	5,127
Due to student groups	5,001	5,001
Accrued wages payable	9,969	9,614
Vacation benefits payable	37,297	37,521
Current portion of lease liability-finance lease	9,390	3,805
Current portion of lease liability-operating lease	320,606	303,667
Total Current Liabilities	447,326	378,233
Long-Term Debt		
Lease liability-finance lease	32,771	-
Lease liability-operating lease	1,082,407	1,369,264
Total Long-Term Debt	1,115,178	1,369,264
Total Liabilities	$ 1,562,504	$ 1,747,497
Net Assets		
Without donor restrictions	187,576	160,876
With donor restrictions	2,032,232	2,057,524
Total Net Assets	$ 2,219,808	$ 2,218,400
Total Liabilities and Net Assets	$ 3,782,312	$ 3,965,897

The accompanying notes are an integral part of these financial statements.

BURNHAM WOOD CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	2025 Totals
Revenues			
Local Support:			
5740 Other Revenues from Local Sources	$ 903,383	$ -	$ 903,383
5750 Cocurricular and Enterprising Activities	52,124	-	52,124
Total Local Support	955,507	-	955,507
State Program Revenues:			
5810 Foundation School Program Act Revenues	-	18,072,707	18,072,707
5820 State Program Revenues Distributed by TEA	-	485,074	485,074
5830 State Revenues From State of TX Agencies	-	695,246	695,246
Total State Program Revenues	-	19,253,027	19,253,027
Federal Program Revenues:			
5920 Federal Revenues Distributed by TEA	-	3,315,105	3,315,105
5930 Federal Revenues Distributed by Other TX Agencies	-	1,432	1,432
Total Federal Program Revenues	-	3,316,537	3,316,537
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	19,399,128	(19,399,128)	-
Total Revenues	$ 20,354,635	$ 3,170,436	$ 23,525,071
Expenses			
11 Instruction	$ 9,496,008	$ -	$ 9,496,008
13 Curriculum & Instructional Staff Development	193,310	-	193,310
21 Instructional Leadership	60,551	-	60,551
23 School Leadership	1,267,198	-	1,267,198
31 Guidance, Counseling, & Evaluation Services	75,693	-	75,693
33 Health Services	118,598	-	118,598
34 Student Transportation	815,129	-	815,129
35 Food Services	1,081,343	-	1,081,343
36 Cocurricular/Extracurricular Activities	911,546	-	911,546
41 General Administration	1,217,169	-	1,217,169
51 Plant Maintenance & Operations	3,753,870	-	3,753,870
52 Security & Monitoring Services	362,197	-	362,197
53 Data Processing Services	416,657	-	416,657
71 Debt Service	653,658	-	653,658
Total Expenses	$ 20,422,927	$ -	$ 20,422,927
Gain on Termination of Right of Use Finance Lease Assets	-	3,557	3,557
Change in Net Assets	(68,292)	3,173,993	3,105,701
Net Assets, Beginning of Year	1,117,338	17,647,957	18,765,295
Net Assets, End of Year	$ 1,049,046	$ 20,821,950	$ 21,870,996

The accompanying notes are an integral part of these financial statements.

BURNHAM WOOD CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	2024 Totals
Revenues			
Local Support:			
5740 Other Revenues from Local Sources	$ 875,999	$ -	$ 875,999
5750 Cocurricular and Enterprising Activities	75,956	-	75,956
Total Local Support	951,955	-	951,955
State Program Revenues:			
5810 Foundation School Program Act Revenues	-	16,736,001	16,736,001
5820 State Program Revenues Distributed by TEA	-	1,079,041	1,079,041
5830 State Revenues From State of TX Agencies	-	653,350	653,350
Total State Program Revenues	-	18,468,392	18,468,392
Federal Program Revenues:			
5920 Federal Revenues Distributed by TEA	-	2,148,057	2,148,057
5930 Federal Revenues Distributed by Other TX Agencies	-	67,414	67,414
5950 Federal Program Revenues	-	8,965	8,965
Total Federal Program Revenues	-	2,224,436	2,224,436
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	16,138,638	(16,138,638)	-
Total Revenues	$ 17,090,593	$ 4,554,190	$ 21,644,783
Expenses			
11 Instruction	$ 8,832,991	$ -	$ 8,832,991
13 Curriculum & Instructional Staff Development	282,988	-	282,988
21 Instructional Leadership	63,242	-	63,242
23 School Leadership	845,657	-	845,657
31 Guidance, Counseling, & Evaluation Services	87,292	-	87,292
33 Health Services	159,768	-	159,768
34 Student Transportation	800,953	-	800,953
35 Food Services	1,044,491	-	1,044,491
36 Cocurricular/Extracurricular Activities	469,862	-	469,862
41 General Administration	900,187	-	900,187
51 Plant Maintenance & Operations	2,307,186	-	2,307,186
52 Security & Monitoring Services	303,499	-	303,499
53 Data Processing Services	284,779	-	284,779
71 Debt Service	529,954	-	529,954
Total Expenses	$ 16,912,849	$ -	$ 16,912,849
Change in Net Assets	177,744	4,554,190	4,731,934
Net Assets, Beginning of Year	939,594	13,093,767	14,033,361
Net Assets, End of Year	$ 1,117,338	$ 17,647,957	$ 18,765,295

The accompanying notes are an integral part of these financial statements.

VISTA DEL FUTURO CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	2025 Totals
Revenues			
Local Support:			
5740 Other Revenues from Local Sources	$ 67,252	$ -	$ 67,252
5750 Cocurricular and Enterprising Activities	1,619	-	1,619
Total Local Support	68,871	-	68,871
State Program Revenues:			
5810 Foundation School Program Act Revenues	-	3,312,503	3,312,503
5820 State Program Revenues Distributed by TEA	-	271,971	271,971
5830 State Revenues From State of TX Agencies	-	174,831	174,831
Total State Program Revenues	-	3,759,305	3,759,305
Federal Program Revenues:			
5920 Federal Revenues Distributed by TEA	-	513,358	513,358
5930 Federal Revenues Distributed by Other TX Agencies	-	1,844	1,844
Total Federal Program Revenues	-	515,202	515,202
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	4,300,499	(4,300,499)	-
Total Revenues	$ 4,369,370	$ (25,992)	$ 4,343,378
Expenses			
11 Instruction	2,238,978	-	2,238,978
13 Curriculum & Instructional Staff Development	109,072	-	109,072
21 Instructional Leadership	26,835	-	26,835
23 School Leadership	190,448	-	190,448
31 Guidance, Counseling, & Evaluation Services	227	-	227
33 Health Services	67,057	-	67,057
34 Student Transportation	21,292	-	21,292
35 Food Services	309,037	-	309,037
36 Cocurricular/Extracurricular Activities	25,125	-	25,125
41 General Administration	354,712	-	354,712
51 Plant Maintenance & Operations	827,346	-	827,346
52 Security & Monitoring Services	65,235	-	65,235
53 Data Processing Services	105,515	-	105,515
71 Debt Service	1,791	-	1,791
Total Expenses	$ 4,342,670	$ -	$ 4,342,670
Gain on Termination of Right of Use Finance Lease Assets	-	700	700
Change in Net Assets	26,700	(25,292)	1,408
Net Assets, Beginning of Year	160,876	2,057,524	2,218,400
Net Assets, End of Year	$ 187,576	$ 2,032,232	$ 2,219,808

The accompanying notes are an integral part of these financial statements.

VISTA DEL FUTURO CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	2024 Totals
Revenues			
Local Support:			
5740 Other Revenues from Local Sources	$ 70,842	$ -	$ 70,842
5750 Cocurricular and Enterprising Activities	2,751	-	2,751
Total Local Support	73,593	-	73,593
State Program Revenues:			
5810 Foundation School Program Act Revenues	-	3,063,341	3,063,341
5820 State Program Revenues Distributed by TEA	-	67,471	67,471
5830 State Revenues From State of TX Agencies	-	188,074	188,074
Total State Program Revenues	-	3,318,886	3,318,886
Federal Program Revenues:			
5920 Federal Revenues Distributed by TEA	-	535,531	535,531
5930 Federal Revenues Distributed by Other TX Agencies	-	22,978	22,978
Total Federal Program Revenues	-	558,509	558,509
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	3,986,270	(3,986,270)	-
Total Revenues	$ 4,059,863	$ (108,875)	$ 3,950,988
Expenses			
11 Instruction	2,118,669	-	2,118,669
13 Curriculum & Instructional Staff Development	53,047	-	53,047
21 Instructional Leadership	16,851	-	16,851
23 School Leadership	122,518	-	122,518
31 Guidance, Counseling, & Evaluation Services	65,049	-	65,049
33 Health Services	38,035	-	38,035
34 Student Transportation	24,356	-	24,356
35 Food Services	262,313	-	262,313
36 Cocurricular/Extracurricular Activities	26,427	-	26,427
41 General Administration	443,034	-	443,034
51 Plant Maintenance & Operations	722,388	-	722,388
52 Security & Monitoring Services	62,464	-	62,464
53 Data Processing Services	73,770	-	73,770
71 Debt Service	340	-	340
Total Expenses	$ 4,029,261	$ -	$ 4,029,261
Change in Net Assets	30,602	(108,875)	(78,273)
Net Assets, Beginning of Year	130,274	2,166,399	2,296,673
Net Assets, End of Year	$ 160,876	$ 2,057,524	$ 2,218,400

The accompanying notes are an integral part of these financial statements.

BURNHAM WOOD CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 3,105,701	$ 4,731,934
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	1,126,011	727,539
(Increase) Decrease in Due from Governments	(529,327)	(300,500)
(Increase) Decrease in Accounts Receivable	(6,978)	(3,693)
(Increase) Decrease in Inventory	10,803	2,624
(Increase) Decrease in Right of Use Assets-Operating Leases	(252,038)	-
Increase (Decrease) in Accounts Payable	71,670	(87,989)
Increase (Decrease) in Accounts Payable-Intercompany	(403,121)	(596,879)
Increase (Decrease) in Interest Payable	(150)	106
Increase (Decrease) in Payroll Deductions	21,890	27,213
Increase (Decrease) in Accrued Wages Payable	(5,983)	1,357
Increase (Decrease) in Due to Student Groups	14,303	(14,177)
Increase (Decrease) in Vacation Benefits Payable	12,733	13,138
Increase (Decrease) in Other Current Liabilities	-	(1,722)
Increase (Decrease) in Operating Lease Liability	252,038	-
Net Cash Provided (Used) by Operating Activities	3,417,552	4,498,951
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,096,500)	(1,335,213)
Withdrawal of Investments	2,016,632	8,051,361
Dividends Reinvested in Investments	(51,991)	-
Purchase of Land, Buildings, and Equipment	(5,695,611)	(7,246,672)
Purchase of Right to Use Finance Lease Assets	(173,031)	463,483
Disposition of Right to Use Finance Lease Assets	15,801	-
Net Cash Provided (Used) by Investing Activities	(4,984,700)	(67,041)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amortization of Debt Issuance Costs	46,087	46,087
Amortization of Premiums on Bonds	(73,878)	(73,878)
Proceeds from Loan Payable	2,061,177	
Proceeds from Right to Use Assets Finance Lease Liability	173,031	(463,483)
Principal Payments on Right to Use Finance Lease Liability	(49,092)	(27,853)
Principal Payments on Debt	(410,000)	(390,000)
Net Cash Provided (Used) by Financing Activities	1,747,325	(909,127)
Net Increase (Decrease) in Cash and Cash Equivalents	180,177	3,522,783
Cash and Cash Equivalents, Beginning of Year	4,015,625	492,842
Cash and Cash Equivalents, End of Year	$ 4,195,802	$ 4,015,625

	2025	2024
Interest Paid During the Period Ended August 31, 2025 and 2024	$ 690,101	$ 704,482
Income Taxes Paid During the Period Ended August 31, 2025 and 2024	-	-

The accompanying notes are an integral part of these financial statements.

VISTA DEL FUTURO CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,408	$ (78,273)
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
Depreciation	41,526	27,694
(Increase) Decrease in Due from Governments	26,376	145,272
(Increase) Decrease in Accounts Receivable	(1,875)	-
(Increase) Decrease in Accounts Receivable-Intercompany	403,121	596,879
(Increase) Decrease in Inventory	427	101
(Increase) Decrease in Right of Use Assets-Operating Leases	269,918	-
Increase (Decrease) in Accounts Payable	31,075	(43,375)
Increase (Decrease) in Payroll Deductions and Withholdings	15,363	(806)
Increase (Decrease) in Due to Student Groups	-	(379)
Increase (Decrease) in Accrued Wages Payable	355	(2,165)
Increase (Decrease) in Vacation Benefits Payable	(224)	(2,683)
Increase (Decrease) in Operating Lease Liability	(269,918)	-
Net Cash Provided (Used) by Operating Activities	517,552	642,265
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Land, Buildings, and Equipment	(842,986)	(107,887)
Purchase of Right to Use Finance Lease Assets	(49,660)	(1,672,931)
Disposition of Right to Use Finance Lease Assets	3,105	-
Net Cash Provided (Used) by Investing Activities	(889,541)	(1,780,818)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Right to Use Finance Lease Assets Liability	49,660	1,672,931
Principal Payments Right to Use Finance Lease Liability	(11,304)	(5,474)
Net Cash Provided (Used) by Financing Activities	38,356	1,667,457
Net Increase (Decrease) in Cash and Cash Equivalents	(333,633)	528,904
Cash and Cash Equivalents, Beginning of Year	1,033,344	504,440
Cash and Cash Equivalents, End of Year	$ 699,711	$ 1,033,344

	2025	2024
Interest Paid During the Period Ended August 31, 2025 and 2024	$ 1,791	$ 340
Income Taxes Paid During the Period Ended August 31, 2025 and 2024	-	-

The accompanying notes are an integral part of these financial statements.

Required Supplementary Information Required by the Texas Education Agency

Exhibit C-1.1

BURNHAM WOOD CHARTER SCHOOL
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

		Totals 2025	Totals 2024
Expenses			
6100	Payroll Costs	$ 11,095,612	$ 10,306,141
6200	Professional and Contracted Services	5,083,136	3,350,067
6300	Supplies and Materials	1,478,698	1,376,038
6400	Other Operating Costs	2,111,823	1,350,649
6500	Debt	653,658	529,954
	Total Expenses	$ 20,422,927	$ 16,912,849

The accompanying notes are an integral part of these statements.

VISTA DEL FUTURO CHARTER SCHOOL
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024

		Totals	
		2025	2024
Expenses			
6100	Payroll Costs	$ 2,874,344	$ 2,678,097
6200	Professional and Contracted Services	1,033,014	951,757
6300	Supplies and Materials	268,489	266,269
6400	Other Operating Costs	165,032	132,798
6500	Debt	1,791	340
	Total Expenses	$ 4,342,670	$ 4,029,261

The accompanying notes are an integral part of these statements.

Exhibit D-1.1

BURNHAM WOOD CHARTER SCHOOL
SCHEDULE OF ASSETS
AS OF AUGUST 31, 2025

		Ownership Interest		
		Local	State	Federal
1110	Cash	$ 1,156,013	$ 1,814,874	$ 1,224,915
1810	Investments	-	76,317	-
1510	Land	-	4,083,452	-
1520	Buildings and Improvements	-	34,918,612	210,000
1530	Furniture and Equipment	42,820	3,358,829	470,778
1553	Right to Use Lease Assets - Finance		173,031	
1554	Right to Use Lease Assets - Operating	-	715,521	-
	Total Cash, Investments, and Capital Assets	$ 1,198,833	$ 45,140,636	$ 1,905,693

The accompanying notes are an integral part of these statements.

VISTA DEL FUTURO CHARTER SCHOOL
SCHEDULE OF ASSETS
AS OF AUGUST 31, 2025

		Ownership Interest		
		Local	State	Federal
1110	Cash	$ 213,067	$ 315,209	$ 171,435
1510	Land	-	255,919	-
1520	Buildings and Improvements	-	923,443	-
1530	Furniture and Equipment	-	207,532	180,654
1553	Right to Use Lease Assets - Finance	-	49,660	-
1554	Right to Use Lease Assets - Operating	-	1,403,013	-
	Total Cash, Investments, and Capital Assets	$ 213,067	$ 3,154,776	$ 352,089

The accompanying notes are an integral part of these statements.

BURNHAM WOOD CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2025

Note: All variances over $10,000 and 10% will be explained on page 47.

	Budgeted Amounts			Actual	Variance from Final	
	Original	Final		Amounts	Budget	
Revenues						
Local Support:						
5740 Other Revenues from Local Sources	$ 947,478	$ 662,620	30.06% (9)	$ 903,383	$ 240,763	36.34% (1)
5750 Cocurricular and Enterprising Activities	96,679	50,078	48.20% (10)	52,124	2,046	4.09%
Total Local Support	1,044,157	712,698		955,507	242,809	
State Program Revenues:						
5810 Foundation School Program Act Revenues	17,258,074	17,475,202	-1.26%	18,072,707	597,505	3.42%
5820 State Program Revenues Distributed by TEA	34,903	391,164	-1020.72% (11)	485,074	93,910	24.01% (2)
5830 State Revenues From State of TX Agencies	-	669,191	(12)	695,246	26,055	3.89%
Total State Program Revenues	17,292,977	18,535,557		19,253,027	717,470	
Federal Program Revenues:						
5920 Federal Revenues Distributed by TEA	2,083,088	2,691,606	-29.21% (13)	3,315,105	623,499	23.16% (3)
5930 Federal Revenues Distributed by Other TX Agencies	-	1,432		1,432	-	
Total Federal Program Revenues	2,083,088	2,693,038		3,316,537	623,499	
Total Revenues	$ 20,420,222	$ 21,941,293		$ 23,525,071	$ 1,583,778	
Expenses						
11 Instruction	$ 9,364,024	$ 9,184,155	1.92%	$ 9,496,008	$ (311,853)	-3.40%
13 Curriculum & Instructional Staff Development	232,070	215,017	7.35%	193,310	21,707	10.10% (4)
21 Instructional Leadership	-	56,759	#DIV/0! (14)	60,551	(3,792)	-6.68%
23 School Leadership	561,327	1,202,780	-114.27% (15)	1,267,198	(64,418)	-5.36%
31 Guidance, Counseling, & Evaluation Services	81,512	75,978	6.79%	75,693	285	0.38%
33 Health Services	151,606	109,304	27.90% (16)	118,598	(9,294)	-8.50%
34 Student Transportation	861,742	796,326	7.59%	815,129	(18,803)	-2.36%
35 Food Services	1,337,595	1,088,534	18.62% (17)	1,081,343	7,191	0.66%
36 Cocurricular/Extracurricular Activities	607,270	704,831	-16.07% (18)	911,546	(206,715)	-29.33% (5)
41 General Administration	1,410,746	1,165,914	17.35% (19)	1,217,169	(51,255)	-4.40%
51 Facilities Maintenance & Operations	3,252,000	3,190,470	1.89%	3,753,870	(563,400)	-17.66% (6)
52 Security & Monitoring Services	337,195	436,883	-29.56% (20)	362,197	74,686	17.10% (7)
53 Data Processing Services	183,750	373,747	-103.40% (21)	416,657	(42,910)	-11.48% (8)
71 Debt Service	683,250	669,046	2.08%	653,658	15,388	2.30%
Total Expenses	$ 19,064,087	$ 19,269,744		$ 20,422,927	$ (1,153,183)	
Gain on Termination of Capital Lease	-	-		3,557	3,557	
Change in Net Assets	1,356,135	2,671,549		3,105,701	434,152	
Net Assets, Beginning of Year	18,765,295	18,765,295		18,765,295	-	
Net Assets, End of Year	$ 20,121,430	$ 21,436,844		$ 21,870,996	$ 434,152	

The accompanying notes are an integral part of these financial statements.

VISTA DEL FUTURO CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2025

Note: All variances over $10,000 and 10% will be explained on page 48.

	Budgeted Amounts Original	Budgeted Amounts Final		Actual Amounts	Variance from Final Budget	
Revenues						
Local Support:						
5740 Other Revenues from Local Sources	$ 88,577	$ 70,748	20.13% (4)	$ 67,252	$ (3,496)	-4.94%
5750 Cocurricular and Enterprising Activities	3,092	1,893	38.78%	1,619	(274)	-14.47%
Total Local Support	91,669	72,641		68,871	(3,770)	
State Program Revenues:						
5810 Foundation School Program Act Revenues	3,701,489	3,316,323	10.41% (5)	3,312,503	(3,820)	-0.12%
5820 State Program Revenues Distributed by TEA	8,008	210,054	-2523.05% (6)	271,971	61,917	29.48% (1)
5830 State Revenues From State of TX Agencies	-	163,316	(7)	174,831	11,515	7.05%
Total State Program Revenues	3,709,497	3,689,693		3,759,305	69,612	
Federal Program Revenues:						
5920 Federal Revenues Distributed by TEA	494,309	563,650	-14.03% (8)	513,358	(50,292)	-8.92%
5930 Federal Revenues Distributed by Other TX Agencies	-	-		1,844	1,844	
Total Federal Program Revenues	494,309	563,650		515,202	(48,448)	
Total Revenues	$ 4,295,475	$ 4,325,984		$ 4,343,378	$ 17,394	
Expenses						
11 Instruction	$ 1,996,986	$ 2,190,785	-9.70%	$ 2,238,978	$ (48,193)	-2.20%
13 Curriculum & Instructional Staff Development	22,222	107,824	-385.21% (9)	109,072	(1,248)	-1.16%
21 Instructional Leadership	8,000	29,238	-265.48% (10)	26,835	2,403	8.22%
23 School Leadership	103,012	167,335	-62.44% (11)	190,448	(23,113)	-13.81% (2)
31 Guidance, Counseling, & Evaluation Services	67,081	189	99.72% (12)	227	(38)	-20.11%
33 Health Services	31,513	66,911	-112.33% (13)	67,057	(146)	-0.22%
34 Student Transportation	23,157	22,164	4.29%	21,292	872	3.93%
35 Food Services	316,296	331,691	-4.87%	309,037	22,654	6.83%
36 Cocurricular/Extracurricular Activities	65,168	24,694	62.11% (14)	25,125	(431)	-1.75%
41 General Administration	493,897	378,412	23.38% (15)	354,712	23,700	6.26%
51 Facilities Maintenance & Operations	850,000	597,790	29.67% (16)	827,346	(229,556)	-38.40% (3)
52 Security and Monitoring Services	48,848	59,491	-21.79% (17)	65,235	(5,744)	-9.66%
53 Data Processing Services	53,736	102,774	-91.26% (18)	105,515	(2,741)	-2.67%
71 Debt Service	-	1,456		1,791	(335)	-23.01%
Total Expenses	$ 4,079,916	$ 4,080,754		$ 4,342,670	$ (261,916)	
Gain on Termination of Capital Lease	-	-		700	700	
Change in Net Assets	215,559	245,230		1,408	(243,822)	
Net Assets, Beginning of Year	2,218,400	2,218,400		2,218,400	-	
Net Assets, End of Year	$ 2,433,959	$ 2,463,630		$ 2,219,808	$ (243,822)	

The accompanying notes are an integral part of these financial statements.

BURNHAM WOOD CHARTER SCHOOL
MATERIAL BUDGET VARIANCE EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2025

Material Budget Variance Expenditures

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

(1) Did not budget for the grant advocacy contributions received.
(2) Received more safety and security grant revenue and instruction materials allotment revenue than budgeted for.
(3) Received more national school lunch program revenue than anticipated.

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

(4) Spent more in payroll than anticipated.
(5) Did not budget enough for supplies for extracurricular activities.
(6) Did not budget enough for repairs and maintenance.
(7) Capitalized a part of the security expenses.
(8) Did not budget enough for payroll.

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

(9) Did not budget enough for local revenue.
(10) Budgeted more for food service revenue in the original budget. Made the necessary budget amendment to decrease budgeted food service revenue.
(11) Did not budget enough for state program revenue in the original budget.
(12) Did not budget for TRS On-Behalf revenue in the original budget.
(13) Did not budget enough for federal revenue. Made the necessary budget amendment to increase budgeted federal revenue.

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

(14) Did not budget for instructional leadership in the original budget.
(15) Did not budget enough for school leadership payroll, professional services, and TRS On-Behalf benefits in the original budget.
(16) Budgeted too much for health services payroll in the original budget.
(17) Budgeted too much for food service payroll and food purchases in the original budget.
(18) Did not budget enough for miscellaneous contracted services and items for sale in the original budget.
(19) Budgeted too much for payroll and miscellaneous contracted services in the original budget.
(20) Did not budget enough for miscellaneous contracted services and TRS On-Behalf benefits in the original budget.
(21) Did not budget enough for payroll, miscellaneous contracted services, general supplies, and TRS On-Behalf benefits in the original budget.

VISTA DEL FUTURO CHARTER SCHOOL
MATERIAL BUDGET VARIANCE EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2025

Material Budget Variance Expenditures

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

(1) Did not budget enough revenue for instructional materials allotment and safety and security grant.

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

(2) Spent more in payroll and teacher retirement than anticipated.
(3) Did not include the contract dispute settlement in the budget.

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

(4) Budgeted too much for local revenue.
(5) Budgeted too much for Foundation School Program revenue.
(6) Did not budget enough for state program revenue in the original budget.
(7) Did not budget for TRS On-Behalf revenue in the original budget.
(8) Did not budget enough for National School Lunch Program in the original budget.

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

(9) Did not budget enough for payroll and TRS On-Behalf benefits in original budget.
(10) Did not budget enough for payroll and TRS On-Behalf benefits in original budget.
(11) Did not budget enough for payroll and TRS On-Behalf benefits in original budget.
(12) Did not expense under Guidance, Counseling, & Evaluation services.
(13) Did not budget enough for payroll and TRS On-Behalf benefits in original budget.
(14) Budgeted too much for Cocurricular/Extracurricular activities.
(15) Budgeted too much for payroll and TRS On-Behalf benefits in original budget.
(16) Budgeted too much for contracted maintenance, utilities, and rentals in original budget.
(17) Did not budget enough for miscellaneous contracted services in the original budget.
(18) Did not budget enough for payroll and TRS On-Behalf benefits in original budget.

BURNHAM WOOD CHARTER SCHOOL
USE OF FUNDS REPORT – SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2025

Section A. Compensatory Education Programs

AP1	Did the charter school expend any state compensatory education program state allotment funds during the charter school's fiscal year?	Yes
AP2	Does the charter school have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the charter school's fiscal year.	$1,880,648
AP4	Actual direct program expenditures for state compensatory education programs during the charter school's fiscal year.	$1,460,022

Section B. Bilingual Education Allotment Programs

AP5	Did the charter school expend any bilingual education program state allotment funds during the charter school's fiscal year?	Yes
AP6	Does the charter school have written policies and procedures for its bilingual education allotment program?	Yes
AP7	Total state allotment funds received for bilingual education allotment programs during the charter school's fiscal year.	$647,315
AP8	Actual direct program expenditures for bilingual education allotment programs during the charter school's fiscal year.	$665,171

VISTA DEL FUTURO CHARTER SCHOOL
USE OF FUNDS REPORT – SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2025

Section A. Compensatory Education Programs

AP1	Did the charter school expend any state compensatory education program state allotment funds during the charter school's fiscal year?	Yes
AP2	Does the charter school have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the charter school's fiscal year.	$263,340
AP4	Actual direct program expenditures for state compensatory education programs during the charter school's fiscal year.	$235,945

Section B. Bilingual Education Allotment Programs

AP5	Did the charter school expend any bilingual education program state allotment funds during the charter school's fiscal year?	Yes
AP6	Does the charter school have written policies and procedures for its bilingual education allotment program?	Yes
AP7	Total state allotment funds received for bilingual education allotment programs during the charter school's fiscal year.	$ 81,146
AP8	Actual direct program expenditures for bilingual education allotment programs during the charter school's fiscal year.	$128,980

Exhibit G-1

BURNHAM WOOD CHARTER SCHOOL
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
FOR THE YEAR ENDED AUGUST 31, 2025

			Ownership Interest		
Description	**Property Address**	**Total Assessed Value**	**Local**	**State**	**Federal**
8 Upper Valley Tr 2 (5.773 Acres)	5141 Upper Valley Rd. El Paso, TX	$ 2,419,354	$ -	$ 2,419,354	$ -
26 West Hills #6	7310 Bishop Flores Dr. El Paso, TX	$ 3,635,030	-	$ 3,635,030	-
1 Harvest Addition Lot 1	785 Southwestern Dr. El Paso, TX	$ 9,653,064	-	$ 9,653,064	-
Block 1 IH-10 Crusade Lot 1	5490 N. Desert Blvd. El Paso, TX	$ 1,217,945	-	$ 1,217,945	-
			$ -	$ 16,925,393	$ -

The accompanying notes are an integral part of these statements.

VISTA DEL FUTURO CHARTER SCHOOL
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
FOR THE YEAR ENDED AUGUST 31, 2025

			Ownership Interest		
Description	**Property Address**	**Total Assessed Value**	**Local**	**State**	**Federal**
Bob Hope Lot - T & P Block 79 Township 3, Section 8 Track 17-C-11, El Paso County	1671 Bob Hope Dr. El Paso, TX 79936	$33,794	$ -	$ 33,794	$ -
			$ -	$ 33,794	$ -

The accompanying notes are an integral part of these statements.

BURNHAM WOOD CHARTER SCHOOL
SCHEDULE OF RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED AUGUST 31, 2025

Related Party Name	Relation Name	Relationship	Type of Transaction	Terms	Source of Funds	Payment Frequency	Total Paid	Balance Due
S&C Building Contractors	Joe Gonzales Superintendent	Owned by Son	Financial	Contract Maint.	State Foundation	Monthly	220,067	-
							$ 220,067	$ -

The accompanying notes are an integral part of these statements.

Exhibit H-2

VISTA DEL FUTURO CHARTER SCHOOL
SCHEDULE OF RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED AUGUST 31, 2025

Related Party Name	Relation Name	Relationship	Type of Transaction	Terms	Source of Funds	Payment Frequency	Total Paid	Balance Due
S&C Building Contractors	Joe Gonzales Superintendent	Owned by Son	Financial	Contract Maint.	State Foundation	Monthly	66,745	-
							$ 66,745	$ -

The accompanying notes are an integral part of these statements.

BURNHAM WOOD CHARTER SCHOOL
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
FOR THE YEAR ENDED AUGUST 31, 2025

Related Party Name	Relation Name	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds	Total Paid
							$ -
None							-
							-
							-
							$ -

The accompanying notes are an integral part of these statements.

Exhibit H-4

VISTA DEL FUTURO CHARTER SCHOOL
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
FOR THE YEAR ENDED AUGUST 31, 2025

Related Party Name	Relation Name	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds	Total Paid
							$ -
None							-
							-
							-
							$ -

The accompanying notes are an integral part of these statements.

Reports On
Internal Controls, Compliance
And
Federal Awards

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*

Board of Directors
El Paso Education Initiative, Inc.
785 Southwestern Dr.
El Paso, TX 79912

Members of the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of El Paso Education Initiative, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered El Paso Education Initiative, Inc.'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 El Paso Education Initiative, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of El Paso Education Initiative, Inc.'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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Paso Education Initiative, Inc.'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

This 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Freemon, Shapard & Story

Freemon, Shapard, & Story
Windthorst, TX
January 16, 2026

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FREEMON, SHAPARD & STORY

Certified Public Accountants

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
El Paso Education Initiative, Inc.
785 Southwestern Dr.
El Paso, TX 79912

Members of the Board of Directors:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited El Paso Education Initiative, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of El Paso Education Initiative, Inc.'s major federal programs for the year ended August 31, 2025. El Paso Education Initiative, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of El Paso Education Initiative, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of El Paso Education Initiative, Inc.'s compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to El Paso Education Initiative, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on El Paso Education Initiative, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about El Paso Education Initiative, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding El Paso Education Initiative, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of El Paso Education Initiative, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of El Paso Education Initiative, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Freeman, Shapard & Story

Freemon, Shapard, & Story
Windthorst, TX
January 16, 2026

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EL PASO EDUCATION INITIATIVE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2025

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	___ Yes _X_ No
Significant deficiencies identified that are not considered to be material weaknesses?	___ Yes _X_ No
Noncompliance material to financial statements noted?	___ Yes _X_ No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	___ Yes _X_ No
Significant deficiencies identified that are not considered to be material weaknesses?	___ Yes _X_ No
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance?	___ Yes _X_ No
Identification of major programs:	
84.282 Public Charter Schools	
Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	_X_ Yes ___ No

II. Financial Statement Findings

None identified.

III. Findings and Questioned Costs for State and Federal Awards

None identified.

EL PASO EDUCATION INITIATIVE, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2025

N/A No prior year audit findings

EL PASO EDUCATION INITIATIVE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2025

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	25610101071801	$ 608,130
ESEA, Title I, Part A - Improving Basic Programs	84.010A	26610101071801	14,270
ESEA, Title I, Part A - Improving Basic Programs	84.010A	25610101071809	86,396
ESEA, Title I, Part A - Improving Basic Programs	84.010A	26610101071809	4,094
Total Assistance Listing Number 84.010			712,890
*IDEA - Part B, Formula	84.027	256600010718016600	285,454
*IDEA - Part B, Formula	84.027	266600010718016600	2,630
*IDEA - Part B, Formula	84.027	256600010718096000	52,154
Total Assistance Listing Number 84.027			340,238
*IDEA - Part B, Preschool	84.173	256610010718016610	1,538
*IDEA - Part B, Preschool	84.173	256610010718096000	891
Total Assistance Listing Number 84.173			2,429
Career and Technical - Basic Grant	84.048	25420006071950	28,538
Public Charter Schools	84.282	245901027110002	801,991
Title III, Part A - English Language Acquisition	84.365A	25671001071801	84,338
Title III, Part A - English Language Acquisition	84.365A	25671001071809	11,492
Total Assistance Listing Number 84.365			95,830
ESEA, Title II, Part A, Teacher Principal Training	84.367A	25694501071801	89,993
ESEA, Title II, Part A, Teacher Principal Training	84.367A	25694501071809	11,799
Total Assistance Listing Number 84.367			101,792
*COVID 19 - ESSER III - School Emergengy Relief	84.425U	21528001071801	280
*COVID 19 - ESSER III - School Emergengy Relief	84.425U	21528001071809	73
*COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	21528042071801	21,250
*COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	21528042071809	20,250
Total Assistance Listing Number 84.425			41,853
Title IV, Part A	84.424A	25680101071801	31,602
Title IV, Part A	84.424A	25680101071809	10,000
Total Assistance Listing Number 84.424			41,602
LEP Summer School	84.369A	69552402	4,090
Total Passed Through Texas Education Agency			2,171,253
TOTAL U.S. DEPARTMENT OF EDUCATION			2,171,253
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Texas Department of Agriculture			
*School Breakfast Program	10.553	71402501	348,731
*School Breakfast Program	10.553	71402401	37,658
Total Assistance Listing Number 10.553			386,389
*National School Lunch Program - Cash Assistance	10.555	71302501	1,143,023
*National School Lunch Program - Cash Assistance	10.555	71302401	124,259
Total Assistance Listing Number 10.555			1,267,282
Total Child Nutrition Cluster			1,653,671

EL PASO EDUCATION INITIATIVE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2025

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
Commodity Supplemental - Non-Cash Assistance	10.565	071801	2,755
Commodity Supplemental - Non-Cash Assistance	10.565	071809	784
Total Assistance Listing Number 10.565			3,539
Total Passed Through the Texas Department of Agriculture			1,657,210
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,657,210
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,828,463

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

EL PASO EDUCATION INITIATIVE, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Presentation*

The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal expenses include allowable expenses funded by federal grants. Allowable costs are subject to the cost principles of the Uniform Guidance and include costs that are recognized as expenses in the corporation's financial statements in conformity with generally accepted accounting principles. The corporation has not elected to use the 10% de minimus rate for indirect costs.

Because the schedule presents only a selected portion of the operations of the corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the corporation.

For all federal programs, the corporation used the net asset classes and codes specified by the Texas Education Agency in the *Module 3: Charter Schools –Financial Accounting and Reporting Nonprofit Charter School Chart of Accounts.* Net asset with donor restriction codes are used to account for resources restricted to or designated for specific purposes by a grantor. Federal and state financial assistance is generally accounted for in net asset with restriction codes.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

2. RECONCILIATION OF FEDERAL REVENUES

Total federal expenditures per Schedule of Expenditures of Federal Awards	$ 3,828,463
SHARS/ E-rate excluded from SEFA	3,276
Total federal revenue Exhibit A-2	$ 3,831,739