



CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2025

TABLE OF CONTENTS

CERTIFICATE OF THE BOARD	1
INDEPENDENT AUDITOR’S REPORT	2
GENERAL-PURPOSE FINANCIAL STATEMENTS	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONSOLIDATED STATEMENT OF ACTIVITIES	7
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	8
CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS.....	10
SUPPLEMENTARY INFORMATION	19
SCHEDULE OF EXPENSES.....	20
SCHEDULE OF ASSETS.....	21
STATEMENT OF FINANCIAL POSITION.....	22
STATEMENT OF ACTIVITIES.....	23
STATEMENT OF CASH FLOWS.....	24
BUDGETARY COMPARISON SCHEDULE.....	25
NOTES TO BUDGETARY COMPARISON SCHEDULE	26
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS.....	27
SCHEDULE OF RELATED PARTY TRANSACTIONS.....	28
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST.....	29
SPECIAL PROGRAM COMPLIANCE SCHEDULE	30
CONSOLIDATING STATEMENT OF FINANCIAL POSITION.....	31
CONSOLIDATING STATEMENT OF ACTIVITIES.....	32
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES	33
COMPLIANCE AND INTERNAL CONTROL	34
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON	35
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL	35
STATEMENTS PERFORMED IN ACCORDANCE WITH.....	35
<i>GOVERNMENT AUDITING STANDARDS</i>	35

THRIVE CENTER FOR SUCCESS
FEDERAL EMPLOYER IDENTIFICATION NUMBER: 84-2473663
COUNTY DISTRICT NUMBER 170-802

CERTIFICATE OF THE BOARD

We, the undersigned, certify that the attached Financial and Compliance Report of Thrive Center for Success was reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2025, at a meeting of the governing body of the charter holder on the 7 day of November, 2025.



Signature of Board Secretary



Signature of Board President



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Thrive Center for Success
Magnolia, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Thrive Center for Success (consisting of Thrive with Autism and Thrive with Autism Foundation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Thrive Center for Success as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Thrive Center for Success 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Thrive Center for Success's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Thrive Center for Success's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

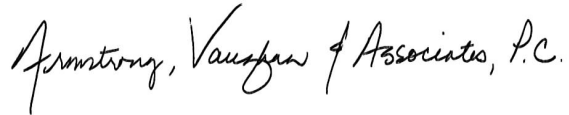
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

Thrive Center for Success' June 30, 2024 financial statements were previously audited by other auditors who expressed an unmodified audit opinion on those audited financial statements in their report dated November 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025 on our consideration of Thrive Center for Success' 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 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 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 Thrive Center for Success' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.
October 13, 2025

**GENERAL-PURPOSE
FINANCIAL STATEMENTS**

THRIVE CENTER FOR SUCCESS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR JUNE 30, 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 2,457,595	\$ 429,890
Accounts Receivable:		
Texas Education Agency	372,453	305,610
Prepaid Expenses	<u>6,582</u>	<u>-</u>
<i>Total Current Assets</i>	<u>2,836,630</u>	<u>735,500</u>
<i>Other Assets:</i>		
Other Assets	-	20,000
Property and Equipment, net	<u>11,084,856</u>	<u>8,826,380</u>
<i>Total Other Assets</i>	<u>11,084,856</u>	<u>8,846,380</u>
TOTAL ASSETS	<u><u>\$ 13,921,486</u></u>	<u><u>\$ 9,581,880</u></u>
LIABILITIES AND NET ASSETS		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 472,776	\$ 81,030
Payroll Deductions and Withholdings	147,799	14,784
Interest Payable	369,685	369,685
Wages Payable	270,871	97,342
Deferred Revenue	139,027	-
Notes Payable - Current Portion	<u>588,284</u>	<u>-</u>
<i>Current Liabilities</i>	<u>1,988,442</u>	<u>562,841</u>
<i>Long-Term Liabilities:</i>		
Notes Payable (Net of Current Portion)	8,547,343	6,835,627
Unamortized Debt Issuance Costs	<u>(125,868)</u>	<u>-</u>
<i>Total Long-Term Liabilities</i>	<u>8,421,475</u>	<u>6,835,627</u>
<i>Total Liabilities</i>	<u>10,409,917</u>	<u>7,398,468</u>
<i>Net Assets:</i>		
Without Donor Restrictions	3,511,569	1,986,161
With Donor Restrictions	<u>-</u>	<u>197,251</u>
<i>Total Net Assets</i>	<u>3,511,569</u>	<u>2,183,412</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 13,921,486</u></u>	<u><u>\$ 9,581,880</u></u>

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

THRIVE CENTER FOR SUCCESS
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)

			<u>2025</u>	<u>2024</u>
	Without Donor Restrictions	With Donor Restrictions	<u>Totals</u>	<u>Totals</u>
REVENUE				
Local Contributions & Grants	\$ 2,114,407	\$ -	\$ 2,114,407	\$ 1,615,561
Interest Income	39,400	-	39,400	-
State Grant Programs	-	5,315,581	5,315,581	3,336,382
Federal Grant Programs	-	45,612	45,612	184,522
	<u>2,153,807</u>	<u>5,361,193</u>	<u>7,515,000</u>	<u>5,136,465</u>
Net Assets Released from Restrictions	<u>5,558,444</u>	<u>(5,558,444)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	<u>7,712,251</u>	<u>(197,251)</u>	<u>7,515,000</u>	<u>5,136,465</u>
EXPENSES				
Program Activities	5,866,770	-	5,866,770	3,421,064
Administration	249,114	-	249,114	993,527
Fundraising	70,959	-	70,959	-
TOTAL EXPENSES	<u>6,186,843</u>	<u>-</u>	<u>6,186,843</u>	<u>4,414,591</u>
CHANGE IN NET ASSETS	1,525,408	(197,251)	1,328,157	721,874
NET ASSETS - BEGINNING OF YEAR	<u>1,986,161</u>	<u>197,251</u>	<u>2,183,412</u>	<u>1,461,538</u>
NET ASSETS - END OF YEAR	<u>\$ 3,511,569</u>	<u>\$ -</u>	<u>\$ 3,511,569</u>	<u>\$ 2,183,412</u>

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

THRIVE CENTER FOR SUCCESS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)

	Program	Administrative	Fundraising	Total	
				2025	2024
Wages	\$ 3,279,404	\$ 65,775	\$ -	\$ 3,345,179	\$ 2,124,043
Benefits	473,206	27,567	-	500,773	291,117
Professional Services	2,400	76,234	-	78,634	354,851
Education Service Center	9,323	-	-	9,323	23,092
Contracted Maintenance	29,852	-	-	29,852	69,417
Utilities	112,700	-	-	112,700	116,258
Leases	30,140	-	-	30,140	18,921
Other Services	594,540	68,230	70,459	733,229	349,546
Instructional Materials	-	-	-	-	14,157
Supplies	286,555	276	500	287,331	110,958
Travel	3,185	5,418	-	8,603	10,991
Insurance	61,118	-	-	61,118	49,569
Depreciation	296,611	-	-	296,611	239,833
Other Operating Costs	18,070	5,614	-	23,684	156,785
Interest	669,666	-	-	669,666	485,053
Total	<u>\$ 5,866,770</u>	<u>\$ 249,114</u>	<u>\$ 70,959</u>	<u>\$ 6,186,843</u>	<u>\$ 4,414,591</u>

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

THRIVE CENTER FOR SUCCESS
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2024)

	2025	2024
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash Received from State and Federal Grantors	\$ 5,294,350	\$ 3,423,323
Cash Received from Others	2,292,834	1,615,561
Payments to Employees for Services	(3,539,408)	(2,425,686)
Payments to Vendors for Goods and Services	(969,450)	(1,271,881)
Payments of Interest	(579,759)	(115,368)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,498,567</u>	<u>1,225,949</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Purchase of Property and Equipment	(2,555,088)	(8,278,765)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,555,088)</u>	<u>(8,278,765)</u>
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES		
Proceeds from Issuance of Note Payable	2,300,000	6,835,627
Debt Issuance Costs Paid	(215,774)	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>2,084,226</u>	<u>6,835,627</u>
NET INCREASE (DECREASE) IN CASH	2,027,705	(217,189)
BEGINNING CASH AND CASH EQUIVALENTS	<u>429,890</u>	<u>647,079</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 2,457,595</u>	<u>\$ 429,890</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 1,328,157	\$ 721,874
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	296,611	239,833
Amortization	89,907	-
(Increase) Decrease in Assets:		
Accounts Receivable:		
Texas Education Agency and Federal Agencies	(66,843)	(97,581)
Prepaid Expenses	(6,582)	1,562
Other Assets	20,000	(34,836)
Increase (Decrease) in Liabilities:		
Accounts Payable	391,746	35,938
Payroll Deductions and Withholdings	133,015	17,945
Interest Payable	-	369,685
Wages Payable	173,529	(28,471)
Deferred Revenue	139,027	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,498,567</u>	<u>\$ 1,225,949</u>

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

THRIVE CENTER FOR SUCCESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Thrive Center for Success is a Texas nonprofit corporation that operates an open-enrollment charter school, serving kindergarten through seventh grade in Magnolia, Texas. The State Board of Education of the State of Texas approved the open-enrollment charter, pursuant to Chapter 12 of the Texas Education Code ("TEC"). Thrive Center for Success is governed by a Board of Directors consisting of six members. The Board of Directors has the authority to make decisions, appoint the chief executive officer, and has the primary accountability for the fiscal affairs of the school. The school is run by Thrive with Autism, a 501c3 nonprofit organization. Thrive with Autism is supported by the Thrive with Autism Foundation, a separate 501c3 nonprofit organization. The Foundation is governed by a board of eight members which include the five Thrive with Autism board members. The Foundation exists solely to support Thrive with Autism.

Thrive Center for Success receives the majority of its funding from the Texas Education Agency based on average daily attendance in the school it operates. Since this includes funding from local, state, and federal government sources, Thrive Center for Success must comply with the requirements of the entities providing those funds.

Basis of Accounting and Presentation

The general-purpose financial statements of Thrive Center for Success were prepared in conformity with accounting principles generally accepted in the United States. The *Financial Accounting Standards Board* is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles. The accompanying general-purpose financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, revenues are recognized when earned and expenses are recognized when they are incurred.

Net assets and revenues, expenses, gains, and losses are classified based on the existence and nature or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Without Donor Restrictions – net assets that are not subject to grantor or donor-imposed stipulations.

With Donor Restrictions – net assets subject to grantor or donor-imposed stipulations that may be met either by actions of Thrive Center for Success and/or passage of time or may be required to remain in perpetuity.

Principles of Consolidation

The financial statements of Thrive with Autism and the Thrive with Autism Foundation are consolidated into the Thrive Center for Success. Transactions between the entities are eliminated in the financial statements. These transactions consist primarily of a building lease.

Cash and Cash Equivalents

For financial statement purposes, Thrive Center for Success considers all highly liquid investment instruments with an original maturity of three months or less to be cash.

THRIVE CENTER FOR SUCCESS
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2025

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Contributions

Thrive Center for Success accounts for contributions as with or without donor restrictions, depending on the existence and/or nature of any donor stipulations. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions in the reporting period in which the support is recognized. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Promises to give are recognized when communication of the promise is made if the gift is unconditional. Conditional promises to give are not recognized until the conditions are met.

Capital Assets

Capital assets are defined by Thrive Center for Success as assets with a useful life greater than one year and an individual cost of more than \$5,000 or a collection of items purchased together which collectively cost more than \$5,000. Such assets are recorded at historical cost (or fair value if donated) and are depreciated over the estimated useful lives of the assets using the straight-line method of depreciation. Useful lives are estimated to be 3-to-5 years for furniture and equipment and 15-to-39 years for buildings and improvements. Leasehold improvements are amortized over the lesser of the life of the lease or the expected useful life.

Leases

Thrive Center for Success has lease agreements that contain both lease and non-lease components. The Organization has elected the practical expedient, by class of underlying asset, to account for the lease and non-lease components as a single lease component. For leases that do not provide an implicit rate, a risk-free rate is used based on the commencement date in determining the present value of lease payments. The risk-free rate is the rate of a zero-coupon U.S. Treasury instrument for the same period of time as the lease term.

Use of Estimates

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

Functional Expenses

Thrive Center for Success records expenses in accordance with the Texas Education Agency's chart of accounts outlined in the Financial Accountability System Resource Guide. Indirect expenses are generally recorded as administrative expenses. Administrative expenses include the office of the superintendent, legal and accounting fees.

THRIVE CENTER FOR SUCCESS
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2025

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Income Taxes

Thrive with Autism and Thrive with Autism Foundation are not-for-profit organizations exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code, except to the extent that it has unrelated business income. As such, no provision for income taxes has been made in the financial statements. The organizations generally are no longer subject to income tax examination by Federal authorities for years prior to June 30, 2022. The organizations are also exempt from state franchise and sales tax in the state of Texas.

Subsequent Events

Subsequent events were considered through October 13, 2025, which is the date the financial statements were available to be issued.

Reclassifications

The summarized financial information for June 30, 2024 may include reclassifications to match the presentation of the June 30, 2025 financial statements. These reclassifications, if any, did not have any impact on the net assets of the entity.

NOTE 2 -- UNCOLLATERALIZED DEPOSITS

As of June 30, 2025, Thrive Center for Success bank deposits exceeded the coverage provided by the Federal Deposit Insurance Corporation by \$1.79 million.

NOTE 3 -- ACCOUNTS RECEIVABLE

Accounts Receivable from the Texas Education Agency at June 30 consisted of funding from the following programs:

	<u>2025</u>	<u>2024</u>
Texas Education Agency		
Foundation School Program	\$ 317,083	\$ 285,936
Other Programs	<u>55,370</u>	<u>19,674</u>
Total Accounts Receivable	<u>\$ 372,453</u>	<u>\$ 305,610</u>

NOTE 4 -- CONDITIONAL GRANTS

Thrive Center for Success received a conditional grant for operations contingent upon meeting certain enrollment and academic milestones. If met, Thrive Center for Success will be allowed to spend the \$100,000 already received and receive another \$100,000 in 2027. Because of the conditional nature, these promises to give are not recognized as revenue in these financial statements until the conditions are met.

THRIVE CENTER FOR SUCCESS
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2025

NOTE 5 -- CAPITAL ASSETS

Capital assets at June 30 were as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,225,696	\$ 1,225,696
Buildings and Improvements	9,694,752	7,074,368
Furniture and Equipment	353,074	140,681
Construction in Progress	<u>383,954</u>	<u>661,645</u>
Total Property and Equipment	11,657,476	9,102,390
Less: Accumulated Depreciation	<u>(572,620)</u>	<u>(276,010)</u>
Property and Equipment - Net	<u><u>\$ 11,084,856</u></u>	<u><u>\$ 8,826,380</u></u>

Capital assets acquired with public funds received by Thrive Center for Success for the operation of the open-enrollment charter school constitute public property pursuant to Charter 12 of the Texas Education Code. These assets are specifically identified on the Schedule of Assets. Should the charter school be closed for any reason, these assets may revert to the Texas Education Agency. Land and Construction in Progress are not depreciated. The land and buildings are pledged as security for the Thrive with Autism Foundation's notes payable. Depreciation expense was \$125,269 for the year ended June 30, 2025.

NOTE 6 -- NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, Thrive Center for Success had net assets with donor restrictions consisting of the following:

	<u>2025</u>	<u>2024</u>
Foundation School Program	\$ -	\$ 125,653
Special Education	-	49,268
School Safety	<u>-</u>	<u>22,330</u>
Total Net Assets with Donor Restrictions	<u><u>\$ -</u></u>	<u><u>\$ 197,251</u></u>

Releases of net assets with donor restrictions during the year ending June 30, 2025 were as follows:

<i>Satisfaction of Purpose Restrictions</i>	
Foundation School Program	\$ 2,454,455
Special Education	86,953
Autism Education Services	2,726,863
School Safety	270,366
Other Programs	<u>19,807</u>
Total Released from Restriction	<u><u>\$ 5,558,444</u></u>

THRIVE CENTER FOR SUCCESS
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2025

NOTE 7 -- PENSION PLAN OBLIGATION

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. Charters are legally separate entities from the State and there is no withdrawal penalty for leaving TRS. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805, respectively. The Texas State Legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS website, www.trs.state.tx.us, under the TRS Publications Heading.

The plan financial statements for the year ending August 31, 2024 reported a plan net position of \$211 billion with a total pension liability of \$272 billion. Net position of the plan represented 77.5% of the total pension liability.

Contribution requirements are not actuarially determined but are established and amended by the Texas State Legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 1 year, the period would be increased by such action. The following table presents contribution rates and amounts:

	<u>Member</u>	<u>State</u>	<u>Employer</u>
<i>Rates</i>			
September - June 2025	8.25%	8.25%	8.25%
July- August 2024	8.25%	8.25%	8.25%
<i>Amounts</i>			
Fiscal Year 2024 - 2025	\$248,758	\$214,290	\$ 91,214

In addition, Thrive Center for Success is required to contribute 2.0% of all covered salaries. Certain employer contributions are made by the State for salaries funded through state programs. Contributions of Thrive Center for Success were less than 5% of all contributions.

THRIVE CENTER FOR SUCCESS
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2025

NOTE 8 -- RETIREE HEALTH PLAN – OTHER POST EMPLOYMENT BENEFIT

TRS also offers retiree health insurance, called TRS-Care, a cost-sharing multiple-employer defined benefit postemployment health care plan. Qualified retirees (and their dependents) receive health insurance paid for by the plan. The statutory authority for the program is Texas Insurance Code, Chapter 1575. The State, employees and employers contribute a portion of covered payroll.

The plan financial statements for the year ending August 31, 2024 reported a plan net position of \$4.8 billion with a total OPEB liability of \$35.2 billion. Net position of the plan represented 13.6% of the total OPEB liability.

Contribution requirements are not actuarially determined but are established each biennium by the Texas State Legislature. The Contribution rates and amounts were as follows:

	<u>Member</u>	<u>State</u>	<u>Employer</u>
<i>Rates</i>			
September - June 2025	0.65%	1.25%	0.75%
July- August 2024	0.65%	1.25%	0.75%
<i>Amounts</i>			
Fiscal Year 2024 - 2025	\$ 19,599	\$ 37,690	\$ 22,615

Additional employer contributions are required for salaries funded through certain private and federal grants.

NOTE 9 -- NOTES PAYABLE

In January 2023, the Thrive with Autism Foundation executed a purchase and sale agreement for a building for \$6.9 million. The purchase was financed through April 2025 at 7% interest. The loan requires monthly interest only payments except for an additional payment of \$150,000 in September 2023. A balloon payment was required in April 2025. The note was later amended to defer interest payments and extend the maturity date to September 2025. Subsequent to year end, the loan was further extended to September 2026 and increased the rate of interest to 8.5%. Future payments include monthly interest only payments and an additional \$1,000,000 in September 2025.

In August 2024, the Thrive with Autism Foundation executed a note payable for \$2,300,000 finance renovations to the campus. The note requires interest only payments at 4% through September, 2026 at which time a balloon payment is due.

Debt service requirements as of June 30, 2025 are as follows:

<u>Year Ending</u>			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 588,284	\$ 824,805	\$ 1,413,089
2027	8,547,343	325,600	8,872,943
Total	<u>\$ 9,135,627</u>	<u>\$ 1,150,405</u>	<u>\$ 10,286,032</u>

THRIVE CENTER FOR SUCCESS
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2025

NOTE 10 -- LEASES

Thrive with Autism leases school space from the Thrive with Autism Foundation. The transactions are eliminated for the consolidated financial statements. The lease is for ten years through August 2033. The lease requires monthly payments of \$40,250 except for modified payments of \$54,668 for July and August 2025 and \$8,434 September through June 2026. Lease costs for the year ending August 31, 2024 were as follows.

Operating lease expense	\$ 469,561
Operating cash flows from operating leases	\$ 627,181
Right of use assets obtained in exchange for new operating lease liabilities	\$ -
Weighted average remaining lease term	98 months
Weighted average discount rate	5.33%

Year Ending June 30,	Future Minimum Lease Payments
2026	\$ 193,676
2027	483,000
2028	483,000
2029	483,000
2030	483,000
Thereafter	1,529,500
Total	3,655,176
Less: Interest	(741,850)
Present Value	<u>\$ 2,913,326</u>

THRIVE CENTER FOR SUCCESS
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2025

NOTE 11 -- LIQUIDITY AND AVAILABILITY

Thrive Center for Success is substantially supported by the State of Texas Foundation School Program (FSP) which is based on student enrollment. The following schedule summarizes resources available to fund Thrive Center for Success operations as of June 30, 2025:

<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 2,457,595
Accounts Receivable	<u>372,453</u>
<i>Total Current Assets</i>	<u>2,830,048</u>
 <i>Current Liabilities:</i>	
	<u>(1,988,442)</u>
 <i>Less Net Assets with Donor Imposed Restrictions</i>	
Financial Assets with Restrictions	<u>-</u>
 <i>Available to Fund Operations</i>	 <u><u>\$ 841,606</u></u>

In addition, an initial FSP allotment of \$2.6 million will be available to fund the 2025-2026 fiscal year.

NOTE 12 -- COMMITMENTS AND CONTINGENCIES

Thrive Center for Success receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the Texas Education Agency and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the charter school have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, charter school funds may be subject to refund if so determined by the Texas Education Agency or the grantor agency.

In addition, the Thrive with Autism Foundation has entered into construction contracts totaling \$1.94 million. As of June 30, 2025, \$384 thousand has been incurred, leaving an estimated commitment of \$1.56 million.

NOTE 13 -- LITIGATION

Management is unaware of any pending or threatened litigation that would result in any significant financial impact.

THRIVE CENTER FOR SUCCESS
NOTES TO FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2025

NOTE 14 -- SUBSEQUENT EVENTS

In July 2025, the note payable related to the building purchase was refinanced to extend the maturity date one year to September 2026. The amendment increased the interest rate to 8.5%.

In August 2025, the lease between Thrive with Autism and the Thrive with Autism Foundation was amended to change the monthly payment for September 2025, to \$7,667 and October through September 2026 to \$34,000. All other terms remained the same.

SUPPLEMENTARY INFORMATION

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

EXPENSES

6100 Payroll	\$ 3,845,951
6200 Professional and Contracted Services	1,383,837
6300 Supplies and Materials	246,883
6400 Other Operating Costs	168,490
6500 Debt Service	-
Total Expenses	<u><u>\$ 5,645,161</u></u>

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
SCHEDULE OF ASSETS
JUNE 30, 2025

	Local	State	Federal	Total
1110 Cash	\$ 392,423	\$ 236,465	\$ -	\$ 628,888
1510 Land and Improvements	-	-	-	-
1520 Buildings and Improvements	-	405,556	46,339	451,895
1531 Vehicles	-	-	53,175	53,175
1539 Furniture and Equipment	24,566	187,827	87,506	299,899
1554 Right of Use Building	-	3,070,946	-	3,070,946
Total Property and Equipment	<u>\$ 416,989</u>	<u>\$ 3,900,794</u>	<u>\$ 187,020</u>	<u>\$ 4,504,803</u>

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 628,888
Accounts Receivable:	
Texas Education Agency	372,453
Prepaid Expenses	6,582
<i>Total Current Assets</i>	<u>1,007,923</u>

Other Assets:

Operating Lease Right of Use Asset	3,070,946
Furniture and Equipment	299,899
Vehicles	53,175
Buildings and Improvements	451,895
Accumulated Depreciation	(212,826)
<i>Total Other Assets</i>	<u>3,663,089</u>

TOTAL ASSETS \$ 4,671,012

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 88,822
Payroll Deductions and Withholdings	147,799
Wages Payable	270,871
Deferred Revenue	139,027
Operating Lease Liability - Current Portion	41,460
<i>Current Liabilities</i>	<u>687,979</u>

Long-Term Liabilities:

Operating Lease Liability (Net of Current Portion)	2,871,866
<i>Total Long-Term Liabilities</i>	<u>2,871,866</u>
<i>Total Liabilities</i>	<u>3,559,845</u>

Net Assets:

Without Donor Restrictions	1,111,167
<i>Total Net Assets</i>	<u>1,111,167</u>

TOTAL LIABILITIES AND NET ASSETS \$ 4,671,012

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE			
<i>Local Revenue</i>			
5740 Other Local Revenues	\$ 392,144	\$ -	\$ 392,144
<i>State Program Revenue</i>			
5810 Foundation School Program	-	2,090,495	2,090,495
5820 Other TEA Programs	-	2,986,780	2,986,780
5830 Through Other Agencies	-	238,307	238,307
<i>Federal Program Revenue</i>			
5920 Passed through TEA	-	39,845	39,845
5930 Passed through Other Agencies	-	5,767	5,767
	392,144	5,361,194	5,753,338
Net Assets Released from Restrictions	5,558,445	(5,558,445)	-
TOTAL REVENUE	<u>5,950,589</u>	<u>(197,251)</u>	<u>5,753,338</u>
EXPENSES			
11 Instruction	3,313,378	-	3,313,378
13 Curriculum Development and Instructional Student Development	207,626	-	207,626
21 Instructional School Leadership	52,292	-	52,292
23 School Leadership	313,317	-	313,317
31 Guidance and Counseling	277,940	-	277,940
33 Health Services	81,366	-	81,366
34 Student Transportation	11,743	-	11,743
41 General Administration	417,528	-	417,528
51 Plant Maintenance	729,652	-	729,652
52 Security and Monitoring	94,751	-	94,751
53 Data Processing	145,568	-	145,568
TOTAL EXPENSES	<u>5,645,161</u>	<u>-</u>	<u>5,645,161</u>
CHANGE IN NET ASSETS	305,428	(197,251)	108,177
NET ASSETS - BEGINNING OF YEAR	<u>805,739</u>	<u>197,251</u>	<u>1,002,990</u>
NET ASSETS - END OF YEAR	<u><u>\$1,111,167</u></u>	<u><u>\$ -</u></u>	<u><u>\$1,111,167</u></u>

See Independent Auditor's Report.

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING JUNE 30, 2025

CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	
Cash Received from State and Federal Grantors	\$ 5,294,351
Cash Received from Others	531,171
Payments to Employees for Services	(3,539,407)
Payments to Vendors for Goods and Services	(1,775,514)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>510,601</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	
Purchase of Property and Equipment	(272,244)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(272,244)</u>
NET INCREASE (DECREASE) IN CASH	238,357
BEGINNING CASH AND CASH EQUIVALENTS	<u>390,531</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 628,888</u></u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	\$ 108,177
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	125,269
(Increase) Decrease in Assets:	
Accounts Receivable:	
Texas Education Agency and Federal Agencies	(66,843)
Prepaid Expenses	(6,582)
Right of Use Asset - Operating	425,512
Other Assets	20,000
Increase (Decrease) in Liabilities:	
Accounts Payable	42,629
Wages Payable	173,529
Payroll Deductions and Withholdings	133,015
Deferred Revenue	139,027
Operating Lease Liability	(583,132)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 510,601</u></u>

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUE				
<i>Local Revenue</i>				
5740 Other Local Revenue	\$ 480,000	\$ 430,000	\$ 392,144	\$ (37,856)
<i>State Program Revenues</i>				
5810 Foundation School Program	1,829,882	2,116,076	2,090,495	(25,581)
5820 Through Texas Education Agency	3,325,052	3,325,052	2,986,780	(338,272)
5830 Through Other Agencies	238,000	238,000	238,307	307
<i>Federal Program Revenues</i>				
5920 Through Texas Education Agency	162,669	39,845	39,845	-
5930 Through Other State Agency	-	5,767	5,767	-
TOTAL REVENUE	<u>6,035,603</u>	<u>6,154,740</u>	<u>5,753,338</u>	<u>(401,402)</u>
EXPENSES				
11 Instruction	3,510,777	3,514,271	3,313,378	200,893
13 Curriculum Development and Instructional Student Development	210,457	187,907	207,626	(19,719)
21 Instructional Leadership	57,000	56,877	52,292	4,585
23 School Leadership	277,916	305,128	313,317	(8,189)
31 Guidance & Counseling	387,300	280,210	277,940	2,270
33 Health Services	87,000	97,800	81,366	16,434
34 Student Transportation	10,500	12,400	11,743	657
41 General Administration	361,667	432,420	417,528	14,892
51 Plant Maintenance	707,900	904,770	729,652	175,118
52 Security and Monitoring	75,000	73,655	94,751	(21,096)
53 Data Processing	77,667	157,979	145,568	12,411
TOTAL EXPENSES	<u>5,763,184</u>	<u>6,023,417</u>	<u>5,645,161</u>	<u>378,256</u>
 CHANGE IN NET ASSETS	 272,419	 131,323	 108,177	 (23,146)
 BEGINNING NET ASSETS	 <u>1,002,990</u>	 <u>1,002,990</u>	 <u>1,002,990</u>	 <u>-</u>
ENDING NET ASSETS	<u>\$ 1,275,409</u>	<u>\$ 1,134,313</u>	<u>\$ 1,111,167</u>	<u>\$ (23,146)</u>

See Independent Auditor's Report.

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

BUDGETARY APPROACH

Thrive Center for Success begins the year with known revenue streams in the budget (primarily the foundation school program). As federal and other grants are awarded, the budget is amended to include the new revenue and related expenses. This can cause the final budget to be substantially higher than the original budget.

BUDGET AMENDMENTS

Enrollment was less than the original budget anticipated and the budget for these functions was reduced:

- 13 Curriculum Development
- 31 Guidance & Counseling

Budgets for these functions were also amended more than 10%:

- 33 Health Services – The budget was amended for additional personnel to assist with student needs
- 34 Transportation – Additional depreciation on school vehicles
- 41 General Administration – Increased to accommodate the cost of outsourcing office functions
- 51 Plant Maintenance – Increased lease costs from an amended lease
- 53 Data Processing – Increased to accommodate the cost of outsourcing reporting functions

BUDGETARY VARIANCES

Expenses in the following functions exceeded the final budget by 10%:

- 13 Curriculum Development – The amended expected curriculum to decrease with the student population but actual results did not decrease as much as expected.
- 52 Security and Monitoring – Additional state grants were received and the budget was not increased accordingly for the related spending and depreciation.

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
FOR THE YEAR ENDED JUNE 30, 2025

Not Applicable.

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
SCHEDULE OF RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED JUNE 30, 2025

<u>Related Party Name</u>	<u>Relation</u>	<u>Type of Transaction</u>	<u>Description of Terms</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid in Year</u>	<u>Principal Balance Due</u>
Thrive with Autism Foundation	Supporting Organization	Lease	Contractual	State	Monthly	\$627,181	\$2,913,326

See Independent Auditor's Report.

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
FOR THE YEAR ENDED JUNE 30, 2025

Not applicable.

Facilities are owned by Thrive with Autism Foundation and leased to Thrive Center for Success Charter School.

THRIVE CENTER FOR SUCCESS CHARTER SCHOOL
SPECIAL PROGRAM COMPLIANCE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

<u>Data Codes</u>		<u>Responses</u>
	<u>Section A: Compensatory Education Programs</u>	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the School'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 School's fiscal year.	\$ 29,106
AP4	List the actual direct program expenditures for state compensatory education during the LEA's fiscal year (PICs 24, 26, 28, 29, 30)	\$ 105,730
	<u>Section B: Bilingual Education Programs</u>	
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.	\$ 5,904
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	\$ 20,139

THRIVE CENTER FOR SUCCESS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

	Thrive with Autism	Thrive with Autism Foundation	Eliminations	Total
ASSETS				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 628,888	\$ 1,828,707	\$ -	\$ 2,457,595
Accounts Receivable:				
Texas Education Agency	372,453	-	-	372,453
Prepaid Expenses	6,582	-	-	6,582
<i>Total Current Assets</i>	<u>1,007,923</u>	<u>1,828,707</u>	<u>-</u>	<u>2,836,630</u>
<i>Other Assets:</i>				
Operating Lease Right of Use Asset	3,070,946	-	(3,070,946)	-
Property and Equipment, net	592,143	10,492,713	-	11,084,856
<i>Total Other Assets</i>	<u>3,663,089</u>	<u>10,492,713</u>	<u>(3,070,946)</u>	<u>11,084,856</u>
TOTAL ASSETS	<u>\$ 4,671,012</u>	<u>\$ 12,321,420</u>	<u>\$ (3,070,946)</u>	<u>\$ 13,921,486</u>
LIABILITIES AND NET ASSETS				
<i>Current Liabilities:</i>				
Accounts Payable	\$ 88,822	\$ 383,954	\$ -	\$ 472,776
Payroll Deductions and Withholdings	147,799	-	-	147,799
Interest Payable	-	369,685	-	369,685
Wages Payable	270,871	-	-	270,871
Deferred Revenue	139,027	157,620	(157,620)	139,027
Operating Lease Liability - Current Portion	41,460	-	(41,460)	-
Notes Payable - Current Portion	-	588,284	-	588,284
<i>Current Liabilities</i>	<u>687,979</u>	<u>1,499,543</u>	<u>(199,080)</u>	<u>1,988,442</u>
<i>Long-Term Liabilities:</i>				
Operating Lease Liability (Net of Current Portion)	2,871,866	-	(2,871,866)	-
Notes Payable (Net of Current Portion)	-	8,547,343	-	8,547,343
Unamortized Debt Issuance Costs	-	(125,868)	-	(125,868)
<i>Total Long-Term Liabilities</i>	<u>2,871,866</u>	<u>8,421,475</u>	<u>(2,871,866)</u>	<u>8,421,475</u>
<i>Total Liabilities</i>	<u>3,559,845</u>	<u>9,921,018</u>	<u>(3,070,946)</u>	<u>10,409,917</u>
<i>Net Assets:</i>				
Without Donor Restrictions	<u>1,111,167</u>	<u>2,400,402</u>	<u>-</u>	<u>3,511,569</u>
<i>Total Net Assets</i>	<u>1,111,167</u>	<u>2,400,402</u>	<u>-</u>	<u>3,511,569</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,671,012</u>	<u>\$ 12,321,420</u>	<u>\$ (3,070,946)</u>	<u>\$ 13,921,486</u>

See Independent Auditor's Report.

THRIVE CENTER FOR SUCCESS
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING JUNE 30, 2025

	Thrive with Autism	Thrive with Autism Foundation	Eliminations	Total
REVENUE				
Local Contributions & Grants	\$ 392,146	\$ 1,722,261	\$ -	\$ 2,114,407
Interest Income	-	39,400	-	39,400
Other Income	-	469,561	(469,561)	-
State Grant Programs	5,315,581	-	-	5,315,581
Federal Grant Programs	45,612	-	-	45,612
TOTAL REVENUE	<u>5,753,339</u>	<u>2,231,222</u>	<u>(469,561)</u>	<u>7,515,000</u>
EXPENSES				
Program Activities	5,398,721	937,610	(469,561)	5,866,770
Administration	246,441	2,673	-	249,114
Fundraising	-	70,959	-	70,959
TOTAL EXPENSES	<u>5,645,162</u>	<u>1,011,242</u>	<u>(469,561)</u>	<u>6,186,843</u>
CHANGE IN NET ASSETS	108,177	1,219,980	-	1,328,157
NET ASSETS - BEGINNING OF YEAR	<u>1,002,990</u>	<u>1,180,422</u>	<u>-</u>	<u>2,183,412</u>
NET ASSETS - END OF YEAR	<u>\$ 1,111,167</u>	<u>\$ 2,400,402</u>	<u>\$ -</u>	<u>\$ 3,511,569</u>

See Independent Auditor's Report.

THRIVE CENTER FOR SUCCESS
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING JUNE 30, 2025

	Thrive with Autism		Thrive with Autism Foundation			Eliminations	Total
	Program	Administrative	Program	Administrative	Fundraising		
Wages	\$ 3,279,404	\$ 65,775	\$ -	\$ -	\$ -	\$ -	\$ 3,345,179
Benefits	473,206	27,567	-	-	-	-	500,773
Professional Services	2,400	73,561	-	2,673	-	-	78,634
Education Service Center	9,323	-	-	-	-	-	9,323
Contracted Maintenance	27,635	-	2,217	-	-	-	29,852
Utilities	112,700	-	-	-	-	-	112,700
Leases	499,701	-	-	-	-	(469,561)	30,140
Other Services	590,287	68,230	4,253	-	70,459	-	733,229
Supplies	246,607	276	39,948	-	500	-	287,331
Travel	3,185	5,418	-	-	-	-	8,603
Insurance	10,934	-	50,184	-	-	-	61,118
Depreciation	125,269	-	171,342	-	-	-	296,611
Other Operating Costs	18,070	5,614	-	-	-	-	23,684
Interest	-	-	669,666	-	-	-	669,666
Total	<u>\$ 5,398,721</u>	<u>\$ 246,441</u>	<u>\$ 937,610</u>	<u>\$ 2,673</u>	<u>\$ 70,959</u>	<u>\$ (469,561)</u>	<u>\$ 6,186,843</u>

See Independent Auditor's Report.

**COMPLIANCE AND
INTERNAL CONTROL**



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Thrive Center for Success (Thrive Center for Success)
Magnolia, Texas

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined financial statements of Thrive Center for Success, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Thrive Center for Success's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Thrive Center for Success's internal control. Accordingly, we do not express an opinion on the effectiveness of Thrive Center for Success'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 may exist that have not been identified.

Report on Compliance and Other Matters

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

We noted certain matters that we have reported to management of Thrive Center for Success in a separate letter dated October 13, 2025.

Purpose of This Report

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

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.
October 13, 2025