

ResponsiveEd Texas
FINANCIAL STATEMENTS
Fiscal year ended June 30, 2025

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CERTIFICATE OF BOARD

TEXAS COLLEGE PREPARATORY ACADEMIES
DISTRICT NUMBER: 221801

AND

PREMIER HIGH SCHOOLS
DISTRICT NUMBER: 072801

AND

TEXAS WORKS
DISTRICT NUMBER: 061806

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, 2025, at a meeting of the Governing Body of such charter school on the 14th day of November, 2025.

DocuSigned by:
Lisa Bowen
6593CEBF2837480...

Signature of Board Secretary

Signed by:
Ben Klingenstein
EDD8263800FE47B...

Signature of Board President

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

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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, 2025, 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, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 6, 2025, 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 6, 2025

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FINANCIAL STATEMENTS

ResponsiveEd Texas
Statement of Financial Position
June 30, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 131,657,565
Due from State and Federal Agencies	47,768,103
Other Receivables	78,919
Prepaid Expenses	1,095,347
Total Current Assets	<u>180,599,934</u>

Property & Equipment:

Land	53,971,171
Buildings & Improvements	292,063,808
Vehicles	221,374
Furniture & Equipment	14,979,149
Leasehold Improvements	10,637,008
Construction in Progress	3,812,207
Accumulated Depreciation	(65,435,972)
Total Net Property & Equipment	<u>310,248,745</u>

Other Assets:

Right-of-use Assets	37,230,941
Other Assets	1,735,009
Total Other Assets	<u>38,965,950</u>

TOTAL ASSETS	<u><u>\$ 529,814,629</u></u>
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LIABILITIES & NET ASSETS

Current Liabilities:

Accounts Payable	\$ 6,918,829
Other Payables	78,213
Accrued Payroll	15,858,493
Accrued Interest	3,403,595
Accrued Expenses	1,757,680
Current Portion of Long Term Debt	6,302,914
Current Portion of Leases Payable	5,326,287
Deferred Revenue	831,302
Total Current Liabilities	<u>40,477,313</u>

Long-Term Liabilities:

Bonds Payable	256,846,383
Notes Payable	1,018,802
Leases Payable	33,152,785
Total Long-Term Liabilities	<u>291,017,970</u>

Net Assets:

Without Donor Restrictions	98,393,602
With Donor Restrictions	99,925,744
Total Net Assets	<u>198,319,346</u>

TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 529,814,629</u></u>
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The notes to the financial statements are an integral part of this statement.

ResponsiveEd Texas
Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE & OTHER SUPPORT			
Local Support:			
Revenue from Local Sources	\$ 11,997,783	\$ -	\$ 11,997,783
Total Local Support	11,997,783	-	11,997,783
State Program Revenues			
State Foundation Program	-	234,691,482	234,691,482
Other State Aid	-	26,436,854	26,436,854
Total State Program Revenues	-	261,128,336	261,128,336
Federal Program Revenues			
Breakfast Program	-	928,491	928,491
National School Lunch	-	2,386,059	2,386,059
Donated Commodities	-	229,864	229,864
Title I, Part A	-	3,446,860	3,446,860
IDEA-Part B Formula	-	4,879,189	4,879,189
Title II, Part A	-	732,768	732,768
Charter Schools	-	8,735,265	8,735,265
Title III, Part A, ELA	-	287,657	287,657
Title IV Part A	-	351,621	351,621
E-rate - Schools & Libraries USF	-	150,238	150,238
Miscellaneous Federal Funds	-	531,035	531,035
COVID-19 ESSER III	-	1,188,604	1,188,604
Total Federal Program Revenues	-	23,847,651	23,847,651
Net Assets Released from Restrictions	276,386,926	(276,386,926)	-
Total Revenue & Other Support	288,384,709	8,589,061	296,973,770

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

ResponsiveEd Texas
Statement of Activities
For the Year Ended June 30, 2025
(continued)

	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES			
Program Services:			
11 Instruction	145,130,650	-	145,130,650
12 Instructional Resources & Media Svcs	309	-	309
13 Curriculum Dev. & Instr Staff Dev.	7,793,454	-	7,793,454
21 Instructional Leadership	11,467,582	-	11,467,582
23 School Leadership	32,079,435	-	32,079,435
31 Guidance, Counseling & Eval Svcs	4,378,391	-	4,378,391
32 Social Work Services	3	-	3
33 Health Services	1,829,508	-	1,829,508
34 Student (Pupil) Transportation	45,073	-	45,073
35 Food Services	5,649,435	-	5,649,435
36 Cocurricular/Extracurricular Activities	1,691,064	-	1,691,064
41 General Administration	15,313,403	-	15,313,403
51 Plant Maintenance & Operations	27,594,085	-	27,594,085
52 Security & Monitoring Services	6,668,435	-	6,668,435
53 Data Processing Services	6,869,706	-	6,869,706
71 Debt Service	8,623,664	-	8,623,664
81 Fundraising	4,870,350	-	4,870,350
Total Expenses from Operations	<u>280,004,547</u>	<u>-</u>	<u>280,004,547</u>
Change in Net Assets from Operations	8,380,162	8,589,061	16,969,223
61 Community Services	712,916	-	712,916
Increase/(decrease) in Net Assets	<u>7,667,246</u>	<u>8,589,061</u>	<u>16,256,307</u>
Gain (Loss) on Disposal of Assets	12,281,568	-	12,281,568
Net Assets, Beginning of Year	<u>78,444,788</u>	<u>91,336,683</u>	<u>169,781,471</u>
Net Assets, End of Year	<u>\$ 98,393,602</u>	<u>\$ 99,925,744</u>	<u>\$ 198,319,346</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, 2025

Cash Flows from Operating Activities:	
Cash from Local Sources	\$ 13,320,428
Cash from State Programs	258,919,547
Cash from Federal Programs	24,812,326
Cash Paid to Suppliers	(97,481,344)
Cash Paid to Employees	(163,298,563)
Cash Paid for Interest	(9,364,495)
Net Cash Provided by/(Used in) Operating Activities	26,907,899
Cash Flows from Investing Activities:	
Purchase of Property & Equipment	(13,507,325)
Proceeds from Sale of Assets	10,500,000
Net Cash Provided by/(Used in) Investing Activities	(3,007,325)
Cash Flows from Financing Activities:	
Principal Payments on Debt	(6,618,404)
Net Cash Provided by/(Used in) Financing Activities	(6,618,404)
Net Increase/(Decrease) in Cash and Cash Equivalents	17,282,170
Cash and Cash Equivalents at Beginning of Year	114,375,395
Cash and Cash Equivalents at End of Year	\$ 131,657,565
Reconciliation of Change in Net Assets to Net Cash Provided by/(Used in) Operating Activities	
Change in Net Assets	\$ 16,256,307
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by/(Used in) Operating Activities:	
Depreciation	9,898,192
Amortization of right-of-use assets	1,135,888
Amortization of bond premium and discount	(533,192)
(Increase)/Decrease in Operating Assets:	
Due from State and Federal Agencies	(1,244,114)
Other Receivables	414,326
Receivables from Other Charters	45,463
Inventory	201,706
Prepaid Expenses	259,137
Other Assets	462,323
Increase/(Decrease) in Operating Liabilities:	
Accounts Payable	2,815,944
Other Payables	(372,804)
Accrued Payroll	1,374,714
Accrued Interest	(207,639)
Accrued Expenses	(2,759,969)
Deferred Revenue	400,533
Leases Liabilities	(1,238,916)
Net Adjustments	10,651,592
Net Cash Provided by/(Used in) Operating Activities	\$ 26,907,899

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, 2025

NOTE 1: 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 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 (PHS), Texas Works (TXW), and iSchool High, online schools for grades 6-12 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, 2025

NOTE 1: 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.

<u>Asset</u>	<u>Years</u>
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 10-month, 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 payroll 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, 2025

NOTE 1: 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 Entity-Wide Financial Statements

The General-Purpose financial statements are presented on an entity-wide basis including operations of the Organization not affiliated with any certain charter operation. Certain inter-entity transactions are eliminated in the entity-wide combining 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, 2025

NOTE 1: 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 has elected not to separate non-lease components from lease components for these leases.

NOTE 2: INVENTORY

On June 30, 2025, the Organization had no curriculum inventory on hand.

NOTE 3: CAPITAL ASSETS

During the year, the Organization sold Land for gross proceeds of \$10,500,000. The net book value of the Land item at the time of sale was \$4,272,432, leading to a recognized gain of \$6,227,568. This gain is reflected in the entity-side statement of activities under the "Gain (Loss) on Disposal of Assets" line item.

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 3: CAPITAL ASSETS *(continued)*

The Charters and 501(c)(3) had the following capital asset activity in fiscal year 2025:

TCPA	Balance at 6/30/24	Additions	(Retirements) / Transfers	Balance at 6/30/25
Land	\$ 49,970,446	\$ 502,542	\$ (4,272,432)	\$ 46,200,556
Buildings & Improvements	227,390,130	756,988	25,769,338	253,916,456
Vehicles	17,471	-	-	17,471
Furniture & Equipment	11,016,026	367,887	-	11,383,913
Leasehold Improvements	1,762,030	27,600	81,516	1,871,146
Construction in Progress	18,314,081	10,938,266	(25,995,039)	3,257,308
Total Historical Cost	<u>308,470,184</u>	<u>12,593,283</u>	<u>(4,416,617)</u>	<u>316,646,850</u>
Less:				
Accumulated Depreciation	(41,699,137)	(7,519,711)	91,627	(49,127,221)
Total TCPA Capital Assets	<u>266,771,047</u>	<u>5,073,572</u>	<u>(4,324,990)</u>	<u>267,519,629</u>
PHS				
Land	5,643,455	-	-	5,643,455
Buildings & Improvements	25,937,711	140,019	-	26,077,730
Vehicles	15,000	-	-	15,000
Furniture & Equipment	2,501,597	62,958	-	2,564,555
Leasehold Improvements	8,610,214	155,648	-	8,765,862
Construction in Progress	41,351	513,548	-	554,899
Total Historical Cost	<u>42,749,328</u>	<u>872,173</u>	<u>-</u>	<u>43,621,501</u>
Less:				
Accumulated Depreciation	(9,899,258)	(1,906,920)	-	(11,806,178)
Total Premier Capital Assets	<u>32,850,070</u>	<u>(1,034,747)</u>	<u>-</u>	<u>31,815,323</u>
501(c)(3)				
Land	2,127,160	-	-	2,127,160
Buildings & Improvements	12,042,883	26,739	-	12,069,622
Vehicles	188,903	-	-	188,903
Furniture & Equipment	1,015,551	15,130	-	1,030,681
Total Historical Cost	<u>15,374,497</u>	<u>41,869</u>	<u>-</u>	<u>15,416,366</u>
Less:				
Accumulated Depreciation	(4,031,012)	(471,561)	-	(4,502,573)
Total 501(c)(3) Capital Assets	<u>11,343,485</u>	<u>(429,692)</u>	<u>-</u>	<u>10,913,793</u>
Grand Total Historical Cost	366,594,009	13,507,325	(4,416,617)	375,684,717
Grand Total Accumulated Depreciation	(55,629,407)	(9,898,192)	91,627	(65,435,972)
Grand Total Net Capital Assets	<u>\$ 310,964,602</u>	<u>\$ 3,609,133</u>	<u>\$ (4,324,990)</u>	<u>\$ 310,248,745</u>

Depreciation expense for the fiscal year ended June 30, 2025, was \$9,898,192.

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 4: 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.

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 8.25% for fiscal years 2025 and 2024 and 8.0% for fiscal year 2021, and a state contribution rate of 8.25% for fiscal years 2025 and 2024 and 8.0% for fiscal year 2023. The charter schools employees' contributions to the System for the year ended June 30, 2025 were \$10,708,220, 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, 2025 were \$2,381,068, 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, 2024.

NOTE 5: 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.

NOTE 6: 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 \$23.14 towards the dental premium and a percentage for dependent coverage, and \$1.83 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, 2025

NOTE 7: DUE FROM STATE

At June 30, 2025, the Organization was to receive \$47,768,103 in entitlements as follows:

Federal Grant Revenue	\$	1,797,579
State Revenue		45,970,524
Total Due From State	\$	<u>47,768,103</u>

NOTE 8: OPERATING LEASES

Lessee

The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in several noncancellable operating leases for buildings. 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 total addition in ROU assets and lease liability associated with lease amendments and new lease agreements was approximately \$3,800,000.

The Organization previously entered into two lease arrangements for schools that were terminated as of June 30, 2025. 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 lease termination was approximately \$995,000. There was no gain or loss recognized related to lease termination payments.

The components of lease cost for the year ended June 30, 2025, are as follows:

Lease cost	TCPA	PHS
Operating lease cost	\$ 2,734,987	\$ 2,726,531
Short-term lease cost	-	-
Variable lease cost	1,885,994	2,209,060
Sublease income	-	-
Total lease cost	<u>\$ 4,620,981</u>	<u>\$ 4,935,591</u>

Other information	TCPA	PHS
ROU assets obtained in exchange for new operating lease liabilities	\$ 3,168,195	\$ 780,544
Weighted-average remaining lease term in years - operating leases	6.40	7.03
Weighted-average discount rate - operating leases	7.00%	7.00%

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 8: OPERATING LEASES – Lessee (continued)

The following is a summary of operating lease obligations and terms for the year ended June 30, 2025:

Brand	Campus	Lease Commence Date	Lease Expires	Base Rent	NNN Expenses per Lease	T.I. Reimbursement	Gross Rent	Portable: Paid to Vendor not Lanlord	Total Rent including Portable
PHS	Foundation School of Autism - San Antonio	2/1/2011	6/30/2028	\$ 7,782	\$ 2,734		\$ 10,516		\$ 10,516
PHS	PHS Austin (Wells Branch)	8/1/2017	6/30/2026	15,000	1,476		16,476		16,476
PHS	PHS Austin (South)	7/23/2002	7/31/2025	21,720	7,150		28,870		28,870
PHS	PHS Canyon	7/23/2021	6/30/2026	5,580	353		5,933		5,933
PHS	PHS Corpus Christi	1/11/2021	6/30/2026	8,167	528		8,695		8,695
PHS	PHS Dayton	7/1/2013	6/30/2026	Greater of \$70 per ADA or \$4,000	1,000		6,136		6,136
PHS	PHS Del Rio Portables	4/25/2020	MTM	-			-	1,210	1,210
PHS	PHS DeSoto	3/1/2022	6/30/2027	10,779	1,272		12,051		12,051
PHS	PHS El Paso (Mesa)	7/1/2008	6/30/2028	10,020	1,259	(475)	10,803		10,803
PHS	PHS El Paso (Eastpointe)	7/31/2020	6/30/2030	9,020	1,487		10,507		10,507
PHS	PHS Fort Worth	6/16/2008	6/30/2026	9,673	4,228		13,900		13,900
PHS	PHS Fort Worth (Jacksboro)	12/15/2021	6/30/2028	8,349	4,040		12,389		12,389
PHS	PHS Fort Worth (Southside)	6/9/2022	7/31/2027	23,500	1		23,501		23,501
PHS	PHS Houston (Greenspoint)	3/24/2023	6/30/2033	6,927		(3,384)	3,543		3,543
PHS	PHS Houston (Champions)	4/1/2021	6/30/2026	8,041	3,112	(1,754)	9,399		9,399
PHS	PHS Houston (Gallery Furniture-North)	7/15/2020	6/30/2025	Greater of \$75 per ADA or \$6,500			7,814		7,814
PHS	PHS Houston (Hobby)	1/8/2021	6/30/2026	10,000	3,342		13,342		13,342
PHS	PHS Houston (Sharpstown)	7/1/2022	6/30/2027	14,787	3,648		18,435		18,435
PHS	PHS Longview	6/1/2022	6/30/2027	9,000	2,388		11,388		11,388
PHS	PHS Lubbock	8/1/2009	6/30/2026	16,179	-		16,179		16,179
PHS	PHS Lubbock (Briercroft)	10/8/2021	6/30/2027	8,462	2,999		11,461		11,461
PHS	PHS Mesquite	5/19/2022	6/30/2028	12,410	1,432		13,841		13,841
PHS	PHS Midland	8/18/2020	6/30/2026	7,467	1,778		9,245		9,245
PHS	PHS Miracle Farm	9/1/2009	Staffing only / MOU	-			-		-
PHS	PHS New Braunfels	11/1/2009	6/30/2026	9,809	4,943		14,752		14,752
PHS	PHS Palmview	7/1/2009	7/31/2025	14,000	1,200		15,200		15,200
PHS	PHS Palmview Portables	7/17/2020	MTM	-			-	1,295	1,295
PHS	PHS Pflugerville	7/15/2015	6/30/2026	11,800	1,805		13,605		13,605
PHS	PHS San Antonio (Ingram)	4/19/2017	6/30/2029	15,745	1,052		16,797		16,797
PHS	PHS San Antonio (Windcrest)	7/1/2015	6/30/2028	14,989	3,947		18,936		18,936

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 8: OPERATING LEASES – Lessee (continued)

Brand	Campus	Lease Commence Date	Lease Expires	Base Rent	NNN Expenses per Lease	T.I. Reimbursement	Gross Rent	Portable: Paid to Vendor not Lanlord	Total Rent including Portable
PHS	PHS San Juan	8/1/2008	6/30/2027	\$ 16,800	\$ -		\$ 16,800		\$ 16,800
PHS	PHS Texarkana (TX)	7/1/2016	6/30/2026	11,197	-		11,197		11,197
PHS	PHS Huntsville	2/10/2020	6/30/2025	9,800	494		10,294		10,294
PHS	PHS Killeen	4/20/2025	6/30/2028	6,166			6,166		6,166
FCA	Denton CA	8/1/2014	6/30/2025	10,461	1,175		11,636		11,636
FCA	Denton CA Portables	5/20/2021	6/30/2025	-			-	3,451	3,451
FCA	El Paso CA	7/1/2020	6/30/2028	Greater of \$65 per ADA or \$10,500			16,524		16,524
FCA	FCA Permian Basin	7/2/2013	6/30/2025	18,079	5,562		23,641		23,641
FCA	Plainview CA	12/13/2023	6/30/2033	\$42.50 per ADA			10,753		10,753
ICS	Beaumont Portables (3)	6/17/2021	6/30/2027	-			-	3,050	3,050
ICS	ICS Beaumont	8/15/2011	6/30/2027	11,000	500		11,500		11,500
ICS	ICS Fallbrook	7/1/2016	6/30/2027	Greater of \$77 per ADA or \$19,250	10,288		29,538		29,538
ICS	ICS Fort Worth	8/1/2020	6/30/2026	19,000			19,000		19,000
ICS	ICS Garland	7/1/2014	6/30/2026	25,613	1,275		26,888		26,888
ICS	ICS Humble		6/30/2028	25,000	3,500		28,500		28,500
ICS	ICS Pasadena	7/15/2013	6/30/2026	Greater of \$75 per ADA or \$17,500			17,500		17,500
ICS	Neighborhood School (Eastex-Jensen)	7/1/2019	6/30/2025	4,100			4,100		4,100
ICS	Neighborhood School (Westchase)	9/18/2019	7/31/2029	46,747			46,747		46,747
QCA	iSchool Woodlands (LSC University Center)	8/1/2013	7/31/2034	30,863	-		30,863		30,863
QCA	iSchool Atascocita (LSC)	7/1/2021	6/30/2031	31,987	-		31,987		31,987
QCA	iSchool Creekside (LSC)	7/5/2022	6/30/2032	16,257	-		16,257		16,257
QCA	iSchool University Park (LSC Visitors Center)	7/1/2021	6/30/2031	14,807	-	(7,751)	7,055		7,055
QCA	iSchool University Park (LSC)	8/22/2011	6/30/2026	30,570	-		30,570		30,570
QCA	QCA Whitewright	8/16/2021	6/30/2026	-			4,225		4,225
QCA	QCA Whitewright Portables	6/1/2021	7/8/2026	-			-	1,882	1,882
Land	Corinth	7/26/2018	MTM	1,250			1,250		1,250

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 8: OPERATING LEASES - Lessee (continued)

Maturities of operating liabilities are as follows:

06/30/26	\$	5,326,287
06/30/27		5,746,362
06/30/28		5,845,778
06/30/29		5,672,608
06/30/30		4,534,638
6/30/31 to 6/30/35		10,154,549
6/30/36 to 6/30/38		1,198,850
Total	\$	<u>38,479,072</u>

Future minimum lease payments are as follows:

Total		TCPA		PHS	
06/30/26	\$ 7,852,111	06/30/26	\$ 3,915,866	06/30/26	\$ 3,936,245
06/30/27	7,885,602	06/30/27	3,824,490	06/30/27	4,061,112
06/30/28	7,579,610	06/30/28	3,511,715	06/30/28	4,067,895
06/30/29	7,002,709	06/30/29	3,538,543	06/30/29	3,464,166
06/30/30	5,503,735	06/30/30	2,614,426	06/30/30	2,889,309
Thereafter	<u>13,092,443</u>	Thereafter	<u>5,030,255</u>	Thereafter	<u>8,062,188</u>
Total		Total		Total	
Undiscounted		Undiscounted Cash		Undiscounted Cash	
Cash Flows	48,916,210	Flows	22,435,295	Flows	26,480,915
Imputed Interest	<u>(10,437,138)</u>	Imputed Interest	<u>(4,461,194)</u>	Imputed Interest	<u>(5,975,944)</u>
Total Lease		Total Lease		Total Lease	
Liability	<u>\$ 38,479,072</u>	Liability	<u>\$ 17,974,101</u>	Liability	<u>\$ 20,504,971</u>

Lessor

The Organization rents suites in a corporate building to various parties. All leases meet the requirements to be categorized as operating leases.

The components of lease income for the year ended June 30, 2025, are as follows:

Rent Income - Third Party	\$	775,418
Rent Income - Related Party		673,705
Total	\$	<u>1,449,123</u>

Lease income	501c3
Operating lease income	\$ 1,449,123
Short-term lease income	-
Variable lease income	-
Total lease cost	<u>\$ 1,449,123</u>

Other Information

Remaining Lease Payments	\$	3,883,470
Weighted Average Lease Term in Years		4.52

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 8: OPERATING LEASES - Lessor *(continued)*

The future minimum lease income is as follows:

06/30/26	\$	554,186
06/30/27		380,933
06/30/28		322,882
06/30/29		194,018
06/30/30		199,560
Thereafter		407,421
Total	\$	<u><u>2,059,000</u></u>

NOTE 9: 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.

NOTE 10: 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.

NOTE 11: FUNCTION 61 EXPENSES

Function 61 (Community Services) expenses of \$712,916 relate to after-school care and other activities outside of regular education services.

NOTE 12: 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.

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 12: NOTES PAYABLE *(continued)*

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.

Long-term debt activity for the year ended June 30, 2025, was as follows:

TCPA	Balance at 6/30/24	Additions	Retirements	Balance 06/30/25	Current Portion
Series 2015A Education Rev Bonds	\$ 45,265,000	\$ -	\$ (1,355,000)	\$ 43,910,000	\$ 1,425,000
Series 2015B Education Rev Bonds	10,130,000	-	(320,000)	9,810,000	330,000
Series 2016 Education Rev Bonds	54,790,000	-	(1,495,000)	53,295,000	1,570,000
Series 2021A Education Rev Bonds	134,805,000	-	-	134,805,000	-
Series 2021B Bonds	8,975,000	-	(2,960,000)	6,015,000	2,990,000
Sub-Total	253,965,000	-	(6,130,000)	247,835,000	6,315,000
Issuance costs	(3,234,450)	-	180,784	(3,053,666)	224,249
Premium on Bonds Payable Net of Discount on Bonds	18,593,376	-	(713,976)	17,879,400	(724,898)
Leases Payable	17,457,000	3,168,195	(2,651,094)	17,974,101	2,744,742
Total TCPA	<u>286,780,926</u>	<u>3,168,195</u>	<u>(9,314,286)</u>	<u>280,634,835</u>	<u>8,559,093</u>
PHS					
Leases Payable	22,260,988	780,544	(2,536,561)	20,504,971	2,581,545
Total 501c3	<u>22,260,988</u>	<u>780,544</u>	<u>(2,536,561)</u>	<u>20,504,971</u>	<u>2,581,545</u>
501(c)(3)					
SouthState Bank (Lakeway)	1,171,176	-	(292,327)	878,849	297,748
SouthState Bank (700 Parker Sq)	824,593	-	(196,077)	628,516	190,815
Total 501c3	<u>1,995,769</u>	<u>-</u>	<u>(488,404)</u>	<u>1,507,365</u>	<u>488,563</u>
Long Term Debt Totals	<u>\$ 311,037,683</u>	<u>\$ 3,948,739</u>	<u>\$ (12,339,251)</u>	<u>\$ 302,647,171</u>	<u>\$ 11,629,201</u>

Future bonds and notes payable requirements are as follows:

June 30,	Principal	Interest	Total
2026	\$ 6,803,563	\$ 8,843,347	\$ 15,646,910
2027	7,024,839	8,611,838	15,636,677
2028	7,374,015	8,315,280	15,689,295
2029	7,334,948	7,962,923	15,297,871
2030	7,610,000	7,620,769	15,230,769
2031-2035	43,175,000	32,939,084	76,114,084
2036-2040	52,235,000	23,825,100	76,060,100
2041-2045	61,755,000	14,210,800	75,965,800
2046-2050	40,720,000	5,618,375	46,338,375
2051-2054	15,310,000	513,575	15,823,575
	<u>\$ 249,342,365</u>	<u>\$ 118,461,091</u>	<u>\$ 367,803,456</u>

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 13: NET ASSETS WITH DONOR RESTRICTIONS

On June 30, 2025, the Organization had net assets with donor restrictions of \$99,925,744. 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	\$ 99,925,744
Total	\$ 99,925,744

501(c)(3) Net Assets Without Donor Restrictions, June 30 2025

501c3 Net Assets Without Donor Restriction at June 30, 2024	\$ 7,863,916
Net Increase(decrease) for the Year ended June 30, 2025	5,424,943
501c3 Net Assets Without Donor Restriction at June 30, 2025	\$ 13,288,859

NOTE 14: 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, 2025, local fund deposit balances were fully covered by FDIC insurance and collateralization held by the bank.

NOTE 15: RELATED PARTY TRANSACTIONS

Administrative Fees

For the year ended June 30, 2025, Texas College Preparatory Academies (TCPA) paid \$8,199,294, PHS paid \$7,161,961, and TXW paid \$517,239 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 7 & 8.

Subsidiary Rental Income & Expense

For the year ended June 30, 2025, PHS paid \$705,738 of rent expense to TCPA. The funds are unrestricted in nature. These numbers have been eliminated from the combined Statement of Activities on pages 7 & 8.

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. Prior to fiscal year 2025, the Organization received \$6,054,000 from its related party for the purchase of the Public School Curriculum. The bill of sale and assignment was finalized before the fiscal year end. Therefore, the proceeds were recorded as gain on disposal of assets as of June 30, 2025.

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 15: 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 (TEA), 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, 2025 amounted to \$20,273,524.

Notes Receivable

The portion of other assets shown in the financial statement position consists of two notes receivable from ResponsiveEd Arkansas for total of \$1,311,194. ResponsiveEd Arkansas is a related party to the Organization. These notes are to be paid monthly. The monthly payments are \$15,726, and these notes will be fully paid off in July 2032.

NOTE 16: 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, 2025 are as follows:

Cash & Cash Equivalents	\$	131,657,565
Due from Grantor Agencies		47,768,103
Receivables		78,919
Total Financial Assets		179,504,587
Less: Contractually Restricted		(99,925,744)
Net Financial Assets	\$	79,578,843

NOTE 17: NATURAL CLASSIFICATION OF EXPENSES

The natural classification of entity-wide total expenses is as follows:

		Entity-Wide Total
EXPENSES & OTHER LOSSES		
6100 Payroll Costs	\$	164,673,277
6200 Professional & Contracted Services		70,247,498
6300 Supplies & Materials		15,085,904
6400 Other Operating Costs		22,062,400
6500 Debt Expense		8,623,664
8949 Other Uses		24,720
Total Expenses	\$	280,717,463

ResponsiveEd Texas
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 18: TEACHER RETIREMENT SYSTEM OF TEXAS (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 2025, the Organization recognized \$9,631,232 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	TXW	Total
11 Instruction	\$ 73	\$ 4,208,220	\$ 1,731,112	\$ 14,588	\$ 5,953,993
13 Curriculum Dev. & Instructional Staff Dev.	36,479	19,118	21,783	-	77,380
21 Instructional Leadership	306,516	39,561	48,276	-	394,353
23 School Leadership	16,607	1,308,842	746,799	21,216	2,093,464
31 Guidance, Counseling & Evaluation Services	-	60,831	33,275	4,380	98,486
33 Health Services	-	102,976	2,530	-	105,506
35 Food Services	13,473	35,817	26,777	-	76,067
36 Cocurricular/Extracurricular Activities	-	2,014	-	-	2,014
41 General Administration	420,612	12,961	-	-	433,573
51 Plant Maintenance & Operations	149,593	4,238	57	-	153,888
52 Security & Monitoring Services	4,731	19,762	8,585	-	33,078
53 Data Processing Services	152,034	20,784	14,957	-	187,775
61 Community Services	-	20,126	-	762	20,888
81 Fundraising	767	-	-	-	767
Total	<u>1,100,885</u>	<u>5,855,250</u>	<u>2,634,151</u>	<u>40,946</u>	<u>9,631,232</u>
Revenue					
5831 TRS on Behalf	1,100,885	5,855,250	2,634,151	40,946	9,631,232
Total	<u>1,100,885</u>	<u>5,855,250</u>	<u>2,634,151</u>	<u>40,946</u>	<u>9,631,232</u>
Net Revenue & Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 19: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 6, 2025, the date which the financial statements were available to be issued.

In October 2025, The Organization has been awarded the Charter School Program grant. The award amount is \$72 million from U.S. Department of Education. The grant is to be used to enhance learning opportunities of new and existing schools through improving infrastructure, increase opportunities for educationally disadvantaged students, and improve student outcomes.

For fiscal year 2025, PHS and TXW operate from the same locations, with the majority of shared expenses allocated to PHS. With TEA approval, PHS will rebill TXW for its estimated proportionate share of common expenses subsequent to fiscal year 2025.

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COMBINING SCHEDULES

ResponsiveEd Texas
Statement of Financial Position by Component
June 30, 2025

	Texas College Preparatory Academies	Premier High Schools	Texas Works	501(c)(3)	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 79,931,441	\$ 45,439,926	\$ 2,213,798	\$ 4,072,400	\$ 131,657,565
Due from State and Federal Agencies	28,530,142	17,728,066	1,332,574	177,321	47,768,103
Other Receivables	-	66,386	-	12,533	78,919
Prepaid Expenses	390,305	320,206	-	384,836	1,095,347
Total Current Assets	<u>108,851,888</u>	<u>63,554,584</u>	<u>3,546,372</u>	<u>4,647,090</u>	<u>180,599,934</u>
Property & Equipment:					
Land	46,200,556	5,643,455	-	2,127,160	53,971,171
Building & Improvements	253,916,456	26,077,730	-	12,069,622	292,063,808
Vehicles	17,471	15,000	-	188,903	221,374
Furniture & Equipment	11,383,913	2,564,555	-	1,030,681	14,979,149
Leasehold Improvements	1,871,146	8,765,862	-	-	10,637,008
Construction in Progress	3,257,308	554,899	-	-	3,812,207
Accumulated Depreciation	(49,127,221)	(11,806,178)	-	(4,502,573)	(65,435,972)
Total Property & Equipment	<u>267,519,629</u>	<u>31,815,323</u>	<u>-</u>	<u>10,913,793</u>	<u>310,248,745</u>
Other Assets:					
Right-of-use Assets	17,474,588	19,756,353	-	-	37,230,941
Other Assets	298,279	316,551	-	1,120,179	1,735,009
Total Other Assets	<u>17,772,867</u>	<u>20,072,904</u>	<u>-</u>	<u>1,120,179</u>	<u>38,965,950</u>
Total Assets	<u>\$ 394,144,384</u>	<u>\$ 115,442,811</u>	<u>\$ 3,546,372</u>	<u>\$ 16,681,062</u>	<u>\$ 529,814,629</u>

ResponsiveEd Texas
Statement of Financial Position by Component
June 30, 2025
(continued)

	Texas College Preparatory Academies	Premier High Schools	Texas Works	501(c)(3)	Total
LIABILITIES & NET ASSETS					
Current Liabilities:					
Accounts Payable	\$ 4,004,775	\$ 2,514,174	\$ 27,904	\$ 371,976	\$ 6,918,829
Other Payables	-	-	-	78,213	78,213
Accrued Payroll	9,783,093	4,653,396	74,315	1,347,689	15,858,493
Accrued Interest	3,403,595	-	-	-	3,403,595
Accrued Expenses	1,528,972	198,036	-	30,672	1,757,680
Current Portion of Long Term Debt	5,814,351	-	-	488,563	6,302,914
Current Portion of Leases Payable	2,744,742	2,581,545	-	-	5,326,287
Deferred Revenue	775,014	-	-	56,288	831,302
Total Current Liabilities	28,054,542	9,947,151	102,219	2,373,401	40,477,313
Long-Term Liabilities:					
Bonds Payable	256,846,383	-	-	-	256,846,383
Notes Payable	-	-	-	1,018,802	1,018,802
Leases Payable	15,229,359	17,923,426	-	-	33,152,785
Total Long Term Liabilities	272,075,742	17,923,426	-	1,018,802	291,017,970
Net Assets:					
Without Donor Restrictions	51,218,894	33,885,849	-	13,288,859	98,393,602
With Donor Restrictions	42,795,206	53,686,385	3,444,153	-	99,925,744
Total Net Assets	94,014,100	87,572,234	3,444,153	13,288,859	198,319,346
Total Liabilities & Net Assets	\$ 394,144,384	\$ 115,442,811	\$ 3,546,372	\$ 16,681,062	\$ 529,814,629

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025

REVENUE & OTHER SUPPORT	Texas College Preparatory Academies		
	Without Donor Restrictions	With Donor Restrictions	Total
	Local Support:		
5742 Interest Income	\$ 3,576,752	\$ -	\$ 3,576,752
5743 Rent Income	281,574	-	281,574
5744 Gifts & Bequests	998,084	-	998,084
5749 Other Revenue	3,493,954	-	3,493,954
5751 Food Service Fees	866,042	-	866,042
Total Local Support	9,216,406	-	9,216,406
State Program Revenues:			
5811 Per Capita Apportionment	-	9,606,818	9,606,818
5812 State Foundation Program	-	153,475,217	153,475,217
5829 Other State Revenue	-	1,957,910	1,957,910
5831 TRS on Behalf	-	5,855,250	5,855,250
Total State Program Revenues	-	170,895,195	170,895,195
Federal Program Revenues:			
5921 Breakfast Program	-	690,931	690,931
5922 National School Lunch	-	1,937,633	1,937,633
5923 Donated Commodities	-	189,771	189,771
5929 Title I, Part A	-	1,893,002	1,893,002
5929 IDEA-Part B Formula	-	3,583,599	3,583,599
5929 Title II, Part A	-	412,995	412,995
5929 Charter Schools	-	267,279	267,279
5929 Title III, Part A, ELA	-	194,387	194,387
5929 Title IV Part A	-	227,036	227,036
5949 E-rate - Schools & Libraries USF	-	75,922	75,922
5929 Miscellaneous Federal Funds	-	319,125	319,125
5929 COVID-19 ESSER III	-	681,332	681,332
Total Federal Program Revenues	-	10,473,012	10,473,012
Net Assets Released from Restrictions	181,368,207	(181,368,207)	-
Total Revenue & Other Support	190,584,613	-	190,584,613

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025
(continued)

	Premier High Schools		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE & OTHER SUPPORT			
Local Support:			
5742 Interest Income	\$ 1,536,568	\$ -	\$ 1,536,568
5743 Rent Income	-	-	-
5744 Gifts & Bequests	59,982	-	59,982
5749 Other Revenue	153,649	-	153,649
5751 Food Service Fees	5,972	-	5,972
Total Local Support	<u>1,756,171</u>	<u>-</u>	<u>1,756,171</u>
State Program Revenues:			
5811 Per Capita Apportionment	-	4,047,379	4,047,379
5812 State Foundation Program	-	76,017,298	76,017,298
5829 Other State Revenue	-	1,193,515	1,193,515
5831 TRS on Behalf	-	2,634,151	2,634,151
Total State Program Revenues	<u>-</u>	<u>83,892,343</u>	<u>83,892,343</u>
Federal Program Revenues:			
5921 Breakfast Program	-	237,560	237,560
5922 National School Lunch	-	448,426	448,426
5923 Donated Commodities	-	40,093	40,093
5929 Title I, Part A	-	1,553,858	1,553,858
5929 IDEA-Part B Formula	-	1,281,256	1,281,256
5929 Title II, Part A	-	319,773	319,773
5929 Charter Schools	-	5,943,157	5,943,157
5929 Title III, Part A, ELA	-	93,270	93,270
5929 Title IV Part A	-	124,585	124,585
5949 E-rate - Schools & Libraries USF	-	74,316	74,316
5929 Miscellaneous Federal Funds	-	211,282	211,282
5929 COVID-19 ESSER III	-	507,272	507,272
Total Federal Program Revenues	<u>-</u>	<u>10,834,848</u>	<u>10,834,848</u>
Net Assets Released from Restrictions	<u>89,582,283</u>	<u>(89,582,283)</u>	<u>-</u>
Total Revenue & Other Support	<u>91,338,454</u>	<u>5,144,908</u>	<u>96,483,362</u>

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025
(continued)

	Texas Works		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE & OTHER SUPPORT			
Local Support:			
5742 Interest Income	\$ -	\$ -	\$ -
5743 Rent Income	-	-	-
5744 Gifts & Bequests	-	-	-
5749 Other Revenue	-	-	-
5751 Food Service Fees	-	-	-
Total Local Support	-	-	-
State Program Revenues:			
5811 Per Capita Apportionment	-	-	-
5812 State Foundation Program	-	5,198,967	5,198,967
5829 Other State Revenue	-	-	-
5831 TRS on Behalf	-	40,946	40,946
Total State Program Revenues	-	5,239,913	5,239,913
Federal Program Revenues:			
5921 Breakfast Program	-	-	-
5922 National School Lunch	-	-	-
5923 Donated Commodities	-	-	-
5929 Title I, Part A	-	-	-
5929 IDEA-Part B Formula	-	14,334	14,334
5929 Title II, Part A	-	-	-
5929 Charter Schools	-	-	-
5929 Title III, Part A, ELA	-	-	-
5929 Title IV Part A	-	-	-
5949 E-rate - Schools & Libraries USF	-	-	-
5929 Miscellaneous Federal Funds	-	628	628
5929 COVID-19 ESSER III	-	-	-
Total Federal Program Revenues	-	14,962	14,962
Net Assets Released from Restrictions	1,810,722	(1,810,722)	-
Total Revenue & Other Support	1,810,722	3,444,153	5,254,875

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025
(continued)

	501(c)(3)		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE & OTHER SUPPORT			
Local Support:			
5742 Interest Income	\$ 221,648	\$ -	\$ 221,648
5743 Rent Income	1,449,123	-	1,449,123
5744 Gifts & Bequests	131,932	-	131,932
5749 Other Revenue	15,806,735	-	15,806,735
5751 Food Service Fees	-	-	-
Total Local Support	<u>17,609,438</u>	<u>-</u>	<u>17,609,438</u>
State Program Revenues:			
5811 Per Capita Apportionment	-	-	-
5812 State Foundation Program	-	-	-
5829 Other State Revenue	-	-	-
5831 TRS on Behalf	-	1,100,885	1,100,885
Total State Program Revenues	<u>-</u>	<u>1,100,885</u>	<u>1,100,885</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 Title II, Part A	-	-	-
5929 Charter Schools	-	2,524,829	2,524,829
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>2,524,829</u>	<u>2,524,829</u>
Net Assets Released from Restrictions	<u>3,625,714</u>	<u>(3,625,714)</u>	<u>-</u>
Total Revenue & Other Support	<u>21,235,152</u>	<u>-</u>	<u>21,235,152</u>

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025
(continued)

	TOTAL		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE & OTHER SUPPORT			
Local Support:			
5742 Interest Income	\$ 5,334,968	\$ -	\$ 5,334,968
5743 Rent Income	1,730,697	-	1,730,697
5744 Gifts & Bequests	1,189,998	-	1,189,998
5749 Other Revenue	19,454,338	-	19,454,338
5751 Food Service Fees	872,014	-	872,014
Total Local Support	<u>28,582,015</u>	<u>-</u>	<u>28,582,015</u>
State Program Revenues:			
5811 Per Capita Apportionment	-	13,654,197	13,654,197
5812 State Foundation Program	-	234,691,482	234,691,482
5829 Other State Revenue	-	3,151,425	3,151,425
5831 TRS on Behalf	-	9,631,232	9,631,232
Total State Program Revenues	<u>-</u>	<u>261,128,336</u>	<u>261,128,336</u>
Federal Program Revenues:			
5921 Breakfast Program	-	928,491	928,491
5922 National School Lunch	-	2,386,059	2,386,059
5923 Donated Commodities	-	229,864	229,864
5929 Title I, Part A	-	3,446,860	3,446,860
5929 IDEA-Part B Formula	-	4,879,189	4,879,189
5929 Title II, Part A	-	732,768	732,768
5929 Charter Schools	-	8,735,265	8,735,265
5929 Title III, Part A, ELA	-	287,657	287,657
5929 Title IV Part A	-	351,621	351,621
5949 E-rate - Schools & Libraries USF	-	150,238	150,238
5929 Miscellaneous Federal Funds	-	531,035	531,035
5929 COVID-19 ESSER III	-	1,188,604	1,188,604
Total Federal Program Revenues	<u>-</u>	<u>23,847,651</u>	<u>23,847,651</u>
Net Assets Released from Restrictions	<u>276,386,926</u>	<u>(276,386,926)</u>	<u>-</u>
Total Revenue & Other Support	<u>304,968,941</u>	<u>8,589,061</u>	<u>313,558,002</u>

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025
(continued)

	Texas College Preparatory Academies		
	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES			
11 Instruction	98,926,335	-	98,926,335
12 Instructional Resources & Media Services	309	-	309
13 Curriculum Dev. & Instructional Staff Dev.	6,349,666	-	6,349,666
21 Instructional Leadership	4,858,268	-	4,858,268
23 School Leadership	20,099,434	-	20,099,434
31 Guidance, Counseling & Evaluation Services	2,865,751	-	2,865,751
32 Social Work Services	3	-	3
33 Health Services	1,634,269	-	1,634,269
34 Student (Pupil) Transportation	78	-	78
35 Food Services	4,384,955	-	4,384,955
36 Cocurricular/Extracurricular Activities	1,653,182	-	1,653,182
41 General Administration	8,922,424	-	8,922,424
51 Plant Maintenance & Operations	17,992,926	-	17,992,926
52 Security & Monitoring Services	3,118,657	-	3,118,657
53 Data Processing Services	3,095,110	-	3,095,110
71 Debt Service	8,346,130	-	8,346,130
81 Fundraising	1,325,203	-	1,325,203
Total Expenses from Operations	<u>183,572,700</u>	<u>-</u>	<u>183,572,700</u>
Change in Net Assets from Operations	7,011,913	-	7,011,913
61 Community Services	471,781	-	471,781
Increase/(decrease) in Net Assets	<u>6,540,132</u>	<u>-</u>	<u>6,540,132</u>
Gain (Loss) on Disposal of Assets	6,227,568	-	6,227,568
Net Assets, Beginning of Year	<u>38,451,194</u>	<u>42,795,206</u>	<u>81,246,400</u>
Net Assets, End of Year	<u>\$ 51,218,894</u>	<u>\$ 42,795,206</u>	<u>\$ 94,014,100</u>

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025
(continued)

	Premier High Schools		
	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES			
11 Instruction	45,484,050	-	45,484,050
12 Instructional Resources & Media Services	-	-	-
13 Curriculum Dev. & Instructional Staff Dev.	4,042,404	-	4,042,404
21 Instructional Leadership	3,281,653	-	3,281,653
23 School Leadership	11,902,193	-	11,902,193
31 Guidance, Counseling & Evaluation Services	922,068	-	922,068
32 Social Work Services	-	-	-
33 Health Services	176,142	-	176,142
34 Student (Pupil) Transportation	44,697	-	44,697
35 Food Services	1,207,116	-	1,207,116
36 Cocurricular/Extracurricular Activities	37,882	-	37,882
41 General Administration	5,305,730	-	5,305,730
51 Plant Maintenance & Operations	8,238,777	-	8,238,777
52 Security & Monitoring Services	3,436,255	-	3,436,255
53 Data Processing Services	2,080,138	-	2,080,138
71 Debt Service	205,422	-	205,422
81 Fundraising	2,992,728	-	2,992,728
Total Expenses from Operations	<u>89,357,255</u>	<u>-</u>	<u>89,357,255</u>
 Change in Net Assets from Operations	 1,981,199	 5,144,908	 7,126,107
 61 Community Services	 225,028	 -	 225,028
 Increase/(decrease) in Net Assets	 <u>1,756,171</u>	 <u>5,144,908</u>	 <u>6,901,079</u>
 Gain (Loss) on Disposal of Assets	 -	 -	 -
 Net Assets, Beginning of Year	 <u>32,129,678</u>	 <u>48,541,477</u>	 <u>80,671,155</u>
 Net Assets, End of Year	 <u>\$ 33,885,849</u>	 <u>\$ 53,686,385</u>	 <u>\$ 87,572,234</u>

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025
(continued)

	Texas Works		Total
	Without Donor Restrictions	With Donor Restrictions	
EXPENSES			
11 Instruction	553,944	-	553,944
12 Instructional Resources & Media Services	-	-	-
13 Curriculum Dev. & Instructional Staff Dev.	121,626	-	121,626
21 Instructional Leadership	71,821	-	71,821
23 School Leadership	313,315	-	313,315
31 Guidance, Counseling & Evaluation Services	104,794	-	104,794
32 Social Work Services	-	-	-
33 Health Services	-	-	-
34 Student (Pupil) Transportation	298	-	298
35 Food Services	-	-	-
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	204,024	-	204,024
51 Plant Maintenance & Operations	74,635	-	74,635
52 Security & Monitoring Services	-	-	-
53 Data Processing Services	63,692	-	63,692
71 Debt Service	-	-	-
81 Fundraising	289,647	-	289,647
Total Expenses from Operations	<u>1,797,796</u>	<u>-</u>	<u>1,797,796</u>
Change in Net Assets from Operations	12,926	3,444,153	3,457,079
61 Community Services	12,926	-	12,926
Increase/(decrease) in Net Assets	<u>-</u>	<u>3,444,153</u>	<u>3,444,153</u>
Gain (Loss) on Disposal of Assets	-	-	-
Net Assets, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets, End of Year	<u>\$ -</u>	<u>\$ 3,444,153</u>	<u>\$ 3,444,153</u>

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025
(continued)

	501(c)(3)		Total
	Without Donor Restrictions	With Donor Restrictions	
EXPENSES			
11 Instruction	166,321	-	166,321
12 Instructional Resources & Media Services	-	-	-
13 Curriculum Dev. & Instructional Staff Dev.	671,989	-	671,989
21 Instructional Leadership	5,346,869	-	5,346,869
23 School Leadership	252,239	-	252,239
31 Guidance, Counseling & Evaluation Services	485,778	-	485,778
32 Social Work Services	-	-	-
33 Health Services	19,097	-	19,097
34 Student (Pupil) Transportation	-	-	-
35 Food Services	201,979	-	201,979
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	6,759,398	-	6,759,398
51 Plant Maintenance & Operations	3,987,310	-	3,987,310
52 Security & Monitoring Services	113,523	-	113,523
53 Data Processing Services	3,521,641	-	3,521,641
71 Debt Service	72,112	-	72,112
81 Fundraising	262,772	-	262,772
Total Expenses from Operations	<u>21,861,028</u>	<u>-</u>	<u>21,861,028</u>
Change in Net Assets from Operations	(625,876)	-	(625,876)
61 Community Services	3,181	-	3,181
Increase/(decrease) in Net Assets	<u>(629,057)</u>	<u>-</u>	<u>(629,057)</u>
Gain (Loss) on Disposal of Assets	6,054,000	-	6,054,000
Net Assets, Beginning of Year	<u>7,863,916</u>	<u>-</u>	<u>7,863,916</u>
Net Assets, End of Year	<u>\$ 13,288,859</u>	<u>\$ -</u>	<u>\$ 13,288,859</u>

ResponsiveEd Texas
Statement of Activities by Component
For the Year Ended June 30, 2025
(continued)

	TOTAL		
	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES			
11 Instruction	145,130,650	-	145,130,650
12 Instructional Resources & Media Services	309	-	309
13 Curriculum Dev. & Instructional Staff Dev.	11,185,685	-	11,185,685
21 Instructional Leadership	13,558,611	-	13,558,611
23 School Leadership	32,567,181	-	32,567,181
31 Guidance, Counseling & Evaluation Services	4,378,391	-	4,378,391
32 Social Work Services	3	-	3
33 Health Services	1,829,508	-	1,829,508
34 Student (Pupil) Transportation	45,073	-	45,073
35 Food Services	5,794,050	-	5,794,050
36 Cocurricular/Extracurricular Activities	1,691,064	-	1,691,064
41 General Administration	21,191,576	-	21,191,576
51 Plant Maintenance & Operations	30,293,648	-	30,293,648
52 Security & Monitoring Services	6,668,435	-	6,668,435
53 Data Processing Services	8,760,581	-	8,760,581
71 Debt Service	8,623,664	-	8,623,664
81 Fundraising	4,870,350	-	4,870,350
Total Expenses from Operations	<u>296,588,779</u>	<u>-</u>	<u>296,588,779</u>
Change in Net Assets from Operations	8,380,162	8,589,061	16,969,223
61 Community Services	712,916	-	712,916
Increase/(decrease) in Net Assets	<u>7,667,246</u>	<u>8,589,061</u>	<u>16,256,307</u>
Gain (Loss) on Disposal of Assets	12,281,568	-	12,281,568
Net Assets, Beginning of Year	<u>78,444,788</u>	<u>91,336,683</u>	<u>169,781,471</u>
Net Assets, End of Year	<u>\$ 98,393,602</u>	<u>\$ 99,925,744</u>	<u>\$ 198,319,346</u>

ResponsiveEd Texas
Statement of Cash Flows by Entity
For the Year Ended June 30, 2025

	Texas College				
	Preparatory Academies	Premier High Schools	Texas Works	501(c)(3)	TOTAL
Cash Flows from Operating Activities:					
Cash from Local Sources	\$ 9,339,183	\$ 1,799,657	\$ -	\$ 18,765,820	\$ 29,904,660
Cash from State Programs	169,931,852	83,964,509	3,922,301	1,100,885	258,919,547
Cash from Federal Programs	10,883,879	11,443,934	-	2,484,513	24,812,326
Cash Paid to Suppliers	(66,197,174)	(40,496,881)	(1,037,457)	(6,334,064)	(114,065,576)
Cash Paid to Employees	(101,651,803)	(44,971,132)	(671,046)	(16,004,582)	(163,298,563)
Cash Paid for Interest	(9,086,961)	(205,422)	-	(72,112)	(9,364,495)
Net Cash Provided by/(Used in) Operating Activities	<u>13,218,976</u>	<u>11,534,665</u>	<u>2,213,798</u>	<u>(59,540)</u>	<u>26,907,899</u>
Cash Flows from Investing Activities:					
Purchase of Capital Assets	(12,593,283)	(872,173)	-	(41,869)	(13,507,325)
Proceeds from Sale of Assets	10,500,000	-	-	-	10,500,000
Net Cash Provided by/(Used in) Investing Activities	<u>(2,093,283)</u>	<u>(872,173)</u>	<u>-</u>	<u>(41,869)</u>	<u>(3,007,325)</u>
Cash Flows from Financing Activities:					
Payments on Debt	(6,130,000)	-	-	(488,404)	(6,618,404)
Net Cash Provided by/(Used in) Financing Activities	<u>(6,130,000)</u>	<u>-</u>	<u>-</u>	<u>(488,404)</u>	<u>(6,618,404)</u>
Net Increase/(Decrease) in Cash	4,995,693	10,662,492	2,213,798	(589,813)	17,282,170
Cash at Beginning of Year	<u>74,935,748</u>	<u>34,777,434</u>	<u>-</u>	<u>4,662,213</u>	<u>114,375,395</u>
Cash at End of Year	<u>\$ 79,931,441</u>	<u>\$ 45,439,926</u>	<u>\$ 2,213,798</u>	<u>\$ 4,072,400</u>	<u>\$ 131,657,565</u>
Reconciliation of Change in Net Assets to Net Cash Provided by/(Used in) Operating Activities					
Change in Net Assets	\$ 6,540,132	\$ 6,901,079	\$ 3,444,153	\$ (629,057)	\$ 16,256,307
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by/(Used in) by Operating Activities:					
Depreciation	7,519,711	1,906,920	-	471,561	9,898,192
Amortization of right-of-use assets	(408,381)	1,544,269	-	-	1,135,888
Amortization of bond premium and discount	(533,192)	-	-	-	(533,192)
(Increase)/Decrease in Operating Assets:					
Due from State and Federal Agencies	(552,476)	681,252	(1,332,574)	(40,316)	(1,244,114)
Other Receivables	264,399	42,189	-	107,738	414,326
Receivables from Other Charters	-	-	-	45,463	45,463
Inventory	-	-	-	201,706	201,706
Prepaid Expenses	10,735	480,916	-	(232,514)	259,137
Other Assets	68,133	1,297	-	392,893	462,323
Increase/(Decrease) in Operating Liabilities:					
Accounts Payable	880,674	1,901,338	27,904	6,028	2,815,944
Other Payables	-	-	-	(372,804)	(372,804)
Accrued Payroll	1,205,589	693,769	74,315	(598,959)	1,374,714
Accrued Interest	(207,639)	-	-	-	(207,639)
Accrued Expenses	(1,876,055)	(862,347)	-	(21,567)	(2,759,969)
Deferred Revenue	(209,755)	-	-	610,288	400,533
Leases Liabilities	517,101	(1,756,017)	-	-	(1,238,916)
Net Adjustments	<u>6,678,844</u>	<u>4,633,586</u>	<u>(1,230,355)</u>	<u>569,517</u>	<u>10,651,592</u>
Net Cash Provided by/(Used in) Operating Activities	<u>\$ 13,218,976</u>	<u>\$ 11,534,665</u>	<u>\$ 2,213,798</u>	<u>\$ (59,540)</u>	<u>\$ 26,907,899</u>

REQUIRED TEA SCHEDULES

ResponsiveEd Texas
Statement of Expenses by Charter
For the Year Ended June 30, 2025

	Texas			
	College Preparatory Academies	Premier High Schools	Texas Works	Total
EXPENSES & OTHER LOSSES				
6100 Payroll Costs	\$ 102,857,392	\$ 45,664,901	\$ 745,361	\$ 149,267,654
6200 Professional & Contracted Services	42,133,906	24,336,668	181,652	66,652,226
6300 Supplies & Materials	8,602,966	5,442,842	57,641	14,103,449
6400 Other Operating Costs	13,880,070	6,064,855	308,829	20,253,754
6500 Debt Expense	8,346,130	205,422	-	8,551,552
8949 Other Uses & 8200 Intracompany Expenses	8,224,017	7,867,595	517,239	16,608,851
Total Expenses	<u>\$ 184,044,481</u>	<u>\$ 89,582,283</u>	<u>\$ 1,810,722</u>	<u>\$ 275,437,486</u>

ResponsiveEd Texas
Schedule of Assets by Charter
For the Year Ended June 30, 2025

	Texas College Preparatory Academies			
	Ownership Interest			Total
	Local	State	Federal	
CAPITAL ASSETS				
1100 Cash	\$ -	\$ 79,931,441	\$ -	\$ 79,931,441
1510 Land	-	46,200,556	-	46,200,556
1520 Buildings & Improvements	-	253,916,456	-	253,916,456
1521 Construction in Progress	-	3,257,308	-	3,257,308
1531 Vehicles	-	17,471	-	17,471
1539 Furniture & Equipment	-	11,383,913	-	11,383,913
1550 Leasehold Improvements	-	1,871,146	-	1,871,146
Total Capital Assets	<u>\$ -</u>	<u>\$ 396,578,291</u>	<u>\$ -</u>	<u>\$ 396,578,291</u>

ResponsiveEd Texas
Schedule of Assets by Charter
For the Year Ended June 30, 2025
(continued)

	Premier High Schools			
	Ownership Interest			Total
	Local	State	Federal	
CAPITAL ASSETS				
1100 Cash	\$ -	\$ 45,439,926	\$ -	\$ 45,439,926
1510 Land	-	5,643,455	-	5,643,455
1520 Buildings & Improvements	-	26,077,730	-	26,077,730
1521 Construction in Progress	-	554,899	-	554,899
1531 Vehicles	-	15,000	-	15,000
1539 Furniture & Equipment	-	2,564,555	-	2,564,555
1550 Leasehold Improvements	-	8,765,862	-	8,765,862
Total Capital Assets	<u>\$ -</u>	<u>\$ 89,061,427</u>	<u>\$ -</u>	<u>\$ 89,061,427</u>

ResponsiveEd Texas
Schedule of Assets by Charter
For the Year Ended June 30, 2025
(continued)

	Texas Works			
	Ownership Interest			Total
	Local	State	Federal	
CAPITAL ASSETS				
1100 Cash	\$ -	\$ 2,213,798	\$ -	\$ 2,213,798
1510 Land	-	-	-	-
1520 Buildings & Improvements	-	-	-	-
1521 Construction in Progress	-	-	-	-
1531 Vehicles	-	-	-	-
1539 Furniture & Equipment	-	-	-	-
1550 Leasehold Improvements	-	-	-	-
Total Capital Assets	<u>\$ -</u>	<u>\$ 2,213,798</u>	<u>\$ -</u>	<u>\$ 2,213,798</u>

ResponsiveEd Texas
Schedule of Related Party Transactions, Compensation and Benefits
ResponsiveEd Texas
For the Year Ended June 30, 2025

	<u>Source</u>	<u>Frequency</u>	ResponsiveEd Texas		Blue Learning	
			501(c)(3) Non-Profit Charter Holder		501(c)(3) Non-Profit Organization	
			<u>Received / (Paid)</u>	<u>Due From / (Owed To)</u>	<u>Received / (Paid)</u>	<u>Due From / (Owed To)</u>
<u>TRANSACTIONS</u>						
Texas College Preparatory Academies (221801)						
CMO and related services	State	Quarterly	\$ (11,265,961)	\$ (2,271,136)	\$ 11,265,961	\$ 2,271,136
Software/Subscriptions	State	Annually	(110,615)		110,615	
Summer Reading Program	Federal	Annually	(29,502)		29,502	
Miscellaneous	State	As Needed	(3,772)		3,772	
Curriculum	State	As Needed	(22,873)			
Shipping Reimbursement	State	As Needed	(481)			
Subtotal			(11,433,204)	(2,271,136)	11,409,850	2,271,136
Premier High Schools (072801)						
CMO and related services	State	Quarterly	(5,393,223)	(1,343,204)	5,393,223	1,343,204
Software/Subscriptions	State	Annually	(216,758)		216,758	
Miscellaneous	State	As Needed	(4,353)		43,523	
Shipping Reimbursement	State	As Needed	(1,482)			
Subtotal			(5,615,816)	(1,343,204)	5,653,504	1,343,204
Texas Works (061806)						
Shipping Reimbursement	State	As Needed	(15)			
Subtotal			(15)	-	-	-

Notes: The Charter Management Organization (CMO) agreements were approved by TEA on January 6, 2021; Employees on the compensation and benefits section include those who are paid by both ResponsiveEd Texas and a related organization

ResponsiveEd Texas
Schedule of Related Party Transactions, Compensation and Benefits
ResponsiveEd Texas
For the Year Ended June 30, 2025
(continued)

				Bright Thinker		Responsive Education Solutions	
				For-Profit Organization		501(c)(3) Non-Profit Organization	
				<u>Received /</u>	<u>Due From /</u>	<u>Received /</u>	<u>Due From /</u>
<u>TRANSACTIONS</u>	<u>Source</u>	<u>Frequency</u>		<u>(Paid)</u>	<u>(Owed To)</u>	<u>(Paid)</u>	<u>(Owed To)</u>
Texas College Preparatory Academies (221801)							
CMO and related services	State	Quarterly					
Software/Subscriptions	State	Annually					
Summer Reading Program	Federal	Annually					
Miscellaneous	State	As Needed					
Curriculum	State	As Needed	\$	22,873			
Shipping Reimbursement	State	As Needed		481			
Subtotal				23,354	-	-	-
Premier High Schools (072801)							
CMO and related services	State	Quarterly					
Software/Subscriptions	State	Annually					
Miscellaneous	State	As Needed					
Shipping Reimbursement	State	As Needed		1,482			
Subtotal				1,482	-	-	-
Texas Works (061806)							
Shipping Reimbursement	State	As Needed		15			
Subtotal				15	-	-	-

Notes: The Charter Management Organization (CMO) agreements were approved by TEA on January 6, 2021; Employees on the compensation and benefits section include those who are paid by both ResponsiveEd Texas and a related organization

ResponsiveEd Texas
Schedule of Related Party Transactions, Compensation and Benefits
ResponsiveEd Texas
For the Year Ended June 30, 2025
(continued)

	<u>Source</u>	<u>Frequency</u>	ResponsiveEd Texas		Blue Learning	
			501(c)(3) Non-Profit Charter Holder		501(c)(3) Non-Profit Organization	
			<u>Received / (Paid)</u>	<u>Due From / (Owed To)</u>	<u>Received / (Paid)</u>	<u>Due From / (Owed To)</u>
<u>TRANSACTIONS</u>						
501(c)(3)						
Software/Subscriptions	State	Annually	(237,938)		237,938	
Miscellaneous	State	As Needed	(42,105)		42,105	
Curriculum	State	As Needed	(209,328)			
Shipping Reimbursement	State	As Needed	(463)			
Rent	Local	Monthly	806,330		(321,750)	
Subtotal			316,496	-	(41,707)	-
TRANSACTIONS TOTAL			\$ (16,732,539)	\$ (3,614,340)	\$ 17,021,647	\$ 3,614,340
<u>COMPENSATION AND BENEFITS</u>						
Charles Cook, CEO/Superintendent		Biweekly	\$ (345,693)			
Jason Bernal, Brand Superintendent		Biweekly	(113,744)			
Michael Griffin, Brand Superintendent		Biweekly	(82,369)			
Kalese Whitehurst, Chief of Staff/Superintendent		Biweekly	(93,756)			
COMPENSATION AND BENEFITS TOTAL			\$ (635,562)			

Notes: The Charter Management Organization (CMO) agreements were approved by TEA on January 6, 2021; Employees on the compensation and benefits section include those who are paid by both ResponsiveEd Texas and a related organization

ResponsiveEd Texas
Schedule of Related Party Transactions, Compensation and Benefits
ResponsiveEd Texas
For the Year Ended June 30, 2025
(continued)

	<u>Source</u>	<u>Frequency</u>	Bright Thinker		Responsive Education Solutions	
			For-Profit Organization		501(c)(3) Non-Profit Organization	
			<u>Received / (Paid)</u>	<u>Due From / (Owed To)</u>	<u>Received / (Paid)</u>	<u>Due From / (Owed To)</u>
<u>TRANSACTIONS</u>						
501(c)(3)						
Software/Subscriptions	State	Annually				
Miscellaneous	State	As Needed				
Curriculum	State	As Needed	209,328			
Shipping Reimbursement	State	As Needed	463			
Rent	Local	Monthly	(277,482)		\$ (207,098)	
Subtotal			(67,691)	-	(207,098)	-
TRANSACTIONS TOTAL			\$ (42,840)	\$ -	\$ (207,098)	\$ -
<u>COMPENSATION AND BENEFITS</u>						
Charles Cook, CEO/Superintendent		Biweekly			\$ (188,864)	
Jason Bernal, Brand Superintendent		Biweekly			(50,652)	
Michael Griffin, Brand Superintendent		Biweekly			(34,762)	
Kalese Whitehurst, Chief of Staff/Superintendent		Biweekly			(96,672)	
COMPENSATION AND BENEFITS TOTAL					\$ (370,950)	

Notes: The Charter Management Organization (CMO) agreements were approved by TEA on January 6, 2021; Employees on the compensation and benefits section include those who are paid by both ResponsiveEd Texas and a related organization

ResponsiveEd Texas
Schedule of Real Property Ownership Interest
For the Year Ended June 30, 2025

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	\$ 1,278,079		\$ 1,278,079	
PHS	PHS Amarillo	LAWRENCE PLACE REPL, LOT 00B BLOCK 0003, TRACT 8	3242 Hobbs	Amarillo	TX	79109	781,094		781,094	
PHS	PHS Arlington	PARKWAY CENTRAL ADDITION Block 3B Lot E2A	551 Ryan Plaza Dr.	Arlington	TX	76011	4,921,131		4,921,131	
PHS	PHS Brownsville	LOT 1 BLK 1 P I C SUBDIVISION (CAB1 PG 1204A MRCC)	955 Paredes Line Rd.	Brownsville	TX	78521	450,198		450,198	
PHS	PHS Brownsville	LOT 2 BLK 1 P I C SUBDIVISION (CAB1 PG 1204A MRCC)	15 Lakeshore Dr.	Brownsville	TX	78521	272,003		272,003	
PHS	PHS Comanche	FAIRLAND, BLOCK C, LOT 7 & 8, (TR 3)	1008 South Austin St.	Comanche	TX	76442	142,390		142,390	
PHS	PHS Del Rio	RESPONSIVE SOLUTIONS SUBDIVISION LOT 1 ACRES 3.8425	1701 Kings Way	Del Rio	TX	78840	667,477		667,477	
PHS	Edinburg CTE	HIGH POINT CONDOS UNIT 1,2,3,4,5,6,7,8,9	4701 South Sugar Road	Edinburg	TX	78539	2,614,222		2,614,222	
PHS	PHS Granbury	Acres: 2.750, Subd: SOUTHTOWN, Tract: C-R	803 & 883 Harbor Lakes Dr.	Granbury	TX	76048	3,630,240		3,630,240	
PHS	PHS Laredo	LOTS 1 THRU 6 BLK 1280 ED	2201 Chihuahua St.	Laredo	TX	78043	1,748,046		1,748,046	
PHS	PHS Odessa	COLLEGE ADDN BLOCK 143 LOTS 1-2	1801 N. Lee Ave	Odessa	TX	79761	748,074		748,074	
PHS	PHS Tyler	FOREST HILLS BLOCK 669N LOT 1,2C	1106 North Glenwood Blvd.	Tyler	TX	75702	496,585		496,585	
PHS	PHS Waco	NORTHWOOD ADDITION Block 1 Lot 3 Acres 8.189	4720 North 19th St.	Waco	TX	76708	1,844,560		1,844,560	
PHS	Foundation School of Autism	Midway Park Shopping Center, Blk 1, Lot 1	2200 Midway Rd.	Plano	TX	75093	2,274,549		2,274,549	
PHS	PHS Brownwood (Early)	EARLY BOULEVARD ADDN, LOT 1, ACRES	819 Early Blvd.	Early	TX	76802	323,180		323,180	
PHS	PHS Mission	MISSION MEDICAL CENTER CONDOS UNIT 15B	1203 St. Claire St. Unit 15B	Mission	TX	78572	2,161,722		2,161,722	
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. Haggar Ave.	Weslaco	TX	78599	1,658,419		1,658,419	
PHS	PHS Wichita Falls	LOT 15-B BLK 2A HIGHLAND ADDITION	2201 Kemp Blvd	Wichita Falls	TX	76309	1,914,873		1,914,873	
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	855,800		855,800	
TCPA	Amarillo Collegiate Academy	SOUTH SIDE ACRES # 12 AMD, LOT 014 BLOCK 0003	6000 South Georgia St.	Amarillo	TX	79118	7,104,659		7,104,659	
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	1,706,394		1,706,394	
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	
TCPA	Coppell Classical Academy	CHRIST OUR SAVIOR LUTHERAN CHURCH BLK A LT 1R1 ACS 4.848	140 South Hartz Rd.	Coppell	TX	75019	N/A		N/A	

ResponsiveEd Texas
Schedule of Real Property Ownership Interest
For the Year Ended June 30, 2025
(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	FCA Corinth Upper	VISTA ACADEMY ADDITION BLK A LOT 1	3600 Meadowview Drive	Corinth	TX	76210	\$ 12,198,849		\$ 12,198,849	
TCPA	FCA Flower Mound	RES FLOWER MOUND ADDITION BLK A LOTS 1, 2, & 3	4901 Cross Timbers Road	Flower Mound	TX	75028	28,095,843		28,095,843	
TCPA	FCA Frisco	Res Frisco Phase 1, Blk A, Lot 1	10710 Frisco St	Frisco	TX	75033	27,971,326		27,971,326	
TCPA	FCA Corinth Lower	CORNELIUS TOWN CENTER ADDN BLK A LOT 1	800 Point Vista Rd. Ste. 518	Hickory Creek	TX	75065	8,005,504		8,005,504	
TCPA	Huntsville Classical Academy	DAVIDS E SURVEY- COMMERCIAL, LOT 17, ACRES 15.74	7174 South Hwy 75	Huntsville	TX	77340	8,455,650		8,455,650	
TCPA	Mainland Preparatory Classical Academy	ABST 2 S F AUSTIN SUR TR 13 10.697 ACRS	319 Newman Rd.	La Marque	TX	77568	5,713,950		5,713,950	
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	9,358,339		9,358,339	
TCPA	FCA East Lewisville	WATERS RIDGE PH 1 BLK C LOT 1-RB	650 Bennett Ln	Lewisville	TX	75057	3,934,858		3,934,858	
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	21,159,996		21,159,996	
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	1,614,580		1,614,580	
TCPA	QCA Shenandoah	A0389 - Medermott Wm, Tract 10, Acres 6.322	1488 Wellman Road	Shenandoah	TX	77384	4,078,228		4,078,228	
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	33,118,567		33,118,567	
TCPA	FCA Conroe	S901600 - Spring Woodlands Church of Christ, RES A-4, Acres 16.915	105 FM 1488	Conroe	TX	77384	4,052,490		4,052,490	
TCPA	FCA Prosper	Abs A0600 Larkin Mccarty Survey, Tract 57, 22.0033 Acres	4300 E. First St.	Prosper	TX	75078	23,854,683		23,854,683	
TCPA	Land: Denton	A1021A S. Pritchett, TR 1A, 37.235 Acres		Denton	TX		472,091		472,091	
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	78724	13,756,281		13,756,281	
TCPA	QCA Crockett	SMITH ADD, LOTS 54-61, BLK 5	1303 East Houston Ave.	Crockett	TX	75835	1,882,500		1,882,500	
TCPA	QCA McAllen	S.T.V.T. #1 LOT 1	2400 Daffodil Ave	McAllen	TX	78501	3,166,977		3,166,977	
TCPA	FCA Mesquite	SKYLINE VILLAGE 37 PH 3 REP, BLK B LT 1RA ACS 31.432 and 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	768,144		768,144	
TCPA	FCA Fort Worth	LOT 1, BLOCK 1, CORNERSTONE ADDITION-FT WORTH	501 Academy Blvd	Fort Worth	TX	76108	6,160,130		6,160,130	
TCPA	Land: Celina	Tract of Land Situated in the S. Queen Survey, Abstract Number (NO.) 731, Collin County, Texas A0971A WM NEILL, TR 4.5, .38 ACRES; A0971A WM NEILL, TR 6, .22 ACRES; A0971A WM NEILL, TR 9,10, .23 ACRES; A0971A WM NEILL, TR 7, .21 ACRES; A0971A WM NEILL, TR 8, .55 ACRES; & A0971A WM NEILL, TR 11, .36 ACRES	Sunset Blvd.	Celina	TX	75009	3,318,336		3,318,336	
TCPA	Denton CA	A0971A WM NEILL, TR 4.5, .38 ACRES; A0971A WM NEILL, TR 6, .22 ACRES; A0971A WM NEILL, TR 9,10, .23 ACRES; A0971A WM NEILL, TR 7, .21 ACRES; A0971A WM NEILL, TR 8, .55 ACRES; & A0971A WM NEILL, TR 11, .36 ACRES	401 Bolivar St (312 W McKinney)	Denton	TX	76201	9,223,091		9,223,091	

ResponsiveEd Texas
Budgetary Comparison Schedule by Charter
For the Year Ended June 30, 2025
(Amounts Expressed in Thousands)

	Texas College Preparatory Academies			Variance Pos/(Neg) from Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUE & OTHER SUPPORT				
Local Support:				
5700 Revenue from Local Sources	\$ 6,251,052	\$ 8,251,052	\$ 9,216,406	\$ 965,354
Total Local Revenue	<u>6,251,052</u>	<u>8,251,052</u>	<u>9,216,406</u>	<u>965,354</u>
State Program Revenue:				
5800 State Program Revenue	165,053,795	167,685,395	170,895,195	3,209,800
Total State Revenue	<u>165,053,795</u>	<u>167,685,395</u>	<u>170,895,195</u>	<u>3,209,800</u>
Federal Program Revenue:				
5900 Federal Program Revenue	10,238,142	10,238,142	10,473,012	234,870
Total Federal Revenue	<u>10,238,142</u>	<u>10,238,142</u>	<u>10,473,012</u>	<u>234,870</u>
Total Revenue & Other Support	<u>181,542,989</u>	<u>186,174,589</u>	<u>190,584,613</u>	<u>4,410,024</u>
EXPENSES				
11 Instruction	99,453,767	98,953,767	98,926,335	27,432
12 Instructional Resources & Media	-	500	309	191
13 Curriculum & Instructional Staff Dev.	6,716,301	6,376,301	6,349,666	26,635
21 Instructional Leadership	4,882,939	4,882,939	4,858,268	24,671
23 School Leadership	18,605,585	20,165,585	20,099,434	66,151
31 Guidance, Counseling & Evaluation	2,828,975	2,873,975	2,865,751	8,224
32 Social Work	-	20	3	17
33 Health Services	1,305,882	1,650,882	1,634,269	16,613
34 Student (Pupil) Transportation	-	80	78	2
35 Food Services	3,898,062	4,408,062	4,384,955	23,107
36 Cocurricular/Extracurricular Activities	26,423	1,709,423	1,653,182	56,241
41 General Administration	8,504,603	8,943,603	8,922,424	21,179
51 Plant Maintenance & Operations	17,480,260	18,018,260	17,992,926	25,334
52 Security & Monitoring Services	2,631,044	3,143,044	3,118,657	24,387
53 Data Processing Services	3,086,953	3,095,953	3,095,110	843
61 Community Services	644,212	589,212	471,781	117,431
71 Debt Service	8,516,286	8,366,286	8,346,130	20,156
81 Fundraising	1,291,429	1,326,429	1,325,203	1,226
Total Expenses from Operations	<u>179,872,721</u>	<u>184,504,321</u>	<u>184,044,481</u>	<u>459,840</u>
Change in Net Assets	1,670,268	1,670,268	6,540,132	4,869,864
Gain (Loss) on Disposal of Fixed Asset	-	-	6,227,568	6,227,568
Net Assets, Beginning of Year	<u>81,246,400</u>	<u>81,246,400</u>	<u>81,246,400</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 82,916,668</u>	<u>\$ 82,916,668</u>	<u>\$ 94,014,100</u>	<u>\$ 11,097,432</u>

ResponsiveEd Texas
 Budgetary Comparison Schedule by Charter
 For the Year Ended June 30, 2025
 (Amounts Expressed in Thousands)
 (continued)

	Premier High Schools			Variance Pos/(Neg) from Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUE & OTHER SUPPORT				
Local Support:				
5700 Revenue from Local Sources	\$ 1,765,568	\$ 1,765,568	\$ 1,756,171	\$ (9,397)
Total Local Revenue	<u>1,765,568</u>	<u>1,765,568</u>	<u>1,756,171</u>	<u>(9,397)</u>
State Program Revenue:				
5800 State Program Revenue	80,826,027	81,976,027	83,892,343	1,916,316
Total State Revenue	<u>80,826,027</u>	<u>81,976,027</u>	<u>83,892,343</u>	<u>1,916,316</u>
Federal Program Revenue:				
5900 Federal Program Revenue	10,911,839	10,911,839	10,834,848	(76,991)
Total Federal Revenue	<u>10,911,839</u>	<u>10,911,839</u>	<u>10,834,848</u>	<u>(76,991)</u>
Total Revenue & Other Support	<u>93,503,434</u>	<u>94,653,434</u>	<u>96,483,362</u>	<u>1,829,928</u>
EXPENSES				
11 Instruction	45,378,186	45,488,186	45,484,050	4,136
12 Instructional Resources & Media	-	-	-	-
13 Curriculum & Instructional Staff Dev.	4,041,926	4,042,926	4,042,404	522
21 Instructional Leadership	3,297,140	3,297,140	3,281,653	15,487
23 School Leadership	11,481,195	11,911,195	11,902,193	9,002
31 Guidance, Counseling & Evaluation	874,822	924,822	922,068	2,754
32 Social Work	-	-	-	-
33 Health Services	182,226	182,226	176,142	6,084
34 Student (Pupil) Transportation	34,621	46,621	44,697	1,924
35 Food Services	994,326	1,214,326	1,207,116	7,210
36 Cocurricular/Extracurricular Activities	26,633	38,633	37,882	751
41 General Administration	5,926,044	5,346,044	5,305,730	40,314
51 Plant Maintenance & Operations	7,505,154	8,250,154	8,238,777	11,377
52 Security & Monitoring Services	3,290,420	3,442,420	3,436,255	6,165
53 Data Processing Services	2,040,285	2,082,285	2,080,138	2,147
61 Community Services	221,616	225,616	225,028	588
71 Debt Service	211,984	211,984	205,422	6,562
81 Fundraising	3,047,103	2,999,103	2,992,728	6,375
Total Expenses from Operations	<u>88,553,681</u>	<u>89,703,681</u>	<u>89,582,283</u>	<u>121,398</u>
Change in Net Assets	4,949,753	4,949,753	6,901,079	1,951,326
Gain (Loss) on Disposal of Fixed Asset	-	-	-	-
Net Assets, Beginning of Year	<u>80,671,155</u>	<u>80,671,155</u>	<u>80,671,155</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 85,620,908</u>	<u>\$ 85,620,908</u>	<u>\$ 87,572,234</u>	<u>\$ 1,951,326</u>

ResponsiveEd Texas
 Budgetary Comparison Schedule by Charter
 For the Year Ended June 30, 2025
 (Amounts Expressed in Thousands)
 (continued)

	Texas Works			Variance Pos/(Neg) from Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUE & OTHER SUPPORT				
Local Support:				
5700 Revenue from Local Sources	\$ -	\$ -	\$ -	\$ -
Total Local Revenue	-	-	-	-
State Program Revenue:				
5800 State Program Revenue	2,904,964	2,904,964	5,239,913	2,334,949
Total State Revenue	2,904,964	2,904,964	5,239,913	2,334,949
Federal Program Revenue:				
5900 Federal Program Revenue	14,334	14,334	14,962	628
Total Federal Revenue	14,334	14,334	14,962	628
Total Revenue & Other Support	2,919,298	2,919,298	5,254,875	2,335,577
EXPENSES				
11 Instruction	1,368,399	568,399	553,944	14,455
12 Instructional Resources & Media	-	-	-	-
13 Curriculum & Instructional Staff Dev.	10,080	127,080	121,626	5,454
21 Instructional Leadership	-	75,000	71,821	3,179
23 School Leadership	569,592	344,592	313,315	31,277
31 Guidance, Counseling & Evaluation	200,293	110,293	104,794	5,499
32 Social Work	-	-	-	-
33 Health Services	-	-	-	-
34 Student (Pupil) Transportation	-	1,000	298	702
35 Food Services	-	-	-	-
36 Cocurricular/Extracurricular Activities	-	-	-	-
41 General Administration	46,207	212,207	204,024	8,183
51 Plant Maintenance & Operations	7,544	77,544	74,635	2,909
52 Security & Monitoring Services	-	-	-	-
53 Data Processing Services	59,790	63,790	63,692	98
61 Community Services	550,252	40,252	12,926	27,326
71 Debt Service	-	-	-	-
81 Fundraising	87,147	300,147	289,647	10,500
Total Expenses from Operations	2,899,304	1,920,304	1,810,722	109,582
Change in Net Assets	19,994	998,994	3,444,153	2,445,159
Gain (Loss) on Disposal of Fixed Asset	-	-	-	-
Net Assets, Beginning of Year	-	-	-	-
Net Assets, End of Year	\$ 19,994	\$ 998,994	\$ 3,444,153	\$ 2,445,159

ResponsiveEd Texas
Schedule J-4 Use of Funds Report by Charter
For the Year Ended June 30, 2025

J4 Use of Funds Report				
Data Codes	Account Description	TCPA Responses	PHS Responses	TXW Responses
<i>State Compensatory Education</i>				
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes	Yes	No
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes	Yes	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 9,392,306	\$ 7,945,553	\$ 257,257
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30,34)	\$ 5,709,581	\$ 5,395,744	\$ 0
<i>Bilingual Education</i>				
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes	Yes	No
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes	Yes	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$ 1,033,615	\$ 506,475	\$ 13,081
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25 and 35)	\$ 581,362	\$ 264,111	\$ 0

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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, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2025.

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 6, 2025

**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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the 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 6, 2025

ResponsiveEd Texas
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2025

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
Charter Schools	84.282	\$ 8,735,265
School Emergency Relief Fund - ARP ESSER III	84.425U	\$ 1,289,404
Dollar Threshold Used to Distinguish Between Type A and Type B Programs:		\$ 750,000
Auditee Qualified as Low-Risk Auditee?		No

ResponsiveEd Texas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Charter Schools	84.282	N/A	\$ 8,735,265
Passed Through State Department of Education			
Title I, Part A - Improving Basic Programs	84.010A	S010A220043	3,593,070
Special Education Cluster:			
IDEA-B Formula	84.027A	H027A220008	<u>5,084,639</u>
Sub-total Special Education Cluster:			5,084,639
Title II, Part A - Supporting Effective Instruction State Grant	84.367A	S367A220041	763,846
Title III, Part A - English Language Acquisition State Grant	84.365A	S365A210043	299,843
Title IV, Part A - Student Support and Academic Enrichment	84.424A	S424A220045	385,568
Education Stabilization Funds			
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - ARP ESSER III	84.425U	S425U210042	<u>1,289,404</u>
Sub-total Education Stabilization Fund:			1,289,404
Student Support and Academic Enrichment Program - LEP Summer School	84.369A	S369A200045	<u>1,364</u>
Total Passed Through State Department of Education			<u>11,417,734</u>
Total U.S. Department of Education			<u>20,152,999</u>
U.S. FEDERAL COMMUNICATION COMMISSION			
Passed Through Universal Service Administrative Company (USAC)			
E-rate - Schools & Libraries USF Program	32.004	CV19SHSG	<u>150,238</u>
Total Passed Through USAC			<u>150,238</u>
Total U.S. Federal Communication Commission			<u>150,238</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State Department of Education			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	202323N109946	928,491
National School Lunch	10.555	202323N109946	2,386,059
Donated Commodities	10.553	N/A	<u>229,864</u>
Sub-total Child Nutrition Cluster:			<u>3,544,414</u>
Total Passed Through State Department of Education			<u>3,544,414</u>
Total U.S. Department of Agriculture			<u>3,544,414</u>
Total Expenditures of Federal Awards			<u>\$ 23,847,651</u>

ResponsiveEd Texas
Notes to the Schedule of Expenditure of Federal Awards
For the Year Ended June 30, 2025

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, 2025. 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, 2025.

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.