



# POR VIDA, INC.

ANNUAL FINANCIAL AND  
COMPLIANCE REPORT

FOR THE YEARS ENDED  
AUGUST 31, 2023 AND 2022

**abip**

CPAs | ADVISORS

CLIENT **FOCUSED**. RELATIONSHIP **DRIVEN**.

**POR VIDA, INC.**

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**POR VIDA ACADEMY**  
**CHARTER DISTRICT**  
FOR LIFE

**POR VIDA, INC.**

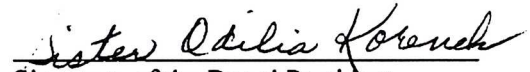
**CERTIFICATE OF BOARD**

**August 31, 2023**

We, the undersigned, certify that the attached annual financial and compliance report for Por Vida, Inc. (including the operations of Por Vida Academy and Corpus Christi College Preparatory High School) was reviewed and (check one)  approved  disapproved for the year ended August 31, 2023, at a meeting of the governing body of said charter school on the 9th day of January 2024.



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



\_\_\_\_\_  
Signature of the Board President



**POR VIDA ACADEMY**  
CHARTER DISTRICT  
FOR LIFE

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Por Vida, Inc.  
San Antonio, Texas

**Opinion**

We have audited the accompanying financial statements of Por Vida, Inc. (a nonprofit organization) (Por Vida), which comprise the statement of financial position as of August 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Por Vida, as of August 31, 2023 and 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Por Vida 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 Por Vida's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Por Vida'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 Por Vida'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as described in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2024, on our consideration of Por Vida'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 Por Vida'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 Por Vida's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas  
January 9, 2024

**FINANCIAL STATEMENTS**





**POR VIDA ACADEMY**  
CHARTER DISTRICT  
FOR LIFE

**POR VIDA, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**As of August 31,**

	<u>ASSETS</u>	
	2023	2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 339,860	\$ 561,268
Receivables:		
Due from governments	72,705	151,722
Other receivables	66	2,849
Prepayments and deposits	9,000	9,000
Total current assets	421,631	724,839
Right of use assets - operating leases, net	259,160	-
Capital assets (net of accumulated depreciation)	859,789	812,094
Total assets	\$ 1,540,580	\$ 1,536,933
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,860	\$ 2,605
Payroll deductions and withholdings payable	2,022	43,022
Loan payable	25,211	19,976
Operating lease liability	125,489	-
Total current liabilities	156,582	65,603
 <b>NON-CURRENT LIABILITIES</b>		
Loan payable	174,214	101,939
Operating lease liability	137,123	-
Total non-current liabilities	311,337	101,939
Total liabilities	467,919	167,542
 <b>NET ASSETS</b>		
Without donor restrictions	11,905	(3,512)
With donor restrictions:		
Net invested in capital assets	656,912	690,179
Program activities	403,844	682,724
Total net assets	1,072,661	1,369,391
Total liabilities and net assets	\$ 1,540,580	\$ 1,536,933

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

**POR VIDA, INC.**

**STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2023**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Local support:			
Food service activity	\$ 2,899	\$ -	\$ 2,899
Other local revenue and support	<u>48,475</u>	<u>-</u>	<u>48,475</u>
Total local support	<u>51,374</u>	<u>-</u>	<u>51,374</u>
State program revenues:			
Foundation School Program	-	1,527,799	1,527,799
Other state aids	<u>-</u>	<u>133,697</u>	<u>133,697</u>
Total state program revenues	<u>-</u>	<u>1,661,496</u>	<u>1,661,496</u>
Federal program revenues:			
Title I, Part A-Improving Basic Programs	-	126,046	126,046
Title II, Part A-TPTR	-	9,731	9,731
IDEA, Part B	-	55,310	55,310
Carl Perkins Grant	-	1,797	1,797
Title III, Part A-ELA	-	1	1
Title IV, Part A-Subpart 1	-	1,707	1,707
ESSER Grant II	-	3	3
ESSER Grant III	-	549,456	549,456
Federal E-rate Revenue	<u>-</u>	<u>36,698</u>	<u>36,698</u>
Total federal program revenues	<u>-</u>	<u>780,749</u>	<u>780,749</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by payments	<u>2,754,392</u>	<u>(2,754,392)</u>	<u>-</u>
Total revenues and other support	<u>2,805,766</u>	<u>(312,147)</u>	<u>2,493,619</u>

(continued)

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

**POR VIDA, INC.**

**STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2023**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
EXPENSES			
Program services:			
11 Instruction	\$ 1,218,692	\$ -	\$ 1,218,692
13 Curriculum development and instructional staff development	376	-	376
21 Instructional leadership	6,912	-	6,912
23 School leadership	329,112	-	329,112
31 Guidance, counseling, and evaluation services	145,203	-	145,203
32 Social work services	68,094	-	68,094
33 Health services	8,683	-	8,683
34 Student (pupil) transportation	6,317	-	6,317
35 Food service	6,242	-	6,242
36 Cocurricular/extracurricular activities	2,142	-	2,142
41 General administration	333,495	-	333,495
51 Plant maintenance and operations	519,368	-	519,368
52 Security and monitoring services	68,635	-	68,635
53 Data processing services	48,507	-	48,507
61 Community services	1,582	-	1,582
71 Debt service	22,223	-	22,223
Total expenses	2,785,583	-	2,785,583
CHANGE IN NET ASSETS	20,183	(312,147)	(291,964)
NET ASSETS - BEGINNING OF YEAR	(3,512)	1,372,903	1,369,391
PRIOR PERIOD ADJUSTMENT	(4,766)	-	(4,766)
NET ASSETS - END OF YEAR	\$ 11,905	\$ 1,060,756	\$ 1,072,661

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

**POR VIDA, INC.**

**STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2022**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>Local support:</b>			
Food service activity	\$ 5,880	\$ -	\$ 5,880
Other local revenue and support	253,071	-	253,071
Total local support	258,951	-	258,951
<b>State program revenues:</b>			
Foundation School Program	-	1,363,548	1,363,548
Other state aids	-	98,538	98,538
Total state program revenues	-	1,462,086	1,462,086
<b>Federal program revenues:</b>			
Title I, Part A-Improving Basic Programs	-	104,969	104,969
Title II, Part A-TPTR	-	12,571	12,571
IDEA, Part B	-	61,130	61,130
Carl Perkins Grant	-	1,575	1,575
Title I, Part C-Migrant	-	2	2
Title III, Part A-ELA	-	395	395
Title IV, Part A-Subpart 1	-	9,606	9,606
ESSER Grant II	-	322,311	322,311
ESSER Grant III	-	503,234	503,234
Covid-19 School Health Support Grant	-	5,053	5,053
Federal E-rate Revenue	-	122,023	122,023
Total federal program revenues	-	1,142,869	1,142,869
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Restrictions satisfied by payments	2,814,924	(2,814,924)	-
Total revenues and other support	3,073,875	(209,969)	2,863,906

(continued)

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

**POR VIDA, INC.**

**STATEMENT OF ACTIVITIES**

**For the year ended August 31, 2022**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
EXPENSES			
Program services:			
11 Instruction	\$ 1,280,334	\$ -	\$ 1,280,334
13 Curriculum development and instructional staff development	1,390	-	1,390
21 Instructional leadership	27,262	-	27,262
23 School leadership	386,638	-	386,638
31 Guidance, counseling, and evaluation services	162,291	-	162,291
32 Social work services	75,210	-	75,210
33 Health services	7,748	-	7,748
34 Student (pupil) transportation	5,408	-	5,408
35 Food service	33,631	-	33,631
36 Cocurricular/extracurricular activities	5,322	-	5,322
41 General administration	384,706	-	384,706
51 Plant maintenance and operations	593,065	-	593,065
52 Security and monitoring services	50,505	-	50,505
53 Data processing services	62,604	-	62,604
61 Community services	463	-	463
71 Debt service	7,609	-	7,609
Total expenses	3,084,186	-	3,084,186
CHANGE IN NET ASSETS	(10,311)	(209,969)	(220,280)
NET ASSETS - BEGINNING OF YEAR	6,799	1,582,872	1,589,671
NET ASSETS - END OF YEAR	\$ (3,512)	\$ 1,372,903	\$ 1,369,391

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

**POR VIDA, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**For the year ended August 31, 2023**

EXPENSES	PROGRAM ACTIVITIES			SUPPORTING ACTIVITIES	TOTALS
	INSTRUCTION SERVICES	SCHOOL LEADERSHIP	STUDENT SUPPORT	GENERAL AND ADMINISTRATIVE	2023
Salaries and wages	\$ 934,055	\$ 299,250	\$ 188,767	\$ 312,644	\$ 1,734,716
Benefits	117,935	28,560	22,846	31,808	201,149
Payroll taxes	13,890	3,990	2,678	4,196	24,754
Total payroll expenses	<u>1,065,880</u>	<u>331,800</u>	<u>214,291</u>	<u>348,648</u>	<u>1,960,619</u>
Professional services	77,821	-	-	158,492	236,313
Maintenance and repairs	-	-	5,413	70,167	75,580
Utilities	-	-	-	123,879	123,879
Rental expense	140	-	102	18,372	18,614
Miscellaneous contracted services	8,624	-	8,683	246	17,553
Supplies	29,174	7	904	12,964	43,049
Food	-	-	5,994	-	5,994
Travel	1,147	150	47	507	1,851
Insurance and bonding costs	-	-	-	47,842	47,842
Depreciation	-	-	-	178,867	178,867
Other	36,285	4,068	1,247	11,599	53,199
Interest	-	-	-	22,223	22,223
Total non-payroll expenses	<u>153,191</u>	<u>4,225</u>	<u>22,390</u>	<u>645,158</u>	<u>824,964</u>
Total expenses	<u>\$ 1,219,071</u>	<u>\$ 336,025</u>	<u>\$ 236,681</u>	<u>\$ 993,806</u>	<u>\$ 2,785,583</u>

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

**POR VIDA, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**For the year ended August 31, 2022**

EXPENSES	PROGRAM ACTIVITIES			SUPPORTING ACTIVITIES	TOTALS
	INSTRUCTION SERVICES	SCHOOL LEADERSHIP	STUDENT SUPPORT	GENERAL AND ADMINISTRATIVE	2022
Salaries and wages	\$ 847,039	\$ 292,800	\$ 199,553	\$ 359,605	\$ 1,698,997
Benefits	136,830	33,921	28,919	32,801	232,471
Payroll taxes	12,421	3,729	2,695	4,887	23,732
Total payroll expenses	<u>996,290</u>	<u>330,450</u>	<u>231,167</u>	<u>397,293</u>	<u>1,955,200</u>
Professional services	33,187	-	-	135,749	168,936
Maintenance and repairs	-	-	3,265	85,491	88,756
Utilities	-	-	-	133,227	133,227
Rental expense	144	-	142	153,081	153,367
Consulting	-	-	-	13	13
Miscellaneous contracted services	19,727	65,259	7,748	14,271	107,005
Supplies	109,393	34	26,306	31,314	167,047
Food	-	-	7,334	-	7,334
Travel	1,546	808	56	7,170	9,580
Insurance and bonding costs	-	-	-	69,915	69,915
Depreciation	-	-	-	48,285	48,285
Other	121,438	17,349	13,591	15,534	167,912
Interest	-	-	-	7,609	7,609
Total non-payroll expenses	<u>285,435</u>	<u>83,450</u>	<u>58,442</u>	<u>701,659</u>	<u>1,128,986</u>
Total expenses	<u>\$ 1,281,725</u>	<u>\$ 413,900</u>	<u>\$ 289,609</u>	<u>\$ 1,098,952</u>	<u>\$ 3,084,186</u>

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



**POR VIDA, INC.**

**STATEMENTS OF CASH FLOWS**

**For the years ended August 31, 2023 and 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from Foundation School Program	\$ 1,527,799	\$ 1,363,548
Cash received from grantors	993,463	1,419,229
Cash received from contributors	2,783	1,924,203
Cash received from food service activity	2,899	5,880
Cash received from other sources	48,475	101,166
Cash paid to suppliers for goods and services	(622,622)	(1,157,814)
Cash paid to employees for services	(2,001,616)	(3,646,355)
Interest payments	(22,223)	(7,609)
Net cash provided in (used by) operating activities	(71,042)	2,248
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(102,000)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from loan proceeds	100,000	-
Loan payments	(148,366)	(18,523)
Net cash provided in (used by) financing activities	(48,366)	(18,523)
Net increase (decrease) in cash and cash equivalents	(221,408)	(16,275)
CASH AND CASH EQUIVALENTS - BEGINNING	561,268	577,543
CASH AND CASH EQUIVALENTS - ENDING	\$ 339,860	\$ 561,268
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ (291,964)	\$ (220,280)
Adjustments to reconcile change in net assets to net cash provided for operating activities		
Depreciation	178,867	48,285
Decrease (increase) in assets		
Receivables	81,800	338,743
Increase (decrease) in liabilities		
Accounts payable	1,255	(84,721)
Payroll deductions and withholdings payable	(41,000)	(79,779)
NET CASH PROVIDED IN (USED BY) OPERATING ACTIVITIES	\$ (71,042)	\$ 2,248

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

# POR VIDA, INC.

## NOTES TO FINANCIAL STATEMENTS

August 31, 2023 and 2022

### (1) Summary of significant accounting policies

#### Organization

Blessed Sacrament Academy Second Chance High School, Inc. was incorporated August 9, 1996. A certificate of amendment was issued February 1, 2001 to reflect the name change to Por Vida, Inc. (Por Vida).

Por Vida, Inc. operates Por Vida Academy (the High School) and Corpus Christi College Preparatory High School.

The Por Vida Academy provides an alternative high school diploma program to students who did not thrive in the normal high school setting or have returned for a high school diploma after entering the work force. The Corpus Christi College Preparatory High School is a college preparatory high school preparing students to enter into a university immediately following high school graduation. The Por Vida Academy and the Corpus Christi College Preparatory High School operate under an open enrollment charter granted by the Texas State Board of Education. The Por Vida Academy and the Corpus Christi College Preparatory High School are part of the public school system of the State of Texas and are entitled to distribution from the state's available school fund. The Por Vida Academy and the Corpus Christi College Preparatory High School do not have the authority to impose taxes or charge tuition. Por Vida, Inc. does not conduct other charter or non-charter activities.

Por Vida, Inc. is a non-profit organization exempt from federal income taxes under Section 501c(3) of the Internal Revenue Code.

#### Accounting policies

The financial statements have been prepared on the accrual basis of accounting. The accounting system is organized under the *Special Supplement to Financial Accounting and Reporting – Nonprofit Charter School Chart of Accounts*, a module of the Texas Education Agency Financial Accountability Resource Guide. The significant accounting policies are as follows:

To ensure observance of limitation and restrictions placed on the use of resources available to Por Vida, the accounts are maintained in accordance with the principles of fund accounting during the year. Resources for various purposes are classified for accounting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, the accompanying statements of financial position and activities focus on the Organization as a whole and report the total assets, liabilities, net assets, and changes in net assets.

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 with donor restrictions* – Net assets subject to 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. When a restriction expires, these resources are classified to net assets without restriction and reported in the statement of activities as net assets released from restrictions.

# POR VIDA, INC.

## NOTES TO FINANCIAL STATEMENTS

August 31, 2023 and 2022

### (1) Summary of significant accounting policies (continued)

#### Accounting policies (continued)

- *Net assets without donor restrictions* – Net assets that are available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of Por Vida, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

#### Revenues and revenue recognition

Por Vida recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of Por Vida's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Por Vida has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

A portion of Por Vida's revenue is derived from payments received from other organizations as a fee for the service of processing their payroll. The payroll processing fee is recognized as revenue after each payroll run. All payroll processing services performed during the fiscal year were received and recognized during the fiscal year.

#### Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents are comprised of cash on hand and in banks with initial maturity of three months or less.

**POR VIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2023 and 2022**

(1) Summary of significant accounting policies (continued)

Capital assets

All assets acquired with a value of \$5,000 or greater are recorded as capital assets and are valued at cost or estimated cost. Donated assets are reported at the fair market value at time of acquisition.

Depreciation of building improvements, vehicles, and equipment is determined on a straight-line basis on the following useful lives:

Land improvements	15 years
Building improvements	6-40 years
Vehicles	5 years
Equipment	5 years

Credit risk

Financial instruments, which potentially subject Por Vida, Inc. to concentrations of credit risk consist primarily of cash. At August 31, 2023 and 2022, Por Vida, Inc. had uninsured cash balances of \$103,313 and \$361,697, respectively.

Personal leave

All employees earn between 1 to 10 days of paid personal leave per year depending on the number of days worked. Paid leave must be used during the year or it is forfeited. There is no payment of leave after resignation or termination date; therefore a liability is not recorded at August 31, 2023 and 2022.

Estimates

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

Fair value of financial instruments

The requirements of Fair Value Measurements and Disclosures of the FASB Accounting Standards Codification (ASC) apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB also establishes a fair value hierarchy that categorizes the inputs used in valuation methodologies into three levels.

Inputs may be observable or unobservable. Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability. Unobservable inputs are inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability. A three-tier hierarchy categorizes the inputs used to measure the fair value as follows:

# POR VIDA, INC.

## NOTES TO FINANCIAL STATEMENTS

August 31, 2023 and 2022

### (1) Summary of significant accounting policies (continued)

#### Fair value of financial instruments (continued)

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets for liabilities that the charter holder can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 inputs are unobservable inputs for the asset or liability.

#### Change in accounting principle – adoption of FASB ASC 842, *Leases*

Effective September 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Leases with a term of less than 12 months will not record a ROU asset and lease liability and the payments will be recognized in the change in net assets on a straight-line basis over the lease term.

The Organization elected to adopt FASB ASC 842, *Leases*, using the optional transition method that allows the Organization to initially apply the new leases standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. As a result, the Organization's reporting for the comparative period presented in the financial statements is in accordance with FASB ASC 840.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the ROU assets.

The adoption of the new standard resulted in the recognition of ROU operating lease assets of \$383,722, operating lease liabilities of \$388,488, and a cumulative effect adjustment to net assets of \$4,766 as of September 1, 2022.

**POR VIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2023 and 2022**

(2) Capital assets

An analysis of capital assets as of August 31, 2023, is presented as follows:

	OBJECT CODE	COST	ACCUMULATED DEPRECIATION	NET
Leasehold improvements	1520	\$ 2,127,635	\$ 1,267,846	\$ 859,789
Furniture and equipment	1540	126,483	126,483	-
Vehicles	1531	119,641	119,641	-
Totals		\$ 2,373,759	\$ 1,513,970	\$ 859,789

Depreciation expense for the current year was \$178,867.

An analysis of capital assets as of August 31, 2022, is presented as follows:

	OBJECT CODE	COST	ACCUMULATED DEPRECIATION	NET
Leasehold improvements	1520	\$ 2,025,635	\$ 1,213,541	\$ 812,094
Furniture and equipment	1540	126,483	126,483	-
Vehicles	1531	119,641	119,641	-
Totals		\$ 2,271,759	\$ 1,459,665	\$ 812,094

Depreciation expense for 2022 was \$48,284.

**POR VIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2023 and 2022**

(3) Ownership in property and equipment

As of August 31, 2023, the following disclosure of ownership interests in property and equipment is provided to address certain requirements discussed in House Bill 6, 77<sup>th</sup> Legislature (2001).

	OBJECT CODE	OWNERSHIP INTEREST		TOTAL
		STATE	FEDERAL	
Leasehold improvements				
Classroom improvements	1520	\$ 16,500	\$ -	\$ 16,500
Science lab renovations	1520	12,575	-	12,575
High school renovations	1520	1,071,775	880,663	1,952,438
Fence improvements	1520	8,567	-	8,567
Security improvements	1520	25,000	10,555	35,555
Instructional/non-instructional equipment				
Administration portable	1520	102,000	-	102,000
Furniture and equipment	1540	126,483	-	126,483
Vehicle	1531	<u>119,641</u>	<u>-</u>	<u>119,641</u>
Total property and equipment		<u>\$ 1,482,541</u>	<u>\$ 891,218</u>	<u>\$ 2,373,759</u>

As of August 31, 2022, the following disclosure of ownership interests in property and equipment is provided to address certain requirements discussed in House Bill 6, 77<sup>th</sup> Legislature (2001).

	OBJECT CODE	OWNERSHIP INTEREST		TOTAL
		STATE	FEDERAL	
Leasehold improvements				
Classroom improvements	1520	\$ 16,500	\$ -	\$ 16,500
Science lab renovations	1520	12,575	-	12,575
High school renovations	1520	1,071,775	880,663	1,952,438
Fence improvements	1520	8,567	-	8,567
Security improvements	1520	25,000	10,555	35,555
Instructional/non-instructional equipment				
Furniture and equipment	1540	126,483	-	126,483
Vehicle	1531	<u>119,641</u>	<u>-</u>	<u>119,641</u>
Total property and equipment		<u>\$ 1,380,541</u>	<u>\$ 891,218</u>	<u>\$ 2,271,759</u>

# POR VIDA, INC.

## NOTES TO FINANCIAL STATEMENTS

August 31, 2023 and 2022

### (4) Defined benefit pension plan

#### Multiemployer pension plan description

The charter school contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the charter school, but are the liability of the State of Texas. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, [www.trrs.state.tx.us](http://www.trrs.state.tx.us), under the TRS Publications Heading.

#### Funding policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) the state constitution requires the 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 of all members of the system; (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a 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 1 years, the period would be increased by such action. State law provides for a member contribution rate of 8% for fiscal year 2023 and 2022 and 7.7% for 2021, and a state contribution rate of 8% for fiscal year 2023, 7.75 for fiscal year 2022, and 7.5% for fiscal year 2021. The charter school's employees' contributions to the system for the years ending August 31, 2023 and 2022 were \$206,909 and \$252,069, respectively, equal to the required contributions for each year. Other contributions made from federal and private grants and from the charter school for salaries above the statutory minimum for the years ending August 31, 2023 and 2022 were \$152,119 and \$180,980, respectively, equal to the required contributions for each year. Por Vida does not contribute more than 5% of the total contributions to the TRS plan.

### (5) Defined other post-employment benefit plans

#### Multiemployer OPEB plan description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRSCare). It is a multiple-employer, cost-sharing defined other post-employment benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575. Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; by calling (512) 542-6592; or on the Internet at the following address: [http://www.trrs.texas.gov/Pages/about\\_publications.aspx](http://www.trrs.texas.gov/Pages/about_publications.aspx).



**POR VIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2023 and 2022**

(5) Defined other post-employment benefit plans (continued)

Funding policy

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

State law provides for a member contribution rate of .065% for fiscal year 2023, 2022 and 2021, and a state contribution rate of 1.25% for fiscal years 2023, 2022, and 2021. The charter school's employees' contributions to the system for the years ending August 31, 2023 and 2022 were \$16,813 and \$20,481, respectively, equal to the required contributions for each year. Por Vida does not contribute more than 5% of total contributions to the TRS plan.

(6) Defined contribution plan

All Por Vida employees may elect to participate in the 403(b) plan. This is a qualified tax deferred annuity plan under Section 403(b) of the Internal Revenue Code. The 403(b) plan consists solely of employee contributions which are made on a "pre-tax" basis.

Employees are fully vested upon entry to the plan.

(7) Health care coverage

During the years ended August 31, 2023 and 2022, employees of Por Vida were covered by a health insurance plan (the Plan). Por Vida, Inc. contributed \$244 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 a licensed insurer. During the years ending 2023 and 2022, Por Vida contributed \$83,950 and \$103,463 respectively, for charter employees.

**POR VIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2023 and 2022**

**(8) Due from governments**

Por Vida participated in a variety of federal and state programs from which it received grants to partially or fully finance certain activities. Por Vida received entitlements from the state through the Foundation School Program. Amounts due from federal and state governments as of August 31, 2023 and 2022 are summarized below. All federal grants shown below are passed through the TEA or other agencies.

PROGRAM	2023 AMOUNT	2022 AMOUNT
Federal and state programs	\$ 72,705	\$ 151,722
Total due from governments	<u>\$ 72,705</u>	<u>\$ 151,722</u>

**(9) Leases**

Por Vida has operating leases for several facilities that house its educational centers. At August 31, 2023, the leases have remaining lease terms of 1 year to 4 years. At August 31, 2023, Por Vida had operating lease right-of-use assets of \$259,160 and operating lease liabilities of \$262,612. At August 31, 2022, Por Vida had no operating lease right-of-use assets or operating lease liabilities, as it was still following the historical accounting treatment for operating leases.

Por Vida, Inc. has entered into various lease agreements for equipment and other items necessary to operate. The future minimum payments under noncancelable operating leases as of August 31, 2023 are as follows:

YEARS ENDING AUGUST 31,	AMOUNT
2024	\$ 132,140
2025	48,000
2026	48,000
2027	<u>48,000</u>
Less: interest	<u>(13,528)</u>
Total	<u>\$ 262,612</u>

**POR VIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2023 and 2022**

(10) Loans

On January 29, 2018, Por Vida, Inc. refinanced a note with Frost Bank that was previously held with JP Morgan Chase in the amount of \$200,000 with a maturity date of January 31, 2028. The stated interest rate is 5.490% and the note is payable in 120 payments of \$2,177.66 beginning on February 28, 2018. The note is collateralized with the property (land and improvements) owned and occupied by Blessed Sacrament Academy. Payments are paid directly to Frost Bank by Por Vida, Inc. The balance at August 31, 2023 and 2022 was \$121,915 and \$140,438, respectively. Interest expense related to this note was \$7,608 and \$8,229 for 2023 and 2022, respectively.

On January 19, 2023, Por Vida, Inc. obtained a loan to purchase a portable building in the amount of \$100,000 with an interest rate of 6.74%. The terms of the note was 120 monthly installment payments beginning January 19, 2023 to December 19, 2032 for \$889.84. The balance at August 31, 2023 was \$97,379. Interest expense related to this note was \$4,498 for 2023.

Changes in long-term debt as of August 31, 2023 are as follows:

	ORIGINAL PROCEEDS	INTEREST RATE	BALANCE 09/01/22	ADDITIONS	REDUCTIONS	BALANCE 08/31/23	DUE WITHIN ONE YEAR
Frost Bank							
Frost Bank school building loan	\$ 200,000	5.549%	\$ 121,915	\$ -	\$ 19,869	\$ 102,046	\$ 21,077
Frost Bank portable building loan	100,000	6.74	-	100,000	2,621	97,379	4,134
Right of use - leases	534,635	1.37-3.39%	388,488	-	125,876	262,612	125,489
Total			<u>\$ 510,403</u>	<u>\$ 100,000</u>	<u>\$ 148,366</u>	<u>\$ 462,037</u>	<u>\$ 150,700</u>

Changes in long-term debt as of August 31, 2022 are as follows:

			Prior Year				
	ORIGINAL PROCEEDS	INTEREST RATE	BALANCE 8/31/2021	ADDITIONS	REDUCTIONS	BALANCE 8/31/2022	DUE WITHIN ONE YEAR
Frost Bank							
Frost Bank school building loan	\$ 200,000	5.549%	\$ 140,438	\$ -	\$ 18,523	\$ 121,915	\$ 19,869

**POR VIDA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**August 31, 2023 and 2022**

(10) Loans (continued)

As of August 31, 2023, summary information for future note payments through 2028 and thereafter were as follows:

<u>YEARS ENDING</u> <u>AUGUST 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2024	\$ 25,211	\$ 11,598	\$ 36,809
2025	26,732	10,078	36,810
2026	28,300	8,509	36,809
2027	29,962	6,848	36,810
2028	15,706	5,362	21,068
Thereafter	<u>73,514</u>	<u>18,761</u>	<u>92,275</u>
Totals	<u>\$ 199,425</u>	<u>\$ 61,156</u>	<u>\$ 260,581</u>

As of August 31, 2022, summary information for future note payments through 2027 and thereafter were as follows:

<u>YEARS ENDING</u> <u>AUGUST 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2023	\$ 19,976	\$ 6,156	\$ 26,132
2024	21,100	5,032	26,132
2025	22,288	3,844	26,132
2026	23,543	2,589	26,132
2027	24,869	1,263	26,132
Thereafter	<u>10,138</u>	<u>122</u>	<u>10,260</u>
Totals	<u>\$ 121,914</u>	<u>\$ 19,006</u>	<u>\$ 140,920</u>

(11) Related parties

During the year, Por Vida, Inc. had various transactions with Blessed Sacrament Academy, Inc., a related party, which included the lease of a building. Rent paid to Blessed Sacrament was \$48,000 for 2023 and 2022. Por Vida, Inc. has adopted a conflict of interest policy regarding related party transactions. The policy was not violated during the year.

# POR VIDA, INC.

## NOTES TO FINANCIAL STATEMENTS

August 31, 2023 and 2022

### (12) Commitments and contingencies

Por Vida, Inc. received 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 agency. The programs administered by the charter school have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, charter school funds may be subject to refund if so determined by the Texas Education Agency or the grantor agency. In the opinion of management, there are no contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provisions have been made in the accompanying financial statements for such contingencies.

### (13) Concentrations

Por Vida's funding is concentrated in the foundation school program and various state and federal grants. Discontinued funding would have a severe impact on operations. Por Vida's ability to maintain continuing operations would be uncertain in such a situation. Management does not expect any material reductions in funding in the foreseeable future.

### (14) Shared services arrangement

During the fiscal year 2023 and 2022, Por Vida, Inc. was a member of the San Antonio Charter Schools Special Education Co-op shared services arrangement (SSA). The Southwest Preparatory Charter School is the Fiscal Agent for the SSA. As a member of the SSA, Por Vida, Inc. received special education (IDEA B Formula) services in the amount of \$55,310 and \$61,121 in 2023 and 2022 respectively, as reported to Por Vida by the fiscal agent. Por Vida is also a member of the Education Service Center Region 20 Carl Perkins, Title I Part C-Migrant, and Title III, Part A-ELA shared services arrangements. Por Vida received \$1,797 and \$1,575 in 2023 and 2022 respectively in Carl Perkins grant; \$0 and \$0 in 2023 and 2022 respectively in Title I Part C-Migrant; and \$1 and \$395 in 2023 and 2022 respectively in Title III, Part A-ELA; as reported to Por Vida, by the fiscal agent. In accordance with the guidance provided in the TEA Special Supplement to the Financial Accountability System Resource Guide, Charter Schools, Por Vida has accounted for the special education expenditures within their financial statements.

### (15) Net assets

Donor restricted net assets as of August 31 consisted of the following:

	2023	2022
Capital assets (net) purchased with state and federal funds	\$ 656,912	\$ 690,179
Federal and state program activities	<u>403,844</u>	<u>682,724</u>
Total donor restricted assets	<u>\$ 1,060,756</u>	<u>\$ 1,372,903</u>

POR VIDA, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2023 and 2022

(16) Liquidity and availability of financial assets

The following reflects Por Vida's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets at year end:	2023	2022
Cash and cash equivalents	\$ 339,860	\$ 561,268
Grants and other receivables	72,771	154,571
Total financial assets	<u>412,631</u>	<u>715,839</u>
Less current liabilities	<u>(155,402)</u>	<u>(65,603)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 257,229</u>	<u>\$ 650,236</u>

Por Vida manages its liquid assets conservatively within standard depository bank accounts at national banks. Cash is managed to provide sufficient funds for meeting program expenditures of the organization. Excess cash is invested in short-term investments such as certificates of deposit that have maturity dates of less than three months and in local government investment pools.

(17) Evaluation of subsequent events

Por Vida has evaluated subsequent events by Por Vida, Inc.'s management through January 9, 2024, the date which the financial statements were available to be issued. There are no subsequent events for disclosure.



**POR VIDA ACADEMY**  
CHARTER DISTRICT  
FOR LIFE

**SUPPLEMENTAL INFORMATION  
FOR CHARTER SCHOOL OPERATIONS**





**POR VIDA ACADEMY**  
**CHARTER DISTRICT**  
FOR LIFE

**POR VIDA, INC.**

**STATEMENT OF ACTIVITIES –  
REVENUE AND OTHER SUPPORT BY OBJECT CODE**

**For the year ended August 31, 2023**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND OTHER SUPPORT			
Local support:			
5750 Revenues from cocurricular, enterprising	\$ 2,899	\$ -	\$ 2,899
5760 Revenue from intermediate sources	<u>48,475</u>	<u>-</u>	<u>48,475</u>
Total local support	<u>51,374</u>	<u>-</u>	<u>51,374</u>
State program revenues:			
5810 Foundation school program act revenues	-	1,527,799	1,527,799
5820 State program revenues distributed by Texas Education Agency	<u>-</u>	<u>133,697</u>	<u>133,697</u>
Total state program revenues	<u>-</u>	<u>1,661,496</u>	<u>1,661,496</u>
Federal program revenues:			
5910 Federal revenues distributed by the Education Service Center, Region 20	-	1,798	1,798
5910 Federal revenues distributed by Southwest Preparatory Charter School	-	55,310	55,310
5920 Federal revenues distributed by the Texas Education Agency	-	686,943	686,943
5930 Federal revenues distributed by other Texas Agencies	<u>-</u>	<u>36,698</u>	<u>36,698</u>
Total federal program revenues	<u>-</u>	<u>780,749</u>	<u>780,749</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by payments	<u>2,754,392</u>	<u>(2,754,392)</u>	<u>-</u>
Total revenues and other support	<u>2,805,766</u>	<u>(312,147)</u>	<u>2,493,619</u>
EXPENSES			
11 Instruction	1,218,692	-	1,218,692
13 Curriculum development and instructional staff development	376	-	376
21 Instructional leadership	6,912	-	6,912
23 School leadership	329,112	-	329,112
31 Guidance, counseling, and evaluation services	145,203	-	145,203
32 Social work services	68,094	-	68,094
33 Health services	8,683	-	8,683
34 Student (pupil) transportation	6,317	-	6,317
35 Food services	6,242	-	6,242
36 Cocurricular/extracurricular activities	2,142	-	2,142
41 General administration	333,495	-	333,495
51 Plant maintenance and operations	519,368	-	519,368
52 Security and monitoring services	68,635	-	68,635
53 Data processing services	48,507	-	48,507
61 Community services	1,582	-	1,582
71 Debt service	<u>22,223</u>	<u>-</u>	<u>22,223</u>
Total expenses	<u>2,785,583</u>	<u>-</u>	<u>2,785,583</u>
CHANGE IN NET ASSETS	20,183	(312,147)	(291,964)
NET ASSETS - BEGINNING OF YEAR	<u>(3,512)</u>	<u>1,372,903</u>	<u>1,369,391</u>
PRIOR PERIOD ADJUSTMENT	<u>(4,766)</u>	<u>-</u>	<u>(4,766)</u>
NET ASSETS - END OF YEAR	<u>\$ 11,905</u>	<u>\$ 1,060,756</u>	<u>\$ 1,072,661</u>

**POR VIDA, INC.**

**SCHEDULE OF EXPENSES**

**For the year ended August 31, 2023**

	<u>TOTAL</u>
EXPENSES	
6100 Payroll costs	\$ 1,960,616
6200 Professional and contracted services	471,942
6300 Supplies and materials	49,043
6400 Other operating costs	281,759
6500 Debt	<u>22,223</u>
	<u>\$ 2,785,583</u>

**POR VIDA, INC.**

**SCHEDULE OF ASSETS**

**For the year ended August 31, 2023**

	OBJECT CODE	OWNERSHIP INTEREST		
		LOCAL	STATE	FEDERAL
Cash and cash equivalents	1110	\$ 11,920	\$ 336,057	\$ (8,117)
Due from other governments	1240	-	61,920	10,785
Other receivables	1290	66	-	-
RTU - operating leases	1570	-	259,160	-
Buildings and improvements	1520	-	414,766	445,023
Other assets	1990	-	9,000	-
Total assets		<u>\$ 11,986</u>	<u>\$ 1,080,903</u>	<u>\$ 447,691</u>

**POR VIDA, INC.**

**SCHEDULE OF CAPITAL ASSETS**

**For the year ended August 31, 2023**

	OBJECT CODE	OWNERSHIP INTEREST		TOTAL
		STATE	FEDERAL	
Leasehold improvements				
Classroom improvements	1520	\$ 16,500	\$ -	\$ 16,500
Science lab renovations	1520	12,575	-	12,575
High school renovations	1520	1,071,775	880,663	1,952,438
Fence improvements	1520	8,567	-	8,567
Security improvements	1520	25,000	10,555	35,555
Instructional/non-instructional equipment				
Administration portable	1520	102,000	-	102,000
Furniture and equipment	1540	126,483	-	126,483
Vehicle	1531	<u>119,641</u>	<u>-</u>	<u>119,641</u>
Total property and equipment		<u>\$ 1,482,541</u>	<u>\$ 891,218</u>	<u>\$ 2,373,759</u>

**POR VIDA, INC.**

**SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST**

**For the year ended August 31, 2023**

<u>Description (list each parcel separately)</u>	<u>Property Address</u>	<u>Total Assessed Value</u>	<u>Ownership Interest - Local</u>	<u>Ownership Interest - State</u>	<u>Ownership Interest - Federal</u>
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None

**POR VIDA, INC.**

**SCHEDULE OF RELATED PARTY TRANSACTIONS**

**For the year ended August 31, 2023**

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During FY</u>	<u>Principal Balance Due</u>
Blessed Sacramento Academy	Sister Odilia Korenek	Board President	Financial	Annual Lease Agreement	State	Monthly	\$48,000	\$0

**POR VIDA, INC.**

**SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS**

**For the year ended August 31, 2023**

<u>Related Party Name</u>	<u>Name of Relation of the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During FY</u>
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None



**POR VIDA, INC.**

**BUDGETARY COMPARISON SCHEDULE  
BUDGET VARIANCE ORIGINAL TO FINAL**

**For the year ended August 31, 2023**

	BUDGET		ACTUAL	BUDGET VARIANCE ORIGINAL TO FINAL POSITIVE OR (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUE</b>				
Local support:				
5720 Local revenue from other school districts	\$ -	\$ -	\$ -	\$ -
5740 Other revenues from local sources	900	900	-	-
5750 Revenues from cocurricular, enterprising services or activities	-	-	2,899	-
5760 Revenue from intermediate sources	20,000	-	48,475	(20,000) (1)
State support:				
5810 Foundation school program act revenues	1,952,581	1,718,503	1,527,799	(234,078) (2)
5820 State program revenues distributed by Texas Education Agency	-	-	133,697	-
Federal program revenues:				
5910 Federal revenues distributed by the Education Service Center, Region 20	-	-	1,798	-
5910 Federal revenues distributed by Southwest Preparatory Charter School	-	-	55,310	-
5920 Federal revenues distributed by the Texas Education Agency	-	-	686,943	-
5930 Federal revenues distributed by other Texas Agencies	-	-	36,698	-
<b>Total revenues</b>	<u>1,973,481</u>	<u>1,719,403</u>	<u>2,493,619</u>	<u>(254,078)</u>
<b>EXPENSES</b>				
11 Instruction	507,596	527,075	1,218,692	19,479
13 Curriculum development and instructional staff development	-	-	376	-
21 Instructional leadership	30,044	-	6,912	(30,044) (3)
23 School leadership	403,581	323,404	329,112	(80,177) (4)
31 Guidance, counseling and evaluation services	40,618	56,369	145,203	15,751 (5)
32 Social work services	18,099	60,414	68,094	42,315 (6)
33 Health services	10,310	4,500	8,683	(5,810) (7)
34 Student (pupil) transportation	6,716	3,581	6,317	(3,135) (8)
35 Food services	7,247	7,947	6,242	700
36 Cocurricular/extracurricular activities	3,294	-	2,142	(3,294) (9)
41 General administration	348,430	256,799	333,495	(91,631) (10)
51 Plant maintenance and operations	467,537	410,801	519,368	(56,736) (11)
52 Security and monitoring services	70,065	6,689	68,635	(63,376) (12)
53 Data processing services	51,715	49,882	48,507	(1,833)
61 Community services	-	-	1,582	-
71 Debt	8,229	11,942	22,223	3,713 (13)
<b>Total expenses</b>	<u>1,973,481</u>	<u>1,719,403</u>	<u>2,785,583</u>	<u>(254,078)</u>
<b>CHANGE IN NET ASSETS</b>	-	-	(291,964)	(508,156)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>1,369,391</u>	<u>1,369,391</u>	<u>1,369,391</u>	-
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	(4,766)	-
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,369,391</u>	<u>\$ 1,369,391</u>	<u>\$ 1,072,661</u>	<u>\$ (508,156)</u>

**POR VIDA, INC.**

**NOTES TO BUDGETARY COMPARISON SCHEDULE  
BUDGET VARIANCE ORIGINAL TO FINAL**

**For the year ended August 31, 2023**

- 1 Object code 5769 Fund 420 was payroll revenue under budget \$20,000.
- 2 Object code 5811 per capita apportionment and Object code 5812 were under budget. Object code 5819 was not in original budget.
- 3 Function 21 Fund 420 was over budget \$30,044.
- 4 Function 23 was under budget \$80,177.
- 5 Function 31 Fund 420 payroll costs was under budget \$15,751
- 6 Function 32 Fund 211 payroll costs was under budget \$42,315.
- 7 Function 33 Fund 420 contracted services was over budget \$5,810.
- 8 Function 34 Fund 420 professional and contracted services was over budget \$3,135.
- 9 Function 36 Fund 420 was over budget \$3,297.
- 10 Function 41 Fund 420 was over budget \$91,631.
- 11 Function 41 Fund 420 was over budget \$56,736.
- 12 Function 52 Fund 420 was over budget \$63,376.
- 13 Function 71 Fund 420 was under budget \$3,713.

**POR VIDA, INC.**

**BUDGETARY COMPARISON SCHEDULE –  
VARIANCE WITH FINAL BUDGET**

**For the year ended August 31, 2023**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE OR (NEGATIVE)	
	ORIGINAL	FINAL			
<b>REVENUE</b>					
Local support:					
5720 Local revenue from other school districts	\$ -	-	\$ -	\$ -	
5740 Other revenues from local sources	900	900	-	(900)	(1)
5750 Revenues from cocurricular, enterprising services or activities	-	-	2,899	2,899	(2)
5760 Revenue from intermediate sources	20,000	-	48,475	48,475	(3)
State support:					
5810 Foundation school program act revenues	1,952,581	1,718,503	1,527,799	(190,704)	(4)
5820 State program revenues distributed by Texas Education Agency	-	-	133,697	133,697	(5)
Federal program revenues:					
5910 Federal revenues distributed by the Education Service Center, Region 20	-	-	1,798	1,798	(6)
5910 Federal revenues distributed by Southwest Preparatory Charter School	-	-	55,310	55,310	(7)
5920 Federal revenues distributed by the Texas Education Agency	-	-	686,943	686,943	(8)
5930 Federal revenues distributed by other Texas Agencies	-	-	36,698	36,698	(9)
Total revenues	<u>1,973,481</u>	<u>1,719,403</u>	<u>2,493,619</u>	<u>774,216</u>	
<b>EXPENSES</b>					
11 Instruction	507,596	527,075	1,218,692	(691,617)	(10)
13 Curriculum development and instructional staff development	-	-	376	(376)	
21 Instructional leadership	30,044	-	6,912	(6,912)	(11)
23 School leadership	403,581	323,404	329,112	(5,708)	
31 Guidance, counseling and evaluation services	40,618	56,369	145,203	(88,834)	(12)
32 Social work services	18,099	60,414	68,094	(7,680)	(13)
33 Health services	10,310	4,500	8,683	(4,183)	(14)
34 Student (pupil) transportation	6,716	3,581	6,317	(2,736)	(15)
35 Food services	7,247	7,947	6,242	1,705	(16)
36 Cocurricular/extracurricular activities	3,294	-	2,142	(2,142)	
41 General administration	348,430	256,799	333,495	(76,696)	(17)
51 Plant maintenance and operations	467,537	410,801	519,368	(108,567)	(18)
52 Security and monitoring services	70,065	6,689	68,635	(61,946)	(19)
53 Data processing services	51,715	49,882	48,507	1,375	
61 Community services	-	-	1,582	(1,582)	
71 Debt	8,229	11,942	22,223	(10,281)	(20)
Total expenses	<u>1,973,481</u>	<u>1,719,403</u>	<u>2,785,583</u>	<u>(1,066,180)</u>	
CHANGE IN NET ASSETS	-	-	(291,964)	(291,964)	
NET ASSETS - BEGINNING OF YEAR	<u>1,369,391</u>	<u>1,369,391</u>	<u>1,369,391</u>	<u>-</u>	
PRIOR PERIOD ADJUSTMENT	-	-	(4,766)		
NET ASSETS - END OF YEAR	<u>\$ 1,369,391</u>	<u>\$ 1,369,391</u>	<u>\$ 1,072,661</u>	<u>\$ (291,964)</u>	

**POR VIDA, INC.**

**NOTES TO BUDGETARY COMPARISON SCHEDULE –  
VARIANCE WITH FINAL BUDGET**

**For the year ended August 31, 2023**

- 1 Object code 5742 Fund 420 was over budget by \$900.
- 2 Object code 5751 Fund 161 staff cafeteria sales was not in original budget \$2,899.
- 3 Object code 5769 Fund 420 YES payroll services not in original budget \$48,475.
- 4 Object code 5812 was over budget by \$190,704.
- 5 Object code 5829 Fund 429 was not in original budget by \$133,697.
- 6 Object code 5929 Fund 244 was not in original budget by \$1,797.
- 7 Object code 5929 Fund 224 was not in original budget by \$55,310.
- 8 Object code 5929 Fund 282 was not in original budget by \$686,943.
- 9 Object code 5939 Fund 420 was not in original budget by \$36,698.
- 10 Function 11 Fund 161 payroll costs was not in original budget \$2,283. Function 11 Fund 161 was not in original budget \$4,088. Function 11 Fund 167 payroll was not in original budget \$33,835. Function 11 Fund 174 payroll was not in original budget by \$299,335. Function 11 Fund 190 payroll was not in original budget \$1,436,638. Function 11 Fund 211 was not in original budget in payroll costs \$104,750. Function 11 Fund 211 supplies and materials was not in original budget \$41,767. Function 11 Fund 255 was over budget \$9,117. Function 11 Fund 266 was not in original budget \$34,300. Function 11 Fund 410 was not in original budget \$52,021. Function 11 Fund 420 was under budget \$14,218. Function 11 Fund 420 was under budget \$35,846.
- 11 Function 21 Fund 420 payroll costs was under budget \$6,912.
- 12 Function 31 Fund 224 was not in original budget by \$23,823.60. Function 31 Fund 284 was not in original budget by \$4,089.11. Function 31 Fund 420 payroll costs was under budget by \$60,924.29.
- 13 Function 32 Fund 211 payroll costs was under budget by \$7,680.
- 14 Function 33 Fund 420 professional & contracted services was under budget by \$4,183.
- 15 Function 34 Fund 420 professional & contracted services was under budget \$2,736.
- 16 Function 35 Fund 420 supplies & materials was over budget \$1,705.
- 17 Function 41 Fund 420 payroll cost was under budget \$70,274. Function 41 Fund 420 professional & contracted services was under budget \$4,920.64. Function 41 Fund 420 other operating costs was under budget \$1,501.
- 18 Function 51 Fund 289 was not in original budget by \$23,775.70. Function 51 Fund 420 professional & contracted services was under budget \$107,140. Function 51 Fund 420 other operating costs was not in original budget \$150,924.
- 19 Function 52 Fund 420 professional & contracted services was under budget \$61,496.
- 20 Function 71 Fund 420 was under budget \$10,281.



**POR VIDA ACADEMY**  
CHARTER DISTRICT  
FOR LIFE

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Por Vida, Inc.  
San Antonio, Texas

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 Por Vida, Inc. (a nonprofit organization) (Por Vida), which comprise the statement of financial position as of August 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 9, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Por Vida’s internal control over financial reporting (internal control) to determine the 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 Por Vida’s internal control. Accordingly, we do not express an opinion on the effectiveness of Por Vida’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 or significant deficiencies. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Por Vida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Por Vida'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.

ABIP, PC

San Antonio, Texas  
January 9, 2024

**POR VIDA, INC.**

**USE OF FUNDS – SELECT STATE ALLOTMENT PROGRAMS**

**For the year ended August 31, 2023**

EXHIBIT J-4

**Data  
Codes**

**Responses**

**Section A: Compensatory Education Programs**

Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.		
AP1	Did your district expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district’s fiscal year.	\$185,272
AP4	List the actual direct program expenditures for state compensatory education programs during the district’s fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$287,309

**Section B: Bilingual Education Programs**

Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.		
AP5	Did your district expend any bilingual education program state allotment funds during the district’s fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the district’s fiscal year.	\$219
AP8	List the actual direct program expenditures for bilingual education programs during the district’s fiscal year. (PICs 25, 35)	\$1,587