TEJANO CENTER FOR
COMMUNITY CONCERNS, INC.
(A NON PROFIT ORGANIZATION)

CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

August 31, 2025
with Summarized Comparative Information for 2024

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
TABLE OF CONTENTS

	Page
Certificate of Board	1
Independent Auditor's Report	3
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	8
Consolidated Statement of Activities	9
Consolidated Statement of Functional Expenses	10
Consolidated Statements of Cash Flows	12
Notes to the Consolidated Financial Statements	13
Supplementary Information - Raul Yzaguirre Schools for Success:	
Supplemental Schedule of Financial Position	31
Supplemental Schedule of Activities	32
Supplemental Schedule of Cash Flows	34
Schedule of Expenses	35
Schedule of Capital Assets	36
Budgetary Comparison Schedule	37
Notes to Supplementary Information	40
Compensatory Education Program and Bilingual Education Program Compliance Responses	41
Schedule of Real Property Ownership Interest	42
Schedule of Related Party Transactions	43
Supplementary Information – TCCC Real Estate Inc.	
Supplemental Schedule of Financial Position	47
Supplemental Schedule of Activities	48
Compliance and Internal Controls:	
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*	51
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	53
Schedule of Findings and Questioned Costs	56
Schedule of Expenditures of Federal Awards	58
Notes to Schedule of Expenditures of Federal Awards	60
Summary Schedule of Prior Audit Findings	61
Corrective Action Plan	62


TEJANO CENTER
FOR COMMUNITY CONCERNS
Tejano Center for Community Concerns
Nurturing Lifelong Learners. Empowering Families. Transforming Lives

Tejano Center for Community Concerns, Inc.
(including Raul Yzaguirre Schools for Success)

Federal Employer Identification Number: 76-0377101

CERTIFICATE OF BOARD

We, the undersigned, certify that the attached Consolidated Financial and Compliance Report of Tejano Center for Community Concerns, Inc. was reviewed and ✓ approved ____ disapproved for the year ended August 31, 2025, at a meeting of the governing body of said charter school on the 26 day of February 2026.

Signature of Board President
David Corpus

Signature: Margaret Dunlap (Feb 26, 2026 18:59:13 CST)
Signature of Board Secretary
Email: mjaczdunlap@gmail.com


Tejano Center for Community Concerns
Nurturing Lifelong Learners. Empowering Families. Transforming Lives

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Tejano Center for Community Concerns, Inc.

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated financial statements of Tejano Center for Community Concerns, Inc., (a nonprofit organization), which comprise the consolidated statement of financial position as of August 31, 2025 and the related consolidated 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Tejano Center for Community Concerns, Inc., (the "Center") as of August 31, 2025, and the changes in its net assets, 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 (GAAS) 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 the Center 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 consolidated 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 the Center'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 consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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.

Report on Summarized Comparative Information

We have previously audited the Center's 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated January 28, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it was derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information identified in the table of contents as well as the 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 Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information as detailed in the table of contents and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

To the Board of Directors
Tejano Center for Community Concerns, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2026, on our consideration of the Center'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 the Center'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 the Center's internal control over financial reporting and compliance.

Whitley Penn LLP

Houston, Texas
February 17, 2026


Tejano Center for Community Concerns
Nurturing Lifelong Learners. Empowering Families. Transforming Lives

CONSOLIDATED FINANCIAL STATEMENTS

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2025 and 2024

	August 31, 2025	2024, Restated
Assets		
Current Assets:		
Cash and cash equivalents	$ 14,622,414	$ 26,327,715
Due from other governments	5,562,438	6,645,188
Other receivable	1,264,982	312,690
Prepaid expenses	52,913	12,706
Total Current Assets	21,502,747	33,298,299
Property and Equipment:		
Land	17,840,778	16,129,561
Construction in progress	19,795,963	11,449,085
Buildings and improvements	46,533,178	45,779,121
Furniture, vehicles, and equipment	5,755,686	5,175,319
Accumulated depreciation/amortization	(16,064,778)	(14,706,625)
Total Property and Equipment	73,860,827	63,826,461
Total Assets	$ 95,363,574	$ 97,124,760
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable	$ 2,221,457	$ 6,171,636
Accrued liabilities	1,441,809	526,150
Wages payable	791,267	-
Due to state	130,721	7,998
Notes payable, current portion	1,057,414	692,010
Total Current Liabilities	5,642,668	7,397,794
Long-term liabilities:		
Notes payable, net of current portion	55,918,227	57,025,304
Total Liabilities	61,560,895	64,423,098
Net Assets:		
Without donor restrictions	20,863,178	14,823,088
With donor restrictions	12,939,501	17,878,574
Total Net Assets	33,802,679	32,701,662
Total Liabilities and Net Assets	$ 95,363,574	$ 97,124,760

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2025
(with Summarized Financial Information for 2024)

	Without Donor Restrictions	With Donor Restrictions	August 31, 2025	2024
Revenues				
Federal grants	$ -	$ 9,662,694	$ 9,662,694	$ 13,580,138
State grants	-	23,265,621	23,265,621	22,870,244
Local grants and contributions	2,554,083	5,739,714	8,293,797	8,609,615
Net assets released from restrictions	43,607,102	(43,607,102)	-	-
Total Revenues	46,161,185	(4,939,073)	41,222,112	45,059,997
Expenses				
Program services:				
Charter school	33,198,018	-	33,198,018	33,436,987
Affordable housing /homebuyer education	1,430,126	-	1,430,126	979,805
Child shelter/placement	631,221	-	631,221	769,075
Community services	2,021,813	-	2,021,813	1,238,122
College and career advising	451,626	-	451,626	626,925
Supporting services:				
Tejano commercial properties	1,617,232	-	1,617,232	1,750,861
Management and general	771,059	-	771,059	1,313,108
Total Expenses	40,121,095	-	40,121,095	40,114,883
Total Change in Net Assets	6,040,090	(4,939,073)	1,101,017	4,945,114
Net Assets, Beginning of Year, Restated	14,823,088	17,878,574	32,701,662	27,756,548
Net Assets, End of Year	$ 20,863,178	$ 12,939,501	$ 33,802,679	$ 32,701,662

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended August 31, 2025

(with Summarized Financial Information for 2024)

	Program Services				
	Charter School	Affordable Housing/ Homebuyer Education	Child Shelter/ Placement	Community Services	College and Career Advisory
Salaries and Related Expenses:					
Salaries and wages	$ 17,739,761	$ 480,303	$ 171,298	$ 367,661	$ 358,919
Employee benefits	2,175,031	11,264	2,518	(8,964)	15,297
Payroll taxes	290,881	32,168	13,648	27,319	26,162
Total Salaries and Related Expenses	20,205,673	523,735	187,464	386,016	400,378
Operating Expenses:					
Contract labor	5,648,042	598,695	372,530	683,594	980
Food	1,525,691	5,744	1,659	685	-
Insurance	770,150	-	-	-	-
Interest and debt issuance cost	1,019,343	-	-	380,901	-
Rent	290,028	28,088	36,747	14,604	14,804
Professional fess	213,895	-	-	31,152	-
Miscellaneous	798,541	116,344	4,781	64,355	11,480
Supplies and maintenance	1,470,473	66,789	8,684	2,351	9,326
Travel	156,567	14,794	1,394	11	6,026
Utilities	700,348	30,550	5,152	21,610	8,632
Total Operating Expenses	12,593,078	861,004	430,947	1,199,263	51,248
Total Salaries and Operating Expenses	32,798,751	1,384,739	618,411	1,585,279	451,626
Depreciation	399,267	45,387	12,810	436,534	-
Total Expenses	$ 33,198,018	$ 1,430,126	$ 631,221	$ 2,021,813	$ 451,626

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended August 31, 2025

(with Summarized Financial Information for 2024)

	Supporting Services			
	Tejano Commercial Properties	Management and General	2025 Total	2024 Total
Salaries and Related Expenses:				
Salaries and wages	$ -	$ 152,712	$ 19,270,654	$ 17,523,675
Employee benefits	-	1,374	2,196,520	3,341,661
Payroll taxes	-	11,466	401,644	436,778
Total Salaries and Related Expenses	-	165,552	21,868,818	21,302,114
Operating Expenses:				
Contract labor	-	274,511	7,578,352	6,238,252
Food	-	15,755	1,549,534	1,311,307
Insurance	-	-	770,150	807,375
Interest and debt issuance cost	1,156,254	60,239	2,616,737	1,742,041
Rent	-	37,022	421,293	169,628
Professional fess	-	41,815	286,862	240,656
Miscellaneous	-	127,605	1,123,106	2,687,005
Supplies and maintenance	-	28,948	1,586,571	3,425,076
Travel	-	5,361	184,153	149,807
Utilities	-	11,073	777,365	707,487
Total Operating Expenses	1,156,254	602,329	16,894,123	17,478,634
Total Salaries and Operating Expenses	1,156,254	767,881	38,762,941	38,780,748
Depreciation	460,978	3,178	1,358,154	1,334,135
Total Expenses	$ 1,617,232	$ 771,059	$ 40,121,095	$ 40,114,883

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2025 and 2024

	August 31, 2025	2024
Cash Flows from Operating Activities:		
Changes in net assets	$ 1,101,017	$ 4,831,101
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,358,154	1,334,135
Amortization of debt issuance costs	215,280	234,719
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	1,082,750	(815,880)
(Increase) decrease in other receivables	(952,292)	(257,154)
(Increase) decrease in prepaid expenses	(40,207)	2,305
Increase (decrease) in accounts payable	(3,950,179)	3,943,849
Increase (decrease) in wages payable	791,267	(499,335)
Increase (decrease) in accrued liabilities	915,659	119,041
Increase (decrease) in due to state	122,723	7,998
Increase (decrease) in deferred revenue	-	(535,864)
Net Cash Provided for (Used By) Operating Activities	644,172	8,364,915
Cash Flows from Investing Activities:		
Purchase of property and equipment	(11,392,520)	(21,230,683)
Net Cash Provided (Used) by Investing Activities	(11,392,520)	(21,230,683)
Cash Flows from Financing Activities:		
Proceeds from notes payable	-	31,680,000
Repayment of note and loans payable	(956,953)	(654,070)
Net Cash Provided (Used) by Financing Activities	(956,953)	31,025,930
Net Change in cash and cash equivalents	(11,705,301)	18,160,162
Cash and Cash Equivalents, Beginning of Year	26,327,715	8,167,553
Cash and Cash Equivalents, End of Year	$ 14,622,414	$ 26,327,715
Supplemental Disclosure of Cash Flow Information:		
Interest paid during the year	$ 2,401,457	$ 1,742,041

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Tejano Center for Community Concerns, Inc. is a Texas non-profit corporation incorporated in 1992, for the purpose of improving opportunities for children and their families in low-income neighborhoods by overseeing housing and community development initiatives, as well as providing educational, social, and health services. The programs and services include the following:

Charter School - The Raul Yzaguirre Schools for Success (RYSS) was opened in Houston in 1996 and several years later, a K through 8th grade campus was added in Brownsville, Texas. RYSS was one of the first 20 open-enrollment charter schools approved by the Texas State Board of Education and serves approximately 1,300 students in grades Pre-K through 12. Originally created for the purpose of addressing school dropout problems, school overcrowding and school violence, today RYSS provides a college preparatory experience through its Texas Education Agency (TEA) designated Early College, STEM and T-STEM Center, along with early childhood STEM Academies.

Affordable Housing/Homebuyer Education - This program provides a full range of homebuyer counseling and education services aimed at increasing homeownership opportunities for low to moderate income families. The program also develops, builds and finances affordable housing for low-income families earning between 50% and 80% of the Houston Area Median Income. As a direct response to the devastation from past weather storms, the Tejano Center Home Repair Program was established to connect and guide families to needed resources for home repair and unmet needs.

Child Shelter/Placement - This program serves children that have experienced neglect and/or abuse by placing them in a foster home with healthy living conditions and positive relationships. The program includes certification of the foster home, as well as orientation and pre-service training for the foster parents.

Community Services - This program focuses on increasing student achievement and providing community services, including direct services to victims of crime or family violence.

College and Career Advising Services - This program helps individuals get into and through college, as well as provide career counseling services. The program includes a continuum of services to high school students, as they transition to college, and while they are pursuing a workforce certificate, associate's degree, or bachelor's degree.

Tejano Center for Community Concerns, Inc. is the sole member of Sunrise Lofts LLC (Sunrise Lofts), which is a disregarded entity that operates separately from Tejano Center for Community Concerns, Inc. Sunrise Lofts was formed in May 2019 to develop an 89-unit transitional supportive apartment community that will serve young adults, ages 18-24 years, who are aging out of foster care. The total budget for the project is approximately $23 million and is being funded through approximately $15 million of Community Development Block Grant awards and approximately $5 million of HOME Investment Partnerships Program awards. The land for the project was purchased in July 2021, construction began during fiscal year 2022 and was completed in 2024. The completed buildings are now part of buildings and improvements. The operations are managed by an external management company, Hetting Management, Co. The ending cash balance for Sunrise Lofts was $209,978. The revenues and expenses totaled $739,853 and $669,574, respectively for fiscal year 2025. Fiscal year 2025 is the first full year of operations.

In March 2024, TCCC Real Estate Inc. (TCCC Real Estate), a Texas nonprofit was created to assist with certain aspects of Pasadena expansion project located at 1062 Fairmont Parkway, Pasadena, Texas 77504.

Basis of Consolidation

The consolidated financial statements include the accounts of Tejano Center for Community Concerns, Inc., Sunrise Lofts LLC and TCCC Real Estate Inc. (collectively, "TCCC" or the "Center"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Note 1 - Summary of Significant Accounting Policies (continued)

Acquisition of ProjectGRAD

Effective December 31, 2021, as part of its mission to provide college and career advising services, TCCC acquired ProjectGRAD, LLC (ProjectGRAD), a Texas nonprofit corporation providing college and career advisory services. No consideration was paid or exchanged for the acquisition of ProjectGRAD and TCCC recognized an inherent contribution of approximately $69 thousand for the net assets acquired, which represented cash at the acquisition date.

Comparative Financial Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with TCCC's financial statements for the year ended August 31, 2025 from which the summarized information was derived. In addition, certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. These changes were between with and without donor restriction net asset classifications.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor or grantor- imposed restrictions and may be expended for any purpose in performing the primary objectives of TCCC. These net assets may be used at the discretion of TCCC's management and Board of Directors.

Net assets with donor restrictions: Net assets that are subject to donor or grantor- imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by either action or passage of time. Other restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

If donor or grantor-imposed restrictions are met in the same reporting period as the contribution or grant is recognized as revenue, TCCC reports such amount as an increase in net assets without donor restrictions. All other donor or grantor-restricted contributions and grants are reported as increases in net assets with donor restrictions, and when the restriction expires or is satisfied, these net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Gifts of long-lived assets or other assets that must be used to acquire long-lived assets are reported as donor-restricted support and are released from donor restrictions when the donated or acquired long-lived assets are placed in service.

Basis of Accounting and Presentation

RYSS uses the net asset classes and codes specified by the TEA in the *Special Supplement to Financial Accounting and Reporting, Nonprofit Charter School Chart of Accounts*. Net asset codes with donor restrictions are used to account for resources restricted to or designated for specific purposes by a grantor or donor. Federal and state financial assistance is generally accounted for in net asset codes with donor restrictions. These and other resources that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire or are satisfied in the year in which the support is recognized.

Note 1 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash is maintained in bank deposit accounts which, at times, exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor. As of August 31, 2025 and 2024, there were no amounts in excess of the FDIC were fully collateralized by a financial institution. Highly liquid investments with maturities of three months or less at time of purchase are considered cash equivalents. There were no cash equivalents at August 31, 2025 or 2024.

Grants Receivable

Grants receivable represent payments due from unconditional contracts or grants that are expected to be collected within one year and are recorded at net realizable value. As of August 31, 2025 and 2024, TCCC considers all grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair value at the date of the gift, if donated. Additions and improvements greater than $5,000 are capitalized. Depreciation is provided on the straight-line method based upon estimated useful lives of the assets, which range from three (3) to 50 years. The cost of leasehold improvements is depreciated over the lesser of the remaining lease term or estimated useful life of the asset. The cost of maintenance and repairs is charged to expense as incurred.

RYSS has capital assets with a total gross asset value of approximately $40.7 million in 2025 and $19.6 million in 2024 that have been purchased with TEA funds. Pursuant to Chapter 12 of the Texas Education Code, capital assets acquired, improved, or maintained during the term of the open- enrollment charter and all property presently held by the charter school holder for the operation of the charter school, constitute public property and is held in trust by the charter school holder for the benefit of the students of the open-enrollment charter school and may be used only for those purposes.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is equivalent to the amount by which the carrying amount of the assets exceeds the fair value of the assets. For the years ended August 31, 2025 and 2024, no impairment was recognized.

Construction in Progress

Construction in progress is stated at cost unless the project is determined to be impaired, in which case it is written down to fair value. For the years ended August 31, 2025 and 2024, no impairment of projects was considered necessary. As of August 31, 2024, the Sunrise Lofts apartments were completed and reclassified to buildings. Certificate of occupancy was received in fiscal year 2025 and the building is being depreciated over the life of the building.

Other Receivables

Other receivables primarily consist of mortgage loans to individuals which were provided to homeowners to facilitate neighborhood revitalization in the service areas in which TCCC operates and other non-grant related receivables. As of August 31, 2025 and 2024, TCCC considers all other receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

Note 1 - Summary of Significant Accounting Policies (continued)

Debt Issuance Costs

Debt issuance costs are amortized over the term of the related debt. Amortization of the debt issuance costs is reported as a component of interest and debt issuance cost on the statement of functional expenses. Unamortized debt issuance costs are reported as a direct reduction of the related debt.

Revenue Recognition

Government grants are subject to certain restrictions, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue from such grants is recognized when TCCC has incurred expenditures in compliance with specific contract or grant provisions.

Contributions are recognized when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give are those that contain a measurable performance obligation or other barrier, as well as a right of return, and are not recognized until the conditions on which they depend have been met. At August 31, 2025 and 2024, there were no conditional contributions.

Donated services are recorded at fair value if the recognition requirements of GAAP are met. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts for donated services have been reflected in the consolidated financial statements during fiscal year 2025 or 2024.

In-kind donations are recorded at their estimated fair value at the date of receipt. Donated property and equipment are recognized as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets or other assets that must be used to acquire long-lived assets are reported as donor-restricted support and are released from donor restrictions when the donated or acquired long-lived assets are placed in service.

Functional Expense Allocation

Expenses are charged to each program based on direct expenditures incurred. Functional expenses such as insurance, utilities, depreciation and salaries which cannot readily be related to a specific program are allocated to programs based upon hours worked, square footage, or number of program staff or equipment per department. Allocations to Tejano Commercial Properties represent amounts associated with the buildings that are used to support program services.

Income Taxes

Tejano Center for Community Concerns, Inc. is a nonprofit corporation and exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code) and comparable state law. Tejano Center for Community Concerns, Inc. has been classified as a publicly supported organization under Section 509(a) of the Code and contributions to it are tax deductible within the limitations prescribed by the Code.

Sunrise Lofts is single-member limited liability corporation with Tejano Center for Community Concerns, Inc. as its sole member. As such, Sunrise Lofts is treated as a pass- through entity for tax purposes.

TCCC Real Estate Inc, is a not-for-profit organization under Internal Revenue Code Section 501 (c)(3). As such, it is exempt from income taxes.

TCCC files annual federal information returns that are subject to routine examinations for a period of three years after filing. The open tax periods are the years ended August 31, 2021 through August 31, 2024. Unrelated business income, if any, is subject to income tax. No provision for income tax has been made in the consolidated financial statements for the years ended August 31, 2025 or 2024.

Note 1 - Summary of Significant Accounting Policies (continued)

Use of Estimates

Management must make estimates and assumptions to prepare consolidated financial statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenues and expenses, and the allocation of expenses among the various functions. Accordingly, actual results could differ from the estimates used.

Note 2 - Grants receivable and Other Receivables

	2025	2024
State Foundation Aid	$ 482,821	$ 1,683,522
Title I, Part A	291,930	105,356
IDEA, Part B Formula	77,591	113,656
IDEA, Part B Preschool	-	2,376
Title II, Part A	68,815	46,221
Title III, Part A	23,681	28,919
ARP ESSER III COVID-19	-	1,174,364
TCLAS COVID-19	-	609,091
Carl Perkins	20,717	25,554
Charter School Program	1,310,781	987,000
Other federal funds	124,459	93,885
Title IV, Part A, Subpart 1	203,143	77,128
Other State and Local	577,040	301,655
Total Receivables from State Governments	3,180,978	5,248,727
Due from Other Governments	2,381,460	1,396,461
Other receivables	1,264,982	312,690
Total Receivables	$ 6,827,420	$ 6,957,878

Note 3 - Capital Assets

The Center's capital assets for both fiscal year August 31, 2025 and 2024 are shown below:

	2025	2024
Land	$ 17,840,778	$ 16,129,561
Building and leasehold improvements	46,533,178	45,779,121
Furniture, equipment and vehicles	5,755,686	5,175,319
Construction in progress	19,795,963	11,449,085
Total Property and Equipment	89,925,605	78,533,086
Less Accumulated Depreciation and Amortization	(16,064,778)	(14,706,625)
Property and Equipment, Net	$ 73,860,827	$ 63,826,461

Note 4 - Long-term Debt

The Center has outstanding long-term debt. The balances as of August 31, 2024 and 2025 are presented below:

	Balance as of 8/31/2024	Additions	Reductions	Ending Balance as of 8/31/2025	Due Within One Year
Tejano Center for Community Concerns, Inc.:					
Tri-Party Loan Agreement, Series 2019A, Tax-exempt	$ 20,431,080	$ -	-	$ 20,431,080	$ 4,000
Tri-Party Loan Agreement, Taxable Series 2019B, Taxable	2,059,960	-	(692,010)	1,367,950	728,130
TCCC Real Estate Inc. Loan A - Pasadena Expansion (RAZA)	11,425,600	-	-	11,425,600	
TCCC Real Estate Inc. Loan B - Pasadena Expansion (RAZA)	4,254,400	-	-	4,254,400	
Brownsville Expansion (EFF Loan)	16,000,000	-	-	16,000,000	277,240
Sunrise Lofts:					
Line of Credit with Financial Institution	4,125,900	-	(264,943)	3,860,957	$48,044
Total Notes Payable	58,296,940	-	(956,953)	57,339,987	1,057,414
Less: unamortized debt issuance costs	(579,626)	-	215,280	(364,346)	
Total Notes Payable, Net	$ 57,717,314	$ -	$ (741,673)	$ 56,975,641	$ 1,057,414

Tejano Center for Community Concerns, Inc.

Series 2019 A to financial institution - Note issued on October 30, 2019, payable to a financial institution in connection with tax exempt bonds issued through Arlington Higher Education Finance Corporation, a conduit issuer. The note bears interest at 4.50%, payable semi-annually beginning February 15, 2020. The note is due August 31, 2029 and secured by a pledge on TCCC's gross revenue, as well as certain real property of TCCC.

Series 2019 B to financial institution - Note issued on October 30, 2019, payable to a financial institution in connection with taxable bonds issued through Arlington Higher Education Finance Corporation, a conduit issuer. The note bears interest at 5.65%, payable semi- annually beginning February 15, 2020. The note is due August 1, 2029 and secured by a pledge on TCCC's gross revenue, as well as certain real property.

Payments due in future years are listed below.

Tri-Party Loan Agreements

Year Ending August 31	Principal	Interest	Total
2026	$ 732,130	$ 977,921	$ 1,710,051
2027	774,270	935,791	1,710,061
2028	813,540	896,525	1,710,065
2029	778,540	859,151	1,637,691
2030	773,812	491,776	1,265,588
Thereafter	17,926,738	11,181,780	29,108,518
	$ 21,799,030	$ 15,342,944	$ 37,141,974

Note 4 - Long-term Debt (continued)

TCCC Real Estate Inc.

In March 2024, TCCC Real Estate Inc. (TCCC Real Estate), a Texas nonprofit was created to assist with certain aspects of Pasadena expansion project located at 1062 Fairmont Parkway, Pasadena, Texas 77504. TCCC Real Estate is exclusively for charitable, scientific and education purposes with defined by Section 501 (c)(3) of the Internal Revenue Code of 1986 as amended; specifically, this corporation shall be operated exclusively for the benefit of Tejano Center for Community Concerns, Inc. (the Center) Such purposes shall include, but not be limited to, the acquisition and leasing of real or personal property, or both, and, subject to the restrictions and limitations hereinafter set forth, the leasing of such property to Tejano Center for Community Concerns, Inc for use in furtherance of the charitable purposes of Tejano Center for Community Concerns, Inc. As of August 31, 2024, TCCC Real Estate Inc. has two outstanding loans through the Loan and Security Agreement with Partnerships of Hope 44, LLC. The managing member of this organization is Raza Development Fund Inc. Loans A and B, totaling $15,680,000 as described below:

	Loan A	Loan B
Principal:	$11,425,600	$4,254,400
Interest Rate:	1.166061%	1.166061%
Term	30 Years	30 Years

The primary purposes of the loans of which are to (i)finance Borrower's reasonable and customary closing costs in closing the Loan;(ii) fund a fee and expense reserve account; and(iii)finance the leasing, renovation and development of existing buildings into a charter school (the "Improvements") located on certain real property located in Pasadena, Texas, and more particularly described in the Deed of Trust.

Under Loans A and B, TCCC Real Estate must make quarterly payments partially in advance and partially in arrears of accrued and unpaid interest due and payable on the fifth day of each March, June, September, and December (Payment Date) through the end of the calendar quarter during which such payment is due beginning June 5, 2024 and continuing on each Payment Date thereafter through and including December 5, 2030. Another payment shall be made on March 20, 2031 for the period of January 1, 2031 through March 20, 2031. After seven years, commencing on June 5, 2031 and continuing on each Payment Date thereafter through and including the Maturity date of March 2054, TCCC Real Estate Inc., shall make payments of interest, plus an amount of principal sufficient to amortize the outstanding principal amount over the remaining term of the note on a level payment basis.

TCCC Real Estate Inc. Loan A - Pasadena Expansion (RAZA)

Year Ending August 31	Principal	Interest	Total
2026	$ -	$ 133,229	$ 133,229
2027	-	133,229	133,229
2028	-	133,229	133,229
2029	-	133,229	133,229
2030	-	133,229	133,229
Thereafter	11,425,600	1,650,353	13,075,953
	$ 11,425,600	$ 2,316,498	$ 13,742,098

Note 4 - Long-term Debt (continued)

TCCC Real Estate Inc. (continued)

TCCC Real Estate Inc. Loan B - Pasadena Expansion (RAZA)

Year Ending August 31	Principal	Interest	Total
2026	$ -	$ 49,609	$ 49,609
2027	-	49,609	49,609
2028	-	49,609	49,609
2029	-	49,609	49,609
2030	-	49,609	49,609
Thereafter	4,254,400	614,518	4,868,918
	$ 4,254,400	$ 862,563	$ 5,116,963

Raul Yzaguirre Schools For Success

On May 24, 2024, the Center entered in a $16,000,000 loan agreement with Equitable Facilities Fund (EFF) for the expansion of the Brownsville campus. The loan matures June 1, 2054. Principal and interest are due annually and interest is assessed at a rate of 4.50 percent. The loan agreement requires 45 days cash on hand for each fiscal year. In addition, Available revenues for fiscal year must equal to at least 1.10 times the Annual Debt Service Requirements as of the end of each fiscal year. Cash on hand for the charter school based on unrestricted cash and all charter school expenses meets the requirements. Annual available revenues exceed the annual debt service requirement by more than 1.10 times. The debt service requirements are shown below:

Year Ending August 31	Principal	Interest	Total
2026	$ 277,240	$ 714,328	$ 991,568
2027	289,977	701,592	991,569
2028	303,298	688,270	991,568
2029	317,232	674,337	991,569
2030	331,805	644,520	976,325
Thereafter	14,480,448	9,151,938	23,632,386
	$ 16,000,000	$ 12,574,985	$ 28,574,985

Sunrise Lofts

Note payable to financial institution - Term loan issued on August 5, 2021 and converted to a revolving loan (i.e. line of credit) available of $4,125,000, with certain limitations, for construction. The note bears interest at 7.68% as of August 31, 2025 and 2024. The line of credit is interest only and was converted to a permanent loan during fiscal year 2025. The original amount of the loan is $3,875, 547 and accrues interest at an annual rate of 4.431%. Monthly payments of $37,422 include principal, interest and insurance escrow insurance and other reserves. The monthly amount due for principal and interest is $18,176.

For the Year Ending August 31,	Principal	Interest	Total
2026	$ 48,044	$ 170,069	$ 218,113
2027	50,216	167,896	218,112
2028	52,487	165,625	218,112
2029	54,861	163,252	218,113
2030	57,342	160,771	218,113
Thereafter	3,598,007	2,873,617	6,471,624
	$ 3,860,957	$ 3,701,230	$ 7,562,187

Note 4 - Long-term Debt (continued)

Operating Leases - TCCC Real Estate Inc.

On March 20, 2024, TCCC Real Estate (lessor) and the Center (lessee) entered to an operating lease for land located at 1062 Fairmont Parkway Pasadena, Texas 77504. Payments are due quarterly (on a calendar year basis) beginning September 1, 2024. The discount rate used to determine the present value of the payment is 1.17 percent. The lease term expires September 2044. The lease is considered an operating lease under ASC 842. A right to use asset and operating lease liability of $11,018,699 were recognized as of August 31, 2024. Future rental payments are shown below.

Fiscal Year Ending August 31st	Principal	Interest	Total
2026	$ 115,897	$ 118,860	$ 234,757
2027	117,259	118,907	236,166
2028	118,637	118,894	237,531
2029	120,032	118,881	238,913
2030	121,797	118,650	240,447
Thereafter	10,425,077	1,037,572	11,462,649
	$ 11,018,699	$ 1,631,764	$ 12,650,463

The charter school reports the right to use asset and liability. The TCCC Real Estate Inc. accounts reflect an amount receivable from the charter school as the lessor. These transactions have been eliminated at the consolidated financial statements.

Financing Leases - TCCC Real Estate Inc.

On March 20, 2024, TCCC Real Estate entered into a financing lease with the Center to reimburse construction costs as they are drawn down. The total project budget is $15,855,876. As of fiscal year 2025, a total of $5,313,541 has been drawn down through Draw #11. Approximately $3.9 million was funded at closing. Two draws remain. The total amount will not be recorded as a liability and asset for both entities because the reimbursements from TCCC Real Estate are due when the Center draws down the funds. These amounts have no effect on the consolidated financial statements.

Note 5 - Net Assets with Donor Restrictions

Net assets with donor restrictions for the years ended August 31, 2025 and 2024 consisted of the following:

	As of August 31, 2025	As of August 31, 2024, as restated
Federal Funds	$ 3,855,009	$ 579,192
State and Local Funds	9,084,492	17,299,382
Total With Donor Restrictions	$ 12,939,501	$ 17,878,574

Note 6 - Net Assets

Released From Restrictions

During the years ended August 31, 2025, and 2024, net assets of $43,552,840 and $36,236,065, respectively, were released from grantors restrictions by satisfying restrictions.

Note 7 - Federal and State Revenue

TCCC is the recipient of government grants which originate at the federal and state level. In addition, the largest revenue stream is made up of Foundation School Program and Available School Fund state aid programs for the Raul Yzaguirre Schools for Success. Those state aid amounts totaled $21.6 million in fiscal year 2025 and $18.1 million in fiscal year 2024. Federal grants for both fiscal years 2025 and 2024 totaled $13.6 million and $14.6 million, respectively. Local grants and contributions totaled $11.2 million and $4.7 million for fiscal years 2025 and 2024, respectively.

Note 8 - Defined Benefit Plan

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. It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 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.

The plan 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 form the TRS Internet website, www.trs.state.tx.us, under the TRS Publications Heading.

Charter schools are legally separate entities from the State and each other. Assets contributed by one charter or independent school district ("ISD") may be used for the benefit of an employee of another ISD or charter. The risk of participating in multiemployer pension plans is different from single-employer plans. Assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. There is no withdrawal penalty for leaving the TRS system. There is no collective-bargaining agreement. The TRS Annual Comprehensive Financial Report available dated August 31, 2024, indicated the following:

TRS Pension Fund	Total Plan Assets	TRS Plan Fiduciary Net Position	Total Pension Liability	Net Pension Liability	Percent Funded
2024	$ 243,089,145,656	$ 210,543,258,495	$ 271,627,434,294	$ 61,084,175,799	77.51%
2023	213,472,525,705	187,170,535,558	255,860,886,500	68,690,350,942	73.15%
2022	207,621,897,538	184,185,617,196	243,553,045,455	59,367,428,259	75.62%
2021	223,172,755,137	201,807,002,496	227,273,463,630	25,466,461,134	88.79%
2020	184,361,870,581	165,416,245,243	218,974,205,084	53,557,959,841	75.54%
2019	181,800,159,205	157,978,199,075	209,961,325,288	51,983,126,213	75.24%
2018	176,942,453,923	154,568,901,833	209,611,328,793	55,042,426,960	73.74%

Funding Policy

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% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. The charter school's contributions into this plan do not represent more than 5% of the total contributions to the plan and the charter school was not assessed a surcharge

Note 8 - Defined Benefit Plan (continued)

Funding Policy (continued)

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 2020 thru 2025.Measurement years for TRS begin on September 1st and end on August 31st.

	Contribution Rates Plan Fiscal Year	
	2024	**2025**
Member	8.25%	8.25%
Employer	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools, and state agencies including TRS. In each respective role, 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 and junior colleges, 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 (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical 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.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent 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.

Pension contributions by employee and employer are shown below:

	August 31, 2024	**August 31, 2025**
Total Covered Payroll	$ 15,088,209	$ 16,644,486
Member (Employee)	1,244,605	1,373,170
Charter School	365,915	391,099
Non-OASDI Surcharge	286,701	331,260

In addition, the State on-behalf amount recognized in 2024 and 2025 were approximately $933,000 and $1,015,000.

Note 9 - Defined Other Post-Employment Benefit Plan

Plan Description

TCCC participates 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 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.

Similar to the TRS Pension Plan discussed in Note C, charter schools are legally separate entities from the State and each other. Assets contributed by one charter or independent school district ("ISD") may be used for the benefit of an employee of another ISD or charter. The risk of participating in multi-employer OPEB plans is different from single-employer OPEB plans. Assets contributed to a multi-employer OPEB plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. There is no withdrawal penalty for leaving the TRS system. There is no collective-bargaining agreement. The TRS Annual Comprehensive Financial Report available dated August 31, 2024.

TRS Care Other Post-Employment Benefits (OPEB)	Total Plan Assets	TRS-Care Plan Fiduciary Net Position	Total OPEB Liability	Net OPEB Liability	Percent Funded
2024	$ 5,757,346,916	$ 5,569,790,466	$ 30,497,077,953	$ 24,927,287,487	18.26%
2023	4,101,873,929	3,889,765,203	26,028,070,267	22,138,305,064	14.94%
2022	3,308,391,215	3,117,937,218	27,061,942,520	23,944,005,302	11.52%
2021	2,733,911,371	2,539,242,470	41,113,711,083	38,574,468,613	6.18%
2020	2,146,681,144	1,996,317,932	40,010,833,815	38,014,515,883	4.99%
2019	1,475,508,564	1,292,022,349	48,583,247,239	47,291,224,890	2.66%

OPEB Plan Fiduciary Net Position

Detail 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; on the Internet at https://www.trs.texas.gov/learningresources/publications, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592. TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter 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.

Note 9 – Defined Other Post-Employment Benefit Plan (continued)

Benefits Provided

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees		
	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

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 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 0.75% 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. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2025	**2024**
Active Employee	0.65%	0.65%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

TRS-Care contributions by employee and employer are shown below:

	August 31, 2024	**August 31, 2025**
Total Covered Payroll	$ 15,088,209	$ 16,644,486
Member (Employee)	98,080	108,187
Charter School	140,237	133,482

In addition, the State on-behalf amount recognized in 2024 and 2025 were approximately $167,000 and $187,000.

Note 10 - Commitments and Contingencies

Government Grant Programs

TCCC receives significant financial assistance from state and federal government agencies to be used from programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the TEA and is subject to review and audit. Expenses charged to federal programs are subject to review and audit by the grantor agency. The state and federal funded programs have complex compliance requirements, and should the reviews or audits result in discovery of areas of noncompliance, funds may be subject to refund, if so, determined by the TEA or grantor agency.

Sunrise Lofts Apartment Project

The Sunrise Lofts apartment project has been funded in part by U.S. Development of Housing and Urban Development HOME Investment Partnerships Program Grants and Community Development Disaster Recovery Grants. Total anticipated federal funding upon completion is approximately $21 million. Under the terms of these grants, the funded amounts will revert to debt if TCCC does not comply with the intended use of the apartment project for twenty years from date of completion, as defined in the grant agreements.

During fiscal year 2024, the Project was completed and reclassified from Construction in Progress to Buildings.

Note 11 - Liquidity and Availability of Resources

The following table reflects financial assets available for general expenditure within one year of August 31, 2025 and 2024, respectively, reduced by amounts that are not available to meet general expenditures within one year of the date of the consolidated statement of financial position.

	2025	2024, restated
Financial Assets Available Within One Year:		
Cash	$ 14,622,414	$ 26,327,715
Grants receivable	5,562,438	6,645,188
Total Financial Assets Available Within One Year	20,184,852	32,972,903
Amounts Unavailable for General Expenditure Within One Year:		
Restricted cash unavailable	(9,515,127)	(17,489,580)
Total Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year:	$ 10,669,725	$ 15,483,323

TCCC regularly monitors liquidity required to meet its operational needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, TCCC considers all expenditures related to its ongoing program activities and support services to be general expenditures. TCCC strives to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. TCCC has a revolving loan from a financial institution to address potential cash flow needs for the Sunrise Lofts apartment project (see Note 3).

Note 12 - Restatement of Net Assets

During fiscal year 2025, the Center evaluated several receivables and liabilities that needed adjustments. The amount is $114,013. The beginning net assets before the restatement were $32,587,649. With the adjustment, the beginning net assets totaled $32,701,662. In addition, net assets of the charter school with and without restrictions were both adjusted by $13,594,102, with no effect to overall net assets.

Note 13 - TCCC Real Estate Inc.

These financial statement of TCCC Real Estate Inc are supplemental to Tejano Center for Community Concern, Inc. TCC Real Estate holds a 99-year leasehold interest in Tejano Center for Community Concern, Inc. land valued at $9,250,100. In addition, TCCC Real Estate, Inc. has entered into a 20-year operating lease for the same property valued at $11,018,699. Both transactions are eliminated during the consolidation process of the financial statements of Tejano Center for Community Concern, Inc.

Note 14 - Elimination Entries

During the year ended August 31, 2025, TCCC charged RYSS rent totaling $2,675,460. These income and expenses items are eliminated in TCCC's consolidated statement of activities, but such amounts are included in RYSS's schedule of activities within plant maintenance and operations. The following reconciles total expenses as included in the supplementary information to the consolidated financial statements for the year ended August 31, 2025:

Charter School Expenses	$	35,873,478
Rent Expense Elimination		(2,675,460)
Total Charter School Expenses per Consolidated Financial Statements	$	33,198,018

In addition, the leasehold interest of $9,250,100 and the lease receivable and operating lease liability have been eliminated for consolidation purposes.

Note 15 - Subsequent Events

Management has evaluated subsequent events through the date of this report, the date which the consolidated financial statements were available to be issued, noting no other events requiring recognition or disclosure.


Tejano Center for Community Concerns
Nurturing Lifelong Learners. Empowering Families. Transforming Lives

SUPPLEMENTARY INFORMATION -
RAUL YZAGUIRRE SCHOOL FOR SUCCESS


Tejano Center for Community Concerns
Nurturing Lifelong Learners. Empowering Families. Transforming Lives

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SUPPLEMENTAL SCHEDULE OF FINANCIAL POSITION – RAUL YZAGUIRRE SCHOOLS FOR SUCCESS

August 31, 2025 and 2024

	2025	2024, restated
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 10,983,965	$ 16,451,577
Due from Texas Education Agency	2,964,671	4,998,799
Other Receivables	3,766,977	3,447,815
Prepaid expenses	51,136	-
Total Current Assets	17,766,749	24,898,191
Property and Equipment:		
Buildings and improvements	4,459,206	4,559,209
Furniture, vehicles, and equipment	4,027,325	3,446,958
Land	10,091,411	10,091,411
Accumulated depreciation	(5,197,865)	(4,797,713)
Construction in Progress	11,081,673	7,043,101
Total Property and Equipment	24,461,750	20,342,966
Right to use asset under operating lease	11,018,699	11,018,699
Total Assets	$ 53,247,198	$ 56,259,856
Liabilities and Net Assets		
Liabilities:		
Current Liabilities:		
Accounts payable	$ 11,128,954	$ 12,125,079
Accrued liabilities	228,164	228,175
Payroll deductions and withholdings	501,237	249,869
Accrued salaries payable	791,267	-
Due to others	77,640	77,639
Loans payable, current portion	277,240	-
Total Current Liabilities	13,004,502	12,680,762
Long-term Liabilities:		
Operating lease liability	11,018,699	11,018,699
Loans Payable	15,722,760	16,000,000
Total Long-term Liabilities	26,741,459	27,018,699
Total Liabilities	39,745,961	39,699,461
Net Assets:		
Without donor restrictions	6,429,684	1,637,690
With donor restrictions	7,071,553	14,922,705
Total Net Assets	13,501,237	16,560,395
Total Liabilities and Net Assets	$ 53,247,198	$ 56,259,856

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SUPPLEMENTAL SCHEDULE OF ACTIVITIES - RAUL YZAGUIRRE SCHOOLS FOR SUCCESS

For the Years Ended August 31, 2025 and 2024

	Without Donor Restrictions	With Donor Restrictions	2025	2024, restated
Revenues				
Local Support:				
Other revenues from local sources	$ 1,910,634	$ 797,186	$ 2,707,820	15,009,321
Revenue from cocurricular, enterprising services or activities	-	-	-	44,084
Total Local Support	1,910,634	797,186	2,707,820	15,053,405
State Program Revenues:				
Foundation school program act - revenues	-	22,214,656	22,214,656	20,934,840
State program revenues distributed by Texas Education Agency	-	1,050,965	1,050,965	834,731
State program revenues distributed by other State Texas government agencies (other than Texas Education Agency)	-	-	-	1,100,673
Total State Program Revenues	-	23,265,621	23,265,621	22,870,244
Federal Program Revenues:				
Federal Revenues Distributed through Government Entities Other than State or Federal Agencies	-	-	-	38,810
Federal revenues distributed by the Texas Education Agency	-	6,766,198	6,766,198	9,033,455
Federal revenues distributed by other State of Texas government agencies (other than Texas Education Agency)	-	7,358	7,358	363,420
Federal revenues distributed directly from the Federal Government	-	67,323	67,323	75,155
Total Federal Program Revenues	-	6,840,879	6,840,879	9,510,840
Net assets released from restrictions	38,754,838	(38,754,838)	-	-
Total Revenues	$ 40,665,472	$ (7,851,152)	$ 32,814,320	$ 47,434,489

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SUPPLEMENTAL SCHEDULE OF ACTIVITIES - RAUL YZAGUIRRE SCHOOLS FOR SUCCESS

For the Years Ended August 31, 2025 and 2024

	Without Donor Restrictions	With Donor Restrictions	2025	2024, restated
Expenses				
Instruction	$ 14,976,330	$ -	$ 14,976,330	$ 15,959,721
Instructional resources/media services	94,641	-	94,641	175,405
Curriculum development and instructional staff development	495,975	-	495,975	684,387
Instructional leadership	904,067	-	904,067	280,668
School leadership	2,175,243	-	2,175,243	2,061,835
Guidance, counseling and evaluation services	538,630	-	538,630	306,345
Social work services	148,348	-	148,348	151,974
Health services	164,303	-	164,303	190,616
Student (pupil) transportation	298,756	-	298,756	398,041
Food services	3,370,868	-	3,370,868	2,566,998
Cocurricular/extracurricular activities	67,639	-	67,639	9,720
General administration	2,455,500	-	2,455,500	4,746,180
Plant maintenance and operations	7,443,627	-	7,443,627	7,253,783
Security and monitory services	774,541	-	774,541	403,530
Data processing services	608,706	-	608,706	716,804
Community services	296,114	-	296,114	365,719
Debt services	1,019,343	-	1,019,343	153,237
Fundraising services	40,847	-	40,847	-
Total Expenses	35,873,478	-	35,873,478	36,424,963
Change in net assets	4,791,994	(7,851,152)	(3,059,158)	11,009,526
Net Assets, Beginning of Year, as restated	1,637,690	14,922,705	16,560,395	5,550,869
Net Assets, End of Year	$ 6,429,684	$ 7,071,553	$ 13,501,237	$ 16,560,395

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SUPPLEMENTAL SCHEDULE OF CASH FLOWS - RAUL YZAGUIRRE SCHOOLS FOR SUCCESS

For the Years Ended August 31, 2025 and 2024

	2025	2024, restated
Cash Flows from Operating Activities:		
Changes in net assets	$ (3,059,158)	$ 11,009,526
Adjustment to reconcile changes in net assets to net cash provided by (used by) operating activities:		
Depreciation	400,152	395,925
Changes in operating assets and liabilities:		
(Increase) Decrease in grants receivable	2,034,128	(264,845)
(Increase) Decrease in other receivables	(1,010,425)	1,084,077
(Increase) Decrease in prepaid expenses	(51,136)	2,911
Increase (Decrease) in accounts payable	(996,125)	3,990,084
Increase (Decrease)in accrued liabilities	(11)	60,019
Increase (Decrease)in payroll liabilities	1,042,635	110,195
Increase (Decrease)in accrued wages	791,267	(476,709)
Increase (Decrease)in due to agency	-	77,639
Increase (Decrease)in deferred revenue	-	(535,875)
Net Cash Provided by (Used By) Operating Activities	(848,673)	15,452,947
Cash Flows from Investing Activities:		
Purchase of equipment	(4,618,939)	(17,217,882)
Net Cash Used in Investing Activities	(4,618,939)	(17,217,882)
Cash Flows from Financing Activities:		
Proceeds from EFF Loan	-	16,000,000
Net Cash Used in Financing Activities	-	16,000,000
Net increase in cash and cash equivalents	(5,467,612)	14,235,065
Cash and Cash Equivalents, Beginning of Year	16,451,577	2,216,512
Cash and Cash Equivalents, End of Year	$ 10,983,965	$ 16,451,577

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SCHEDULE OF EXPENSES - RAUL YZAGUIRRE SCHOOLS FOR SUCCESS

For the Years Ended August 31, 2025 and 2024

		2025	2024
	Expenses		
6100	Payroll Costs	$ 20,351,196	$ 19,539,762
6200	Professional and Contract Services	9,578,039	10,520,678
6300	Supplies and Materials	2,988,220	4,304,428
6400	Other Operating Costs	1,876,441	1,906,858
6500	Debt service	1,079,582	153,237
	Total Expenses	$ 35,873,478	$ 36,424,963

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SCHEDULE OF ASSETS - RAUL YZAGUIRRE SCHOOLS FOR SUCCESS

As of August 31, 2025

		Ownership Interest		
		Local	**State**	**Federal**
1110	Cash and cash equivalents	$ -	$ 10,983,965	$ -
1510	Land and improvements	-	10,091,411	-
1520	Building & leasehold improvements	-	4,459,206	-
1531	Vehicles	-	2,712,348	-
1539	Furniture and equipment	-	1,314,977	-
1550	Right to use asset - operating lease	-	11,018,699	-
1580	Construction in Progress	-	11,081,673	-
	Total Property & Equipment	$ -	$ 51,662,279	$ -

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

BUDGETARY COMPARISON SCHEDULE – RAUL YZAGUIRRE SCHOOLS FOR SUCCESS

For the Year Ended August 31, 2025

	Original	Final	Actual Amounts	Variance from Final Budget
Revenues				
Local Support:				
Other revenues from local sources	$ 1,327,357	$ 1,575,262	$ 2,707,820	$ 1,132,558
Revenue from cocurricular, enterprising services or activities	51,000	51,000	-	(51,000)
Revenue from intermediated sources	160,000	160,000	-	(160,000)
Total Local Support	1,538,357	1,786,262	2,707,820	921,558
State Program Revenues:				
Foundation school program act revenues	21,731,056	21,751,631	22,214,656	463,025
State program revenues Education Agency	209,046	1,786,032	1,050,965	(735,067)
Total State Program Revenues	21,940,102	23,537,663	23,265,621	(272,042)
Federal Program Revenues:				
Federal revenues distributed by the Texas Education Agency	7,764,491	9,331,357	6,766,198	(2,565,159)
Federal revenues distributed by other State of Texas government agencies (other than Texas Education Agency)	315,126	315,126	7,358	(307,768)
Federal revenues distributed directly from the Federal Government	129,509	129,509	67,323	(62,186)
Total Federal Program Revenues	8,209,126	9,775,992	6,840,879	(2,935,113)
Total Revenues	$ 31,687,585	$ 35,099,917	$ 32,814,320	$ (2,285,597)
Expenses				
Instruction	$ 16,038,324	16,580,962	$ 14,976,330	$ 1,604,632
Instructional Resources and Media Services	112,957	89,169	94,641	(5,472)
Curriculum Development and Instructional Staff Development	391,911	954,282	495,975	458,307
Instructional Leadership	809,423	788,230	904,067	(115,837)
School Leadership	2,564,490	1,845,295	2,175,243	(329,948)
Guidance, Counseling and Evaluation Services	657,598	848,993	538,630	310,363
Social Work Services	159,493	141,606	148,348	(6,742)
Health Services	228,679	154,743	164,303	(9,560)
Student (Pupil) Transportation	216,449	195,924	298,756	(102,832)
Food Service	3,956,732	3,296,869	3,370,868	(73,999)
Cocurricular/Extracurricular Activities	146,855	46,329	67,639	(21,310)
General Administration	2,746,061	3,384,518	2,455,500	929,018
Facilities Maintenance and Operations	6,029,404	5,991,334	7,443,627	(1,452,293)
Security and Monitoring Services	430,335	929,682	774,541	155,141
Data Processing Services	1,025,321	834,687	608,706	225,981
Community Services	702,617	250,335	296,114	(45,779)
Debt Service	990,417	958,526	1,019,343	(60,817)
Fundraising	-	263,650	40,847	222,803
Total Expenses	37,207,066	37,555,134	35,873,478	1,681,656
Change in net assets	(5,519,481)	(2,455,217)	(3,059,158)	(603,941)
Beginning Net Assets	16,560,395	16,560,395	16,560,395	-
Ending Net Assets	$ 11,040,914	$ 14,105,178	$ 13,501,237	$ (603,941)

Budget Variances

In accordance with Module 2, Section 2.3.2.8 of the Financial Accountability System Resource Guide, if the original and final budgeted amounts vary by more than 10 percent of the original budgeted amounts, the charter holder must include a written statement discussing the cause of the variance(s). The variance explanations below describe the variances noted.

If the actual and final budgeted amounts vary by more than 10 percent of the final budgeted amounts, the charter holder must include a written statement discussing the cause of the variance(s). The Center provides the following explanations for each of the variances noted:

The local revenue includes support from and to TCCC Real Estate Inc., which is eliminated at the consolidated level. However, that was not budgeted for by the School.

In addition to the RYSS General Fund revenue and expenditures, RYSS has also included all other local, state and federal funds in the budget.

The School's functional expense original budget was amended by $0.3 million. Although, certain actual functional expenditures exceeded the budgeted amounts, the overall expenditures were under budget by $1.6 million

Variances between the actual expense amount and the final amended budget are explained below by function.

Fct	Description	Variance between original and final budget and actual versus final amended budget
11	**Instruction**	Additional personnel were not necessary as budgeted
12	Instructional Resources and Media Services	The budget was reduced and added to other budget line items.
13	Curriculum Development and Instructional Staff Development	The budget was increased to cover additional personnel costs
21	Instructional Leadership	Additional personnel costs incurred from the amended budget.
23	School Leadership	The budget was reduced and added to other budget line items.
31	Guidance, Counseling and Evaluation Services	The budget was increased to cover additional personnel costs, but additional personnel were not needed due to a funding lag.
32	Social Work Services	The budget was reduced and added to other budget line items.
33	Health Services	The budget was reduced and added to other budget line items.
34	Student (Pupil) Transportation	Additional costs incurred for transporting students
35	Food Service	Additional costs due to school expansions
36	Cocurricular/Extracurricular Activities	Additional operating costs within margin. The amended budget had been decreased for other functions
41	General Administration	Budget was increased for personnel costs, the expenses were under even the original budget.
51	Facilities Maintenance and Operations	The budget was reduced and added to other budget line items. However, expenses for maintenance costs and improvement to facilities were needed creating a negative variance.

Budget Variances (continued)

Fct	Description	Variance between original and final budget and actual versus final amended budget
52	Security and Monitoring Services	Reduction in costs of security due to movement of staff to other locations
53	Data Processing Services	The budget was reduced and added to other budget line items. Actual costs were less than budgeted due to movement of staff to other locations
61	Community Services	The budget was reduced and added to other budget line items, but actual costs exceeded the final amended budget

Raul Yzaguirre Schools for Success Pasadena Campus Only
Supplemental Information

As of August 31, 2025, the Pasadena Campus financial statement highlights are as follows:

Raul Yzaguirre School for Success
Pasadena Campus Only
Schedule of Net Position

	As of August 31, 2025
Assets	
Capital assets, net	$ 24,293,864
Liabilities	
Due to RYSS	25,436,461
Net Asset (Deficit)	(1,142,598)
Total Liabilities and Net Assets	$ 24,293,863

Raul Yzaguirre School for Success
Pasadena Campus Only
Schedule revenues, expenses and changes in net assets
For the Year Ended August 31, 2025

Revenues	
Local revenue	$ 96,744
State revenue	2,621,825
Total Revenues	2,718,569
Expenses	
Payroll costs	1,309,481
Contracted services	1,066,167
Supplies	146,573
Other operating costs	68,341
Debt service	720,000
Total Expenses	3,310,562
Change in net assets	(591,993)
Beginning Net Assets	(550,605)
Ending Net Assets	$ (1,142,598)

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.
NOTES TO SUPPLEMENTARY INFORMATION

Note 1 - Basis of Presentation

The supplementary schedules are presented on the accrual basis of accounting.

Note 2 - Relationship to Grantor Agency Financial Reports

For all Federal programs, RYSS used the net asset classes and codes specified by the Texas Education Agency in the *Special Supplement to Financial Accounting and Reporting Nonprofit Charter School Chart of Accounts*. With donor restrictions net asset codes are used to account for resources restricted to or designated for specific purposes by a grantor. Federal financial assistance is generally accounted for in with donor restriction net asset codes. These and other resources that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized.

Note 3 - Reconciliation to Consolidated Financial Statements

During the year ended August 31, 2025, TCCC charged RYSS rent totaling $2,675,460. These income and expenses items are eliminated in TCCC's consolidated statement of activities, but such amounts are included in RYSS's schedule of activities within plant maintenance and operations. The following reconciles total expenses as included in the supplementary information to the consolidated financial statements for the year ended August 31, 2025:

Charter School Expenses	$	35,873,478
Rent Expense Elimination		(2,675,460)
Total Charter School Expenses per Consolidated Financial Statements	$	33,198,018

In addition, RYSS assessed a management fee totaling $406,500. This local revenue has been eliminated in the consolidated financial statements. The local revenue is included in the Supplemental Schedule of Activities.

These schedules are supplemental to Tejano Center for Community Concern, Inc. The TCCC Real Estate Inc. holds a 99-year leasehold interest in Tejano Center for Community Concern, Inc. land valued at $9,250,100. In addition, TCCC Real Estate, Inc. has entered into a 20-year operating lease for the same property valued at $11,018,699. Both transactions are eliminated during the consolidation process of the financial statements of Tejano Center for Community Concern, Inc

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended August 31, 2025

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA 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.	$ 3,086,391
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	$ 2,451,462
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA 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 LEA's fiscal year.	$ 711,312
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	$ 459,568

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST

August 31, 2025

Description (List Each Parcel Separately)	Property Address	Total Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
Raul Yzaguirre Charter School	2950 Broadway Rd, Texas 77017 - Raul Yzaguirre School for Success	$ 257,648	$ -	$ 257,648	$ -
Wellington Village Subdivision PT Lot 4, 2.1210 Acres	2999 N Coria Street Brownsville, Texas 78520 - Raul Yzaguirre School for Success	425,262	-	425,262	-
Lot 65 & Tract 66A, S 53.66 Ft. of Tract 66C & N 195 Ft. of Tract 81, Tract 66B & the S 135 Ft. of Tract 81, Highland	1062 Fairmont Parkway, Pasadena, Texas 77504 - Raul Yzaguirre School for Success	9,408,501	-	9,408,501	-
A Tract of Land that is Located on the Corner of Loop 610, Berkley Street, and Kimble Street, with Additional Frontage Along Dover Street	7805 Kimble Street, 7831 Kimble Street, and 7833 Kimble Street in Houston, Harris County, Texas 77017 - Kimble Church	1,711,217	-	1,711,217	-
Total		$ 11,802,628	$ -	$ 11,802,628	$ -

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SCHEDULE OF RELATED PARTY TRANSACTIONS

For the Year Ended August 31, 2025

Related Party Name	Name of Relation to the Related Party	Relationship	Type of Transaction	Description of Terms and Conditions	Source of Funds Used	Payment Frequency	Total Paid During FY	Principal Balance Due
TCC Real Estate Inc.	Tejano Center for Community Concerns, Inc.	Financing	Financial	Loans for the Pasadena Expansion as required through a not for profit for potential future tax credits	N/A	N/A	$ -	N/A


Tejano Center for Community Concerns
Nurturing Lifelong Learners. Empowering Families. Transforming Lives

SUPPLEMENTARY INFORMATION -
TCCC REAL ESTATE INC.


Tejano Center for Community Concerns
Nurturing Lifelong Learners. Empowering Families. Transforming Lives

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SUPPLEMENTAL SCHEDULE OF FINANCIAL POSITION - TCCC REAL ESTATE INC.

August 31, 2025 and 2024

	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 747,141	$ 5,066,045
Other receivable	77,740	77,739
Total Current Assets	824,881	5,143,784
Property and Equipment		
Construction in progress	8,080,326	3,772,022
Total Property and Equipment	8,080,326	3,772,022
Leasehold interest in TCCC Land	9,250,100	9,250,100
Long-term receivable - Operating lease		
Tejano Center for Community Concerns	11,018,699	11,018,000
Total Assets	$ 29,174,006	$ 29,183,906
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Accounts payable	$ -	$ 1,880,717
Total Current liabilities	-	1,880,717
Long-term Liabilities:		
Notes payable	15,680,000	15,680,000
Deferred Revenue	10,438,768	11,018,000
Total Liabilities	26,118,768	28,578,717
Net Assets, End of Year	3,055,238	605,189
Total Liabilities and Net Assets	$ 29,174,006	$ 29,183,906

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SUPPLEMENTAL SCHEDULE OF ACTIVITIES - TCCC REAL ESTATE INC.

For the Year Ended August 31, 2025 and 2024

	2025	2024
	Without Donor Restrictions	Without Donor Restrictions
Revenues		
Local contributions	$ 2,460,650	$ 580,099
Interest income	127,604	25,090
Tota Revenues	2,588,254	605,189
Expenses		
Interest expense	138,205	-
Total Expenses	138,205	-
Total Change in Net Assets	2,450,049	605,189
Net Assets, Beginning of Year	605,189	-
Net Asset, End of Year	$ 3,055,238	$ 605,189

COMPLIANCE AND INTERNAL CONTROLS


Tejano Center for Community Concerns
Nurturing Lifelong Learners. Empowering Families. Transforming Lives

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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
Tejano Center for Community Concerns, Inc.

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 consolidated financial statements of Tejano Center for Community Concerns, Inc.. (the "Center"), which comprise the consolidated statement of financial position as of August 31, 2025, and the related consolidated 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 February 17, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Center'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's consolidated 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*.

To the Board of Directors
Tejano Center for Community Concerns, Inc.

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

Whitley Penn LLP

Houston, Texas
February 17, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Tejano Center for Community Concerns, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tejano Center for Community Concerns, Inc.'s (the "Center") 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 the Center's major federal programs for the year ended August 31, 2025. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center 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 the Center's compliance with the compliance requirements referred to above.

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 the Center's federal programs.

Auditor's 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 the Center'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 GAAS, *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 Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Center'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 the Center'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 the Center'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.

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 Auditor's 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.

To the Board of Directors
Tejano Center for Community Concerns, Inc.

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.

Whitley Penn LLP

Houston, Texas
February 17, 2026

TEJANO CENTER FOR COMMUNITY CONCERNS, 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 weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) ?	No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number (ALN)
U.S. Department of Education	
Title I, Part A, Improving Basic Programs	84.010A
U.S. Department of Treasury	
State and Local Fiscal Recovery Funds (SLFRF) (COVID-19)	21.027
U.S. Department of Agriculture	
Child and Adult Care Food Program (CACFP)	10.558
U.S. Department of Health and Human Services	
Foster Care Title IV-E	93.658
Dollar Threshold Considered Between Type A and Type B Federal Programs	$750,000
Auditee qualified as low risk auditee?	Yes

II. Financial Statement Findings

None Reported

III. Federal Awards Findings and Questioned Costs

None Reported

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2025

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U.S. Department of Agriculture			
Passed-Through from Texas Education Agency:			
School Breakfast Program	10.553	71402501	$ 745,994
National School Lunch Program	10.555	71302501	1,534,830
Passed-Through from Texas Department of Agriculture:			
Non-cash Food Commodities	10.555	NT4XL1YGLGC5	94,567
Total Child Nutrition Cluster (ALN 10.553, 10.555)			2,375,391
Passed-Through from Texas Department of Agriculture:			
Child and Adult Care Food Program (CACFP)	10.558	NT4XL1YGLGC5	743,580
Total U.S. Department of Agriculture			**3,118,971**
U.S. Department of Defense			
Direct Program:			
Department of Defense Appropriation Act of 2003 - Junior ROTC	12.116	N/A	67,323
Total U.S. Department of Defense			**67,323**
U.S. Department of Housing and Urban Development			
Direct:			
Healthy Homes Production Program	14.913	N/A	36,468
Total U.S. Department of Housing and Urban Development			**36,468**
U.S. Department of Justice			
Passed-Through from Texas Governor's Criminal Justice Division:			
Crime Victim Assistance	16.575	N/A	394,298
Total U.S. Department of Justice			**394,298**
U.S. Department of Treasury			
Passed-Through from NeighborWorks America:			
Affordable Housing/Home Buyer Education program	21.010	N/A	367,500
Passed-Through Harris County			
State and Local Fiscal Recovery Funds (SLFRF) (COVID-19)	21.027	CFI-007	985,000
State and Local Fiscal Recovery Funds (SLFRF) (COVID-19)	21.027	SLFRFP1966	98,055
Total ALN 21.027			1,083,055
Total U.S. Department of Treasury			**1,450,555**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended August 31, 2025

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U.S. Department of Education			
Passed-Through from Texas Education Agency:			
Charter School Program Grant (Subchapter C and D)	84.282A	235901	$ 74,517
Charter School Program Grant (Subchapter C and D)	84.282A	235901	516,972
Total ALN 84.282			591,489
Title I, Part A, Improving Basic Programs	84.010A	25610101101806	1,223,908
IDEA Part B, Formula	84.027A	256600011018066000	329,087
Special Education - High Cost	84.027A	66002506	1,062
Total Special Education Cluster (IDEA) (ALN 84.027)			330,149
Career and Technical Education - Basic Grants to States	84.048A	25420006101806	34,916
Twenty-First Century Community Learning Centers	84.287C	256950307110040	348,753
Title III, Part A. English Language Acquisition State Grants	84.365A	25671001101806	127,462
Title II, Part A, Supporting Effective Instruction State Grants	84.367A	25694501101806	176,351
Title IV, Part A, Subpart 1	84.424A	25680101101806	71,861
2024-2025 Stronger Connections Grant	84.424F	236811017110042	587,450
Total ALN 84.424			659,311
ADSY Summer Learning Accelerator (COVID-19)	84.425U	21528088101806	75,193
ESSER III - TCLAS (COVID-19)	84.425U	21528042101806	1,991
Total ALN 84.425			77,184
Passed-Through from Harris County:			
Fund for the Improvement of Postsecondary Education	84.116Z	N/A	50,275
Total U.S. Department of Education			**3,619,798**
U.S. Department of Health and Human Services			
Passed-Through from Texas Department of Family and Protective Services:			
Foster Care Title IV-E	93.658	HHS001428600101	734,219
Passed-Through City of Houston:			
COVID Health Grant	93.568	968141504	156,000
Total U.S. Department of Health and Human Services			**890,219**
Total Expenditures of Federal Awards			**$ 9,577,632**

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Basis of Presentation

The schedule of expenditures of federal awards ("SEFA") presents federal grant activity of the Center for the fiscal year ended August 31, 2025 is reported on the accrual basis of accounting. The information in the SEFA 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)*. Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the Center's financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented when available. The Center has elected not to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Relationship to Financial Report Submitted to Grantor Agencies

Amounts reflected in the financial reports filed with grantor agencies for the program may not agree with the amounts in the SEFA because of accruals made to present the SEFA on the accrual basis (which would be included in the next report filed with the agencies), as well as matching requirements not included in the SEFA and differences in programs' year-ends.

Note 4 - Reconciliation of Financial Statements

The following is a reconciliation of expenditures of federal awards and revenues on Statement of Activities:

Total Shown on Schedule of Expenditures of Federal Awards	$	9,577,632
Reconciling items:		
SHARS		3,804
E-Rate		81,258
Total Federal Revenue - Statement of Activities	$	9,662,694

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended August 31, 2025

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

There were no prior year audit findings.

TEJANO CENTER FOR COMMUNITY CONCERNS, INC.

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2025

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports.”

I. Corrective Action Plan

Not Applicable