

**ResponsiveEd Texas**  
FINANCIAL STATEMENTS  
*Fiscal year ended June 30, 2024*

*This page was left blank intentionally.*

# TABLE OF CONTENTS

---

<b>Certificate of Board .....</b>	<b>ii</b>
<b>Independent Auditor's Report .....</b>	<b>1</b>
<b>Financial Statements.....</b>	<b>5</b>
Statement of Financial Position.....	6
Statement of Activities .....	7
Statement of Cash Flows.....	9
Notes to Financial Statements .....	10
<b>Supplementary Information - Combining Schedules .....</b>	<b>27</b>
Statement of Financial Position by Entity.....	28
Statement of Activities by Entity .....	30
Statement of Cash Flows by Entity .....	38
<b>Supplementary Information - Required TEA Schedules.....</b>	<b>40</b>
Schedule of Expenses by Charter.....	41
Schedule of Capital Assets by Charter .....	42
Schedule of Related Party Transactions, Compensation, and Benefits .....	44
Schedule of Real Property Ownership Interest .....	47
Budgetary Comparison Schedule by Charter .....	49
Schedule J-4 Use of Funds Report by Charter .....	51
<b>Compliance and Internal Control .....</b>	<b>53</b>
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.....	54
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance .....	56
Schedule of Findings and Questioned Costs .....	59
Schedule of Expenditure of Federal Awards.....	60
Notes to the Schedule of Expenditure of Federal Awards.....	61

*This page was left blank intentionally.*

**CERTIFICATE OF BOARD**

TEXAS COLLEGE PREPARATORY ACADEMIES  
DISTRICT NUMBER: 221801

AND

PREMIER HIGH SCHOOLS  
DISTRICT NUMBER: 072801

FEDERAL EIN: 75-2748762

We, the undersigned, certify that the attached financial reports of ResponsiveEd Texas were reviewed and ☒ approved \_\_\_ disapproved for the year ended June 30, 2024, at a meeting of the Governing Body of such charter school on the 8<sup>th</sup> day of November.

DocuSigned by:

*Lisa Bowen*

6682CEBF2B37400...

Signature of Board Secretary

Signed by:

*Ben Klingenstein*

574F6C91E6784E5...

Signature of Board President

If the auditor's report was disapproved, the reason(s) therefore is/are (attach list if necessary):

*This page was left blank intentionally.*

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
ResponsiveEd Texas  
Lewisville, Texas

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

#### *Opinion*

We have audited the accompanying financial statements of ResponsiveEd Texas (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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 Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as listed in the table of contents, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2024, on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

Vail + Park, P.C.

Frisco, Texas  
November 8, 2024

*This page was left blank intentionally.*

## **FINANCIAL STATEMENTS**

**ResponsiveEd Texas**  
**Statement of Financial Position**  
**June 30, 2024**

**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	\$ 114,375,395
Due from State and Federal Agencies	46,523,989
Other Receivables	493,245
Receivables from Related Parties	45,463
Inventory	201,706
Prepaid Expenses	937,314
Total Current Assets	<u>162,577,112</u>

**Property & Equipment:**

Land	57,741,061
Buildings & Improvements	265,370,724
Vehicles	221,374
Furniture & Equipment	14,533,174
Leasehold Improvements	10,372,244
Construction in Progress	18,355,432
Accumulated Depreciation	<u>(55,629,407)</u>
Total Net Property & Equipment	<u>310,964,602</u>

**Other Assets:**

Right-of-use Assets	38,783,999
Other Assets	<u>2,144,774</u>
Total Other Assets	<u>40,928,773</u>

TOTAL ASSETS	<u>\$ 514,470,487</u>
--------------	-----------------------

**LIABILITIES & NET ASSETS**

**Current Liabilities:**

Accounts Payable	\$ 4,102,885
Other Payables	451,017
Accrued Payroll	14,483,779
Accrued Interest	3,611,234
Accrued Expenses	4,517,649
Current Portion of Long Term Debt	11,210,898
Deferred Revenue	<u>6,484,769</u>
Total Current Liabilities	<u>44,862,231</u>

**Long-Term Liabilities:**

Bonds Payable	263,694,575
Notes Payable	1,526,598
Leases Payable	<u>34,605,612</u>
Total Long-Term Liabilities	<u>299,826,785</u>

**Net Assets:**

Without Donor Restrictions	78,444,788
With Donor Restrictions	<u>91,336,683</u>
Total Net Assets	<u>169,781,471</u>

TOTAL LIABILITIES & NET ASSETS	<u>\$ 514,470,487</u>
--------------------------------	-----------------------

The notes to the financial statements are an integral part of this statement.

**ResponsiveEd Texas**  
**Statement of Activities**  
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE &amp; OTHER SUPPORT</b>			
Local Support:			
Revenue from Local Sources	\$ 15,649,175	\$ -	\$ 15,649,175
Total Local Support	15,649,175	-	15,649,175
<b>State Program Revenues</b>			
State Foundation Program	-	230,402,694	230,402,694
Other State Aid	-	22,268,499	22,268,499
Total State Program Revenues	-	252,671,193	252,671,193
<b>Federal Program Revenues</b>			
Breakfast Program	-	942,376	942,376
National School Lunch	-	3,187,080	3,187,080
Donated Commodities	-	125,695	125,695
Title I, Part A	-	2,720,654	2,720,654
IDEA-Part B Formula	-	2,823,794	2,823,794
IDEA-Part B Formula ARP	-	430,392	430,392
Title II, Part A	-	529,545	529,545
Charter Schools	-	8,339,796	8,339,796
Title III, Part A, ELA	-	170,784	170,784
Title IV Part A	-	325,576	325,576
E-rate - Schools & Libraries USF	-	178,841	178,841
Miscellaneous Federal Funds	-	309,001	309,001
COVID-19 ESSER III	-	2,899,848	2,899,848
Total Federal Program Revenues	-	22,983,382	22,983,382
Net Assets Released from Restrictions	267,450,231	(267,450,231)	-
Total Revenue & Other Support	283,099,406	8,204,344	291,303,750

The notes to the financial statements are an integral part of this statement.

**ResponsiveEd Texas**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**  
*(continued)*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENSES</b>			
Program Services:			
11 Instruction	145,040,517	-	145,040,517
12 Instructional Resources & Media Svcs	916	-	916
13 Curriculum Dev. & Instr Staff Dev.	9,193,179	-	9,193,179
21 Instructional Leadership	11,754,105	-	11,754,105
23 School Leadership	30,882,528	-	30,882,528
31 Guidance, Counseling & Eval Svcs	3,254,722	-	3,254,722
33 Health Services	1,940,398	-	1,940,398
34 Student (Pupil) Transportation	24,673	-	24,673
35 Food Services	5,558,275	-	5,558,275
36 Cocurricular/Extracurricular Activities	1,575,251	-	1,575,251
41 General Administration	16,291,029	-	16,291,029
51 Plant Maintenance & Operations	28,580,963	-	28,580,963
52 Security & Monitoring Services	2,271,294	-	2,271,294
53 Data Processing Services	7,177,567	-	7,177,567
71 Debt Service	8,939,214	-	8,939,214
81 Fundraising	5,108,809	-	5,108,809
Total Expenses	<u>277,593,440</u>	<u>-</u>	<u>277,593,440</u>
 Change in Net Assets from Operations	 5,505,966	 8,204,344	 13,710,310
 61 Community Services	 782,314	 -	 782,314
 Increase/(decrease) in Net Assets	 <u>4,723,652</u>	 <u>8,204,344</u>	 <u>12,927,996</u>
 Net Assets, Beginning of Year	 <u>73,721,136</u>	 <u>83,132,339</u>	 <u>156,853,475</u>
 Net Assets, End of Year	 <u><u>\$ 78,444,788</u></u>	 <u><u>\$ 91,336,683</u></u>	 <u><u>\$ 169,781,471</u></u>

The notes to the financial statements are an integral part of this statement.

**ResponsiveEd Texas**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2024**

Cash Flows from Operating Activities:	
Cash from Local Sources	\$ 32,819,388
Cash from State Programs	249,004,301
Cash from Federal Programs	35,423,760
Cash Paid to Suppliers	(115,472,511)
Cash Paid to Employees	(168,415,149)
Cash Paid for Interest	(9,460,877)
Net Cash Provided by/(Used in) Operating Activities	<u>23,898,912</u>
Cash Flows from Investing Activities:	
Purchase of Property & Equipment	<u>(22,339,136)</u>
Net Cash Provided by/(Used in) Investing Activities	<u>(22,339,136)</u>
Cash Flows from Financing Activities:	
Principal Payments on Debt	<u>(6,403,567)</u>
Net Cash Provided by/(Used in) Financing Activities	<u>(6,403,567)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,843,791)
Cash and Cash Equivalents at Beginning of Year	<u>119,219,186</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 114,375,395</u></u>
<b>Reconciliation of Change in Net Assets to Net Cash Provided by/(Used in) Operating Activities</b>	
Change in Net Assets	\$ 12,927,996
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by/(Used in) Operating Activities:	
Depreciation	9,590,410
Amortization of right-of-use assets	9,991,731
Amortization of bond premium and discount	(533,190)
(Increase)/Decrease in Operating Assets:	
Due from State and Federal Agencies	8,773,486
Other Receivables	148,559
Receivables from Other Charters	1,408,494
Prepaid Expenses	1,102,302
Other Assets	(1,121,148)
Increase/(Decrease) in Operating Liabilities:	
Accounts Payable	39,072
Other Payables	451,017
Accrued Payroll	(2,863,104)
Accrued Interest	11,527
Accrued Expenses	(7,186,959)
Deferred Revenue	984,769
Leases Liabilities	(9,826,050)
Net Adjustments	<u>10,970,916</u>
Net Cash Provided by/(Used in) Operating Activities	<u><u>\$ 23,898,912</u></u>

The notes to the financial statements are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**



**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Nature of Activities

ResponsiveEd Texas is a Texas non-profit corporation (The Organization) and is recognized as an organization exempt from federal income taxes under 501(c)(3) of the Internal Revenue Service. The Organization is authorized to operate open enrollment charter schools (The Schools) in the State of Texas through the Texas Education Agency – Office of the Commissioner.

The Organization provides curricula and operates schools for students in grades K-12 doing business as Classical Academies, Quest Collegiate Academies, Ignite Community Schools, and Founders Classical Academies, high schools for grades 9-12 doing business as Premier High Schools and iSchool High, online schools for grades 3-12 doing business as iSchool Virtual Academies of Texas, and two autism schools (Foundation Schools for Autism), as well as school administrative services and ancillary services.

Accounting Policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles. The accounting system is organized under the *Special Supplement to Financial Accounting and Reporting – Nonprofit Charter Schools Chart of Accounts*, a module of the Texas Education Agency Financial Accountability Resource Guide.

To ensure observance of limitations and restrictions placed on the use of resources available to the School, the accounts are maintained in accordance with the principles of fund accounting during the year. Resources for various purposes are classified into funds according to their nature and purposes. Separate accounts are maintained for each fund; however, the accompanying statements of financial position and of activities focus on the organization as a whole and reports the amounts of its total assets, liabilities, net assets and changes in net assets in accordance with the Financial Accounting Standards Board.

The statement of financial position reports the amounts of each of two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

Net assets with donor restrictions are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or the purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents are comprised of cash on hand and in banks including highly liquid investments with original maturities of three months or less.

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Fixed Assets and Depreciation

All assets acquired with a value of \$5,000 or greater are recorded as fixed assets and are valued at cost or estimated cost. Donated assets are reported at the fair market value at the time of acquisition. Depreciation of building improvements and equipment is provided over the estimated useful lives of the assets on a straight-line basis.

Asset	Years
Buildings & Improvements	7-40
Vehicles	5-15
Furniture & Equipment	2-8
Leasehold Improvements	1-15

Revenues

Each school's revenues from the State of Texas available school fund are earned based on reported attendance.

Contributions received are recognized as revenue in the period received and are reported as either restricted or unrestricted support.

- Contributions with donor-imposed restrictions are reported as restricted support. Restricted support increases temporarily restricted net assets.
- Contributions without donor-imposed restrictions are reported as unrestricted support. Unrestricted support increases unrestricted net assets.

Government grant contracts that are entered into by the Organization are recognized as revenue when services are rendered or when expenses in connection with those services are incurred.

Donated Goods and Services

Donated goods and services that can be measured and meet certain other requirements are recorded in the financial statements as in-kind contributions and expenses of a like amount.

Sick Leave, Personal Leave and Vacation

All full-time employees earn five days of paid sick leave annually. However, unused balances are not paid at termination. Therefore, there is no liability accrued on the financial statements. All full-time, non-exempt campus employees earn two days of paid personal leave per year that is paid no later than the last paycheck of the school year. Therefore, there is no liability accrued on the financial statements. Accrued wages payable includes an accrual for accumulated liability for employee vacation time.

Estimates

In preparation of the financial statements and in conformity with generally accepted accounting principles, management's estimated useful lives of asset classes were used in the calculation of depreciation.

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Functional Allocation of Expenses

The expense of the various programs and other activities has been presented on a functional basis in the statement of activities. Accordingly, certain expenses and supporting service costs have been allocated among the various programs.

Basis of Consolidation

The General-Purpose financial statements are presented on an entity-wide consolidated basis including operations of the Organization not affiliated with any certain charter operation. Certain inter-entity transactions are eliminated in the consolidation process because including them would make the overall financial statement presentation misleading.

Leases

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. The Organization adopted FASB ASC 842, with a date of initial application of July 1, 2022 by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, Leases (Topic 842): Targeted Improvements. The Organization did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to retained earnings as of July 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842.

*Lease liabilities.* A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. Leases often include options to either extend the term of the lease (commonly referred to as a renewal option) or to terminate the lease prior to the contractually defined lease expiration date (commonly referred to as a termination option). The existence of either a renewal or termination option requires lessees and lessors to determine, at lease commencement, the length of the lease term. Renewal or termination options that are reasonably certain of exercise (or non-exercise) by the lessee are included in the lease term. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Organization uses its incremental borrowing rate. The implicit rates of the Organization's leases are not readily determinable; accordingly, the Organization uses its incremental borrowing rate based on the information available at the commencement date for each lease. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Organization determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases.

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Leases *(continued)*

*Right-of-use assets.* A Right-of-use (ROU) asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

*Accounting policy election for short-term leases.* The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Payments due under lease contracts include fixed payments and, for many leases, variable payments. These leases generally contain renewal options for periods ranging from 2 to 5 years. The Organization's office space and warehouse leases require it to make variable payments for the Organization's proportionate share of the buildings' property taxes and insurance. These variable lease payments are not included in lease payments used to determine lease liabilities and are recognized as variable lease costs when incurred. The Organization has elected not to separate non-lease components from lease components for these leases.

**INVENTORY**

On June 30, 2024, the Organization had on hand curriculum inventory of original costs totaling \$201,706.

<u>Entity</u>	<u>Curriculum</u>
501(c)(3)	<u>\$ 201,706</u>
	<u><u>\$ 201,706</u></u>

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**CAPITAL ASSETS**

The Charters and 501(c)(3) had the following capital asset activity in fiscal year 2024:

	Balance at 6/30/23	Additions	Retirements / Transfers	Balance at 6/30/24
<b>TCPA</b>				
Land	\$ 45,597,894	\$ 3,250,648	\$ 1,121,904	\$ 49,970,446
Buildings & Improvements	220,361,814	774,124	6,254,192	227,390,130
Vehicles	17,471	-	-	17,471
Furniture & Equipment	10,356,968	659,058	-	11,016,026
Leasehold Improvements	1,661,957	100,073	-	1,762,030
Construction in Progress	10,226,642	15,463,535	(7,376,096)	18,314,081
Total Historical Cost	288,222,746	20,247,438	-	308,470,184
Less:				
Accumulated Depreciation	(34,365,142)	(7,333,995)	-	(41,699,137)
Total TCPA Capital Assets	253,857,604	12,913,443	-	266,771,047
<b>Premier</b>				
Land	5,643,455	-	-	5,643,455
Buildings & Improvements	24,573,819	237,703	1,126,189	25,937,711
Vehicles	15,000	-	-	15,000
Furniture & Equipment	2,489,956	11,641	-	2,501,597
Leasehold Improvements	7,597,371	90,703	922,140	8,610,214
Construction in Progress	862,636	1,696,841	(2,518,126)	41,351
Total Historical Cost	41,182,237	2,036,888	(469,797)	42,749,328
Less:				
Accumulated Depreciation	(8,201,056)	(1,750,829)	52,627	(9,899,258)
Total Premier Capital Assets	32,981,181	286,059	(417,170)	32,850,070
<b>501(c)(3)</b>				
Land	2,127,160	-	-	2,127,160
Buildings & Improvements	11,998,860	44,023	-	12,042,883
Vehicles	188,903	-	-	188,903
Furniture & Equipment	1,012,547	10,787	(7,783)	1,015,551
Leasehold Improvements	366,792	-	(366,792)	-
Total Historical Cost	15,694,262	54,810	(374,575)	15,374,497
Less:				
Accumulated Depreciation	(3,659,153)	(505,586)	133,727	(4,031,012)
Total 501(c)(3) Capital Assets	12,035,109	(450,776)	(240,848)	11,343,485
Grand Total Historical Cost	345,099,245	22,339,136	(844,372)	366,594,009
Grand Total Accumulated Depreciation	(46,225,351)	(9,590,410)	186,354	(55,629,407)
Grand Total Net Capital Assets	\$ 298,873,894	\$ 12,748,726	\$ (658,018)	\$ 310,964,602

Depreciation expense for the year ended June 30, 2024, was \$9,590,410.

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**DEFINED BENEFIT PENSION PLAN**

**Employee Retirement 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. 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. The most recently available report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, [www.trs.texas.gov/Pages/about\\_publications.aspx](http://www.trs.texas.gov/Pages/about_publications.aspx).

**Funding Policy** Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 1 years, the period would be increased by such action. State law provides for a member contribution rate of 8.0% for fiscal years 2023 and 2022 and 7.7% for fiscal year 2021, and a state contribution rate of 8.0% for fiscal year 2023, 7.75% for fiscal year 2022, and 7.5% for fiscal year 2021. The charter schools employees' contributions to the System for the year ended June 30, 2024 were \$11,083,286, equal to the required contributions for the year. Other contributions made from federal and private grants and from the charter school for salaries above the statutory minimum for the year ended June 30, 2024 were \$2,148,074, equal to the required contributions for the year. Organization's contributions did not represent more than 5 percent of total contributions to the plan as indicated in the most recently available annual report as of August 31, 2023.

**HEALTH CARE COVERAGE**

Employees of the Organization are covered by a group insurance plan with TRS Active Care. The Organization pays the employee's premium (contribution varies based on years of service) and the employee pays the premiums for dependent coverage through payroll deductions through a Cafeteria Plan. See Note 6 for a summary of Section 125 Cafeteria Plan coverage.

**SECTION 125 CAFETERIA PLAN**

The Organization has adopted a "cafeteria plan" within the meaning of Section 125(a) of the Internal Revenue Code which allows employees to choose among certain "tax free" benefits in lieu of taxable compensation. The choices include medical insurance premium, dental and vision insurance premium, cancer insurance premium, disability insurance premium, voluntary term life insurance premium and accidental death & dismemberment (AD&D) insurance premium among others. The Organization pays \$22.17 towards the dental premium and a percentage for dependent coverage, and \$1.89 toward the life premium and the AD&D premium. The employees' portion of the costs to provide any of these benefits are paid by the employees from payroll deductions.

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**DUE FROM STATE**

At June 30, 2024, the Organization was to receive \$46,523,989 in entitlements as follows:

Federal Grant Revenue	\$ 2,762,254
State Revenue	<u>43,761,735</u>
Total Due From State	<u>\$ 46,523,989</u>

**OPERATING LEASES**

The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in several noncancellable operating leases for office space, warehouses, and vehicles. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and ROU asset at the commencement date of the lease.

The Organization previously entered into two lease arrangements for schools that were terminated as of June 30, 2024. The lease terminations were accounted for under ASC 842-20, which requires the Organization to derecognize the ROU asset and the lease liability, with profit or loss recognized for the difference. The total reduction in ROU assets and lease liability associated with those two schools was approximately \$3,800,000. There was no gain or loss recognized related to lease termination payments.

The components of lease cost for the year ended June 30, 2024, are as follows:

Lease cost	TCPA	PHS
Operating lease cost	\$ 3,172,717	\$ 2,565,850
Short-term lease cost	-	-
Variable lease cost	1,963,824	2,393,208
Sublease income	-	-
Total lease cost	<u>\$ 5,136,541</u>	<u>\$ 4,959,058</u>

Other information	TCPA	PHS
ROU assets obtained in exchange for new operating lease liabilities	\$ 2,536,000	\$ 2,330,342
Weighted-average remaining lease term - operating leases	6.50	7.82
Weighted-average discount rate - operating leases	7.00%	7.00%

Maturities of operating liabilities are as follows:

06/30/24	\$ 9,021,444
06/30/25	7,412,623
06/30/26	5,022,549
06/30/27	3,398,590
Thereafter	5,752,091
Total	<u>\$ 30,607,297</u>

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**OPERATING LEASES** *(continued)*

The following is a summary of operating lease obligations and terms for the year ended June 30, 2024:

Brand	Campus	Lease Commence Date	Lease Expires	Base Rent	NNN Expenses per Lease	T.I. Reimbursement	Gross Rent	Portable: Paid to Vendor not Landlord	Total Rent including Portable
PHS	Foundation School of Autism - San Antonio	2/1/2011	6/30/2028	\$ 7,078.58	\$ 2,665.53		\$ 9,744.11		\$ 9,744.11
PHS	PHS Austin (Wells Branch)	8/1/2017	6/30/2026	\$ 15,000.00	\$ 7,992.76		\$ 22,992.76		\$ 22,992.76
PHS	PHS Austin (South)	7/23/2002	7/31/2025	\$ 18,100.00	\$ 7,150.38		\$ 25,250.38		\$ 25,250.38
PHS	PHS Canyon	7/23/2021	6/30/2026	\$ 5,580.00	\$ 353.40		\$ 5,933.40		\$ 5,933.40
PHS	PHS Corpus Christi	1/11/2021	6/30/2026	\$ 8,167.00	\$ 528.25		\$ 8,695.25		\$ 8,695.25
PHS	PHS Dayton	7/1/2013	6/30/2026	Greater of \$70 per ADA or \$4,000.00	\$ 1,000.00		\$ 5,743.90		\$ 5,743.90
PHS	PHS Del Rio Portables	4/25/2020	3/29/2025	\$ -			\$ -	\$ 1,170.00	\$ 1,170.00
PHS	PHS DeSoto	3/1/2022	6/30/2027	\$ 10,778.75	\$ 2,201.42		\$ 12,980.17		\$ 12,980.17
PHS	PHS El Paso (Mesa)	7/1/2008	6/30/2028	\$ 9,548.17	\$ 1,258.67	\$ (475.37)	\$ 10,331.47		\$ 10,331.47
PHS	PHS El Paso (Eastpointe)	7/31/2020	6/30/2030	\$ 9,020.27	\$ 1,487.15		\$ 10,507.42		\$ 10,507.42
PHS	PHS Fort Worth	6/16/2008	6/30/2026	\$ 9,672.66	\$ 4,227.55		\$ 13,900.21		\$ 13,900.21
PHS	PHS Fort Worth (Jacksboro)	12/15/2021	6/30/2028	\$ 8,348.96	\$ 4,070.00		\$ 12,418.96		\$ 12,418.96
PHS	PHS Fort Worth (Southside)	6/9/2022	7/31/2027	\$ 23,000.00	\$ 1.00		\$ 23,001.00		\$ 23,001.00
PHS	PHS Houston (Greenspoint)	3/24/2023	6/30/2033	\$ 6,726.50		\$ (3,383.74)	\$ 3,342.76		\$ 3,342.76
PHS	PHS Houston (Champions)	4/1/2021	6/30/2026	\$ 8,040.83	\$ 3,112.25	\$ (1,754.36)	\$ 9,398.72		\$ 9,398.72
PHS	PHS Houston (Gallery Furniture-North)	7/15/2020	6/30/2025	Greater of \$75 per ADA or \$6,500.00			\$ 6,500.00		\$ 6,500.00
PHS	PHS Houston (Hobby)	1/8/2021	6/30/2026	\$ 10,000.00	\$ 3,341.50		\$ 13,341.50		\$ 13,341.50
PHS	PHS Houston (Sharpstown)	7/1/2022	6/30/2027	\$ 14,787.00	\$ 5,374.94		\$ 20,161.94		\$ 20,161.94
PHS	PHS Longview	6/1/2022	6/30/2027	\$ 9,000.00	\$ 2,388.00		\$ 11,388.00		\$ 11,388.00
PHS	PHS Lubbock	8/1/2009	6/30/2026	\$ 16,179.00			\$ 16,179.00		\$ 16,179.00
PHS	PHS Lubbock (Briercroft)	10/8/2021	6/30/2027	\$ 8,462.21	\$ 2,999.15		\$ 11,461.36		\$ 11,461.36
PHS	PHS Mesquite	5/19/2022	6/30/2028	\$ 12,409.58	\$ 3,341.04		\$ 15,750.62		\$ 15,750.62
PHS	PHS Midland	8/18/2020	6/30/2026	\$ 7,285.16	\$ 1,998.84		\$ 9,284.00		\$ 9,284.00
PHS	PHS Miracle Farm	9/1/2009	Staffing only / MOU	\$ -			\$ -		\$ -
PHS	PHS New Braunfels	11/1/2009	6/30/2026	\$ 9,808.91	\$ 4,792.76		\$ 14,601.67		\$ 14,601.67
PHS	PHS Palmview	7/1/2009	7/31/2025	\$ 14,000.00	\$ 1,200.00		\$ 15,200.00		\$ 15,200.00
PHS	PHS Palmview Portables	7/17/2020	6/19/2025	\$ -			\$ -	\$ 1,070.00	\$ 1,070.00
PHS	PHS Pflugerville	7/15/2015	6/30/2026	\$ 11,800.00	\$ 1,805.14		\$ 13,605.14		\$ 13,605.14
PHS	PHS San Antonio (Ingram)	4/19/2017	6/30/2029	\$ 15,455.50	\$ 1,052.00		\$ 16,507.50		\$ 16,507.50
PHS	PHS San Antonio (Windcrest)	7/1/2015	6/30/2028	\$ 14,552.08	\$ 5,604.00		\$ 20,156.08		\$ 20,156.08



**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**OPERATING LEASES** *(continued)*

Brand	Campus	Lease Commence Date	Lease Expires	Base Rent	NNN Expenses per Lease	T.I. Reimbursement	Gross Rent	Portable: Paid to Vendor not Landlord	Total Rent including Portable
PHS	PHS San Juan	8/1/2008	6/30/2027	\$ 16,800.00		\$ (729.58)	\$ 16,070.42		\$ 16,070.42
PHS	PHS Texarkana (TX)	7/1/2016	6/30/2026	\$ 11,197.00			\$ 11,197.00		\$ 11,197.00
PHS	PHS Huntsville	2/10/2020	6/30/2025	\$ 8,983.33	\$ 493.68		\$ 9,477.01		\$ 9,477.01
FCA	Denton CA	8/1/2014	6/30/2025	\$ 9,911.20	\$ 1,174.80		\$ 11,086.00		\$ 11,086.00
FCA	Denton CA Portables	5/20/2021	6/30/2025	\$ -			\$ -	\$ 3,450.75	\$ 3,450.75
FCA	El Paso CA	7/1/2020	6/30/2028	Greater of \$65 per ADA or \$7,500.00			\$ 16,398.92		\$ 16,398.92
FCA	FCA Permian Basin	7/2/2013	6/30/2025	\$ 18,078.86	\$ 7,254.83		\$ 25,333.69		\$ 25,333.69
FCA	Plainview CA	12/13/2023	6/30/2033	\$42.50 per ADA			\$ 8,019.75		\$ 8,019.75
ICS	Beaumont Portables (3)	6/17/2021	6/30/2027	\$ -			\$ -	\$ 3,049.50	\$ 3,049.50
ICS	ICS Beaumont	8/15/2011	6/30/2027	\$ 11,500.00			\$ 11,500.00		\$ 11,500.00
ICS	ICS Fallbrook	7/1/2016	6/30/2027	Greater of \$77 per ADA or \$19,250.00			\$ 16,252.39		\$ 16,252.39
ICS	ICS Fort Worth	8/1/2020	6/30/2026	\$ 19,000.00		\$ (1,150.00)	\$ 17,850.00		\$ 17,850.00
ICS	ICS Garland	7/1/2014	6/30/2026	\$ 25,613.33	\$ 1,275.00		\$ 26,888.33		\$ 26,888.33
ICS	ICS Humble		6/30/2028	\$ 25,000.00			\$ 25,000.00		\$ 25,000.00
ICS	ICS Pasadena	7/15/2013	6/30/2026	Greater of \$75 per ADA or \$17,500.00			\$ 17,500.00		\$ 17,500.00
ICS	Neighborhood School (Eastex-Jensen)	7/1/2019	6/30/2025	\$ 4,100.00			\$ 4,100.00		\$ 4,100.00
ICS	Neighborhood School (Westchase)	9/18/2019	7/31/2029	\$ 46,747.00			\$ 46,747.00		\$ 46,747.00
QCA	iSchool Woodlands (LSC University Center)	8/1/2013	7/31/2034	\$ 30,862.92			\$ 30,862.92		\$ 30,862.92
QCA	iSchool Atascocita (LSC)	7/1/2021	6/30/2031	\$ 23,341.50	\$ 8,645.00		\$ 31,986.50		\$ 31,986.50
QCA	iSchool Creekside (LSC)	7/5/2022	6/30/2032	\$ 11,423.75	\$ 4,393.75		\$ 15,817.50		\$ 15,817.50
QCA	iSchool University Park (LSC Visitors Center)	7/1/2021	6/30/2031	\$ 14,806.67		\$ (7,751.30)	\$ 7,055.37		\$ 7,055.37
QCA	iSchool University Park (LSC)	8/22/2011	6/30/2026	\$ 30,570.00			\$ 30,570.00		\$ 30,570.00
QCA	QCA Whitewright	8/16/2021	6/30/2026	Greater of \$65 per ADA or \$1,000.00			\$ 5,358.60		\$ 5,358.60
QCA	QCA Whitewright Portables	6/1/2021	7/8/2026	\$ -			\$ -	\$ 1,881.80	\$ 1,881.80
Land	Corinth	7/26/2018	7/31/2024	\$ 1,250.00			\$ 1,250.00		\$ 1,250.00
Office	Austin - TASA Office	12/1/2015	9/30/2024	\$ 1,127.50	\$ 425.00		\$ 1,552.50		\$ 1,552.50

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**COMMITMENTS AND CONTINGENCIES**

The Organization receives funds through federal programs which are governed by various rules and regulations of the grantor. Expenses charged to the grant program are subject to audit and adjustment by the grantor agency. In the opinion of management, there are no contingent liabilities relating to compliance with rules and regulations governing the grants; therefore, no provision has been made in the accompanying financial statements for such contingencies.

**ECONOMIC DEPENDENCY**

During the year, the Schools received the majority of its revenues from the Texas Education Agency and the Federal Government through a Charter Agreement. The loss of this Charter Agreement would have a material effect on the ability of the Schools to continue to provide the current level of services to its students.

**FUNCTION 61 EXPENSES**

Function 61 (Community Services) expenses of \$782,314 relate to after-school care and other activities outside of regular education services.

**NOTES PAYABLE**

On June 1, 2015, the School issued Series 2015A and 2015B Education Revenue Bonds with a par amount of \$52,150,000 and \$11,815,000, respectively. A portion of the proceeds were used to pay off all existing bank debt of TCPA and Premier at North Star Bank and Bank of America. The remaining proceeds are being used for the construction and updating of educational facilities. The bonds were issued at a premium of \$2,032,953 with an initial interest rate of 5% and 2%, respectively, and a term of 30 years.

On August 1, 2016, the School issued Series 2016 Education Revenue Bonds with a par amount of \$63,820,000. The proceeds are being used for the construction and updating of educational facilities. The bonds were issued at a premium of \$4,209,649 with an initial interest rate of 5% and a term of 30 years.

On June 2, 2013, the Organization purchased a building in Lewisville, TX with an original mortgage amount of \$3,504,124. The monthly payment of \$28,306 includes interest at the rate of 5.25%. The mortgage has a term of 15 years.

On December 16, 2013, the Organization purchased land and a building at 700 Parker Square in Flower Mound, Texas with a mortgage of \$2,295,000 payable in monthly payments of \$18,541 including interest at 5.25%. The mortgage has a term of 15 years.

During the fiscal year ending June 30, 2021, the school issued Series 2021A and 2021B Revenue bonds with a par amount of \$134,805,000 and \$14,830,000, respectively. A portion of the bonds were used to pay off the outstanding line of credit in the amount of \$73,130,095. Series 2021A matures in fiscal years 2044, 2047, and 2052 and Series 2021B matures in fiscal year 2027.

**ResponsiveEd Texas**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTES PAYABLE** *(continued)*

Long-term debt activity for the year ended June 30, 2024, was as follows:

	Balance at 6/30/23	Additions	Retirements	Balance 06/30/24	Current Portion
<b>TCPA</b>					
Series 2015A Education Rev Bonds	\$ 46,555,000	\$ -	\$ (1,290,000)	\$ 45,265,000	\$ 1,355,000
Series 2015B Education Rev Bonds	10,435,000	-	(305,000)	10,130,000	320,000
Series 2016 Education Rev Bonds	56,210,000	-	(1,420,000)	54,790,000	1,495,000
Series 2021A Education Rev Bonds	134,805,000	-	-	134,805,000	-
Series 2021B Bonds	11,910,000	-	(2,935,000)	8,975,000	2,960,000
Sub-Total	259,915,000	-	(5,950,000)	253,965,000	6,130,000
Issuance costs	(3,415,235)	-	180,785	(3,234,450)	224,249
Premium on Bonds Payable	19,307,351	-	(713,975)	18,593,376	(724,898)
Leases Payable	21,167,730	2,536,000	(6,246,730)	17,457,000	2,562,612
Total TCPA	296,974,846	2,536,000	(12,729,920)	286,780,926	8,191,963
<b>Premier High Schools</b>					
Leases Payable	23,509,966	2,330,342	(3,579,320)	22,260,988	2,549,764
Total 501c3	23,509,966	2,330,342	(3,579,320)	22,260,988	2,549,764
<b>501(c)(3)</b>					
Independent Bank (Lakeway)	1,449,115	-	(277,939)	1,171,176	290,533
Independent Bank (700 Parker Sq)	1,000,221	-	(175,628)	824,593	178,638
Total 501c3	2,449,336	-	(453,567)	1,995,769	469,171
<b>Long Term Debt Totals</b>	<b>\$ 322,934,148</b>	<b>\$ 4,866,342</b>	<b>\$ (16,762,807)</b>	<b>\$ 311,037,683</b>	<b>\$ 11,210,898</b>

Future bonds and notes payable requirements are as follows:

June 30,	Principal	Interest	Total
2025	\$ 6,599,171	\$ 9,057,927	\$ 15,657,098
2026	6,803,563	8,843,347	15,646,910
2027	7,024,839	8,611,838	15,636,677
2028	7,382,903	8,315,280	15,698,183
2029	7,345,293	7,962,923	15,308,216
2030-2034	41,490,000	34,639,253	76,129,253
2035-2039	50,330,000	25,732,225	76,062,225
2040-2044	59,790,000	16,206,875	75,996,875
2045-2049	46,605,000	7,005,125	53,610,125
2050-2054	22,590,000	1,144,225	23,734,225
	<u>\$ 255,960,769</u>	<u>\$ 127,519,018</u>	<u>\$ 383,479,787</u>

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**NET ASSETS WITH DONOR RESTRICTIONS**

On June 30, 2024, the Organization had net assets with donor restrictions of \$91,336,683. These funds represent funds that are restricted as to their expendability in certain Federal, State and Local programs. The funds are not free to be expended in any way the Organization desires. The restricted funds at year end are as follows:

State and Federal Programs	\$ 91,336,683
Total	<u>\$ 91,336,683</u>

**501(c)(3) Net Assets Without Donor Restrictions, June 30 2024**

501c3 Net Assets Without Donor Restriction at June 30, 2023	\$ 7,986,525
Net Increase(decrease) for the Year ended June 30, 2024	<u>(122,609)</u>
501c3 Net Assets Without Donor Restriction at June 30, 2024	<u>\$ 7,863,916</u>

**CASH DEPOSIT RISK**

The Organization's bank holds collateral to insure bank deposit balances of all state and federal funds that exceed Federal Deposit Insurance Corporation (FDIC) limits. On June 30, 2024, local fund deposit balances were fully covered by FDIC insurance and collateralization held by the bank.

**RELATED PARTY TRANSACTIONS**

**Administrative Fees**

For the year ended June 30, 2024, TCPA paid \$8,242,568 and Premier paid \$6,792,087 in administrative fees to ResponsiveEd Texas, the 501(c)(3) charter holder. The fees are unrestricted in nature to the 501(c)(3). These numbers have been eliminated from the combined Statement of Activities on pages 6 & 7.

**Subsidiary Rental Income & Expense**

For the year ended June 30, 2024, PHS paid \$714,884 of rent expense to TCPA. The funds are unrestricted in nature. These numbers have been eliminated from the combined Statement of Activities on pages 6 & 7.

**Purchase of Curriculum Rights**

The Organization develops and owns web-based, paper-based, and/or electronic education or staff training materials for use by staff and students in K-12 public schools ("Public School Curriculum). Effective July 1, 2024, the Organization entered into an Intellectual Property Bill of Sale and Assignment arrangement with Responsive Education Solutions (RES), a related party, to assign, transfer, set over, and deliver to RES all of the Organization's right, title, and interest in and to the Public School Curriculum and including any current physical inventory in the Organization's possession that has not been deployed for campus use. The Public School Curriculum was valued at \$6,054,000. As of June 30, 2024, the Organization received approximately \$5,500,000 from its related party for the purchase of the Public School Curriculum. The bill of sale and assignment was not finalized by the fiscal year end. Therefore, the proceeds were recorded as deferred revenue as of June 30, 2024.

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**RELATED PARTY TRANSACTIONS** *(continued)*

**Charter Management Fees**

A charter management agreement between ResponsiveEd Texas and Blue Learning, a related 501(c)(3) organization, and approved by Texas Education Agency, became effective July 1, 2020. Under the terms of the agreement a percentage of the state revenues received by ResponsiveEd Texas are paid to Blue Learning for administrative and other support services provided by Blue Learning. Total charter management fee expense for the year ended June 30, 2024 amounted to \$20,152,869.

**Notes Receivable**

The portion of other assets shown in the financial statement position consists of two notes receivable from ResponsiveEd Arkansas for total of \$1,678,382. These notes are to be paid monthly. The monthly payments are \$15,726, and these notes will be fully paid off in July 2032.

**LIQUIDITY AND AVAILABILITY**

The Organization relies on state aid and federal grants to meet general expenditures related to operations. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of education, as well as the conduct of services undertaken to support those activities, to be general expenditures. As part of the Organization liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due or as additional funding opportunities are presented by maintaining a significant portion of its assets in cash. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of June 30, 2024 are as follows:

Cash & Cash Equivalents	\$ 114,375,395
Due from Grantor Agencies	46,523,989
Receivables	<u>493,245</u>
Total Financial Assets	161,392,629
Less: Contractually Restricted	<u>(91,336,683)</u>
	<u><u>\$ 70,055,946</u></u>

**BEAUMONT ISD PARTNERSHIP**

Beaumont ISD partnership ended on June 30, 2023. As a result, 501(c)(3) no longer shows activities on Beaumont ISD for the fiscal year ended June 30, 2024.

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**TRS ON BEHALF**

Direct payments made by a paying entity on behalf of another, legally separate entity (employer entity) to a third-party recipient which relate to fringe benefits or salaries (“on-behalf payments”) must be recognized as revenues and expenditures/expenses by the recipient employer entity. As a result, payments (contributions) made by the state (the “paying entity”) to the TRS (the third-party recipient) on behalf of a charter school (an “employer entity”) must be recorded as equal revenues and expenditures/expenses of the charter school.

For fiscal year 2024, the Organization recognized \$10,119,475 related to TRS on-behalf payments. The breakdown of the expense by function and charter as well as the revenue per charter is as follows:

Function	501(c)(3)	TCPA	PHS	Total
11 Instruction	\$ 10,341	\$ 4,703,879	\$ 1,676,419	\$ 6,390,639
13 Curriculum Dev. & Instructional Staff Dev.	167,793	17,558	10,644	195,995
21 Instructional Leadership	333,089	22,336	49,655	405,080
23 School Leadership	21,339	1,301,083	686,188	2,008,610
31 Guidance, Counseling & Evaluation Services	-	77,093	31,344	108,437
33 Health Services	-	103,754	2,868	106,622
35 Food Services	11,228	50,497	26,773	88,498
36 Cocurricular/Extracurricular Activities	-	29	-	29
41 General Administration	425,645	-	-	425,645
51 Plant Maintenance & Operations	150,882	598	-	151,480
52 Security & Monitoring Services	3,363	7,096	-	10,459
53 Data Processing Services	163,721	19,331	13,431	196,483
61 Community Services	-	24,723	-	24,723
81 Fundraising	6,775	-	-	6,775
<b>Total</b>	<u>1,294,176</u>	<u>6,327,977</u>	<u>2,497,322</u>	<u>10,119,475</u>
Revenue				
5831 TRS on Behalf	<u>1,294,176</u>	<u>6,327,977</u>	<u>2,497,322</u>	<u>10,119,475</u>
<b>Total</b>	<u>1,294,176</u>	<u>6,327,977</u>	<u>2,497,322</u>	<u>10,119,475</u>
<b>Net Revenue &amp; Expense</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NATURAL CLASSIFICATION OF EXPENSES**

The natural classification of consolidated total expenses is as follows:

	Consolidated Total
<b>EXPENSES &amp; OTHER LOSSES</b>	
6100 Payroll Costs	\$ 165,552,045
6200 Professional & Contracted Services	66,198,842
6300 Supplies & Materials	16,138,325
6400 Other Operating Costs	21,547,327
6500 Debt Expense	8,939,215
	<u>\$ 278,375,754</u>

**ResponsiveEd Texas**  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through November 8, 2024, the date which the financial statements were available to be issued.

Subsequent to June 30, 2024, the Public School Curriculum bill of sale and assignment was finalized. The Organization's Public School Curriculum was recognized as revenue at a fair value of \$6,050,000. Effective July 1, 2024, the Organization entered into a license arrangement with a related party to receive 25 percent of the retail price of the Public School Curriculum until June 30, 2029.

The Organization entered into a new charter for its Texas Works business. The Organization was given approval for an additional charter entitled Texas Works beginning in the 2024-2025 fiscal year. Texas Works is a tuition-free diploma and career program that provides adults ages 18-50 the chance to reclaim their future by earning a high school diploma, a career certificate, and a direct pipeline to employment while breaking down barriers for those looking to balance the demands of parenting and schooling with resources like on-site childcare. Texas Works currently has 23 locations co-located with existing Premier High School campuses.

*This page was left blank intentionally.*



## **COMBINING SCHEDULES**

**ResponsiveEd Texas**  
**Statement of Financial Position by Entity**  
**June 30, 2024**

	Texas College Preparatory Academies	Premier High Schools	501(c)(3)	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 74,935,748	\$ 34,777,434	\$ 4,662,213	\$ 114,375,395
Due from State and Federal Agencies	27,977,666	18,409,318	137,005	46,523,989
Other Receivables	264,399	108,575	120,271	493,245
Receivables from Related Parties	-	-	45,463	45,463
Inventory	-	-	201,706	201,706
Prepaid Expenses	401,040	383,952	152,322	937,314
Total Current Assets	<u>103,578,853</u>	<u>53,679,279</u>	<u>5,318,980</u>	<u>162,577,112</u>
Property & Equipment:				
Land	49,970,446	5,643,455	2,127,160	57,741,061
Building & Improvements	227,390,130	25,937,711	12,042,883	265,370,724
Vehicles	17,471	15,000	188,903	221,374
Furniture & Equipment	11,016,026	2,501,597	1,015,551	14,533,174
Leasehold Improvements	1,762,030	8,610,214	-	10,372,244
Construction in Progress	18,314,081	41,351	-	18,355,432
Accumulated Depreciation	(41,699,137)	(9,899,258)	(4,031,012)	(55,629,407)
Total Property & Equipment	<u>266,771,047</u>	<u>32,850,070</u>	<u>11,343,485</u>	<u>310,964,602</u>
Other Assets:				
Right-of-use Assets	17,066,207	21,717,792	-	38,783,999
Other Assets	313,854	317,848	1,513,072	2,144,774
Total Other Assets	<u>17,380,061</u>	<u>22,035,640</u>	<u>1,513,072</u>	<u>40,928,773</u>
Total Assets	<u>\$ 387,729,961</u>	<u>\$ 108,564,989</u>	<u>\$ 18,175,537</u>	<u>\$ 514,470,487</u>

**ResponsiveEd Texas**  
Statement of Financial Position by Entity  
June 30, 2024  
*(continued)*

	Texas College Preparatory Academies	Premier High Schools	501(c)(3)	Total
<b>LIABILITIES &amp; NET ASSETS</b>				
Current Liabilities:				
Accounts Payable	\$ 3,124,101	\$ 612,836	\$ 365,948	\$ 4,102,885
Other Payables	-	-	451,017	451,017
Accrued Payroll	8,577,504	3,959,627	1,946,648	14,483,779
Accrued Interest	3,611,234	-	-	3,611,234
Accrued Expenses	3,405,027	1,060,383	52,239	4,517,649
Current Portion of Long Term Debt	8,191,963	2,549,764	469,171	11,210,898
Deferred Revenue	984,769	-	5,500,000	6,484,769
Total Current Liabilities	<u>27,894,598</u>	<u>8,182,610</u>	<u>8,785,023</u>	<u>44,862,231</u>
Long-Term Liabilities:				
Bonds Payable	263,694,575	-	-	263,694,575
Notes Payable	-	-	1,526,598	1,526,598
Leases Payable	14,894,388	19,711,224	-	34,605,612
Total Long Term Liabilities	<u>278,588,963</u>	<u>19,711,224</u>	<u>1,526,598</u>	<u>299,826,785</u>
Net Assets:				
Without Donor Restrictions	38,451,194	32,129,678	7,863,916	78,444,788
With Donor Restrictions	42,795,206	48,541,477	-	91,336,683
Total Net Assets	<u>81,246,400</u>	<u>80,671,155</u>	<u>7,863,916</u>	<u>169,781,471</u>
Total Liabilities & Net Assets	<u>\$ 387,729,961</u>	<u>\$ 108,564,989</u>	<u>\$ 18,175,537</u>	<u>\$ 514,470,487</u>

**ResponsiveEd Texas**  
Statement of Activities by Entity  
For the Year Ended June 30, 2024

	Texas College Preparatory Academies		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE &amp; OTHER SUPPORT</b>			
Local Support:			
5742 Interest Income	\$ 4,400,754	\$ -	\$ 4,400,754
5743 Rent Income	222,276	-	222,276
5744 Gifts & Bequests	670,401	-	670,401
5748 Curriculum Sales	-	-	-
5749 Other Revenue	3,151,202	-	3,151,202
5751 Food Service Fees	847,838	-	847,838
5753 Cocurricular Activities	23,547	-	23,547
5755 Enterprising Services Revenue	405	-	405
5759 Cocurricular Enterprising Services	9,456	-	9,456
Total Local Support	9,325,879	-	9,325,879
State Program Revenues:			
5811 Per Capita Apportionment	-	6,428,365	6,428,365
5812 State Foundation Program	-	155,743,850	155,743,850
5829 Other State Revenue	-	2,302,364	2,302,364
5831 TRS on Behalf	-	6,327,977	6,327,977
Total State Program Revenues	-	170,802,556	170,802,556
Federal Program Revenues:			
5921 Breakfast Program	-	674,761	674,761
5922 National School Lunch	-	2,561,296	2,561,296
5923 Donated Commodities	-	116,884	116,884
5929 Title I, Part A	-	1,484,586	1,484,586
5929 IDEA-Part B Formula	-	1,927,636	1,927,636
5929 IDEA-Part B Formula ARP	-	291,350	291,350
5929 Title II, Part A	-	368,003	368,003
5929 Charter Schools	-	739,815	739,815
5929 Title III, Part A, ELA	-	132,387	132,387
5929 Title IV Part A	-	223,445	223,445
5949 E-rate - Schools & Libraries USF	-	88,283	88,283
5929 Miscellaneous Federal Funds	-	190,565	190,565
5929 COVID-19 ESSER III	-	1,899,826	1,899,826
Total Federal Program Revenues	-	10,698,837	10,698,837
Net Assets Released from Restrictions	181,501,393	(181,501,393)	-
Total Revenue & Other Support	190,827,272	-	190,827,272

**ResponsiveEd Texas**  
Statement of Activities by Entity  
For the Year Ended June 30, 2024  
*(continued)*

	Premier High Schools		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE &amp; OTHER SUPPORT</b>			
Local Support:			
5742 Interest Income	\$ 1,336,168	\$ -	\$ 1,336,168
5743 Rent Income	-	-	-
5744 Gifts & Bequests	38,359	-	38,359
5748 Curriculum Sales	-	-	-
5749 Other Revenue	98,801	-	98,801
5751 Food Service Fees	4,397	-	4,397
5753 Cocurricular Activities	-	-	-
5755 Enterprising Services Revenue	-	-	-
5759 Cocurricular Enterprising Services	-	-	-
Total Local Support	1,477,725	-	1,477,725
State Program Revenues:			
5811 Per Capita Apportionment	-	2,446,980	2,446,980
5812 State Foundation Program	-	74,658,844	74,658,844
5829 Other State Revenue	-	971,315	971,315
5831 TRS on Behalf	-	2,497,322	2,497,322
Total State Program Revenues	-	80,574,461	80,574,461
Federal Program Revenues:			
5921 Breakfast Program	-	267,615	267,615
5922 National School Lunch	-	625,784	625,784
5923 Donated Commodities	-	8,811	8,811
5929 Title I, Part A	-	1,236,068	1,236,068
5929 IDEA-Part B Formula	-	896,158	896,158
5929 IDEA-Part B Formula ARP	-	139,042	139,042
5929 Title II, Part A	-	161,542	161,542
5929 Charter Schools	-	5,438,367	5,438,367
5929 Title III, Part A, ELA	-	38,397	38,397
5929 Title IV Part A	-	102,131	102,131
5949 E-rate - Schools & Libraries USF	-	90,558	90,558
5929 Miscellaneous Federal Funds	-	118,436	118,436
5929 COVID-19 ESSER III	-	1,000,022	1,000,022
Total Federal Program Revenues	-	10,122,931	10,122,931
Net Assets Released from Restrictions	82,493,048	(82,493,048)	-
Total Revenue & Other Support	83,970,773	8,204,344	92,175,117

**ResponsiveEd Texas**  
Statement of Activities by Entity  
For the Year Ended June 30, 2024  
*(continued)*

	501(c)(3)		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE &amp; OTHER SUPPORT</b>			
Local Support:			
5742 Interest Income	\$ 147,590	\$ -	\$ 147,590
5743 Rent Income	1,009,774	-	1,009,774
5744 Gifts & Bequests	3,572,191	-	3,572,191
5748 Curriculum Sales	740,637	-	740,637
5749 Other Revenue	15,124,918	-	15,124,918
5751 Food Service Fees	-	-	-
5753 Cocurricular Activities	-	-	-
5755 Enterprising Services Revenue	-	-	-
5759 Cocurricular Enterprising Services	-	-	-
Total Local Support	<u>20,595,110</u>	<u>-</u>	<u>20,595,110</u>
State Program Revenues:			
5811 Per Capita Apportionment	-	-	-
5812 State Foundation Program	-	-	-
5829 Other State Revenue	-	-	-
5831 TRS on Behalf	-	1,294,176	1,294,176
Total State Program Revenues	<u>-</u>	<u>1,294,176</u>	<u>1,294,176</u>
Federal Program Revenues:			
5921 Breakfast Program	-	-	-
5922 National School Lunch	-	-	-
5923 Donated Commodities	-	-	-
5929 Title I, Part A	-	-	-
5929 IDEA-Part B Formula	-	-	-
5929 IDEA-Part B Formula ARP	-	-	-
5929 Title II, Part A	-	-	-
5929 Charter Schools	-	2,161,614	2,161,614
5929 Title III, Part A, ELA	-	-	-
5929 Title IV Part A	-	-	-
5949 E-rate - Schools & Libraries USF	-	-	-
5929 Miscellaneous Federal Funds	-	-	-
5929 COVID-19 ESSER III	-	-	-
Total Federal Program Revenues	<u>-</u>	<u>2,161,614</u>	<u>2,161,614</u>
Net Assets Released from Restrictions	<u>3,455,790</u>	<u>(3,455,790)</u>	<u>-</u>
Total Revenue & Other Support	<u>24,050,900</u>	<u>-</u>	<u>24,050,900</u>

**ResponsiveEd Texas**  
Statement of Activities by Entity  
For the Year Ended June 30, 2024  
*(continued)*

	TOTAL		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE &amp; OTHER SUPPORT</b>			
Local Support:			
5742 Interest Income	\$ 5,884,512	\$ -	\$ 5,884,512
5743 Rent Income	1,232,050	-	1,232,050
5744 Gifts & Bequests	4,280,951	-	4,280,951
5748 Curriculum Sales	740,637	-	740,637
5749 Other Revenue	18,374,921	-	18,374,921
5751 Food Service Fees	852,235	-	852,235
5753 Cocurricular Activities	23,547	-	23,547
5755 Enterprising Services Revenue	405	-	405
5759 Cocurricular Enterprising Services	9,456	-	9,456
Total Local Support	31,398,714	-	31,398,714
State Program Revenues:			
5811 Per Capita Apportionment	-	8,875,345	8,875,345
5812 State Foundation Program	-	230,402,694	230,402,694
5829 Other State Revenue	-	3,273,679	3,273,679
5831 TRS on Behalf	-	10,119,475	10,119,475
Total State Program Revenues	-	252,671,193	252,671,193
Federal Program Revenues:			
5921 Breakfast Program	-	942,376	942,376
5922 National School Lunch	-	3,187,080	3,187,080
5923 Donated Commodities	-	125,695	125,695
5929 Title I, Part A	-	2,720,654	2,720,654
5929 IDEA-Part B Formula	-	2,823,794	2,823,794
5929 IDEA-Part B Formula ARP	-	430,392	430,392
5929 Title II, Part A	-	529,545	529,545
5929 Charter Schools	-	8,339,796	8,339,796
5929 Title III, Part A, ELA	-	170,784	170,784
5929 Title IV Part A	-	325,576	325,576
5949 E-rate - Schools & Libraries USF	-	178,841	178,841
5929 Miscellaneous Federal Funds	-	309,001	309,001
5929 COVID-19 ESSER III	-	2,899,848	2,899,848
Total Federal Program Revenues	-	22,983,382	22,983,382
Net Assets Released from Restrictions	267,450,231	(267,450,231)	-
Total Revenue & Other Support	298,848,945	8,204,344	307,053,289

**ResponsiveEd Texas**  
Statement of Activities by Entity  
For the Year Ended June 30, 2024  
*(continued)*

	Texas College Preparatory Academies		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENSES</b>			
11 Instruction	103,153,462	-	103,153,462
12 Instructional Resources & Media Services	362	-	362
13 Curriculum Dev. & Instructional Staff Dev.	6,711,032	-	6,711,032
21 Instructional Leadership	5,685,273	-	5,685,273
23 School Leadership	19,600,916	-	19,600,916
31 Guidance, Counseling & Evaluation Services	1,995,480	-	1,995,480
33 Health Services	1,716,797	-	1,716,797
34 Student (Pupil) Transportation	1,150	-	1,150
35 Food Services	4,248,428	-	4,248,428
36 Cocurricular/Extracurricular Activities	1,549,544	-	1,549,544
41 General Administration	8,636,046	-	8,636,046
51 Plant Maintenance & Operations	18,942,432	-	18,942,432
52 Security & Monitoring Services	1,423,829	-	1,423,829
53 Data Processing Services	3,093,255	-	3,093,255
71 Debt Service	8,783,389	-	8,783,389
81 Fundraising	1,374,170	-	1,374,170
Total Expenses	186,915,565	-	186,915,565
Change in Net Assets from Operations	3,911,707	-	3,911,707
61 Community Services	543,171	-	543,171
Increase/(decrease) in Net Assets	3,368,536	-	3,368,536
Net Assets, Beginning of Year	35,082,658	42,795,206	77,877,864
Net Assets, End of Year	\$ 38,451,194	\$ 42,795,206	\$ 81,246,400



**ResponsiveEd Texas**  
Statement of Activities by Entity  
For the Year Ended June 30, 2024  
*(continued)*

	Premier High Schools		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENSES</b>			
11 Instruction	41,353,111	-	41,353,111
12 Instructional Resources & Media Services	554	-	554
13 Curriculum Dev. & Instructional Staff Dev.	4,809,137	-	4,809,137
21 Instructional Leadership	3,218,580	-	3,218,580
23 School Leadership	11,413,612	-	11,413,612
31 Guidance, Counseling & Evaluation Services	740,500	-	740,500
33 Health Services	215,505	-	215,505
34 Student (Pupil) Transportation	23,523	-	23,523
35 Food Services	1,125,438	-	1,125,438
36 Cocurricular/Extracurricular Activities	25,707	-	25,707
41 General Administration	5,273,784	-	5,273,784
51 Plant Maintenance & Operations	8,243,311	-	8,243,311
52 Security & Monitoring Services	786,204	-	786,204
53 Data Processing Services	1,995,765	-	1,995,765
71 Debt Service	11,656	-	11,656
81 Fundraising	3,032,502	-	3,032,502
Total Expenses	82,268,889	-	82,268,889
Change in Net Assets from Operations	1,701,884	8,204,344	9,906,228
61 Community Services	224,159	-	224,159
Increase/(decrease) in Net Assets	1,477,725	8,204,344	9,682,069
Net Assets, Beginning of Year	30,651,953	40,337,133	70,989,086
Net Assets, End of Year	\$ 32,129,678	\$ 48,541,477	\$ 80,671,155

**ResponsiveEd Texas**  
Statement of Activities by Entity  
For the Year Ended June 30, 2024  
*(continued)*

	501(c)(3)		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENSES</b>			
11 Instruction	533,944	-	533,944
12 Instructional Resources & Media Services	-	-	-
13 Curriculum Dev. & Instructional Staff Dev.	914,482	-	914,482
21 Instructional Leadership	4,848,357	-	4,848,357
23 School Leadership	334,074	-	334,074
31 Guidance, Counseling & Evaluation Services	518,742	-	518,742
33 Health Services	8,096	-	8,096
34 Student (Pupil) Transportation	-	-	-
35 Food Services	184,409	-	184,409
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	7,998,146	-	7,998,146
51 Plant Maintenance & Operations	4,070,624	-	4,070,624
52 Security & Monitoring Services	61,261	-	61,261
53 Data Processing Services	3,840,084	-	3,840,084
71 Debt Service	144,169	-	144,169
81 Fundraising	702,137	-	702,137
Total Expenses	<u>24,158,525</u>	<u>-</u>	<u>24,158,525</u>
Change in Net Assets from Operations	(107,625)	-	(107,625)
61 Community Services	14,984	-	14,984
Increase/(decrease) in Net Assets	<u>(122,609)</u>	<u>-</u>	<u>(122,609)</u>
Net Assets, Beginning of Year	<u>7,986,525</u>	<u>-</u>	<u>7,986,525</u>
Net Assets, End of Year	<u>\$ 7,863,916</u>	<u>\$ -</u>	<u>\$ 7,863,916</u>

**ResponsiveEd Texas**  
Statement of Activities by Entity  
For the Year Ended June 30, 2024  
*(continued)*

	TOTAL		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>EXPENSES</b>			
11 Instruction	145,040,517	-	145,040,517
12 Instructional Resources & Media Services	916	-	916
13 Curriculum Dev. & Instructional Staff Dev.	12,434,651	-	12,434,651
21 Instructional Leadership	13,752,210	-	13,752,210
23 School Leadership	31,348,602	-	31,348,602
31 Guidance, Counseling & Evaluation Services	3,254,722	-	3,254,722
33 Health Services	1,940,398	-	1,940,398
34 Student (Pupil) Transportation	24,673	-	24,673
35 Food Services	5,558,275	-	5,558,275
36 Cocurricular/Extracurricular Activities	1,575,251	-	1,575,251
41 General Administration	21,907,976	-	21,907,976
51 Plant Maintenance & Operations	31,256,367	-	31,256,367
52 Security & Monitoring Services	2,271,294	-	2,271,294
53 Data Processing Services	8,929,104	-	8,929,104
71 Debt Service	8,939,214	-	8,939,214
81 Fundraising	5,108,809	-	5,108,809
Total Expenses	293,342,979	-	293,342,979
Change in Net Assets from Operations	5,505,966	8,204,344	13,710,310
61 Community Services	782,314	-	782,314
Increase/(decrease) in Net Assets	4,723,652	8,204,344	12,927,996
Net Assets, Beginning of Year	73,721,136	83,132,339	156,853,475
Net Assets, End of Year	\$ 78,444,788	\$ 91,336,683	\$ 169,781,471

**ResponsiveEd Texas**  
**Statement of Cash Flows by Entity**  
**For the Year Ended June 30, 2024**

	Texas College Preparatory Academies	Premier High Schools	501(c)(3)	TOTAL
Cash Flows from Operating Activities:				
Cash from Local Sources	\$ 10,382,866	\$ 1,563,570	\$ 20,872,952	\$ 32,819,388
Cash from State Programs	170,429,580	77,280,545	1,294,176	249,004,301
Cash from Federal Programs	18,086,814	15,102,955	2,233,991	35,423,760
Cash Paid to Suppliers	(68,665,274)	(38,907,376)	(7,899,861)	(115,472,511)
Cash Paid to Employees	(107,277,921)	(44,090,106)	(17,047,122)	(168,415,149)
Cash Paid for Interest	(9,305,052)	(11,656)	(144,169)	(9,460,877)
Net Cash Provided by/(Used in) Operating Activities	<u>13,651,013</u>	<u>10,937,932</u>	<u>(690,033)</u>	<u>23,898,912</u>
Cash Flows from Investing Activities:				
Purchase of Capital Assets	(20,247,438)	(2,036,888)	(54,810)	(22,339,136)
Net Cash Provided by/(Used in) Investing Activities	<u>(20,247,438)</u>	<u>(2,036,888)</u>	<u>(54,810)</u>	<u>(22,339,136)</u>
Cash Flows from Financing Activities:				
Payments on Debt	(5,950,000)	-	(453,567)	(6,403,567)
Net Cash Provided by/(Used in) Financing Activities	<u>(5,950,000)</u>	<u>-</u>	<u>(453,567)</u>	<u>(6,403,567)</u>
Net Increase/(Decrease) in Cash	(12,546,425)	8,901,044	(1,198,410)	(4,843,791)
Cash at Beginning of Year	<u>87,482,173</u>	<u>25,876,390</u>	<u>5,860,623</u>	<u>119,219,186</u>
Cash at End of Year	<u>\$ 74,935,748</u>	<u>\$ 34,777,434</u>	<u>\$ 4,662,213</u>	<u>\$ 114,375,395</u>

**Reconciliation of Change in Net Assets to Net Cash Provided by/(Used in) Operating Activities**

Change in Net Assets	\$ 3,368,536	\$ 9,682,069	\$ (122,609)	\$ 12,927,996
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by/(Used in) by Operating Activities:				
Depreciation	7,333,995	1,750,829	505,586	9,590,410
Amortization of right-of-use assets	6,400,755	3,590,976	-	9,991,731
Amortization of bond premium and discount	(533,190)	-	-	(533,190)
(Increase)/Decrease in Operating Assets:				
Due from State and Federal Agencies	7,015,001	1,686,108	72,377	8,773,486
Other Receivables	(196,899)	86,164	259,294	148,559
Receivables from Other Charters	-	-	1,408,494	1,408,494
Prepaid Expenses	427,082	530,027	145,193	1,102,302
Other Assets	269,117	(319)	(1,389,946)	(1,121,148)
Increase/(Decrease) in Operating Liabilities:				
Accounts Payable	546,514	(308,869)	(198,573)	39,072
Other Payables	-	-	451,017	451,017
Accrued Payroll	(1,436,209)	(734)	(1,426,161)	(2,863,104)
Accrued Interest	11,527	-	-	11,527
Accrued Expenses	(4,293,255)	(2,498,999)	(394,705)	(7,186,959)
Deferred Revenue	984,769	-	-	984,769
Leases Liabilities	(6,246,730)	(3,579,320)	-	(9,826,050)
Net Adjustments	<u>10,282,477</u>	<u>1,255,863</u>	<u>(567,424)</u>	<u>10,970,916</u>
Net Cash Provided by/(Used in) Operating Activities	<u>\$ 13,651,013</u>	<u>\$ 10,937,932</u>	<u>\$ (690,033)</u>	<u>\$ 23,898,912</u>

*This page was left blank intentionally.*

## **REQUIRED TEA SCHEDULES**

**ResponsiveEd Texas**  
Statement of Expenses by Charter  
For the Year Ended June 30, 2024

	Texas		
	College		
	Preparatory	Premier	
	Academies	High Schools	Total
<b>EXPENSES &amp; OTHER LOSSES</b>			
6100 Payroll Costs	\$ 105,841,712	\$ 44,089,372	\$ 149,931,084
6200 Professional & Contracted Services	48,656,622	28,414,258	77,070,880
6300 Supplies & Materials	10,666,843	4,164,731	14,831,574
6400 Other Operating Costs	13,510,170	5,813,031	19,323,201
6500 Debt Expense	8,783,389	11,656	8,795,045
	<u>\$ 187,458,736</u>	<u>\$ 82,493,048</u>	<u>\$ 269,951,784</u>

**ResponsiveEd Texas**  
Schedule of Assets by Charter  
For the Year Ended June 30, 2024

	Texas College Preparatory Academies			
	Ownership Interest			Total
	Local	State	Federal	
<b>CAPITAL ASSETS</b>				
1100 Cash	\$ -	\$ 74,935,748	\$ -	\$ 74,935,748
1510 Land	-	49,970,446	-	49,970,446
1520 Buildings & Improvements	-	227,390,130	-	227,390,130
1521 Construction in Progress	-	18,314,081	-	18,314,081
1531 Vehicles	-	17,471	-	17,471
1539 Furniture & Equipment	-	11,016,026	-	11,016,026
1550 Leasehold Improvements	-	1,762,030	-	1,762,030
Total Capital Assets	<u>\$ -</u>	<u>\$ 383,405,932</u>	<u>\$ -</u>	<u>\$ 383,405,932</u>



**ResponsiveEd Texas**  
Schedule of Assets by Charter  
For the Year Ended June 30, 2024  
*(continued)*

	Premier High Schools			
	Ownership Interest			Total
	Local	State	Federal	
<b>CAPITAL ASSETS</b>				
1100 Cash	\$ -	\$ 34,777,434	\$ -	\$ 34,777,434
1510 Land	-	5,643,455	-	5,643,455
1520 Buildings & Improvements	-	25,937,711	-	25,937,711
1521 Construction in Progress	-	41,351	-	41,351
1531 Vehicles	-	15,000	-	15,000
1539 Furniture & Equipment	-	2,501,597	-	2,501,597
1550 Leasehold Improvements	-	8,610,214	-	8,610,214
Total Capital Assets	<u>\$ -</u>	<u>\$ 77,526,762</u>	<u>\$ -</u>	<u>\$ 77,526,762</u>

**ResponsiveEd Texas**  
Schedule of Related Party Transactions, Compensation and Benefits  
ResponsiveEd Texas  
For the Year Ended June 30, 2024

Description of Terms and/or Name of Relation to the Related Party	ResponsiveEd Texas 501(c)(3) Non-Profit Charter Holder					Blue Learning 501(c)(3) Non-Profit Organization			
	Relationship	Source of Funds Used	Payment Frequency	Total Salary & Benefits	Termination Date	Total Salary & Benefits	Termination Date	Transaction Received (Paid)	Transaction Balance Owed (Due)
<sup>1</sup> Fees for CMO and Related Services: Fees for Texas College Preparatory Academies (221801) Fees for Premier High Schools (072801) Summer Reading Program Licensing Fees paid to ResponsiveEd Texas Reimbursement of Contracted Services Student Information System License & Service Fees Rental Fees paid to ResponsiveEd Texas Reimbursement of Various Expenses Donation to ResponsiveEd Texas	State		Quarterly					12,469,270 5,956,123 26,826 337,398 226,845 280,047	1,060,484 742,993
Charles Cook	CEO/ Superintendent	N/A	N/A	343,918					
Jason Bernal	Brand Superintendent	N/A	Monthly	112,072					
Michael Griffin	Brand Superintendent	N/A	Monthly	87,326					
Ericka Johnson	Brand Superintendent	N/A	Monthly	116,428					
<b>TOTAL</b>				<b>659,744</b>		<b>-</b>		<b>19,296,509</b>	<b>1,803,477</b>

**Notes:**

<sup>1</sup> The Charter Management Organization Agreements (CM) Agreements) for Texas College Preparatory Academies (221801) and Premier High Schools (072801) were approved by TEA on January 6, 2021.

**ResponsiveEd Texas**  
ated Party Transactions, Compensation and Benefits  
**ResponsiveEd Texas**  
For the Year Ended June 30, 2024  
*(continued)*

Bright Thinker				Responsive Education Solutions 501(c)(3) Non-Profit Organization			
Description of Terms and/or Name of Relation to the Related Party	Total Salary & Benefits	Transaction Received (Paid)	Transaction Balance Owed (Due)	Relationship	Total Salary & Benefits	Transaction Received (Paid)	Transaction Balance Owed (Due)
<sup>1</sup> Fees for CMO and Related Services: Fees for Texas College Preparatory Academies (221801) Fees for Premier High Schools (072801) Summer Reading Program Licensing Fees paid to ResponsiveEd Texas Reimbursement of Contracted Services Student Information System License & Service Fees Rental Fees paid to ResponsiveEd Texas Reimbursement of Various Expenses Donation to ResponsiveEd Texas		(493,556)	(117,086)				
		(44,275)				(298,836)	
						(3,500,000)	
Charles Cook				Board Member/ CEO	146,510		
Jason Bernal				Brand Superintendent	53,129		
Michael Griffin				Brand Superintendent	38,142		
Ericka Johnson				Brand Superintendent	7,821		
<b>TOTAL</b>	-	(537,831)	(117,086)		<b>245,602</b>	<b>(3,798,836)</b>	-

**Notes:**

1 The Charter Management Organization Agreements (CM) Agreements) for Texas College Preparatory Academies (221801) and Premier High Schools (072801) were approved by TEA on January 6, 2021.

**ResponsiveEd Texas**  
Schedule of Related Party Transactions, Compensation and Benefits  
Charter Schools  
For the Year Ended June 30, 2024

Texas College Preparatory Academies														
Description of Terms and/or Name of Relation to the Related Party	ResponsiveEd Texas 501(c)(3) Non-Profit Charter Holder				Blue Learning 501(c)(3) Non-Profit Organization				Bright Thinker			Responsive Education Solutions 501(c)(3) Non-Profit Organization		
	Source of Funds Used	Payment Frequency	Total Salary & Benefits	Termination Date	Total Salary & Benefits	Termination Date	Transaction Received (Paid)	Transaction Balance Owed (Due)	Total Salary & Benefits	Transaction Received (Paid)	Transaction Balance Owed (Due)	Total Salary & Benefits	Transaction Received (Paid)	Transaction Balance Owed (Due)
1 Fees for CMO and Related Services: Fees for Texas College Preparatory Academies (221801)	State	Quarterly					12,469,270	1,060,484						
Reimbursement of Contracted Services	N/A	One Time					61,671							
Student Information System License & Service Fees	N/A	Quarterly					49,773							
Reimbursement of Various Expenses	N/A	Monthly					85,056							
<b>TOTAL</b>			-		-		12,665,770	1,060,484	-	-	-	-	-	-

**Notes:**

- 1 The Charter Management Organization Agreements (CM) Agreements for Texas College Preparatory Academies (221801) and Premier High Schools (072801) were approved by TEA on January 6, 2021.

Premier High Schools														
Description of Terms and/or Name of Relation to the Related Party	ResponsiveEd Texas 501(c)(3) Non-Profit Charter Holder				Blue Learning 501(c)(3) Non-Profit Organization				Bright Thinker			Responsive Education Solutions 501(c)(3) Non-Profit Organization		
	Source of Funds Used	Payment Frequency	Total Salary & Benefits	Termination Date	Total Salary & Benefits	Termination Date	Transaction Received (Paid)	Transaction Balance Owed (Due)	Total Salary & Benefits	Transaction Received (Paid)	Transaction Balance Owed (Due)	Total Salary & Benefits	Transaction Received (Paid)	Transaction Balance Owed (Due)
1 Fees for CMO and Related Services: Fees for Premier High Schools (072801)	State	Quarterly					5,956,123	742,993						
Reimbursement of Contracted Services	N/A	One Time					49,337							
Student Information System License & Service Fees	N/A	Quarterly					118,860							
Reimbursement of Various Expenses	N/A	Monthly					24,000							
<b>TOTAL</b>			-		-		6,148,320	742,993	-	-	-	-	-	-

**Notes:**

- 1 The Charter Management Organization Agreements (CM) Agreements for Texas College Preparatory Academies (221801) and Premier High Schools (072801) were approved by TEA on January 6, 2021.

**ResponsiveEd Texas**  
**Schedule of Real Property Ownership Interest**  
**For the Year Ended June 30, 2024**

District	CAMPUS NAME	Legal Description of Property	Property Address	CITY	STATE	ZIP	Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
PHS	PHS Abilene	BROOKHOLLOW SEC 4, BLOCK 10, LOT 301 REP& NW/CORNER OF 302 REP, ACRES 2.34	3161 South 23rd St.	Abilene	TX	79605	\$ 1,257,659.00		\$ 1,257,659.00	
PHS	PHS Amarillo	LAWRENCE PLACE REPL, LOT 00B BLOCK 0003, TRACT 8	3242 Hobbs	Amarillo	TX	79109	\$ 788,600.00		\$ 788,600.00	
PHS	PHS Arlington	PARKWAY CENTRAL ADDITION Block 3B Lot E2A	551 Ryan Plaza Dr.	Arlington	TX	76011	\$ 4,921,131.00		\$ 4,921,131.00	
PHS	PHS Brownsville	LOT 1 BLK 1 P I C SUBDIVISION (CABI PG 1204-A MRCC)	955 Paredes Line Rd.	Brownsville	TX	78521	\$ 458,580.00		\$ 458,580.00	
PHS	PHS Brownsville	LOT 2 BLK 1 P I C SUBDIVISION (CABI PG 1204-A MRCC)	15 Lakeshore Dr.	Brownsville	TX	78521	\$ 272,003.00		\$ 272,003.00	
PHS	PHS Comanche	FAIRLAND, BLOCK C, LOT 7 & 8, (TR 3)	1008 South Austin St.	Comanche	TX	76442	\$ 117,940.00		\$ 117,940.00	
PHS	PHS Del Rio	RESPONSIVE SOLUTIONS SUBDIVISION LOT 1 ACRES 3.8425	1701 Kings Way	Del Rio	TX	78840	\$ 658,322.00		\$ 658,322.00	
PHS	Edinburg CTE	HIGH POINT CONDOS UNIT 1,2,3,4,5,6,7,8,9	4701 South Sugar Road	Edinburg	TX	78539	\$ 2,744,949.00		\$ 2,744,949.00	
PHS	PHS Granbury	Acres: 2.750, Subd: SOUTHTOWN, Tract: C-R	803 & 883 Harbor Lakes Dr.	Granbury	TX	76048	\$ 3,663,960.00		\$ 3,663,960.00	
PHS	PHS Laredo	LOTS 1 THRU 6 BLK 1280 ED	2201 Chihuahua St.	Laredo	TX	78043	\$ 1,704,565.00		\$ 1,704,565.00	
PHS	PHS Odessa	COLLEGE ADDN BLOCK 143 LOTS 1-2	1801 N. Lee Ave	Odessa	TX	79761	\$ 766,100.00		\$ 766,100.00	
PHS	PHS Tyler	FOREST HILLS BLOCK 669N LOT 1,2C	1106 North Glenwood Blvd.	Tyler	TX	75702	\$ 190,289.00		\$ 190,289.00	
PHS	PHS Waco	NORTHWOOD ADDITION Block 1 Lot 3 Acres 8.189	4720 North 19th St.	Waco	TX	76708	\$ 1,833,880.00		\$ 1,833,880.00	
PHS	Foundation School of Autism	Midway Park Shopping Center, Blk 1, Lot 1	2200 Midway Rd.	Plano	TX	75093	\$ 2,423,271.00		\$ 2,423,271.00	
PHS	PHS Brownwood (Early)	EARLY BOULEVARD ADDN, LOT 1, ACRES 0.73	819 Early Blvd.	Early	TX	76802	\$ 323,180.00		\$ 323,180.00	
PHS	PHS Mission	MISSION MEDICAL CENTER CONDOS UNIT 15B	1203 St. Claire St. Unit 15B	Mission	TX	78572	\$ 1,373,898.00		\$ 1,373,898.00	
PHS	PHS Weslaco	MID-VALLEY INDUSTRIAL PARK 0.05AC LOT 11, 1.84AC LOT 12 & 1.82AC-RUNWAY AREA BLK 3 3.71AC NET	2419 E. Haggard Ave.	Weslaco	TX	78599	\$ 1,089,296.00		\$ 1,089,296.00	
PHS	PHS Wichita Falls	LOT 15-B BLK 2A HIGHLAND ADDITION	2201 Kemp Blvd	Wichita Falls	TX	76309	\$ 1,907,457.00		\$ 1,907,457.00	
PHS	PHS San Angelo	Acres: 0.450, Lot: 10 THRU 12 S&E N 10' OF LOT 12, Blk: 157, Subd: ANGELO HEIGHTS ADDITION; Acres: 0.310, Lot: 6 & SOUTH 40 FEET OF LOT 5 & 10 FEET X 9, Blk: 180, Subd: ANGELO HEIGHTS ADDITION; Acres: 0.220, Lot: 1 & NORTH 30 FEET OF LOT 2, Blk: 181, Subd: ANGELO HEIGHTS ADDITION, *CHURCH PAR; Acres: 0.562, Blk: 156, Subd: ANGELO HEIGHTS ADDITION, N1/2 OF LOT 9 & LOTS 10 TO 12; & Acres: 0.482, Lot: 7 THRU 9, Blk: 157, Subd: ANGELO HEIGHTS ADDITION, *CHURCH	112 & 126 S. Jackson St.	San Angelo	TX	76901	\$ 911,550.00		\$ 911,550.00	
TCPA	Amarillo Collegiate Academy	SOUTH SIDE ACRES # 12 AMD, LOT 014 BLOCK 0003	6000 South Georgia St.	Amarillo	TX	79118	\$ 7,178,751.00		\$ 7,178,751.00	
TCPA	Amarillo Collegiate Academy	SOUTH SIDE ACRES # 18, LOT 015A BLOCK 0003 & SOUTH SIDE ACRES # 18, LOT 015B BLOCK 0003	6100 South Georgia	Amarillo	TX	79118	\$ 2,200,583.00		\$ 2,200,583.00	
TCPA	FCA Carrollton	FIRST BAPTIST CHURCH OF CARROLLTON BLK A LT 1R2 ACS 11.066	2400 North Josey Ln.	Carrollton	TX	75006	N/A		N/A	

**ResponsiveEd Texas**  
**Schedule of Real Property Ownership Interest**  
**For the Year Ended June 30, 2024**  
*(continued)*

District	CAMPUS NAME	Legal Description of Property	Property Address	CITY	STATE	ZIP	Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
TCPA	Coppell Classical Academy	CHRIST OUR SAVIOR LUTHERAN CHURCH BLK A LT 1R1 ACS 4.848	140 South Heartz Rd.	Coppell	TX	75019	N/A		N/A	
TCPA	FCA Corinth Upper	VISTA ACADEMY ADDITION BLK A LOT 1	3600 Meadowview Drive	Corinth	TX	76210	\$ 9,623,174.00		\$ 9,623,174.00	
TCPA	FCA Flower Mound	RES FLOWER MOUND ADDITION BLK A LOTS 1, 2, & 3	4901 Cross Timbers Road	Flower Mound	TX	75028	\$ 22,868,111.00		\$ 22,868,111.00	
TCPA	FCA Frisco	Res Frisco Phase 1, Blk A, Lot 1	10710 Frisco St	Frisco	TX	75033	\$ 28,039,198.00		\$ 28,039,198.00	
TCPA	FCA Corinth Lower	CORNELIUS TOWN CENTER ADDN BLK A LOT 1	800 Point Vista Rd. Ste. 518	Hickory Creek	TX	75065	\$ -		\$ -	
TCPA	Huntsville Classical Academy	DAVIDS E SURVEY- COMMERCIAL, LOT 17, ACRES 15.74	7174 South Hwy 75	Huntsville	TX	77340	\$ 8,457,790.00		\$ 8,457,790.00	
TCPA	Mainland Preparatory Classical Academy	ABST 2 S F AUSTIN SUR TR 13 10.697 ACRS	319 Newman Rd.	La Marque	TX	77568	\$ 6,379,450.00		\$ 6,379,450.00	
TCPA	FCA Leander	S3980 - Leander Heights Sec 3, BLOCK A, Lot 11, ACRES 4.53; S3980 - Leander Heights Sec 3, BLOCK A, Lot 12, ACRES 4.49 & S3980 - Leander Heights Sec 3, BLOCK A, Lot 13, ACRES 4.467	1303 Leander Dr.	Leander	TX	78641	\$ 9,578,275.00		\$ 9,578,275.00	
TCPA	iSchool of Lewisville (6-12)	WATERS RIDGE PH 1 BLK C LOT 1-RB	650 Bennett Ln	Lewisville	TX	75057	\$ 3,578,589.00		\$ 3,578,589.00	
TCPA	FCA Lewisville	TEMPLE CHRISTIAN ACADEMY ADDN BLK A LOT 1, & TEMPLE CHRISTIAN ACADEMY ADDN BLK A LOT 2	1010 Bellaire Blvd.	Lewisville	TX	75067	\$ 17,773,326.00		\$ 17,773,326.00	
TCPA	FCA Schertz	CB 5059J BLK 1 LOT 1 (WASHINGTON TYRANNUS SCHOOL OF THE ARTS)	8533 East FM 1518	Schertz	TX	78154	\$ -		\$ -	
TCPA	FCA Schertz	CB 5059A BLK LOT TR-4A (3.42 AC), TR-4B (3.0 AC) & TR-4C (3.0 AC)	12470 Woman Hollering Rd	Schertz	TX	78154	\$ 1,576,930.00		\$ 1,576,930.00	
TCPA	QCA Shenandoah	A0389 - Mcdermott Wm, Tract 10, Acres 6.322	1488 Wellman Road	Shenandoah	TX	77384	\$ 4,077,670.00		\$ 4,077,670.00	
TCPA	Tyler Classical Academy	TYLER SOUTH COMMERCIAL PARK U-3, U-3, BLOCK 1555-F LOT 12A, 12B, 12C	3405 East Grande Blvd	Tyler	TX	75707	\$ 16,606,061.00		\$ 16,606,061.00	
TCPA	Land: Round Rock	A W0173 A W0173 - Donaho, W. Jr. Sur., ACRES 29.741	2601 E Old Settlers Blvd	Round Rock	TX	78665	\$ 4,443,627.00		\$ 4,443,627.00	
TCPA	FCA Conroe	S901600 - Spring Woodlands Church of Christ, RES A-4, Acres 16.915	105 FM 1488	Conroe	TX	77384	\$ 4,052,490.00		\$ 4,052,490.00	
TCPA	FCA Prosper	Abs A0600 Larkin Mccarty Survey, Tract 57, 22.0033 Acres	4300 E. First St.	Prosper	TX	75078	\$ 23,881,549.00		\$ 23,881,549.00	
TCPA	Land: Denton	A1021A S. Pritchett, TR 1A, 37.235 Acres		Denton	TX		\$ 472,091.00		\$ 472,091.00	
TCPA	FCA Austin	Lot 6 Blk B Less 2.5330 Ac Tuscany Business Park RSB Lt 5&6 of Amd Lt 5&6 BL B & 2.5330 Ac of Lot 6 Blk B Tuscany Business Park RSB Lt 5&6 of Amd Lt 5&6 Bl B	9100 E US Hwy 290	Austin	TX		\$ 16,494,238.00		\$ 16,494,238.00	
TCPA	QCA Crockett	SMITH ADD, LOTS 54-61, BLK 5	1303 East Houston Ave.	Crockett	TX	75835	\$ 1,882,500.00		\$ 1,882,500.00	
TCPA	QCA McAllen	S.T.V.T. #1 LOT 1	2400 Daffodil Ave	McAllen	TX	78501	\$ 2,435,939.00		\$ 2,435,939.00	
TCPA	FCA Mesquite	SKYLINE VILLAGE 37 PH 3 REP, BLK B LT 1RA ACS 31.432 & SKYLINE VILLAGE 37 PH 3, BLK B LT 3 ACS 1.865	790 Windbell Circle	Mesquite	TX	75149	N/A		N/A	
TCPA	FCA Bastrop	A56 ROUSSEAU, MOSEA, ACRES 32.7	401 FM 20 Hwy	Bastrop	TX	78602	\$ 767,889.00		\$ 767,889.00	
TCPA	FCA Fort Worth	LOT 1, BLOCK 1, CORNERSTONE ADDITION-FT WORTH	501 Academy Blvd	Fort Worth	TX	76108	\$ 6,738,854.00		\$ 6,738,854.00	
TCPA	Land: Celina	Tract of Land Situated in the S. Queen Survey, Abstract Number (NO.) 731, Collin County, Texas		Celina	TX	75009	\$ 1,526,826.00		\$ 1,526,826.00	

**ResponsiveEd Texas**  
**Budgetary Comparison Schedule by Charter**  
**For the Year Ended June 30, 2024**

	Texas College Preparatory Academies			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Pos/(Neg) from Final Budget
<b>REVENUE &amp; OTHER SUPPORT</b>				
Local Support:				
5700 Revenue from Local Sources	\$ 750,561	\$ 9,090,561	\$ 9,325,879	\$ 235,318
Total Local Revenue	750,561	9,090,561	9,325,879	235,318
State Program Revenue:				
5800 State Program Revenue	166,985,190	170,800,190	170,802,556	2,366
Total State Revenue	166,985,190	170,800,190	170,802,556	2,366
Federal Program Revenue:				
5900 Federal Program Revenue	11,874,056	10,674,056	10,698,837	24,781
Total Federal Revenue	11,874,056	10,674,056	10,698,837	24,781
Total Revenue & Other Support	179,609,807	190,564,807	190,827,272	262,465
<b>EXPENSES</b>				
11 Instruction	95,931,260	103,231,260	103,153,462	77,798
12 Instructional Resources & Media	50,000	5,000	362	4,638
13 Curriculum & Instructional Staff Dev.	7,140,241	6,715,241	6,711,032	4,209
21 Instructional Leadership	5,779,012	5,689,012	5,685,273	3,739
23 School Leadership	17,772,934	19,622,934	19,600,916	22,018
31 Guidance, Counseling & Evaluation	1,590,607	2,015,607	1,995,480	20,127
32 Social Work	50,000	-	-	-
33 Health Services	2,816,057	1,741,057	1,716,797	24,260
34 Student (Pupil) Transportation	14,967	14,967	1,150	13,817
35 Food Services	5,388,932	4,263,932	4,248,428	15,504
36 Cocurricular/Extracurricular Activities	176,431	1,576,431	1,549,544	26,887
41 General Administration	8,667,613	8,667,613	8,636,046	31,567
51 Plant Maintenance & Operations	17,090,283	18,990,283	18,942,432	47,851
52 Security & Monitoring Services	541,657	1,431,657	1,423,829	7,828
53 Data Processing Services	2,766,896	3,116,896	3,093,255	23,641
61 Community Services	642,916	567,916	543,171	24,745
71 Debt Service	8,536,471	8,786,471	8,783,389	3,082
81 Fundraising	1,919,923	1,394,923	1,374,170	20,753
Total Expenses	176,876,200	187,831,200	187,458,736	372,464
Change in Net Assets	2,733,607	2,733,607	3,368,536	634,929
Gain (Loss) on Disposal of Fixed Asset	-	-	-	-
Net Assets, Beginning of Year	77,877,864	77,877,864	77,877,864	-
Net Assets, End of Year	\$ 80,611,471	\$ 80,611,471	\$ 81,246,400	\$ 634,929

**ResponsiveEd Texas**  
**Budgetary Comparison Schedule by Charter**  
**For the Year Ended June 30, 2024**  
*(continued)*

	Premier High Schools			Variance
	Budgeted Amounts		Actual	Pos/(Neg) from
	Original	Final	Amounts	Final Budget
<b>REVENUE &amp; OTHER SUPPORT</b>				
Local Support:				
5700 Revenue from Local Sources	\$ -	\$ 265,000	\$ 1,477,725	\$ 1,212,725
Total Local Revenue	-	265,000	1,477,725	1,212,725
State Program Revenue:				
5800 State Program Revenue	77,587,782	80,572,782	80,574,461	1,679
Total State Revenue	77,587,782	80,572,782	80,574,461	1,679
Federal Program Revenue:				
5900 Federal Program Revenue	10,022,754	10,022,754	10,122,931	100,177
Total Federal Revenue	10,022,754	10,022,754	10,122,931	100,177
Total Revenue & Other Support	87,610,536	90,860,536	92,175,117	1,314,581
<b>EXPENSES</b>				
11 Instruction	41,089,540	41,364,540	41,353,111	11,429
12 Instructional Resources & Media	47,000	22,000	554	21,446
13 Curriculum & Instructional Staff Dev.	4,870,915	4,820,915	4,809,137	11,778
21 Instructional Leadership	2,967,257	3,242,257	3,218,580	23,677
23 School Leadership	11,051,197	11,426,197	11,413,612	12,585
31 Guidance, Counseling & Evaluation	856,541	756,541	740,500	16,041
32 Social Work	47,000	22,000	-	22,000
33 Health Services	383,485	233,485	215,505	17,980
34 Student (Pupil) Transportation	21,342	46,342	23,523	22,819
35 Food Services	1,355,787	1,130,787	1,125,438	5,349
36 Cocurricular/Extracurricular Activities	62,665	37,665	25,707	11,958
41 General Administration	4,872,684	5,297,684	5,273,784	23,900
51 Plant Maintenance & Operations	7,070,786	8,245,786	8,243,311	2,475
52 Security & Monitoring Services	393,484	793,484	786,204	7,280
53 Data Processing Services	1,619,585	2,019,585	1,995,765	23,820
61 Community Services	262,674	262,674	224,159	38,515
71 Debt Service	693,349	18,349	11,656	6,693
81 Fundraising	1,902,350	3,077,350	3,032,502	44,848
Total Expenses	79,567,641	82,817,641	82,493,048	324,593
Change in Net Assets	8,042,895	8,042,895	9,682,069	1,639,174
Gain (Loss) on Disposal of Fixed Asset	-	-	-	-
Net Assets, Beginning of Year	70,989,086	70,989,086	70,989,086	-
Net Assets, End of Year	\$ 79,031,981	\$ 79,031,981	\$ 80,671,155	\$ 1,639,174



**ResponsiveEd Texas**  
**Schedule J-4 Use of Funds Report by Charter**  
**For the Year Ended June 30, 2024**

<b>J4 Use of Funds Report</b>			
<b>Data Codes</b>	<b>Account Description</b>	<b>TCPA Responses</b>	<b>PHS Responses</b>
<b><i>State Compensatory Education</i></b>			
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 10,310,223	\$ 7,751,205
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30,34)	\$ 5,954,192	\$ 4,415,637
<b><i>Bilingual Education</i></b>			
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$ 1,041,132	\$ 448,006
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25 and 35)	\$ 557,767	\$ 231,406

*This page was left blank intentionally.*

## **COMPLIANCE AND INTERNAL CONTROL**

**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**

Board of Directors  
ResponsiveEd Texas  
Lewisville, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of ResponsiveEd Texas (a nonprofit organization)(the “Organization”), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 8, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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

Vail + Park, P.C.

Frisco, Texas  
November 8, 2024

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

Board of Directors  
ResponsiveEd Texas  
Lewisville, Texas

**Report on Compliance for Each Major Federal Program**

We have audited ResponsiveEd Texas' (the "Organization") 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 Organization's major federal programs for the year ended June 30, 2024. The Organization'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 Organization 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 June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the Organization 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 Organization'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 Organization'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 Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization'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 Organization'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 Organization'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.

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.

Vail + Park, P.C.

Frisco, Texas  
November 8, 2024



**ResponsiveEd Texas**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered  
to be material weaknesses? No

Noncompliance Material to Financial Statements Noted? No

**Federal Awards**

Internal Control Over Major Programs:

Material weaknesses identified? No

Significant deficiencies identified that are not considered  
to be material weaknesses? No

Type of Auditor's Report Issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with Uniform Guidance No

Identification of Major Programs:

Name	Number	Program Expenditure
Title I, Part A - Improving Basic Programs	84.010A	\$ 2,720,654
Title II, Part A - Supporting Effective Instruction State Grant	84.367A	\$ 529,545
School Emergency Relief Fund - ARP ESSER III	84.425U	\$ 2,899,848

Dollar Threshold Used to Distinguish Between Type A  
and Type B Programs: \$ 750,000

Auditee Qualified as Low-Risk Auditee? Yes

**ResponsiveEd Texas**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Charter Schools	84.282	N/A	\$ 8,339,796
<b>Passed Through State Department of Education</b>			
Title I, Part A - Improving Basic Programs	84.010A	S010A220043	2,720,654
Special Education Cluster:			
IDEA-B Formula	84.027A	H027A220008	2,823,794
IDEA-B Formular-ARP	84.027X	H027X210008	430,392
Sub-total Special Education Cluster:			3,254,186
Title II, Part A - Supporting Effective Instruction State Grant	84.367A	S367A220041	529,545
Title III, Part A - English Language Acquisition State Grant	84.365A	S365A210043	170,784
Title IV, Part A - Student Support and Academic Enrichment	84.424A	S424A220045	325,576
Education Stabilization Funds			
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - ARP ESSER III	84.425U	S425U210042	2,899,848
Sub-total Education Stabilization Fund:			2,899,848
Miscellaneous Federal Funds	84.369A	S369A200045	309,001
<b>Total Passed Through State Department of Education</b>			10,209,594
<b>Total U.S. Department of Education</b>			18,549,390
<b>U.S. FEDERAL COMMUNICATION COMMISSION</b>			
<b>Passed Through Universal Service Administrative Company (USAC)</b>			
E-rate - Schools & Libraries USF Program	32.004	CV19SHSG	178,841
<b>Total Passed Through USAC</b>			178,841
<b>Total U.S. Federal Communication Commission</b>			178,841
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<b>Passed Through State Department of Education</b>			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	202323N109946	942,376
National School Lunch	10.555	202323N109946	3,187,080
Donated Commodities	10.555	N/A	125,695
Sub-total Child Nutrition Cluster:			4,255,151
<b>Total Passed Through State Department of Education</b>			4,255,151
<b>Total U.S. Department of Agriculture</b>			4,255,151
<b>Total Expenditures of Federal Awards</b>			\$ 22,983,382

**ResponsiveEd Texas**  
Notes to the Schedule of Expenditure of Federal Awards  
For the Year Ended June 30, 2024

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for the Federal Awards (Uniform Guidance ). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not present the financial position, changes in net assets, or cash flows of the Organization.

The Organization had no federally funded insurance programs or loan guarantees during the year ended June 30, 2024.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Pass-through entity identifying numbers are presented when available.

The Organization has elected not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3. NON-PROFIT CHARTER SCHOOL CHART OF ACCOUNTS**

For all federal programs, the Organization 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*. Temporarily restricted net asset codes are used to account for resources restricted to or designated for specific purposes by a grantor.

Federal and state financial assistance is generally accounted for in temporarily restricted net asset codes.