



NORTH EAST
INDEPENDENT SCHOOL DISTRICT

Annual Comprehensive Financial Report
Year Ended June 30, 2024

Report Issued by the
Department of
Finance and Accounting

(This page intentionally left blank.)

North East Independent School District Annual Comprehensive Financial Report

Finance and Accounting Team:

Daniel Villarreal, CPA, RTSBA, Chief Financial Officer

Susie Lackorn, CPA, Executive Director of Finance and Accounting

Mary Alex, CPA, Senior Director of Grants Administration and Financial Control

Jeff Coats, CPA, Senior Director of Accounting and Payroll

David Gracia, Senior Director of Risk Management, Employee Benefits, and Health Services

Lydia Flores, Director of Budgets and Financial Analysis

Nancy Bomer, Senior Financial Analyst for Business Services and Operations

Christi Brinkman, Senior Financial Analyst

Vanessa Terrazas, Senior Financial Analyst for Instruction

Becky Carrasco, District Treasurer

Veronica Binder, Senior Accounting Manager

Christa Ayala, Senior Payroll Manager

Chana Floyd, Accounting Manager

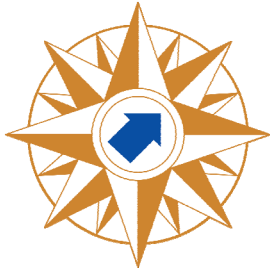
(This page intentionally left blank.)

	Page	Exhibit
INTRODUCTORY SECTION		
Letter of Transmittal	v	
List of Elected Officials and Executive Staff	xi	
Certificate of Board	xii	
Organization Chart	xiii	
FINANCIAL SECTION		
Independent Auditors' Report	1	
Management's Discussion and Analysis	5	
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	22	A – 1
Statement of Activities	24	B – 1
Fund Financial Statements:		
Balance Sheet – Governmental Funds	27	C – 1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	28	C – 2
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	29	C – 3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	30	C – 4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	31	C – 5
Statement of Net Position – Proprietary Funds	32	D – 1
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	33	D – 2
Statement of Cash Flows – Proprietary Funds	34	D – 3
Statement of Fiduciary Net Position – Fiduciary Funds	36	E – 1
Statement of Changes in Fiduciary Fund Net Position – Fiduciary Funds	37	E – 2
Notes to the Financial Statements	39	
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of the District's Proportionate Share Of the Net Pension Liability	98	G – 1
Schedule of District Contributions for Pensions	100	G – 2
Schedule of the District's Proportionate Share Of the Net OPEB Liability	102	G – 3
Schedule of District Contributions for OPEB	104	G – 4
Schedule of Changes in OPEB Liability and Fiduciary Net Position for Retiree OPEB	106	G – 5

	Page	Exhibit
SUPPLEMENTARY INFORMATION		
Combining and Individual Fund Statements and Schedules:		
Nonmajor Governmental Funds – Fund Descriptions	111	
Combining Balance Sheet – Nonmajor Governmental Funds	120	H – 1
Combining Statement of Revenues, Expenditures, and Changes		
In Fund Balances – Nonmajor Governmental Funds	128	H – 2
Internal Service Funds – Fund Descriptions	135	
Combining Statement of Net Position – Internal Service Funds	138	H – 3
Combining Statement of Revenues, Expenses, and Changes		
In Fund Net Position – Internal Service Funds	140	H – 4
Combining Statement of Cash Flows – Internal Service Funds	142	H – 5
Enterprise Funds – Fund Descriptions	147	
Combining Statement of Net Position – Nonmajor Enterprise Funds	148	H – 6
Combining Statement of Revenues, Expenses, and Changes		
In Fund Net Position – Nonmajor Enterprise Funds	149	H – 7
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	150	H – 8
Schedules Required by the Texas Education Agency:		
Schedule of Delinquent Taxes Receivable	154	J – 1
Schedule of Revenues, Expenditures, and Changes in Fund		
Balance – Budget and Actual – Child Nutrition Program	156	J – 2
Schedule of Revenues, Expenditures, and Changes in Fund		
Balance – Budget and Actual – Debt Service Fund	157	J – 3
State Compensatory Education and Bilingual Education Expenditures	158	J – 4
Schools FIRST Questionnaire	159	L – 1
STATISTICAL SECTION (unaudited)		
Financial Trend Information:		
Financial Trend Explanations	162	
Financial Trends		
Net Position by Component – Last Ten Years	164	
Governmental Activities Revenues and Expenses – Last Ten Years	166	
Business-Type Activities Revenues and Expenses – Last Ten Years	168	
General Revenues and Changes in Net Position – Last Ten Years	170	
Fund Balances, Governmental Funds – Last Ten Years	172	
Governmental Fund Revenues – Last Ten Years	174	
Governmental Fund Expenditures by Function – Last Ten Years	176	
Governmental Fund Other Sources, Uses, and Changes in Fund Balance –		
Last Ten Years	178	
General Fund Revenues per ADA – Last Ten Years	180	
General Fund Expenditures per ADA – Last Ten Years	182	

	Page	Exhibit
Revenue Capacity Information		
Assessed and Actual Value of Taxable Property – Last Ten Years	186	
Direct and Overlapping Property Tax Rates – Last Ten Years	188	
Property Tax Levies and Collections – Last Ten Years	190	
Principal Property Taxpayers – Current Year and Nine Years Prior	191	
Allocation of Tax Rates and Levies – Last Ten Years	192	
Debt Capacity Information		
Outstanding Debt by Type – Last Ten Years	194	
Direct and Overlapping Debt as of June 30, 2024	195	
Debt Margin Information – Last Ten Years	196	
Debt to Net Assessed Valuation – Last Ten Years	198	
Bonded Debt to Operating Expenditures – Last Ten Years	200	
Demographic and Economic Information		
Demographic and Economic Information – Last Ten Years	202	
Student Demographic Information – Last Ten Years	203	
Principal Employers – Current Year and Nine Years Ago	204	
Operating Information		
Employees by Full Time Equivalent by Job Function – Last Ten Years	206	
Teacher Salary Comparison – Last Ten Years	208	
Operating Statistics – Last Ten Years	209	
Fidelity Bonds – Current Year	210	
School Building Information – Last Ten Years	212	
FEDERAL AWARDS SECTION		
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	215	
Independent Auditor’s Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	217	
Schedule of Findings and Questioned Costs	220	
Summary Schedule of Prior Audit Findings	222	
Schedule of Expenditures of Federal Awards	223	K – 1
Notes to Schedule of Expenditures of Federal Awards	227	

(This page intentionally left blank.



NORTH EAST

INDEPENDENT SCHOOL DISTRICT

November 11, 2024

Mr. David Beyer, Board President,
Members of the Board of Trustees, and
Patrons of the North East Independent School District

Dear Mr. Beyer, Board of Trustees, and Patrons:

Management hereby submits the Annual Comprehensive Financial Report (Annual Report) for the fiscal year ended June 30, 2024. The North East Independent School District's (District) Finance and Accounting Department prepared the Annual Report in accordance with generally accepted accounting principles (GAAP). The Annual Report is management's report of financial operations to the Board of Trustees (the Board), taxpayers, grantor agencies, employees, the Texas Education Agency (TEA), and other interested parties.

The financial statements in this report provide an overview of our operations and financial position as a whole and of individual funds. Responsibility for the accuracy and completeness of the financial statements and fairness of the presentation, including all disclosures, rests with our District. We believe the data, as presented, is accurate in all material respects.

The TEA requires all school districts to publish, within 150 days of the close of each fiscal year, a complete set of financial statements presented in conformity with GAAP and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants.

Management's Discussion and Analysis (MD&A) is a required narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with this letter of transmittal. Our MD&A can be found immediately following the report of the independent auditors.

DISTRICT PROFILE

Our District provides a full range of educational services appropriate to a diverse student population in grade levels Pre-K through 12. These include regular and advanced academics, special education for students with disabilities, gifted and talented classes and many individualized programs, such as specialized instruction for at-risk students and Emergent Bilingual students. These basic services are supplemented by a wide variety of offerings in career and technical education, fine arts, athletics, and JROTC programs.

Our District encompasses approximately 140 square miles in north and northeast Bexar County. Founded in 1949, we have operated as an independent school district since 1955. Our District is the second largest school district in the San Antonio area and one of the largest districts in the State of Texas with a projected enrollment of approximately 56,200 students for the 2024-2025 school year. Our District is an urban-suburban community, lying within the boundaries of San Antonio and encompassing other smaller municipalities. The Board constitutes the governing body elected from seven single-member districts and sets the tone for instruction and service to students and patrons. All campuses are fully accredited by the TEA.

Our District's instructional programs are tailored to enrich student learning, expose students to the tenets of responsible citizenship, and prepare students for college, career, or military endeavors. To ensure that our District continues to meet our customer's future needs, a Balanced District Scorecard was adopted by the Board in Spring 2022 to focus priorities and objectives around students, staff, stakeholders and stewardship. Updates on the Balanced District Scorecard are presented to the Board periodically throughout the year and can be found clicking this link to our [website](#).

Internal and Budgetary Controls

Our District has established a comprehensive internal control framework designed both to protect assets from loss, theft, or misuse and to compile sufficiently reliable information for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and those transactions are executed in accordance with management's authorization and recorded properly. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local grants, our District is also responsible for an adequate internal control structure that ensures compliance with applicable laws and regulations related to the grants. All federally funded grants are subject to testing as part of the District's Single Audit as mandated by the Single Audit Act Amendments of 1996 and Title 2 of the United States Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The results of our Single Audit for the fiscal year ended June 30, 2024, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The report may be viewed in the Federal Awards section of the Annual Report.

Budgetary controls are established in accordance with TEA regulations and District policy for all managers with line-item responsibility. TEA regulations set the level of budgetary control at the functional expenditure level. The Board authorized the administration, through resolution, to provide budgetary transfers when there is no impact on the fund balance. These transfers are approved by the Board in a subsequent budget amendment. The Board must adopt the budget and approve all budget amendments impacting fund balance of the General, Debt Service, and National School Breakfast and Lunch Program Funds. Our District utilizes a line-item budget of proposed expenditures and revenue sources. The emphasis of the budget process is to identify the activities requiring resources and to rank those activities according to the needs of the entire District. Administrators have the responsibility to develop and manage their own program budgets once approved. Budget amendments are presented to the Board for approval throughout the fiscal year.

Summary of Achievements

Our achievements continue to be heralded in local, state and national publications. The success of our District is evidenced in our students' scores on standardized tests, Advanced Placement Program participation and abundant scholarships and awards. We enjoy a well-deserved reputation for academic and financial excellence and continue to receive numerous accolades for the performance of our students. Most recently, our District has been recognized for the following:

- We received a rating of Superior on the Schools Financial Integrity Rating System of Texas (FIRST). This is the 22nd year in a row we have earned the State's highest financial accountability rating.
- Our administrative costs as a percent of instructional costs for 2023-2024 was 5.1 percent. We consistently place in the top six percent of all Texas school districts for low administrative costs.
- In 2023-2024, we had 13 military academy appointments, 11 National Merit Semifinalists, 41 National Merit Commended Scholars, 223 National Hispanic Scholars, and 39 National African-American Scholars.
- Seventy-seven percent of our 2024 graduates planned to attend a two-year, four-year, trade, technical, or business school/institution. They received \$78.2 million in scholarship offers.
- In 2024, our District graduated 969 Summa Cum Laude students (100+ grade point average).
- Our graduation rate is 97 percent.
- We have 65 campuses with the Purple Star Designation. This Texas Education Agency designation goes to schools that excel in meeting the needs of military students and their families.

ECONOMIC CONDITION AND OUTLOOK

The Federal Response to the COVID-19 Pandemic

Under the Coronavirus Aid, Relief and Economic Security (CARES) Act, multiple federal funding streams were created, the largest being the Education and Secondary School Emergency Relief (ESSER) Fund. ESSER funds were used by the State to supplant State Foundation School Program funds. For 2019-2020, we received \$10.5 million less state aid than entitled but received \$10.5 million of federal ESSER funding in 2020-2021 to offset the lost state aid. Following the CARES Act was the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) in December 2020. CRRSA provided a second round of ESSER funds (ESSER II). Our ESSER II allocation is \$52.1 million. Of that amount, \$8.2 million was used by the state to supplant 2020-2021 state aid. The balance was used over fiscal years 2021-2022 and 2022-2023 to provide stability in operations as the pandemic continues to unsettle attendance-based funding streams. Finally, the American Rescue Plan Act (ARP) of March 2021 provided a third round of ESSER funding (ESSER III). For fiscal years 2020-2021 through early 2024-2025, we will utilize \$117.1 million to implement prevention and mitigation strategies to address the academic impact of lost instructional time, the social, emotional, and mental health needs of students, and the safe

operation of schools. As required by federal law, our District's ESSER III plan can be found by clicking this link to our [website](#).

Property Taxes

In Texas, property values are assessed as of January 1. For 2023-2024, a strong housing market in San Antonio led to an increase in appraisal values of more than 10 percent. Rising interest rates helped the market slow down for 2024-2025. Overall appraisal value for 2024-2025 grew by more than 2 percent, which is much lower than the rapid growth seen in recent years. The average market value for a single-family residence grew from \$358,000 to nearly \$365,000.

Two years of higher-than-normal increases in property values prompted the State to pass legislation providing property tax relief. Although a tax compression requirement already existed in law (as discussed in the next section), the 88th Legislature lowered tax rates further. Additionally, voters approved a constitutional amendment to provide homeowners with additional relief as the homestead exemption was increased from \$40,000 to \$100,000. Lowering property taxes requires the State to contribute more of the funding needed for public education since public schools will receive less in property taxes.

State Education Funding

School districts in Texas are funded through two main sources of revenue: local property taxes and state aid that is distributed based on the number of students in attendance, the type of instructional services provided, and the school district's property wealth.

The basic framework of the school funding system includes: (a) student attendance, student demographics and instructional settings, which drive the calculation of total funding; and (b) a school district's property wealth, indexed to a state-determined compression percentage, which determines the state and local shares of that funding.

Beginning in schoolyear 2020-2021, a school district's Maintenance & Operations (M&O) tax revenue growth is capped at 2.5 percent by annual compression of the M&O base tax rate. For 2024-2025, the M&O base tax rate was compressed to \$0.6507. With the five enrichment pennies allowable by law without an election and accessed by the Board, the total M&O tax rate for 2024-2025 is \$0.7007. As noted earlier, state funding is indexed to property value and the compressed tax rate. The state formula funding as a percent of total revenue increased from 10 percent to 28 percent from 2022-2023 to 2023-2024 due to the passage of the property tax relief discussed above. Normally, the percent of state formula funding as a percent of total revenue would drop as property values rise and more is collected in tax revenue. So, the state formula funding as a percent of total revenue will decrease from 28 percent in 2023-2024 to an estimated 24 percent in 2024-2025.

Our District also levies an Interest & Sinking (I&S) tax rate to make the principal and interest payments of its debt. For 2024-2025, we maintained our I&S rate at \$0.300 to meet our debt requirements and to pay a portion of our debt early.

Interest rates had continued to rise as the Federal Reserve Board attempted to counter inflation. Previously, the fed funds rate range had held at 0 percent - 0.25 percent since 2020, but it started to rise towards the end of fiscal 2022. The fed funds rate as of June 30, 2024, was 5.25 percent – 5.50 percent

but has since decreased to a range of 4.75 percent – 5.00 percent. Federal Reserve officials forecast slight decreases over the next year. The median forecast for December 2025 short-term rates is 3.4% as of the September 2024 Federal Open Market Committee meeting.

No major changes have been made to the State's public education funding formula since 2019. The Texas Legislature convened the 88th Regular Session on January 10, 2023. Three special sessions were completed after the end of the regular session in May. The State added additional safety funding and requirements during the regular session. They provided property tax relief in the second called special session, which did not provide any additional funding overall but reduced the percentage of total funding for property taxes and increased the state's contribution to public education. A fourth and final special session started on November 7, 2023, and it included school finance, safety, and educational savings accounts, which allow individuals to use taxpayer funds as credits to pay private school tuition and public education funding. No school funding was passed as the debate on educational savings accounts stalled the session. It is expected that the 89th Texas Legislature which starts on January 14, 2025, would see the same topics as the 88th: property taxes, educational savings accounts, and school funding, along with many other possible impacts to public education.

Local & State Economy

The local economy is strong with growth in jobs and wages. The unemployment rate was 4.3 percent as of August 2023 or 3.9 percent if adjusted for seasonality. As a result, the job market is very competitive. Our District has faced staffing shortages in a number of areas, including custodial services, food service, and transportation. Additionally, fewer teachers are entering and staying in the field. The Texas Education Agency created a Teacher Vacancy Task Force to look at ways to improve the teacher staffing shortages statewide. However, many of the recommendations provided by the task force have not been implemented by the state as debate over educational savings accounts has overtaken the discussion on strengthening the teacher pipeline.

Local per capita income information for 2023 is not available as of the date of this letter. Per capita income for 2022 was 3.7 percent lower than 2021 and 15.7 percent higher than 2012. Inflation for the region ranged from 0 to 3 percent from 2012 through 2020. September 2024 was 2.1 percent higher than September 2023, an improvement compared to 2023 which was 4.2 percent higher than 2022 and an improvement compared to 2022 which was 8.7 percent higher than 2021. It was the higher-than-normal inflation between 2021 and 2023 that prompted the Federal Reserve Board to increase interest rates and impacted spending power on goods and services. Now that inflation rates are returning to a range closer to our historical norms, the Federal Reserve has lowered interest rates as the need to combat inflation is no longer as pressing.

The state's budget for the 2024-2025 biennium had more revenue available than ever before. The budget included \$4 billion for public education, but no money was ultimately approved as this funding was held up by the ongoing debate around educational savings accounts. The estimated revenue available for the 2025-2026 biennium will be released in January for use during the 89th legislative session. With the educational savings accounts issue still unresolved, it is unknown whether or not the 2025-2026 state budget will include funding increases for public education.

Long-Term Financial Planning

As one of the largest school districts in Texas and with an evolving student population, our District must plan ahead. Student enrollment and demographics drive our planning process along with management's commitment to providing the best education possible to our students. Strategic planning is an ongoing process led by the Superintendent and Executive Staff. The Balanced District Scorecard mentioned previously and the statistical analysis of the results of state mandated standardized testing will guide the development of campus plans and educational programs to achieve our objectives. Local workforce needs and the proper allocation of all District resources are also taken into consideration in our planning. Additionally, the District recently completed a facilities assessment to help develop a long-term capital plan and is currently reviewing the data.

It is the responsibility of the Finance and Accounting Department to oversee the financial planning, tracking and accounting for the finances of our District in serving the community and its students. The Superintendent's Office and Executive Staff oversee and coordinate all the elements involved in the strategic and financial planning process on a long-term basis each fiscal year. The long-term financial plan for our District calls for the General Fund to maintain a year-end fund balance near three months of operating expenditures, if possible. However, there are many factors outside of our control that influence our ability to maintain this long-term, primarily the uncertainty of the State's ability to maintain funding for education in future biennia. Texas ranks near the bottom in the nation in per-pupil spending, and the state's finance system does not include an automatic mechanism to respond to changing student needs or inflation. Districts wait each legislative session to see if the state will invest in public education and have not received any substantial increase in funding since 2019.

Acknowledgments

The preparation of this report on a timely basis involves the entire staff of the Finance and Accounting Department, including the Offices of Accounting and Payroll, Budget and Financial Analysis, Grant Administration and Financial Control, and Employee Benefits and Risk Management. We want to express our appreciation to the bookkeepers and administrative assistants for their contributions to the process. We are grateful for everyone's assistance in making this system work smoothly and efficiently.

We thank our independent auditor ABIP, P.C., whose professional competence and leadership assisted us in developing this report.

//signature on file//

Sean Maika, Ed.D., Superintendent of Schools

//signature on file//

Daniel Villarreal, CPA, RTSBA, Chief Financial Officer

North East Independent School District
List of Elected Officials and Executive Staff

Board of Trustees

Name	Title
Mr. David Beyer	President
Mrs. Terri Chidgey	Vice President
Mrs. Lisa Thompson	Secretary
Ms. Tracie Shelton	Member
Mrs. Diane Sciba Villarreal	Member
Mrs. Melinda Cox	Member
Mrs. Marsha Landry	Member

Executive Staff

Name	Title
Sean Maika, Ed.D.	Superintendent of Schools
Deborah Caldwell	Interim Chief Operations Officer
Daniel Villarreal, CPA	Chief Financial Officer
Anthony Jarrett	Chief Instructional Officer
Rudy Jimenez	Chief of Schools and Leadership
Aubrey Chancellor	Executive Director of Communications

North East Independent School District

Certificate of Board

North East Independent School District

Name of Local Education Agency

Bexar

County

015-910

County-District Number

We, the undersigned, certify that the attached auditors' report of the above-named school district was reviewed and (check one) [☒] approved [☐] disapproved for the year ended June 30, 2024, at a meeting of the Board of School Trustees of such school district on the 11th day of November, 2024.

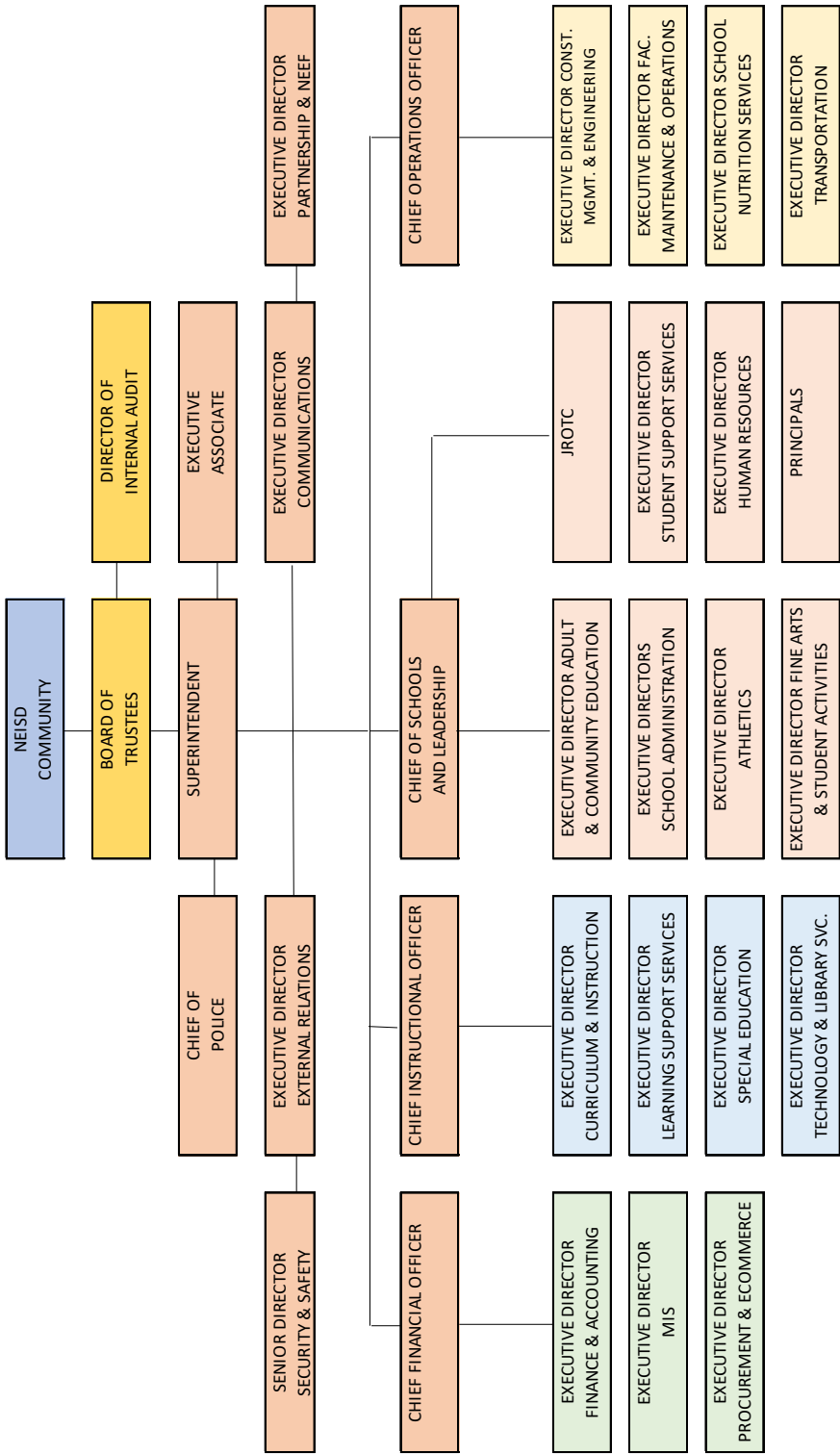
//signature on file//

Signature of Board Secretary

//signature on file//

Signature of Board President

Organization Chart



(This page intentionally left blank).

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
North East Independent School District
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of North East Independent School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the North East Education Foundation, the discretely presented component unit, which represents 100% of the assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for North East Education Foundation, is based solely on the report of the other auditors. The financial statements of North East Education Foundation were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 District'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 District'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of the District's Proportionate Share of the Net Pension and OPEB Liability - Teacher Retirement System of Texas; and Schedules of District Contributions for Net Pension and OPEB Liability - Teacher Retirement System of Texas, and the Schedule of Changes in OPEB Liabilities and Fiduciary Net Position for the Retiree OPEB as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements, and schedules required by the Texas Education Agency, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedules required by the Texas Education Agency, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual non-major fund financial statements, schedules required by Texas Education Agency, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2024, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas
November 11, 2024

(This page intentionally left blank.)

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

In this section of the Annual Report, the District discusses and analyzes its financial performance for the year ended June 30, 2024. Please read this section in conjunction with the transmittal letter, the independent auditors' report, and the District's basic financial statements.

Governmental Accounting Standards Board (GASB) Statements issued in 2012 and 2015 changed the requirements for recognition of liabilities, deferred inflows and deferred outflows related to pensions and Other Post Employment Benefits (OPEB). These have had a significant negative impact on the District's full accrual government-wide financial statements: the Statement of Net Position and the Statement of Activities. The implementation of these GASB Statements results in the recognition of significant liabilities with considerable annual adjustments, both positive and negative. The Government-wide financial statements do not allow stakeholders to properly assess the educational programs and operating results of the District. Therefore, this Management Discussion & Analysis will distinguish between the District's operational activities and the effects of these GASB accounting pronouncements related to pensions and OPEB.

FINANCIAL HIGHLIGHTS

- Government-wide net position totaled \$93.9 million at June 30, 2024, compared to 57.0 million at June 30, 2023. The change in net position from District operations excluding pension and OPEB (as shown in Table II) for governmental activities was \$26.2 million. Adjustments related to pension and OPEB reporting requirements increased net position by \$10.8 million. The District's net position for business-type activities decreased \$0.1 million.
- The District's total assets decreased \$139.6 million from the previous year. Cash and investments decreased \$114.2 million while Due from Other Governments increased \$46.6 million. Capital assets, net of depreciation, decreased \$69.6 million as current year depreciation exceeded capital additions.
- Total liabilities related to District operations (excluding pensions and OPEB) decreased \$167.6 million primarily in bonds and notes payable, including unamortized bond premiums. Liabilities related to pension and OPEB decreased \$12.9 million due to the current year required adjustments.
- The General Fund ended the year with a fund balance of \$196.6 million, which is \$24.8 million less than the previous year-end. The fund balance amount available for operations is equal to approximately 4.3 months of operations.
- During fiscal year 2024, the District issued \$144.7 million of bonds to refund \$223.9 million of outstanding bonds.

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The two major categories of statements are the government-wide statements and the fund financial statements.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a private business enterprise.

The fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements indicate how services were financed for the short term and identify the resources that remain for future spending. The fund financial statements reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. The fund financial statements for proprietary activities reflect how the District's goods or services were charged to District departments or to external customers and how the sales revenues covered the expenses of the goods or services. The fiduciary statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for Nonmajor Governmental Funds provide additional information about the District's individual funds. The Federal Awards Section contains data used by monitoring or regulatory agencies to determine the District's compliance with the terms of grant awards.

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

The Statement of Net Position and the Statement of Activities

The primary purpose of the government-wide financial statements (the Statement of Net Position and the Statement of Activities) is to show positive or negative changes in the District's financial condition as a result of this fiscal year's activities. The Statement of Net Position includes all District assets and liabilities at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations for the fiscal year. These statements are intended to reflect private sector accounting practices based on full accrual reporting for revenues and expenses.

The District's revenues are divided as follows: (1) program revenues provided by outside parties who share the costs of some programs, such as tuition from students outside the District or U.S. Department of Education grants to assist low-income children or those with disabilities; and (2) general revenues provided by local taxpayers or the Texas Education Agency's (TEA) State foundation program. All District assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

The District's net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, one should also consider non-financial factors, such as changes in the District's average daily attendance, changes in its property tax base, the condition of the District's facilities, as well as the District's academic rating.

The District's growth in prior years, along with the age and condition of several facilities, has necessitated the renovation of existing facilities and construction of additional facilities. The need for additional or improved facilities is continually reassessed to ensure that our students are best served.

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

In the Statement of Net Position and the Statement of Activities, the District's operations are categorized into two types of activities and one component unit:

- **Governmental activities:** Most of the District's basic services are reported here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- **Business-type activities:** Revenue-generating activities are reported here. The North East Aquatics and Tennis Fund is a business activity that charges its customers a fee to use the facilities at the Josh Davis Natatorium and adjacent tennis facilities. Uniform Rental is also a business activity that charges participants for uniform rental in various fine arts programs. The final business-type activity is the community education program, which offers courses to the general public for a fee in addition to operating an after-school care program for children.
- **Component unit:** The North East Educational Foundation (Foundation) was established in 1986 as a Section 501(c)(3) organization for the purpose of raising money from individuals and other entities in the community for the direct benefit of District teachers and students. Beginning July 1, 2017, District employees began to direct and administer the day-to-day operations of the Foundation. As such, the Foundation is included in the Statement of Net Position and the Statement of Activities as a discretely presented component unit.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the U. S. Department of Education's Every Student Succeeds Act. The District's administration establishes many other funds to help it control and manage funding for particular purposes (like campus activities). The District's two types of funds – governmental and proprietary – use different accounting approaches:

Governmental Funds: Most of the District's basic services are reported in governmental funds. These funds use modified accrual accounting, which measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash, and reports balances available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. Reconciliation schedules following each of the fund financial statements describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds.

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

Proprietary Funds: These funds report activities where the District charges users (whether outside customers or other units of the District) for services. Proprietary funds use the same full accrual accounting methods employed in the Statement of Net Position and the Statement of Activities. The District has two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are reported as business-type activities in the government-wide statements.

The District's enterprise funds provide goods and services to external parties and include:

- Uniform Rental
- Community Education
- North East Aquatics and Tennis

Internal service funds provide supplies and services for the District's other funds and include:

- Document Management & Printing Services
- Health Insurance
- Data Processing Center
- Network Technology Services
- Dental Insurance
- Rolling Owner Controlled Insurance Program
- Workers' Compensation Insurance
- Unemployment Compensation Insurance
- Police Services

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for a Private Purpose Trust Fund for Scholarships that is reported in a separate Statement of Fiduciary Net Position. These resources are excluded from the District's other financial statements since the District cannot use these assets to finance its operations. The District's only fiduciary responsibility is to ensure that the assets reported in these funds are used for their intended purposes.

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This analysis focuses on Government-Wide Net Position (Table I). Government-wide net position totaled \$93.9 million at June 30, 2024, compared to \$57.0 million at June 30, 2023. The change in net position from District operations (Governmental Activities) was \$26.2 million exclusive of the adjustments for pension and OPEB. In addition, there were \$10.8 million of current year adjustments related to pension and OPEB reporting requirements.

Current assets decreased \$70.0 million Government-Wide, with a \$69.7 million decrease in Governmental Activities and a \$0.4 million decrease in Business-Type Activities. Cash and cash equivalents and investments decreased \$114.2 million, while due from other governments increased \$46.6 million.

Debt payable to bond holders, including bonds and unamortized premiums on bonds, represents the majority of the District's non-current liabilities. Exclusive of the net pension and OPEB liabilities, long term liabilities in Governmental Activities decreased \$168.1 million. The net change to pension and OPEB liabilities was \$12.9 million.

Overall, the District's investment in capital assets to meet its infrastructure needs represents 71.3 percent of the total assets. The District capitalized \$19.0 million of completed construction projects and capitalized another \$10.6 million of capital expenditures during the fiscal year.

Restricted net position decreased \$26.6 million, primarily due to an increase in funds restricted for debt service.

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

Table I
NET POSITION
(In Thousands)

Governmental Activities Net Position Exclusive of Adjustment for Pension & OPEB

	2024	2023	Change	Percent Change
Current and Other Assets	\$ 513,755	\$ 583,415	\$ (69,660)	(11.9) %
Capital Assets	1,283,371	1,353,270	(69,899)	(5.2)
Total Assets	1,797,126	1,936,685	(139,559)	(7.2) %
Deferred Outflows	36,241	38,144	(1,903)	(5.0) %
Other Liabilities	105,766	105,370	396	0.4 %
Long Term Liabilities	1,230,350	1,398,440	(168,090)	(12.0) %
Total Liabilities	1,336,116	1,503,810	(167,694)	(11.2) %
Net Position:				
Net Investment in Capital Assets	\$ 23,660	\$ (2,007)	\$ 25,667	(1278.9) %
Restricted	164,018	190,629	(26,611)	(14.0) %
Unrestricted	309,573	282,397	27,176	9.6
Governmental Net Position Exclusive of Adjustments for Pension & OPEB	\$ 497,251	\$ 471,019	\$ 26,232	5.6 %

Governmental Activities Net Position Related to Pension & OPEB

	2024	2023	Change	Percent Change
Deferred Outflows	\$ 125,287	\$ 139,814	\$ (14,527)	(10.4) %
Long Term Liabilities	324,518	337,444	(12,926)	(3.8) %
Deferred Inflows	211,384	223,799	(12,415)	(5.5) %
Net Position:				
Unrestricted	(410,615)	(421,429)	10,814	2.6 %
Governmental Net Position Related to Pension & OPEB	\$ (410,615)	\$ (421,429)	\$ 10,814	2.6 %

Total Governmental Activities Net Position:

Net Investment in Capital Assets	\$ 23,660	\$ (2,007)	\$ 25,667	1278.9 %
Restricted	164,018	190,629	(26,611)	(14.0) %
Unrestricted	(101,042)	(139,032)	37,990	27.3
Governmental Net Position	\$ 86,636	\$ 49,590	\$ 37,046	74.7 %

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

Table I (continued)
NET POSITION
(In Thousands)

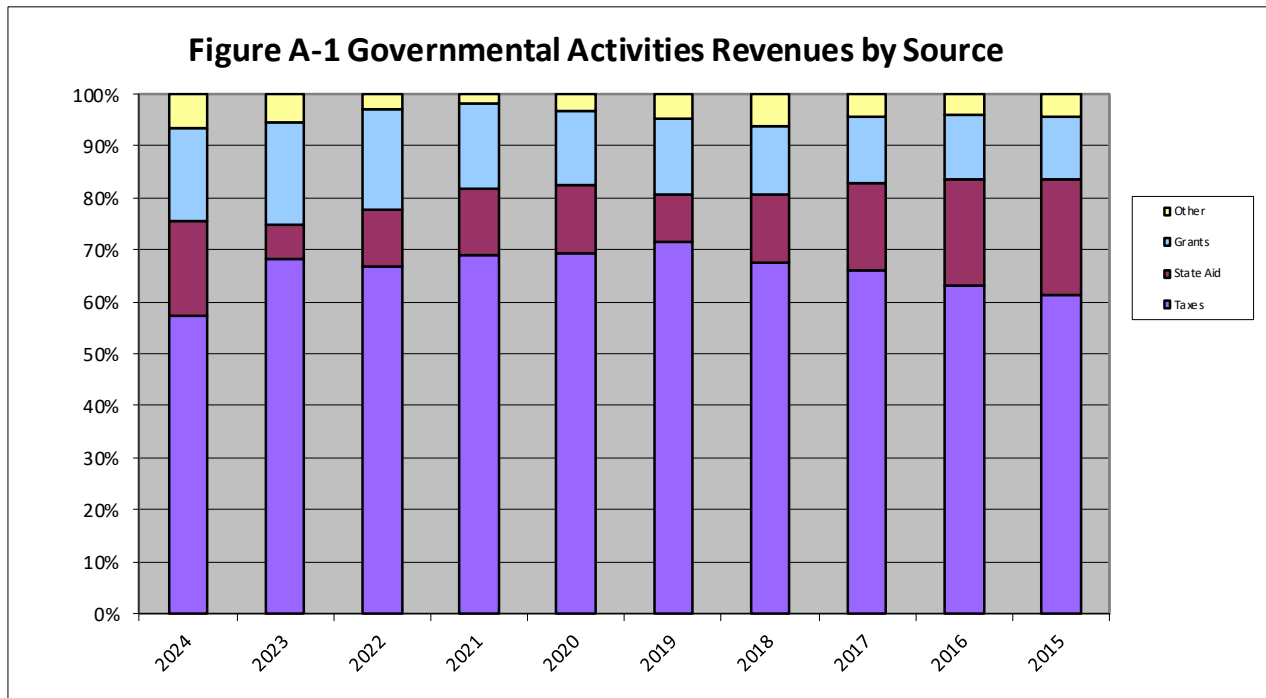
	2024	2023	Change	Percent Change
Business-Type Activities				
Current and Other Assets	\$ 3,498	\$ 3,849	\$ (351)	(9.1) %
Capital Assets	4,507	4,178	329	7.9 %
Total Assets	8,005	8,027	(22)	(0.3) %
Other Liabilities	744	665	79	11.9 %
Total Liabilities	744	665	79	11.9 %
Net Position:				
Net Investment in Capital Assets	4,507	4,178	329	7.9 %
Unrestricted	2,754	3,184	(430)	(13.5) %
Business-Type Net Position	\$ 7,261	\$ 7,362	\$ (101)	(1.4) %
Government-Wide Totals				
Current and Other Assets	\$ 517,253	\$ 587,264	\$ (70,011)	(11.9) %
Capital Assets	1,287,878	1,357,448	(69,570)	(5.1) %
Total Assets	1,805,131	1,944,712	(139,581)	(7.2) %
Deferred Outflows	161,528	177,958	(16,430)	(9.2) %
Other Liabilities	106,510	106,035	475	0.4 %
Long Term Liabilities	1,554,868	1,735,884	(181,016)	(10.4) %
Total Liabilities	1,661,378	1,841,919	(180,541)	(9.8) %
Deferred Inflows	211,384	223,799	(12,415)	(5.5) %
Net Position:				
Net Investment in Capital Assets	28,167	2,171	25,996	1197.4 %
Restricted	164,018	190,629	(26,611)	(14.0) %
Unrestricted	(98,288)	(135,848)	37,560	27.6 %
Governmental Net Position	\$ 93,897	\$ 56,952	\$ 36,945	64.9 %

Year Ended June 30, 2024
(Unaudited)

GOVERNMENTAL ACTIVITIES FINANCIAL ANALYSIS

Changes in Governmental Activities Net Position are presented in Table II on the following pages. Exclusive of adjustments for pension and OPEB, the District's Governmental Activities revenues were \$858.0 million, a decrease of \$28.0 million from the prior year, primarily as a result of federal grants related to pandemic relief winding down. The District's two main sources of general revenue are local property taxes and formula aid from the State. These two sources comprise approximately 74.8 percent of government-wide revenue as shown in Figure A-1 below.

Property tax revenue decreased \$103.3 million, due to substantial property tax relief passed by the legislature in 2023. The passage of property tax relief then required additional investment by the state to offset the loss in revenue. Therefore, state formula aid increased \$100.7 million overall as the state increases aid when property tax collections decrease.



Exclusive of adjustments for pension and OPEB, expenses for governmental activities totaled \$831.8 million, an increase of \$31.6 million compared to the prior year. Instructional and School Leadership expenses increased by \$10.9 million primarily due to increased compensation and lower vacancy levels. Student support expenses increased by \$7.9 million primarily due to increased costs related to school nutrition. Plant Maintenance, Security and Data Processing costs increased by \$10.1 million due to increases in property insurance, utilities, and state-mandated safety regulations.

The adjustments made for pension and OPEB for the requirements of GASB Statements 68 and 75 during the year resulted in revenue of (\$10.0) million and expenses of (\$20.9) million.

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

Table II
CHANGES IN GOVERNMENTAL ACTIVITIES NET POSITION
(In Thousands)

Change in Gov't Activities Net Position Exclusive of Adjustments for Pensions & OPEB

	2024	2023	Change In Amount	Percent Change
Program Revenues:				
Charges for Services	\$ 22,548	\$ 23,631	\$ (1,083)	(4.6) %
Operating Grants and Contributions	113,805	163,589	(49,784)	(30.4)
General Revenues:				
Property Taxes General	486,759	590,078	(103,319)	(17.5)
State Aid	155,425	54,763	100,662	183.8
Grants & Contributions not Restricted	46,695	30,105	16,590	55.1
Investment Earnings	23,817	14,873	8,944	60.1
Miscellaneous	8,981	8,966	15	0.2
Transfers	-	13	(13)	0.0
Total Revenues	858,030	886,018	(27,975)	(3.2) %
Expenses:				
Instruction, Media and Curriculum	486,514	479,989	6,525	1.4 %
Instructional and School Leadership	51,622	44,437	7,185	16.2
Student Support	137,622	129,726	7,896	6.1
General Administration	14,358	13,106	1,252	9.6
Plant Maintenance, Security and Data Processing	95,037	84,882	10,155	12.0
Community Services	1,153	1,173	(20)	(1.7)
Debt Services	42,047	43,388	(1,341)	(3.1)
Intergovernmental Charges	3,445	3,417	28	0.8
Total Expenses	831,798	800,118	31,680	4.0 %
Increase or (Decrease) in Net Position	26,232	85,900	(59,668)	(69.5) %
Restatement of Beginning Net Position	-	1,071	(1,071)	(100.0) %
Change in Net Position	26,232	86,971	(59,668)	(68.6) %
Beginning Net Position	471,019	384,048	86,971	22.6 %
Ending Net Position	\$ 497,251	\$ 471,019	\$ 27,303	5.8 %

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

Table II (continued)
CHANGES IN GOVERNMENTAL ACTIVITIES NET POSITION
(In Thousands)

Change in Governmental Activities Net Position Related to Pensions & OPEB

Program Revenues:

Operating Grants and Contributions	\$ (10,047)	\$ (22,529)	\$ 12,482	(55.4) %
Total Revenues	(10,047)	(22,529)	12,482	(55.4) %

Expenses:

Instruction, Media and Curriculum	(13,658)	(25,467)	11,809	(46.4) %
Instructional and School Leadership	(1,506)	(2,633)	1,127	(42.8)
Student Support	(3,012)	(6,292)	3,280	(52.1)
General Administration	(1,178)	(1,091)	(87)	8.0
Plant Maintenance, Security and				
Data Processing	(1,306)	(1,056)	(250)	23.7
Community Services	(201)	(363)	162	(44.6)
Total Expenses	(20,861)	(36,902)	16,041	(43.5) %

Change in Net Position	10,814	14,373	(3,559)	(24.8) %
------------------------	--------	--------	---------	----------

Restatement of Beginning Net Position	-	-	-	100.0 %
---------------------------------------	---	---	---	---------

Beginning Net Position	(421,429)	(435,802)	14,373	(3.3) %
------------------------	-----------	-----------	--------	---------

Ending Net Position	\$ (410,615)	\$ (421,429)	\$ 10,814	(2.6) %
---------------------	--------------	--------------	-----------	---------

**Total Change in Governmental Activities
Net Position**

	2024	2023	Change in Amount	Percent Change
Program Revenues	\$ 126,306	\$ 164,691	\$ (38,385)	(23.3) %
General Revenues	721,677	698,798	22,892	3.3 %
Total Expenses	810,937	763,216	47,721	6.3 %
Change in Net Position	37,046	100,273	(63,227)	(63.1) %
Restatement of Beginning Net Position	-	1,071	(1,071)	(100.0) %
Beginning Net Position	49,590	(51,754)	101,344	(195.8) %
Ending Net Position	\$ 86,636	\$ 49,590	\$ 37,046	74.7 %

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

Net position attributable to business-type activities decreased \$0.1 million, or 1.4 percent (Table III). This is a change of (\$0.7) million from the prior year. Compensation increases for staff related to the after-school care program primarily drove an increase in Community Education costs which were not fully offset by revenue.

Table III
CHANGES IN BUSINESS ACTIVITIES NET POSITION
(In Thousands)

	2024	2023	Change in Amount	Percent Change
Program Revenues:				
Charges for Services				
Uniform Rentals	\$ 65	\$ 67	\$ (2)	100.0 %
Community Education	6,705	6,347	358	5.6 %
North East Aquatics & Tennis	1,555	1,357	198	14.6 %
Total Program Revenues	8,325	7,771	554	7.1 %
Expenses:				
Uniform Rentals	64	40	24	60.0 %
Community Education	7,017	6,120	897	14.7 %
North East Aquatics & Tennis	1,345	1,054	291	27.6 %
Total Expenses	8,426	7,214	1,212	16.8 %
Increase or (Decrease) in Net Position Before Transfers	(101)	557	(658)	(118.1) %
Transfers	-	(13)	13	0.0 %
Change in Net Position	(101)	544	(645)	(118.6) %
Beginning Net Position	7,362	6,818	544	8.0 %
Ending Net Position	\$ 7,261	\$ 7,362	\$ (101)	(1.4) %

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

FUND FINANCIAL ANALYSIS

As the District completed the fiscal year, the Governmental Funds reported a combined fund balance of \$376.1 million, \$77.8 million less than last year's total of \$453.9 million.

The General Fund had a decrease in fund balance of \$24.8 million. In total, revenue decreased compared to the prior year by \$0.9 million. Partially offsetting each other, interest and investment earnings were higher than the prior year, but enrollment was also lower than the prior year. Expenditures were higher than the prior year by \$53.4 million, as the District had increased compensation and health insurance contribution costs due to both salary increases and lower pandemic relief funding.

The Board of Trustees adopts the budgets of the General, Debt Service, and National School Breakfast and Lunch Program funds. Over the course of the year, the Board revised the District's budget three times. These budget amendments are categorized into three classifications: (1) increase to the fund balance; (2) decrease to the fund balance; and (3) no change to the fund balance. The amendment process allowed the District to adjust its budget as circumstances and needs changed during the year.

The net effect of the budget amendments in the General Fund during the year was to increase estimated revenue by \$2.8 million and decrease appropriations by approximately \$7.4 million. The increase in estimated revenue was due primarily to higher interest and investment earnings. The decrease in appropriations is a net of an increase of \$3.6 million for 2022-2023 encumbrances and projects re-appropriated for 2023-2024, and a reduction of other expenditures to bring the final budget in line with expected final spending. Actual expenditures were less than the final budget in the General Fund by \$19.5 million, or 3.6 percent, mainly attributable to budgeted salaries for positions that were vacant for all or part of the year.

In School Nutrition Services, the budget amendments increased revenue by \$4.5 million and appropriations increased by \$3.0 million, as more students participated in meal programs therefore increasing revenue while capital improvements were needed which increased expenditures.

Finally, the budget for the Debt Service Fund was amended to reflect the debt issuances during the year.

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024

(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the District had \$1.29 billion, net of accumulated depreciation/amortization, invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, maintenance, and construction in progress. This represents a net decrease of \$69.6 million from fiscal year 2022-2023, as current year depreciation exceeded capital additions. See Footnote IV E for more detailed analysis of the year's capital asset activity.

This year's government-wide capital asset major additions included (at historical cost):

Land	\$	36,723
Buildings and Improvements		4,756,458
Furniture and Equipment		4,188,028
Subscriptions		72,797
Construction in Progress		1,500,070
		<hr/>
	\$	10,554,076
		<hr/>

At year-end, the District had \$1.22 billion in outstanding bonds, leases and unamortized issuance premiums. Texas school districts do not have a specified debt limit; however, to qualify for the Permanent School Fund (PSF) guarantee on new debt, a district must demonstrate to the Texas Attorney General, prior to issuance, the ability to pay all new and outstanding debt with an I&S rate less than \$0.50. At a rate of only \$0.30 for 2023-2024, the District has capacity and flexibility in its tax rate to actively manage its debt obligations. The District's general obligation bonds have received the highest rating possible from the Moody's Investment Service, Inc. and Fitch Ratings, Inc. ("Aaa" & "AAA", respectively) because of the PSF guarantee of the District's debt. The District's underlying ratings for general obligation bonds are "Aa1" by Moody's and "AA+" by Fitch, which are the second highest ratings possible from each agency.

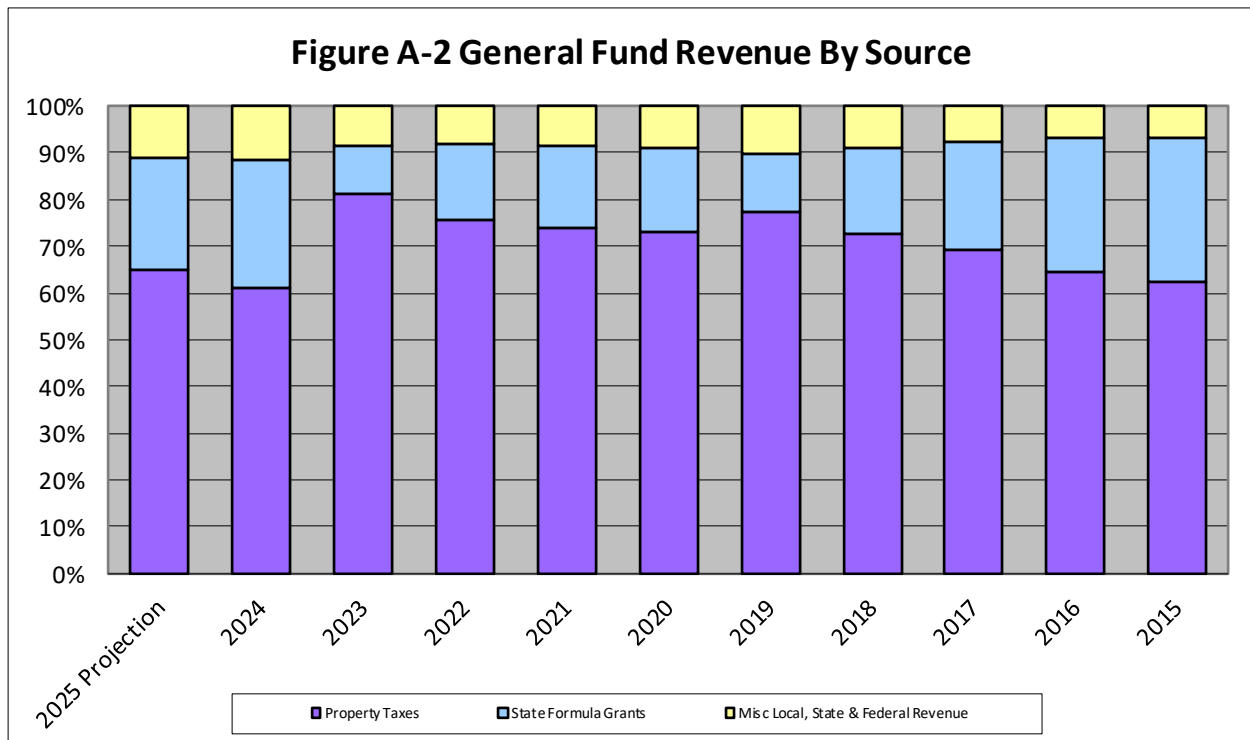
Other obligations include accrued vacation pay, sick leave, workers compensation accrued liability, as well as TRS net pension and net OPEB liabilities. Detailed information about the District's long-term liabilities is presented in the Notes to the Financial Statements (Footnote IV N).

Year Ended June 30, 2024
(Unaudited)

NEXT YEAR'S BUDGETS AND RATES

At \$0.7007 per hundred dollars of assessed valuation, the District's 2024-2025 Maintenance and Operations (M&O) tax rate is the maximum rate the Board can levy without voter approval. The rate is a little less than one penny lower than 2023-2024, as state-mandated rate compression is implemented to offset property value growth. Normally, as a part of updated school finance legislation in 2019, state revenue moves inversely with property value growth, indexed to the compressed rate.

Figure A-2, below, illustrates the projected (2024-2025) and historical (2023-2024 and prior) sources of the District's operating revenue.



The District is considered a property wealthy school district under Chapter 49 of the Texas Education Code. Under these provisions, the District's State aid will be reduced to offset a portion of any tax revenue from an M&O tax rate above the compressed rate plus eight pennies per hundred dollars of valuation (\$0.7307 for 2024-2025) to help fund property poor school districts. This restriction further limits the District's ability to increase revenue from increases in property tax revenue.

The I&S tax rate for the 2024-2025 fiscal year stayed at \$0.30 per hundred dollars of assessed valuation. The tax rate was determined by calculating the rate required to meet debt service obligations given the assessed value of real, business and personal property within the District's boundaries and reflects the

North East Independent School District

Management's Discussion & Analysis

Year Ended June 30, 2024
(Unaudited)

changes in debt service requirements associated with bonds issued to build and improve the District's infrastructure.

For fiscal year 2024-2025, the Board of Trustees adopted a General Fund budget that reflected a deficit of \$62.6 million. Texas has not provided a general funding increase to public schools since 2019. Some funding has been provided, but it was tied to new expenditures and did not provide any relief for inflation. Property insurance, fuel, and utilities have all substantially increased while our funding formula has essentially remained the same. The District adopted last year's budget along with a significant compensation increase. This compensation package was developed using the District's balanced scorecard where providing competitive salary and benefit package to recruit and retain employees is one of the objectives. The increase helped alleviate some of the vacancy issues the District has seen in recent years. The District estimates that it will end the 2024-2025 fiscal year at a deficit around \$41.8 million. The difference from budget to projected actual is due to (a) budgeted appropriations reflecting conservative estimates of staffing levels and (b) active management of the budget throughout the year. In order to bring future years into a more break-even budget, the District plans to use the balanced scorecard to guide decisions on how to become more efficient. This may include consolidation or virtualization of programs, staffing formula reviews, building capacity studies, and cost-saving measures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a year-end picture of the District's finances. If you have questions about this report or need additional financial information, contact the Chief Financial Officer, Daniel Villarreal, CPA, RTSBA, North East Independent School District, 8961 Tesoro Drive, San Antonio, Texas, 78217.

Basic Financial Statements

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

EXHIBIT A-1 (Cont'd)

Data Control Codes				
	1	2	3	4
	Primary Government			Component Unit
	Governmental	Business		Nonmajor
	Activities	Type	Total	Component
		Activities		Unit
ASSETS				
1110 Cash and Cash Equivalents	\$ 356,773,571	\$ 3,366,830	\$ 360,140,401	\$ 226,701
1120 Investments	51,629,203	-	51,629,203	1,882,429
1220 Property Taxes - Delinquent	26,419,992	-	26,419,992	-
1230 Allowance for Uncollectible Taxes	(2,524,973)	-	(2,524,973)	-
1240 Due from Other Governments	73,852,066	-	73,852,066	-
1250 Accrued Interest	442,540	-	442,540	-
1260 Internal Balances	(113,986)	113,986	-	-
1290 Other Receivables, Net	354,381	17,038	371,419	-
1300 Inventories	6,576,202	-	6,576,202	5,294
1410 Prepayments	344,537	-	344,537	1,500
Capital Assets:				
1510 Land	134,706,454	961,852	135,668,306	-
1520 Buildings, Net	1,132,030,327	2,940,742	1,134,971,069	-
1530 Furniture and Equipment, Net	11,141,816	604,223	11,746,039	-
1553 SBITA Assets, Net	265,267	-	265,267	-
1580 Construction in Progress	5,228,448	-	5,228,448	-
1000 Total Assets	1,797,125,845	8,004,671	1,805,130,516	2,115,924
DEFERRED OUTFLOWS OF RESOURCES				
1701 Deferred Charge for Refunding	36,240,642	-	36,240,642	-
1705 Deferred Outflow Related to TRS Pension	88,040,569	-	88,040,569	-
1706 Deferred Outflow Related to TRS OPEB	37,247,225	-	37,247,225	-
1700 Total Deferred Outflows of Resources	161,528,436	-	161,528,436	-

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

EXHIBIT A-1

		2	3	4	
		Primary Government		Component Unit	
Data					
Control		Business		Nonmajor	
Codes		Type	Total	Component	
		Activities		Unit	
LIABILITIES					
2110	Accounts Payable	7,667,365	48,049	7,715,414	-
2140	Interest Payable	19,199,535	-	19,199,535	-
2150	Payroll Deductions and Withholdings	5,926,038	-	5,926,038	-
2160	Accrued Wages Payable	60,611,577	221,514	60,833,091	-
2180	Due to Other Governments	2,237,890	572	2,238,462	-
2190	Due to Student Groups	219,824	16,329	236,153	-
2200	Accrued Expenses	7,461,656	-	7,461,656	-
2300	Unearned Revenue	2,440,923	457,295	2,898,218	64,765
Noncurrent Liabilities:					
2501	Due Within One Year: Loans, Note, Leases, etc.	65,530,357	-	65,530,357	-
	Due in More than One Year:				
2502	Bonds, Notes, Loans, Leases, etc.	1,164,820,495	-	1,164,820,495	-
2539	Retiree OPEB Liability	3,632,943	-	3,632,943	-
2540	Net Pension Liability (District's Share)	222,702,506	-	222,702,506	-
2545	Net OPEB Liability (District's Share)	98,182,350	-	98,182,350	-
2000	Total Liabilities	1,660,633,459	743,759	1,661,377,218	64,765
DEFERRED INFLOWS OF RESOURCES					
2603	Deferred Inflow Related to Retiree OPEB	2,561,969	-	2,561,969	-
2605	Deferred Inflow Related to TRS Pension	28,796,818	-	28,796,818	-
2606	Deferred Inflow Related to TRS OPEB	180,025,589	-	180,025,589	-
2600	Total Deferred Inflows of Resources	211,384,376	-	211,384,376	-
NET POSITION					
3200	Net Investment in Capital Assets	23,660,107	4,506,817	28,166,924	-
Restricted:					
3820	Restricted for Federal and State Programs	17,614,662	-	17,614,662	-
3850	Restricted for Debt Service	146,133,531	-	146,133,531	-
3880	Restricted for Scholarships	269,453	-	269,453	3,600
3900	Unrestricted	(101,041,307)	2,754,095	(98,287,212)	2,047,559
3000	Total Net Position	\$ 86,636,446	\$ 7,260,912	\$ 93,897,358	\$ 2,051,159

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 436,918,021	\$ 7,810,550	\$ 49,043,212
12 Instructional Resources and Media Services	12,757,590	-	118,057
13 Curriculum and Instructional Staff Development	23,180,488	1,086,263	7,191,374
21 Instructional Leadership	8,695,771	-	1,385,126
23 School Leadership	41,419,699	-	789,368
31 Guidance, Counseling, and Evaluation Services	24,721,588	1,185,014	3,781,391
32 Social Work Services	5,521,362	-	3,589,302
33 Health Services	8,884,329	-	264,728
34 Student Transportation	19,417,092	-	451,218
35 Food Services	47,935,814	8,207,102	29,712,141
36 Extracurricular Activities	28,129,668	2,484,953	114,688
41 General Administration	13,179,739	-	254,930
51 Facilities Maintenance and Operations	74,928,429	257,549	1,572,979
52 Security and Monitoring Services	8,165,579	-	2,013,323
53 Data Processing Services	10,637,347	-	2,817,235
61 Community Services	952,469	1,517,017	658,484
72 Debt Service - Interest on Long-Term Debt	38,645,455	-	-
73 Debt Service - Bond Issuance Cost and Fees	3,400,907	-	-
93 Instructional Shared Services Arrangements	733,143	-	-
95 Juvenile Justice Alternative Ed. Prg	176,605	-	-
99 Property Tax Appraisal	2,535,289	-	-
[TG] Total Governmental Activities:	810,936,384	22,548,448	103,757,556
BUSINESS-TYPE ACTIVITIES:			
01 Uniform Rental	64,307	65,255	-
02 Community Education	7,016,846	6,705,299	-
03 North East Aquatics & Tennis Fund	1,345,487	1,554,942	-
[TB] Total Business-Type Activities:	8,426,640	8,325,496	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 819,363,024	\$ 30,873,944	\$ 103,757,556
Component Unit:			
1C Nonmajor Component Unit	\$ 515,436	\$ -	\$ 673,603
[TC] TOTAL COMPONENT UNITS:	\$ 515,436	\$ -	\$ 673,603
Data Control Codes	General Revenues:		
	Taxes:		
MT	Property Taxes, Levied for General Purposes		
DT	Property Taxes, Levied for Debt Service		
SF	State Aid - Formula Grants		
GC	Grants and Contributions not Restricted		
IE	Investment Earnings		
MI	Miscellaneous Local and Intermediate Revenue		
TR	Total General Revenues		
CN	Change in Net Position		
NB	Net Position - Beginning		
NE	Net Position - Ending		

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

Net (Expense) Revenue and Changes in Net Position			
6	7	8	9
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (380,064,259)	\$ -	\$ (380,064,259)	\$ -
(12,639,533)	-	(12,639,533)	-
(14,902,851)	-	(14,902,851)	-
(7,310,645)	-	(7,310,645)	-
(40,630,331)	-	(40,630,331)	-
(19,755,183)	-	(19,755,183)	-
(1,932,060)	-	(1,932,060)	-
(8,619,601)	-	(8,619,601)	-
(18,965,874)	-	(18,965,874)	-
(10,016,571)	-	(10,016,571)	-
(25,530,027)	-	(25,530,027)	-
(12,924,809)	-	(12,924,809)	-
(73,097,901)	-	(73,097,901)	-
(6,152,256)	-	(6,152,256)	-
(7,820,112)	-	(7,820,112)	-
1,223,032	-	1,223,032	-
(38,645,455)	-	(38,645,455)	-
(3,400,907)	-	(3,400,907)	-
(733,143)	-	(733,143)	-
(176,605)	-	(176,605)	-
(2,535,289)	-	(2,535,289)	-
(684,630,380)	-	(684,630,380)	-
-	948	948	-
-	(311,547)	(311,547)	-
-	209,455	209,455	-
-	(101,144)	(101,144)	-
(684,630,380)	(101,144)	(684,731,524)	-
-	-	-	158,167
-	-	-	158,167
342,371,213	-	342,371,213	-
144,387,418	-	144,387,418	-
155,425,341	-	155,425,341	-
46,694,540	-	46,694,540	-
23,817,416	-	23,817,416	155,978
8,980,607	-	8,980,607	-
721,676,535	-	721,676,535	155,978
37,046,155	(101,144)	36,945,011	314,145
49,590,291	7,362,056	56,952,347	1,737,014
\$ 86,636,446	\$ 7,260,912	\$ 93,897,358	\$ 2,051,159

(This page intentionally left blank.)

NORTH EAST INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Data Control Codes	10 General Fund	Major Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 158,459,802	\$ 123,287,917	\$ 28,233,942	\$ 309,981,661
1120 Investments	40,376,781	10,010,649	834,237	51,221,667
1220 Property Taxes - Delinquent	19,122,057	7,297,935	-	26,419,992
1230 Allowance for Uncollectible Taxes	(1,854,764)	(670,209)	-	(2,524,973)
1240 Due from Other Governments	50,701,107	1,631,293	21,519,666	73,852,066
1250 Accrued Interest	366,336	69,271	1,629	437,236
1260 Due from Other Funds	8,160,410	4,821,903	13,040,687	26,023,000
1290 Other Receivables	192,385	-	112,115	304,500
1300 Inventories	2,748,414	-	3,234,835	5,983,249
1410 Prepayments	88,002	-	248,990	336,992
1000 Total Assets	<u>\$ 278,360,530</u>	<u>\$ 146,448,759</u>	<u>\$ 67,226,101</u>	<u>\$ 492,035,390</u>
LIABILITIES				
2110 Accounts Payable	\$ 3,920,290	\$ -	\$ 1,769,683	\$ 5,689,973
2150 Payroll Deductions and Withholdings Payable	5,905,842	-	-	5,905,842
2160 Accrued Wages Payable	53,222,905	-	5,535,510	58,758,415
2170 Due to Other Funds	6,073,679	315,228	19,918,544	26,307,451
2180 Due to Other Governments	2,066,036	-	171,578	2,237,614
2190 Due to Student Groups	290	-	219,534	219,824
2200 Accrued Expenditures	-	-	89,656	89,656
2300 Unearned Revenue	50,250	-	2,390,673	2,440,923
2000 Total Liabilities	<u>71,239,292</u>	<u>315,228</u>	<u>30,095,178</u>	<u>101,649,698</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	10,510,331	3,797,848	-	14,308,179
2600 Total Deferred Inflows of Resources	<u>10,510,331</u>	<u>3,797,848</u>	<u>-</u>	<u>14,308,179</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	2,748,414	-	2,399,437	5,147,851
3425 Endowment Principal	-	-	200,000	200,000
3430 Prepaid Items	88,002	-	13,452	101,454
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	15,204,197	15,204,197
3470 Capital Acquisition and Contractual Obligation	-	-	11,024,758	11,024,758
3480 Retirement of Long-Term Debt	-	116,260,257	-	116,260,257
3490 Other Restricted Fund Balance	-	-	69,453	69,453
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	351,871	351,871
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	-	26,075,426	7,867,755	33,943,181
3600 Unassigned Fund Balance	193,774,491	-	-	193,774,491
3000 Total Fund Balances	<u>196,610,907</u>	<u>142,335,683</u>	<u>37,130,923</u>	<u>376,077,513</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 278,360,530</u>	<u>\$ 146,448,759</u>	<u>\$ 67,226,101</u>	<u>\$ 492,035,390</u>

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2024

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 376,077,513
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	38,946,376
2 Capital assets and Right-to-Use Lease Assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net position. See Footnote II.A.	(38,762,554)
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the capital outlays and debt principal payments is to increase net position. Similarly, the principal payments on Right-to-Use Lease Assets and SBITA Assets are not expenses, rather they are decreases in the Right-to-Use Lease Liabilities and the SBITA Liabilities. These payments must be reclassified and shown as reductions to these liabilities increasing Net Position.	177,677,683
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. At the beginning of the year, the net position related to TRS were a Deferred Resource Outflow in the amount of \$92,594,318, a Deferred Resource Inflow in the amount of \$25,847,435 and a net pension liability in the amount of \$214,245,509. The net effect is to decrease net position.	(163,458,755)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 75. At the beginning of the year, the net position related to TRS Care OPEB was a Deferred Resource Outflow in the amount of \$46,866,282, a Deferred Resource Inflow in the amount of \$195,445,959 a net pension liability in the amount of \$118,379,423. The District also offers an OPEB plan certain retirees At the beginning of the year, the net position related to TRS Care OPEB was a Deferred Resource Outflow in the amount of \$352,909, a Deferred Resource Inflow in the amount of \$2,505,520 and a net pension liability in the amount of \$4,818,205. The net effect is to decrease net position.	(240,184,810)
6 The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(77,967,186)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	14,308,179
29 Net Position of Governmental Activities	\$ 86,636,446

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT C-3

Data Control Codes	10 General Fund	Major Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 368,261,576	\$ 151,130,252	\$ 22,637,482	\$ 542,029,310
5800 State Program Revenues	186,627,106	14,863,642	6,481,694	207,972,442
5900 Federal Program Revenues	8,869,202	1,502,481	97,253,438	107,625,121
5020 Total Revenues	563,757,884	167,496,375	126,372,614	857,626,873
EXPENDITURES:				
Current:				
0011 Instruction	356,155,050	-	49,501,117	405,656,167
0012 Instructional Resources and Media Services	8,491,732	-	502,895	8,994,627
0013 Curriculum and Instructional Staff Development	16,528,995	-	7,468,803	23,997,798
0021 Instructional Leadership	7,549,410	-	1,383,503	8,932,913
0023 School Leadership	39,495,395	-	1,242,287	40,737,682
0031 Guidance, Counseling, and Evaluation Services	21,384,289	-	3,839,281	25,223,570
0032 Social Work Services	2,267,881	-	3,589,302	5,857,183
0033 Health Services	8,487,200	-	266,800	8,754,000
0034 Student Transportation	18,250,060	-	451,218	18,701,278
0035 Food Services	70,777	-	46,468,259	46,539,036
0036 Extracurricular Activities	12,659,333	-	7,803,785	20,463,118
0041 General Administration	13,866,573	-	254,930	14,121,503
0051 Facilities Maintenance and Operations	65,330,295	-	2,241,704	67,571,999
0052 Security and Monitoring Services	6,843,683	-	2,058,078	8,901,761
0053 Data Processing Services	4,523,417	-	3,704,047	8,227,464
0061 Community Services	573,098	-	661,022	1,234,120
Debt Service:				
0071 Principal on Long-Term Liabilities	273,139	77,340,000	184,801	77,797,940
0072 Interest on Long-Term Liabilities	620	51,446,035	-	51,446,655
0073 Bond Issuance Cost and Fees	-	82,973,503	-	82,973,503
Capital Outlay:				
0081 Facilities Acquisition and Construction	36,723	-	6,394,226	6,430,949
Intergovernmental:				
0093 Instructional Shared Service Arrangements	733,143	-	-	733,143
0095 Juvenile Justice Alternative Ed. Prg.	176,605	-	-	176,605
0099 Property Tax Appraisal	2,535,289	-	-	2,535,289
6030 Total Expenditures	586,232,707	211,759,538	138,016,058	936,008,303
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,474,823)	(44,263,163)	(11,643,444)	(78,381,430)
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	144,710,000	-	144,710,000
7912 Sale of Real and Personal Property	117,942	-	24,880	142,822
7915 Transfers In	64,257	2,300,000	323,250	2,687,507
7949 Other Resources	8,560	-	60,318	68,878
8911 Transfers Out (Uses)	(2,539,200)	-	(199,011)	(2,738,211)
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(144,312,404)	-	(144,312,404)
7080 Total Other Financing Sources (Uses)	(2,348,441)	2,697,596	209,437	558,592
1200 Net Change in Fund Balances	(24,823,264)	(41,565,567)	(11,434,007)	(77,822,838)
0100 Fund Balance - July 1 (Beginning)	221,434,171	183,901,250	48,564,930	453,900,351
3000 Fund Balance - June 30 (Ending)	\$ 196,610,907	\$ 142,335,683	\$ 37,130,923	\$ 376,077,513

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (77,822,838)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.	5,129,806
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year capital outlays and debt principal payments is to decrease the change net position. Similarly, current year principal payments on Right-to-Use Leases and SIBTAs are also reclassified as reductions to the Right-To-Use Lease Liability and the SBITA liability which will result in an increase in the change in Net Position.	177,677,683
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(77,967,186)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change in net position.	(785,471)
Current year changes due to GASB 68 increased revenues in the amount of \$20,405,411 but also increased expenditures in the amount of \$36,365,540. The net effect was a decrease in the ending net position	(15,960,129)
Current year changes due to GASB 75 increased revenues in the amount of \$30,452,124 but also decreased expenditures in the amount of \$(57,226,414). The net effect was an increase in the ending net position.	26,774,290
Change in Net Position of Governmental Activities	<u><u>\$ 37,046,155</u></u>

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 469,750,547	\$ 367,484,643	\$ 368,261,576	\$ 776,933
5800 State Program Revenues	71,393,855	185,844,584	186,627,106	782,522
5900 Federal Program Revenues	16,231,758	6,849,955	8,869,202	2,019,247
5020 Total Revenues	557,376,160	560,179,182	563,757,884	3,578,702
EXPENDITURES:				
Current:				
0011 Instruction	381,421,356	367,339,816	356,155,050	11,184,766
0012 Instructional Resources and Media Services	9,285,504	8,748,846	8,491,732	257,114
0013 Curriculum and Instructional Staff Development	17,847,561	16,992,161	16,528,995	463,166
0021 Instructional Leadership	8,048,028	7,828,289	7,549,410	278,879
0023 School Leadership	38,994,803	40,719,301	39,495,395	1,223,906
0031 Guidance, Counseling, and Evaluation Services	21,278,105	22,088,219	21,384,289	703,930
0032 Social Work Services	3,534,712	2,523,547	2,267,881	255,666
0033 Health Services	9,648,518	9,091,501	8,487,200	604,301
0034 Student Transportation	16,134,123	18,278,940	18,250,060	28,880
0035 Food Services	7,105	90,806	70,777	20,029
0036 Extracurricular Activities	12,424,566	13,132,807	12,659,333	473,474
0041 General Administration	15,253,283	14,522,645	13,866,573	656,072
0051 Facilities Maintenance and Operations	64,282,219	67,600,301	65,330,295	2,270,006
0052 Security and Monitoring Services	5,910,225	7,025,418	6,843,683	181,735
0053 Data Processing Services	4,795,858	4,858,827	4,523,417	335,410
0061 Community Services	566,641	622,650	573,098	49,552
Debt Service:				
0071 Principal on Long-Term Liabilities	-	100,000	273,139	(173,139)
0072 Interest on Long-Term Liabilities	-	-	620	(620)
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	140,392	36,723	103,669
Intergovernmental:				
0093 Instructional Shared Service Arrangements	765,000	865,000	733,143	131,857
0095 Juvenile Justice Alternative Ed. Prg.	359,736	310,236	176,605	133,631
0099 Property Tax Appraisal	2,808,415	2,808,415	2,535,289	273,126
6030 Total Expenditures	613,365,758	605,688,117	586,232,707	19,455,410
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,989,598)	(45,508,935)	(22,474,823)	23,034,112
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	117,942	117,942
7915 Transfers In	100,000	75,000	64,257	(10,743)
7949 Other Resources	-	-	8,560	8,560
8911 Transfers Out (Uses)	(2,425,000)	(2,664,200)	(2,539,200)	125,000
7080 Total Other Financing Sources (Uses)	(2,325,000)	(2,589,200)	(2,348,441)	240,759
1200 Net Change in Fund Balances	(58,314,598)	(48,098,135)	(24,823,264)	23,274,871
0100 Fund Balance - July 1 (Beginning)	221,434,171	221,434,171	221,434,171	-
3000 Fund Balance - June 30 (Ending)	\$ 163,119,573	\$ 173,336,036	\$ 196,610,907	\$ 23,274,871

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 3,366,830	\$ 46,791,910
Investments	-	407,536
Accrued Interest	-	5,304
Due from Other Funds	127,739	668,386
Other Receivables	17,038	49,881
Inventories	-	592,953
Prepayments	-	7,545
Total Current Assets	<u>3,511,607</u>	<u>48,523,515</u>
Noncurrent Assets:		
Capital Assets:		
Land	961,852	86,060
Buildings and Improvements, Net	2,940,742	94,822
Furniture and Equipment, Net	604,223	2,103,036
SBITA Asset, Net	-	1,780
Total Noncurrent Assets	<u>4,506,817</u>	<u>2,285,698</u>
Total Assets	<u>8,018,424</u>	<u>50,809,213</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	48,049	1,977,392
Workers' Comp Payable	-	643,000
Right-to-Use Lease Liabilities Payable	-	10,374
Payroll Deductions and Withholdings Payable	-	20,196
Accrued Wages Payable	221,514	408,765
Due to Other Funds	13,753	497,921
Due to Other Governments	572	276
Due to Student Groups	16,329	-
Accrued Expenses	-	7,372,000
Unearned Revenues	457,295	-
Total Current Liabilities	<u>757,512</u>	<u>10,929,924</u>
Noncurrent Liabilities:		
Right-to-Use Lease Liability - Long Term	-	16,557
Workers' Comp Payable - Long Term	-	916,356
Total Noncurrent Liabilities	<u>-</u>	<u>932,913</u>
Total Liabilities	<u>757,512</u>	<u>11,862,837</u>
NET POSITION		
Net Investment in Capital Assets	4,506,817	2,285,698
Unrestricted Net Position	2,754,095	36,660,678
Total Net Position	<u>\$ 7,260,912</u>	<u>\$ 38,946,376</u>

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 7,911,677	\$ 102,864,509
State Program Revenues	413,819	968,675
Total Operating Revenues	<u>8,325,496</u>	<u>103,833,184</u>
OPERATING EXPENSES:		
Payroll Costs	6,137,390	12,685,634
Professional and Contracted Services	930,490	3,133,962
Supplies and Materials	362,319	2,422,328
Other Operating Costs	626,849	80,288,990
Depreciation Expense	369,592	1,268,046
Debt Service	-	604
Total Operating Expenses	<u>8,426,640</u>	<u>99,799,564</u>
Operating Income (Loss)	<u>(101,144)</u>	<u>4,033,620</u>
NONOPERATING REVENUES (EXPENSES):		
Gain on Sale of Real and Personal Property	-	102,696
Earnings from Temporary Deposits & Investments	-	942,786
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>1,045,482</u>
Income (Loss) Before Transfers	(101,144)	5,079,102
Transfers In	-	131,534
Transfers Out	<u>-</u>	<u>(80,830)</u>
Change in Net Position	(101,144)	5,129,806
Total Net Position - July 1 (Beginning)	<u>7,362,056</u>	<u>33,816,570</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 7,260,912</u></u>	<u><u>\$ 38,946,376</u></u>

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT D-3 (Cont'd)

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 7,911,677	\$ 102,867,595
Cash Received from Assessments - Other Funds	27,896	5,728,827
Cash Payments to Employees for Services	(5,685,176)	(11,805,009)
Cash Payments for Insurance Claims	-	(78,294,803)
Cash Payments for Suppliers	(1,879,470)	(5,302,110)
Cash Payments for Other Operating Expenses	-	(3,312,116)
Net Cash Provided by Operating Activities	<u>374,927</u>	<u>9,882,384</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfers Out	-	(80,830)
Transfers In	-	131,534
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>50,704</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Acquisition of Capital Assets	(698,691)	(1,022,345)
Capital Contributed by Other Funds	-	101,823
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(698,691)</u>	<u>(920,522)</u>
<u>Cash Flows from Investing Activities:</u>		
Proceeds from Sale & Maturities of Securities	-	4,312,230
Interest and Dividends on Investments	-	964,991
Net Cash Provided by Investing Activities	<u>-</u>	<u>5,277,221</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(323,764)	14,289,787
Cash and Cash Equivalents at Beginning of Year	3,690,594	32,502,123
Cash and Cash Equivalents at End of Year	<u><u>\$ 3,366,830</u></u>	<u><u>\$ 46,791,910</u></u>

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Income (Loss):	\$ (101,144)	\$ 4,033,620
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	369,592	1,268,046
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Due From Other Funds	27,795	5,339,185
Decrease (increase) in Inventories	-	(60,452)
Decrease (increase) in Receivables	-	3,086
Decrease (Increase) in Prepayments	-	17,622
Increase (decrease) in Accounts Payable	17,053	557,238
Increase (decrease) in Accrued Payroll	38,395	(88,050)
Increase (decrease) in Due to Other Funds	(16,228)	(2,922,066)
Increase (decrease) in Due to Other Governments	213	(174,094)
Increase (Decrease) in Accrued Expenses	-	1,503,239
Increase (Decrease) in Unearned Revenues	22,922	-
Increase (decrease) in Workers' Comp Payable	-	405,010
Increase (decrease) in Due to Student Groups	16,329	-
Net Cash Provided by Operating Activities	<u>\$ 374,927</u>	<u>\$ 9,882,384</u>
<u>Noncash Investing, Capital and Financing Activities:</u>		
Increase in Fair Value of Investments	-	(7,039)

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Private Purpose Trust Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 155,662
Total Assets	<u>155,662</u>
NET POSITION	
Unrestricted Net Position	<u>155,662</u>
Total Net Position	<u><u>\$ 155,662</u></u>

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

NORTH EAST INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Private Purpose Trust Fund
ADDITIONS:	
Contributions, Gifts and Donations	\$ 21,184
Total Additions	<u>21,184</u>
DEDUCTIONS:	
Other Deductions	<u>19,500</u>
Total Deductions	<u>19,500</u>
Change in Fiduciary Net Position	1,684
Total Net Position - July 1 (Beginning)	<u>153,978</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 155,662</u></u>

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

(This page intentionally left blank.)

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North East Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the Board) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in ***GASB Statement No. 56***, and it complies with the requirements of the appropriate version of Texas Education Agency's ***Financial Accountability System Resource Guide*** (FASRG) and the requirements of contracts and grants of agencies from which it receives funds.

A. REPORTING ENTITY

The Board has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public, has the authority to make decisions, appoint administrators and managers, significantly influence operations, and has primary accountability for fiscal matters. As such, the District is not included in any other governmental "reporting entity" as defined by ***GASB Statement No. 14, The Financial Reporting Entity***. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The discretely presented component unit, the North East Educational Foundation, Inc. (the Foundation), is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the District.

The Foundation was created in 1986 to expand educational opportunities for students of the District. The Foundation raises funds to underwrite projects and programs that enhance the educational experience. These projects benefit the teachers and students of the District. It is governed by a 36-member Board of Directors that is independent from the District and is a legally separate 501(c)(3) entity.

District employees direct and administer the day-to-day operations of the Foundation. As such, the Foundation is included in the Statement of Net Position and the Statement of Activities as a discretely presented component unit. The Foundation recognized \$174,001 in in-kind revenue and expense in its financial statements that was eliminated for its inclusion in the District's financial statements. A copy of the Foundation's financial statements can be obtained by emailing the Foundation at foundation@neisd.net.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations funded mainly by fees and charges to third parties.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. Direct costs are identifiable with a specific function. Program revenues of the District include charges for services and operating grants and contributions. Charges for services consist of charges to customers or applicants that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the District, school lunch charges, etc. Operating grants and contributions include amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Property taxes are considered general revenues.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

The fund financial statements report the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant fund revenues are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

Permanent funds report resources that are restricted to the extent that only earnings and not principal may be used for purposes that support the District or its students.

The Proprietary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The total net position is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that are comprised of each fund's assets, liabilities, equity, revenues, and expenditures or expenses. The District reports the following major governmental funds:

General Fund – The General Fund is used to account for financial resources used for general operations. It is the basic fund of the school system and covers all activities for which a special fund has not been established. Any fund balances are considered resources available for current operations. All general tax revenues and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund.

Debt Service Fund – This fund is used to account for the payment of principal and interest on long-term general obligation debt of the District. Local property taxes are the main source of revenue for this fund.

Additionally, the District reports the following fund type(s):

Governmental Funds:

Special Revenue Funds – These funds are used to account for resources restricted to, or committed for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

Capital Projects Fund – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

Permanent Fund – This fund is used to account for donations received to fund scholarships for the District's students. The principal received is invested and the earnings are used to provide scholarships.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)

Proprietary Funds:

Enterprise Funds – These funds are used to account for operations financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District's non-major Enterprise Funds are:

Uniform Rentals
Community Education
North East Aquatics and Tennis

Internal Service Funds – These funds are conceived to be self-supporting. Revenues are earned mainly from sales of services to the schools and operating departments of the District. The District's Internal Service Funds are:

Document Management & Printing Services
Health Insurance
Data Processing Center
Network Technology Services
Dental Insurance
Rolling Owner Controlled Insurance Program
Workers' Compensation Insurance
Unemployment Compensation Insurance
Police Services

Fiduciary Funds:

Private-Purpose Trust Funds – The District utilized these funds to report resources held in trust for others where the principal and interest benefit the District or its students where the principal and earnings may be used. The District's Private Purpose Trust Fund is:

Scholarships

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

D. OTHER ACCOUNTING POLICIES

1. Cash and cash equivalents include cash and highly liquid investments such as certificates of deposits, money market funds, local government investment pools, Treasury bills, and commercial paper that have a maturity from time of purchase of three months or less. (See Note IV A for more details.)
2. Inventories of supplies on the balance sheet are carried at cost, which is determined principally by the average cost method, while inventories of food commodities are recorded at fair values supplied by the United States Department of Agriculture (USDA). Inventories are considered expenditures or expenses as they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair value is supplied by the USDA and recorded as inventory and revenue when received. When requisitioned, inventory is relieved, and expenditures are charged.
3. In the government-wide financial statements and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable unamortized bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

4. The District's policies provide for accumulation of vacation time for certain hourly employees provided it is taken prior to the calendar year-end. As such, it is considered to be short-term in nature. The accumulated vacation payable at June 30, 2024 and 2023 was \$1,444,397, and \$1,349,981, respectively.

The policies also provide for accumulation of State personal and sick leave, which includes salary-related payments, that are payable upon resignation for employees having served the District for ten consecutive years and who are eligible to receive benefits under the Texas Teacher Retirement System. (See Note IV G for more details.)

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

D. OTHER ACCOUNTING POLICIES (continued)

5. Capital assets, which include land, buildings, furniture and equipment, and intangible assets, are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. (See Note IV E for more details.)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Intangible assets consist of internally generated software and commercially available software that required modification prior to being put into service by the District. Intangible assets are reported in the furniture and equipment category in the financial statements and footnotes. Amortization is reported along with depreciation expense in the financial statements and in the footnotes.

Buildings, furniture and equipment of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings and Improvements	10-30
Furniture and Equipment	3-10
Software	3-10

6. Bond proceeds not spent are restricted for purposes approved by the voters in the District's bond election and include the following: construction, technology improvements, bus purchases and library improvements.

7. The District is self-funded in four areas:

Health Insurance
Dental Insurance
Workers' Compensation Insurance
Unemployment Compensation Insurance

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

D. OTHER ACCOUNTING POLICIES (continued)

8. In the fund financial statements, governmental funds report fund balance as nonspendable if the amounts cannot be spent because they are either not in spendable form or are legally or contractually required to remain intact. Restrictions of fund balance are for amounts that are restricted to specific purposes by an external entity (creditors, grantors, governmental regulations) or the restriction is imposed by law through constitutional provision or enabling legislation. Commitments of fund balance represent amounts that can only be used for specific purposes pursuant to constraints imposed by the District's Board. Assignments of fund balance are amounts set aside by the District's Superintendent or his designee with the intent they be used for specific purposes.

Fund balance amounts that are restricted, committed, or assigned are considered to have been spent when an expenditure is incurred for the purpose for which the fund balance was restricted, committed or assigned. If an expenditure is incurred that meets the criteria in more than one fund balance category, then the District considers that the fund balance is relieved in the following order: restricted, committed, assigned and then unassigned.

Commitments of fund balance may only be established (and modified or rescinded) by a resolution of the Board. The commitment may only be relieved by incurring expenditures for that purpose or by resolution of the Board. Assignments of fund balance are established (and modified or rescinded) by the Superintendent or his designee and may only be relieved by incurring expenditures for that purpose.

9. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
10. The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the FASRG. TEA requires school districts to display these codes in the financial statements in order to ensure accuracy in building a State-wide database for policy development and funding plans.
11. Investments are valued at fair value.
12. School districts are required to report all expenses by function, except certain indirect expenses. General administration and data processing service functions (data control codes 41 and 53, respectively) include expenses that are indirect expenses of other functions. These indirect expenses are not allocated to other functions.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

D. OTHER ACCOUNTING POLICIES (continued)

13. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments of the system are reported at fair value.
14. The fiduciary net position of the Teacher Retirement System of Texas TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net other post-employment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities, and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.
15. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has several items that qualify for reporting in this category. One is the deferred charge on refunding prior debt issuances reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

16. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

E. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLE

On July 1, 2023 the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. The Statement provides comprehensive guidance on accounting and financial reporting for changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. There is no net effect on the current year financial statements.

F. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2024, the General Fund Budgetary Comparison Schedule (Exhibit C – 5) and the Debt Service Budgetary Comparison Schedule (J – 2) show an excess of expenditures over appropriations for debt service costs.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the Governmental Fund Balance Sheet and the net position for governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt, excluding internal service fund activity, at the beginning of the year are on the following page:

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS
BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
(continued)**

Capital Assets at the Beginning of the Year	Historic Cost	Accumulated Depreciation/A mortization	Net Value at the Beginning of the Year	Change in Net Position
Land	\$ 134,583,671	\$ -	\$ 134,583,671	
Buildings and Improvements	2,284,703,279	1,103,792,736	1,180,910,543	
Furniture and Equipment	79,881,926	69,013,568	10,868,358	
Subscriptions	4,312,260	3,167,094	1,145,166	
Construction in Progress	22,704,400	-	22,704,400	
Capital Assets Total	<u>\$ 2,526,185,536</u>	<u>\$ 1,175,973,398</u>	<u>\$ 1,350,212,138</u>	\$ 1,350,212,138

Accrued Liabilities at the Beginning of the Year	Payable at the Beginning of the Year	
Bonds and Notes Payable	\$ 1,393,229,240	
Interest Payable	22,067,047	
Vacation Payable	1,349,981	
Subscriptions Payable	407,041	
Retiree OPEB liability and related deferred inflows and outflows	6,970,816	
Compensated Absences	3,094,580	
Deferred Charge for Loss on Refunding Debt Issuance	(38,144,013)	
Change in Net Position	<u>\$ 1,388,974,692</u>	<u>(1,388,974,692)</u>
Net Adjustment to Net Position		<u>\$ (38,762,554)</u>

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the changes in net position of governmental activities as reported on the government-wide Statement of Activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position. The details of this adjustment, excluding internal service fund activity, are as follows:

Changes in Capital Assets	Amount	Adjustments to Changes in Net Position	Adjustments to Net Position
Land	\$ 36,723	\$	
Buildings and Improvements	4,724,890	18,976,022	
Furniture and Equipment	2,511,555	-	
Subscriptions	68,878		
Construction in Progress	1,500,070	(18,976,022)	
Total Capital Outlay	<u>\$ 8,842,116</u>	<u>\$ -</u>	\$ 8,842,116
Loss on Sale of Furniture and Equipment	<u>(454)</u>		(454)
Debt Payments			
Bond Principal	\$ 77,340,000		
Change in Bond Interest Payable	2,867,512		
Net Change Due to Bond			
Issuance/Refunding	79,175,000		
Changes in Subscription Liability	389,617		
Amortization of Premiums and			
Loss on Refunding	9,933,133		
Change in Vacation Payable, Compensated			
Absences Payable	<u>(869,241)</u>		
Total Debt Payments	<u>\$ 168,836,021</u>	-	<u>168,836,021</u>
Total Adjustment to Net Position		<u>\$ -</u>	<u>\$ 177,677,683</u>

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The official budget was prepared for adoption for the General Fund, Debt Service Fund, and the National Breakfast and Lunch Program Fund, which is included within the Nonmajor Governmental Funds. The budget is prepared using the modified accrual basis of accounting. The following procedures are used in establishing the budgetary data reflected in the basic financial statements:

1. Prior to June 20, the District prepares a budget for the next fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is called for the purpose of adopting the proposed budget. Public notice of the meeting must be given no fewer than 10 days prior and no more than 30 days prior to the actual meeting.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is adopted, it can be amended at the fund level by approval of a majority of the members of the Board. The Board has authorized the administration through resolution to provide budgetary control at the functional expenditure level. Funds may be transferred between functions without Board approval when there is no effect to the overall fund balance. The cumulative effect of such transfers is approved by the Board in a subsequent budget amendment. Budget amendments are included on the Board agenda periodically throughout the fiscal year. Each amendment must have Board approval. All amendments are reflected in the official minutes of the Board and are made prior to fiscal year-end as required by law.

Each budget is controlled by the budget manager at the revenue and expenditure function/object level. The budget should not be exceeded at the function level which is the line-item level shown in the basic financial statements. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end even if they have related encumbrances. Encumbrances are commitments to purchase goods or services that were not fully executed at year-end. Encumbrance accounting is utilized to ensure effective budgetary control and accountability. While encumbrances lapse at year end, valid outstanding encumbrances (those whose terms will be completed in the next year) are re-appropriated by a budget amendment approved by the Board and become part of the subsequent year's budget.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

A. BUDGETARY DATA (continued)

	Original Budget Appropriation	Increase (Decrease)	Amended Budget Appropriation
General Fund	\$ 613,365,758	\$ (7,677,641)	\$ 605,688,117
National Breakfast and Lunch Program	47,237,840	3,000,235	50,238,075
Debt Service Fund	161,382,578	51,487,000	212,869,578
	<u>\$ 821,986,176</u>	<u>\$ 46,809,594</u>	<u>\$ 868,795,770</u>

A reconciliation of fund balances for both appropriated budget and non-appropriated budget Nonmajor Governmental Funds at June 30, 2024 is as follows:

	Fund Balance
Appropriated Budget Funds	
National Breakfast and Lunch Program Fund	\$ 2,399,437
Non-appropriated Budget Funds	<u>37,130,923</u>
All Nonmajor Governmental Funds	<u>\$ 48,564,930</u>

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The District's funds are required to be deposited under the terms of a depository contract or invested under the terms of the Public Funds Investment Act (PFIA). The depository bank places for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

A. DEPOSITS AND INVESTMENTS (continued)

Deposits and investments at June 30, 2024 are as follows:

		Totals
Cash in Bank or on hand - Primary Government	\$ 8,292,163	
Cash Equivalents		
Money Market accounts:		
TexPool Prime	168,371,364	
LOGIC	69,747,214	
TX - FIT	24,526,418	
Texas Class-MBIA	25,039,247	
LoneStar	25,691,877	
TexPool	38,472,118	
Total Cash and Cash Equivalents		\$ 360,140,401
Investments		51,629,203
Total Deposits and Investments - Primary Government		<u>\$ 411,769,604</u>

The District utilizes imprest accounts where funds are automatically transferred from a cash management account whenever checks are presented. The cash account balance will occasionally reflect a negative balance as a result of the complexity and timing of various banking transactions.

Deposits

At June 30, 2024, the carrying amount of the District's deposits was \$8,430,094. The District's cash deposits at June 30, 2024 were fully covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The balance at the District's depository was \$9,443,646.

In addition, the following is disclosed regarding coverage of combined balances on the date of the highest deposit:

1. Depository: Wells Fargo Bank, N.A.; Austin, Texas
2. The highest combined balances of cash, savings, and time deposit accounts amounted to \$18,243,023 and occurred during March 2024.
3. The District's balances were collateralized for all amounts on deposit above the \$250,000 FDIC insurance.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

A. DEPOSITS AND INVESTMENTS (continued)

Investments

The District is required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (PFIA), to adopt and implement an investment policy. That policy must address the following areas: safety of principal and liquidity, portfolio diversification, allowable investments, acceptable risk levels, expected rates of return, maximum allowable stated maturity of portfolio investments, maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, investment staff quality and capabilities, and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in obligations of the U.S. Treasury, certain U.S. agencies and the State of Texas, certificates of deposit, certain municipal securities, and money market guaranteed investment contracts. The PFIA also requires the District to have independent auditors perform test procedures related to investment practices as provided by the PFIA. The District is in substantial compliance with the requirements of the PFIA and with local policies.

The investment pools used by the District are organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The investment pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investments.

The District's investments in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of the position in the pools is the same as the number of the shares in each pool; the fair value of a share should approximately equal the book value of a share.

The District invests in the following investment pools:

Texas Local Government Investment Cooperative (LOGIC) is an investment pool governed by a 5-member board of trustees consisting of individuals who are Participant employees. The pool is co-managed by HillTop Securities, Inc. and J.P. Morgan Investment Management Inc. LOGIC investments are not categorized in accordance with GASB Statement No. 3 disclosure requirements since the District has not issued securities, but rather it owns an individual beneficial interest in the assets of the related investment pools. LOGIC uses net asset value (NAV) to value portfolio assets.

TexPool and TexPool Prime are investment pools in which the Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (The Trust Company), which is authorized to operate the pools. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. TexPool and TexPool Prime are reported at amortized cost. Both investment pools do not have any limitations or restrictions on participants' withdrawals.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

A. DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

Lone Star Liquidity Corporate Overnight is sponsored by the Texas Association of School Boards and is governed by an 11-member Board of Trustees consisting of individuals representing school districts. First Public, LLC under an agreement with the Board is the administrator and American Beacon Advisors, Mellon Investments Corporation, and Resolute Investment Mangers provide investment management services to the pool. CAPTRUST Financial Advisors provide the Pool with financial advice. Lone Star Liquidity uses net asset value to value the portfolio assets.

Texas Class - MBIA is an investment pool governed by a seven-member board of trustees elected by the Participants. The pool is managed by Public Trust Advisors, LLC and is reported at amortized cost. The investment pools do not have any limitations or restrictions on participants' withdrawals.

Texas Fixed Income Trust (Texas FIT) is an investment pool governed by an eight-member Board of Trustees. The pool is managed by Deep Blue Investment Advisors and is reported at net asset value.

The TexasTERM Investment Program ("Texas Range" or the "Program") has contracted with the PFM Asset Management LLC as Investment Adviser/Administrator.

Credit Risk. In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1 by Standard & Poors (S&P), P-1 by Moody's Investment Services, or have an equivalent rating, and obligations of states, agencies, counties, and cities must be rated at least A or its equivalent. As of June 30, 2024, the District's investments in investment pools met or exceeded the ratings criteria and were rated AAA by S&P.

S&P has rated the long-term sovereign credit rating on the United States of America AA+. As a result, the long-term issuer credit ratings and related issue ratings on select government-related entities are also rated AA+. S&P affirmed the short-term issue ratings for these entities at A-1+. These entities are still rated Aaa and AAA by Moody's and Fitch rating agencies. S&P had formerly issued a credit rating of AAA for the United States of America and on the related governmental entities. Although the credit ratings were lowered on government-related issues held by the District, they remain compliant with the District's investment policy.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer, rather investments are governed by the objectives of preservation and safety of principal, liquidity, and yield. In addition, the investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer. There are no individual investments or investment types that exceed five percent of the District's total portfolio.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

A. DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk. In accordance with State law and the District's investment policies, the District does not purchase any investments with maturities greater than five (5) years unless the investment's maturity is matched to cash flow needs of long-term liabilities.

The investment maturities in the following table reflect the maturity date of the investments in each category. Some investments are callable (redeemable) by the issuer on specified dates prior to the stated maturity date. The District uses its investments in the investment pools to further mitigate interest rate risk.

The District's investments at June 30, 2024 are shown in the table below:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 to 2	2 to 4	5+
U.S. Treasuries	\$ 993,710	\$ -	\$ 993,711	\$ -	\$ -
U.S. Agencies	\$ 32,276,618	\$ 29,281,439	\$ 2,995,179	\$ -	\$ -
Municipal Bonds/Notes	18,358,875	18,358,875	-	-	-
Investment Pools	351,848,238	351,848,239	-	-	-
Total Fair Value	\$ 403,477,441	\$ 399,488,553	\$ 3,988,890	\$ -	\$ -

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments, excluding investment pools, are categorized as Level 2 investments and are valued using prices quoted in a matrix-based pricing software.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

B. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The delinquency and lien provisions do not apply to certain taxpayers that elect and follow a split-payment option and to qualified taxpayers over 65 years old or disabled that elect and follow a four-payment option.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance (General Fund) and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes receivable within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 7,335,562
General Fund	Enterprise Funds	13,493
General Fund	Internal Service Funds	496,127
General Fund	Debt Service Fund	315,228
Debt Service Fund	General Fund	4,821,903
Nonmajor Governmental Funds	General Fund	921,387
Nonmajor Governmental Funds	Nonmajor Governmental Funds	12,118,266
Nonmajor Governmental Funds	Internal Service Funds	1,034
Internal Service Funds	General Fund	202,963
Internal Service Funds	Nonmajor Governmental Funds	464,403
Internal Service Funds	Enterprise Funds	260
Internal Service Funds	Internal Service Funds	760
Enterprise Funds	General Fund	127,426
Enterprise Funds	Nonmajor Governmental Funds	313
Total		\$ 26,819,125

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts will all be collected within the subsequent year.

Interfund transfers are defined as “flow of assets without equivalent flows of assets in return and without requirement of repayment.” Interfund transfers for the year ending June 30, 2024 were as follows:

Transfers In	Transfers Out			
	General Fund	Nonmajor Governmental	Internal Service	Total
General Fund	\$ -	\$ 64,257	\$ -	\$ 64,257
Nonmajor Governmental	239,200	3,220	80,830	323,250
Internal Service	-	131,534	-	131,534
Debt Service	2,300,000	-	-	2,300,000
Total Transfers	\$ 2,539,200	\$ 199,011	\$ 80,830	\$ 2,819,041

Transfers are used to (1) move revenues/expenditures from the fund that statute or budget requires them to collect the revenues/expenditures to the fund that statute or budget requires to expend them; (2) move funds to the debt service fund as a voluntary accumulation of resources for principal payments that are not payable from tax revenues for the 2010 Qualified School Construction Bonds, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

E. CAPITAL ASSET ACTIVITY

Capital asset activity for the District's governmental activities, including internal service funds, for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Completed Capital Projects	Disposals	Ending Balance
Nondepreciable Capital Assets					
Land	\$ 134,669,731	\$ 36,723	\$ -	\$ -	\$ 134,706,454
Construction in Progress	22,704,400	1,500,070	(18,976,022)	-	5,228,448
Subtotal Nondepreciable Assets	<u>157,374,131</u>	<u>1,536,793</u>	<u>(18,976,022)</u>	<u>-</u>	<u>139,934,902</u>
Depreciable/Amortizable Capital Assets					
Buildings and Improvements	2,285,225,520	4,756,458	18,976,022	-	2,308,958,000
Furniture and Equipment	98,452,123	3,489,339	-	(1,682,807)	100,258,655
Subscriptions	5,547,100	72,797	-	(4,110,066)	1,509,831
Subtotal Depreciable/ Amortizable Assets	<u>2,389,224,743</u>	<u>8,318,594</u>	<u>18,976,022</u>	<u>(5,792,873)</u>	<u>2,410,726,486</u>
Totals at Historical Cost	<u>2,546,598,874</u>	<u>9,855,387</u>	<u>-</u>	<u>(5,792,873)</u>	<u>2,550,661,388</u>
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(1,104,243,692)	(72,683,981)	-	-	(1,176,927,673)
Furniture and Equipment	(85,648,162)	(5,141,030)	-	1,682,353	(89,106,839)
Subscriptions	<u>(3,436,977)</u>	<u>(1,917,653)</u>	<u>-</u>	<u>4,110,066</u>	<u>(1,244,564)</u>
Total Accumulated Depreciation/Amortization	<u>(1,193,328,831)</u>	<u>(79,742,664)</u>	<u>-</u>	<u>5,792,419</u>	<u>(1,267,279,076)</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,353,270,043</u>	<u>\$ (69,887,277)</u>	<u>\$ -</u>	<u>\$ (454)</u>	<u>\$ 1,283,382,312</u>

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

E. CAPITAL ASSET ACTIVITY (continued)

Capital asset activity for the District's business-type activities for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Nondepreciable Capital Assets				
Land	\$ 961,852	\$ -	\$ -	\$ 961,852
Construction in Progress	-	-	-	-
Subtotal Nondepreciable Assets	<u>961,852</u>	<u>-</u>	<u>-</u>	<u>961,852</u>
Depreciable Capital Assets				
Buildings and Improvements	6,797,863	-	-	6,797,863
Furniture and Equipment	<u>499,436</u>	<u>698,689</u>		<u>1,198,125</u>
Subtotal Depreciable Assets	<u>7,297,299</u>	<u>698,689</u>	<u>-</u>	<u>7,995,988</u>
Totals at Historical Cost	<u>8,259,151</u>	<u>698,689</u>	<u>-</u>	<u>8,957,840</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(3,598,736)	(258,385)	-	(3,857,121)
Furniture and Equipment	<u>(482,695)</u>	<u>(111,207)</u>		<u>(593,902)</u>
Total Accumulated Depreciation	<u>(4,081,431)</u>	<u>(369,592)</u>	<u>-</u>	<u>(4,451,023)</u>
Business - Type Activities				
Capital Assets, Net	<u>\$ 4,177,720</u>	<u>\$ 329,097</u>	<u>\$ -</u>	<u>\$ 4,506,817</u>

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

E. CAPITAL ASSET ACTIVITY (continued)

Depreciation and amortization expense, excluding internal service funds, was charged to governmental functions as follows:

	Amounts
Instruction	\$ 45,239,296
Instructional Resources and Media Services	4,098,454
Curriculum Development and Instructional Staff Development	-
Instructional Leadership	10,636
School Leadership	2,121,474
Guidance, Counseling and Evaluation Services	613,173
Health Services	411,834
Student Transportation	1,495,019
Food Services	4,707,710
Cocurricular/Extracurricular Activities	8,285,326
General Administration	29,912
Plant Maintenance and Operations	8,442,274
Security and Monitoring Service	327,670
Data Processing Services	2,631,181
Community Services	60,659
Total Governmental Funds	<u>78,474,618</u>
Depreciation/Amortization on capital assets held by the District's Internal Service Funds is charged to the various functions based on their usage of the assets	<u>1,268,046</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 79,742,664</u>
Total Depreciation/Amortization Expense - Business - Type Activities	<u>\$ 369,592</u>

F. BONDS AND NOTES PAYABLE

Bonded indebtedness of the District is reflected in the Statement of Net Position. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

F. BONDS AND NOTES PAYABLE (continued)

A summary of changes in bonds and notes (“bonds”) payable for the year ended June 30, 2024 is as follows:

Description	Original Balance	Interest Rates
Unlimited Tax Refunding Bonds - Series 2007	\$ 246,795,000	4.50-5.25%
Limited Tax Maintenance Notes - Series 2010	37,545,000	5.24%
Unlimited Tax School Building Bonds - Series 2013	58,905,000	2.00-5.00%
Unlimited Tax Refunding Bonds - Series 2014	33,215,000	3.00-5.00%
Unlimited Tax Refunding Bonds - Series 2014A	121,735,000	2.00-5.00%
Unlimited Tax Refunding Bonds - Series 2014B	69,925,000	1.00-5.00%
Unlimited Tax Refunding Bonds - Series 2015	345,185,000	2.00-5.00%
Unlimited Tax Refunding Bonds - Series 2015A	51,495,000	4.00-5.00%
Unlimited Tax Refunding Bonds - Series 2017	41,640,000	3.00 - 5.00%
Unlimited Tax Refunding Bonds - Series 2018	129,085,000	3.50-5.00%
Unlimited Tax Refunding Bonds - Series 2019	44,340,000	3.50-5.00%
Variable Rate Unlimited Tax Refunding Bonds Series 2019	49,000,000	2.20%
Unlimited Tax School Building & Refunding Bonds Series 2019 A	108,040,000	3.00-5.00%
Variable Rate Unlimited Tax School Building Bonds	44,845,000	3.00-5.00%
Unlimited Tax Refunding Bonds, Taxable Series 2020	250,910,000	1.67-5.00%
Unlimited Tax School Building and Refunding Bonds Series 2022A	45,265,000	3.00%-5.00%
Unlimited Tax School Building and Refunding Bonds Series 2022B	50,000,000	2.00%-7.00%
Variable Rate Unlimited Tax Refunding Bonds - Series 2022C	58,185,000	2.05%-7.00%
Variable Rate Unlimited Tax Refunding Bonds - Series 2023	72,055,000	3.60%-7.00%
Variable Rate Unlimited Tax Refunding Bonds - Series 2024	72,655,000	3.75%
	<u>\$ 1,930,820,000</u>	

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

Beginning Balance	Additions	Payments	Refunded/ Remarketed	Ending Balance
\$ 192,975,000	\$ -	\$ 13,035,000	\$ -	\$ 179,940,000
37,545,000	-	-	-	37,545,000
1,370,000	-	1,370,000	-	-
2,805,000	-	2,805,000	-	-
4,335,000	-	4,335,000	-	-
2,545,000	-	2,545,000	-	-
311,240,000	-	15,075,000	-	296,165,000
25,810,000	-	3,165,000	-	22,645,000
32,510,000	-	1,925,000	-	30,585,000
103,130,000	-	3,005,000	-	100,125,000
40,140,000	-	1,775,000	-	38,365,000
49,000,000	-	-	49,000,000	-
83,175,000	-	1,710,000	-	81,465,000
40,525,000	-	1,585,000	-	38,940,000
248,315,000	-	22,240,000	-	226,075,000
45,265,000	-	340,000	-	44,925,000
50,000,000	-	680,000	49,320,000	-
58,185,000	-	1,750,000	56,435,000	-
-	72,055,000	-	69,130,000	2,925,000
-	72,655,000	-	-	72,655,000
\$ 1,328,870,000	\$ 144,710,000	\$ 77,340,000	\$ 223,885,000	\$ 1,172,355,000

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

F. BONDS AND NOTES PAYABLE (continued)

The general obligation bonds mature as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 64,275,000	\$ 47,111,059	\$ 111,386,059
2026	73,255,000	47,781,014	121,036,014
2027	76,985,000	40,711,920	117,696,920
2028	118,385,000	37,554,691	155,939,691
2029	84,715,000	33,887,101	118,602,101
2030-2034	343,140,000	120,450,596	463,590,596
2035-2039	227,265,000	60,410,529	287,675,529
2040-2044	86,650,000	32,853,983	119,503,983
2045-2049	77,725,000	14,124,175	91,849,175
2050-2054	19,960,000	1,060,275	21,020,275
	<u>\$ 1,172,355,000</u>	<u>\$ 435,945,343</u>	<u>\$ 1,608,300,343</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. The District is in compliance with all significant limitations and restrictions as of June 30, 2024.

The District's Bonds are guaranteed by the Texas Permanent School Fund (PSF). This guarantee covers the entire maturity of bonds and ensures that the District's bonded debt is issued with a rating equivalent to AAA.

The District has no authorized but unissued debt at June 30, 2024.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

F. BONDS AND NOTES PAYABLE (continued)

Defeased Debt

The District has defeased debt by placing the proceeds of new bonds and the District's own resources into an irrevocable trust to provide for all future debt payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2024, \$118,130,000 of defeased bonds remain outstanding.

Refunding

In July 2023, the District issued Unlimited Tax School Building and Refunding Bonds, Series 2023 in the amount of \$72,055,000, along with a District contribution of \$35,238,561, to refund \$105,755,000 of outstanding bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the bonded debt. The cash flow requirements remained the same and no economic gain or loss resulted from the transaction. The bonds were issued at a rate of 3.6%.

Accordingly, the escrow cash accounts for the defeased debt is no longer carried on the District's financial statements. At June 30, 2024 no defeased debt remains outstanding related to the current year refunding.

In June 2024, the District issued Unlimited Tax School Building and Refunding Bonds, Series 2024 in the amount of \$72,655,000, along with a District contribution of \$47,334,034, to refund \$118,130,000 of outstanding bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the bonded debt. The cash flow requirements remained the same and no economic gain or loss resulted from the transaction. The bonds were issued at a rate of 3.75%.

Accordingly, the escrow cash accounts for the defeased debt is no longer carried on the District's financial statements. At June 30, 2024 no defeased debt remains outstanding related to the current year refunding.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

G. COMPENSATED ABSENCES

Accumulated State Personal and Sick Leave Benefits

Upon separation from the District, employees with ten consecutive years of service in the District and eligible to receive benefits under the Teacher Retirement System of Texas shall be entitled to a lump sum cash payment for any unused accrued State leave or local leave earned in the District. The District implemented this as an incentive to retain employees. Employees receive reimbursement equivalent to one-half the daily rate of pay at the time of their separation from the District up to a maximum of \$40 per day for up to 80 days, and one-fourth the daily rate of pay to a maximum of \$20 per day for days in excess of 80 for days earned through June 30, 2005. For days earned after June 30, 2005, employees will receive reimbursement equivalent to one half the daily rate of pay at the time of their separation from the District up to a maximum of \$75 per day up to 80 days and one fourth the daily rate of pay up to a maximum of \$65 per day for days in excess of 80.

The general fund has primarily funded the accumulated state personal and sick leave benefits accrued by District employees.

No liability for accumulated sick leave is recorded in the governmental funds unless the employee has met the requirements and the amounts are due. No such liability existed as of June 30, 2024.

Vacation Payable

The District's policies allow for accumulation of vacation time for certain hourly employees provided it is taken by calendar year-end. As such, it is considered to be short term in nature. The accumulated vacation payable is funded by the fund that pays the employee. Vacation Leave Payable is included in the Accrued Wages Payable on the Statement of Net Position.

A summary of changes in the compensated absences liability follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Current
State Personal and					
Sick Leave Payable	\$ 3,094,580	\$ 1,523,187	\$ (748,362)	\$ 3,869,405	\$ 584,559
Vacation Payable	1,349,981	221,597	(127,181)	1,444,397	1,444,397
	<u>\$ 4,444,561</u>	<u>\$ 1,744,784</u>	<u>\$ (875,543)</u>	<u>\$ 5,313,802</u>	<u>\$ 2,028,956</u>

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

H. DEFINED BENEFIT PENSION PLAN

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS) and is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about TRS's fiduciary net position is available in a separately issued annual report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with five years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with five years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living allowances (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the 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 31 years, the period would be increased by such action.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

H. DEFINED BENEFIT PENSION PLAN (continued)

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than six percent of the member's annual compensation and a state contribution rate of not less than six percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute as established by the Texas Legislature. The contribution rates for plan years 2023, 2022, and 2021 are as follows:

Plan Year Contribution Rates	2023	2022	2021
Members (Employees)	8.00%	8.00%	8.00%
Employers (Districts)	8.00%	8.00%	7.75%
Non-Employer Contributing Entity (State of Texas)	8.00%	8.00%	7.75%

Contributions shown below are for the plan year which runs from September 1 through August 31 and are shown for plan years 2023, 2022, and 2021 as follows:

Plan Year Contributions	2023	2022	2021
District Employees	\$ 37,656,900	\$ 34,295,636	\$ 34,496,235
District	\$ 16,665,281	\$ 16,839,754	\$ 16,275,834
Non-Employer Contributing Entity (State of Texas)	\$ 27,098,440	\$ 24,605,905	\$ 23,359,057

H. DEFINED BENEFIT PENSION PLAN (continued)

Contributions (continued)

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below that are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public or charter school district, the employer shall contribute 1.8 percent of covered payroll to the pension fund. This contribution is called the Public Education Employer Contribution and is scheduled to gradually increase to 2.0 percent by plan year 2025.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to:

- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

H. DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions

The total pension liability in the August 31, 2022 actuarial valuation rolled forward to August 31, 2023 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Investment Rate of Return	7.00%
Municipal Bond Rate of Return	4.13%
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Last Year Ending August 31 in Projection Period	2122

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022.

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the statutorily required rates. Future rates for employer and non-employer contributing entity will be 9.50 percent of covered payroll in plan year 2024 and will increase to 9.56 percent of covered payroll in plan year 2025 and thereafter. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2023, and are summarized on the next page:

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

H. DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate (continued)

Asset Class	Target Allocation¹	Long-Term Expected Geometric Real Rate of Return²	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.0 %	4.0 %	1.00 %
Non-U.S. Developed	13.0	4.5	0.90
Emerging Markets	9.0	4.8	0.70
Private Equity ³	14.0	7.0	1.50
Stable Value			
U.S. Treasuries	16.0	2.5	0.50
Absolute Return	0.0	3.6	0.00
Stable Value Hedge Funds	5.0	4.1	0.20
Real Return			
Real Estate	15.0	4.9	1.10
Energy and Natural Resources	6.0	4.8	0.40
Commodities	0.0	4.4	0.00
Risk Parity			
Risk Parity	8.0	4.5	0.40
Leverage			
Cash	2.0	3.7	0.00
Asset Allocation Leverage	(6.00)	4.4 %	(0.10)
Inflation Expectation			2.30
Volatility Drag ⁴			(0.90)
Total	100.0 %		8.00 %

¹ Target allocations are based on the FY 2023 policy model.

² Capital Market assumptions come from Aon Hewitt as of 8/31/2023.

³ Absolute Return includes Credit Sensitive Investments.

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

H. DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was one percent less than and one percent greater than the discount rate that was used (7.00 percent).

1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
332,952,579	222,702,506	131,029,510

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reported a liability of \$222,702,506 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Pension Liability	Totals
District's proportionate share of the collective net pension liability	\$ 222,702,506
State's proportionate share associated with the District	311,188,964
Total	<u><u>\$ 533,891,470</u></u>

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At August 31, 2023, the employer's proportion of the collective net pension liability was 0.3242122113 percent compared to 0.3608805618 percent which was measured as of August 31, 2022.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

H. DEFINED BENEFIT PENSION PLAN (continued)

Changes Since the Prior Actuarial Valuation

The actuarial assumptions and methods have not been modified since the determination of the prior year's Net Pension Liability.

The Texas Legislature approved a one-time stipend to certain retired teachers that was paid in September 2023. Funds were appropriated to pay this one-time stipend so there will be no impact on the TRS net pension liability. In addition, a cost-of-living adjustment for retirees was also approved which will be paid in January 2024. This contingent liability was therefore excluded from the net pension liability calculation as of August 31, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$46,986,841 and revenue of \$23,286,903 for support provided by the State.

At June 30, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 7,934,966	\$ 2,696,684
Changes in actuarial assumptions	21,063,295	5,154,668
Difference between projected and actual investment earnings	32,408,620	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	11,455,921	20,945,466
Contributions paid to TRS subsequent to the measurement date	15,177,767	-
Total	\$ 88,040,569	\$ 28,796,818

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

H. DEFINED BENEFIT PENSION PLAN (continued)

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ending August 31,	Pension Expense
2024	\$ 7,831,576
2025	4,042,007
2026	26,213,127
2026	7,133,714
2027	(1,154,440)
Thereafter	-
	<u>\$ 44,065,984</u>

I. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined other post-employment benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; by calling (512) 542-6592; or on the Internet at the following address:

http://www.trs.texas.gov/Pages/about_publications.aspx.

Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

I. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS Care Medicare Advantage medical plan and the TRS Medicare Rx prescription drug plan. To qualify for TRS Care coverage, a retiree must have 10 years of service credit in the TRS Pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed. There are no automatic post-employment changes, including automatic cost of living adjustments (COLA).

Contributions

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

The contribution rates for active employees, employers, the State and other contributors are set in the state's statutes as established by the Texas Legislature. The following tables show contribution rates and amounts contributed to the TRS-Care plan by type of contributor for each plan year.

Contribution Rates	2023		2022		2021	
Active Members	0.65	%	0.65	%	0.65	%
District	0.75	%	0.75	%	0.75	%
Non-Employer Contributing Entity (State of Texas)	1.25	%	1.25	%	1.25	%
Federal/Private Funding Remitted by Employers	1.25	%	1.25	%	1.25	%

Contribution Amounts	2023		2022		2021	
Active Members	\$	2,786,518	\$	2,802,835	\$	2,792,851
District	\$	3,847,210	\$	4,060,718	\$	3,239,740
Non-Employer Contributing Entity (State of Texas)	\$	4,728,137	\$	4,609,031	\$	5,013,624

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to when they hire a TRS retiree. The monthly surcharge is \$535 per TRS retiree employed by the District.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$21.3 million in fiscal year 2023.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

I. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (continued)

Actuarial Assumptions

The total OPEB liability in the August 31, 2022 actuarial valuation was rolled forward to August 31, 2023. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022, TRS pension actuarial valuation that was rolled forward to August 31, 2023:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Rates of Disability Incidence

The active mortality rates were based on PUB (2010), 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from the mortality projection scale MP-2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Entry Age
Inflation	2.30%
Discount Rate	4.13%
Amortization Method and Years	Level % of Payroll - 30 years
Aging Factors	Based on plan specific experience
Expenses	Third Party Administration costs included in age adjusted claims cost
Projected Salary Increases	2.95% to 8.95%
Healthcare Trend Rates	7.75% to 4.25% for FY 2035
Ad Hoc Post Employment Benefit Changes	None

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

I. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (continued)

Discount Rate

A single discount rate of 4.13 percent was used to measure the total OPEB liability. There was an increase of 0.22 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2023 using the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that includes only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB Liability if the discount rate used was one percent less than and one percent greater than the discount rate that was used in measuring the net OPEB Liability.

1% Decrease in Discount Rate (3.13%)	Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
\$115,638,363	\$98,182,350	\$83,937,829

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

The following table lists the amounts recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District as of June 30, 2024. This liability reflects a reduction for state OPEB support provided to the District.

TRS Net OPEB Liability	Totals
District's proportionate share of the collective net OPEB liability	\$ 98,182,350
State's proportionate share associated with the District	118,472,096
Total	\$ 216,654,446

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

I. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (continued)

The net OPEB Liability was measured as of August 31, 2022 rolled forward to August 31, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At June 30, 2024, the District's proportion of the collective net OPEB liability was 0.443495332 percent compared to 0.4944010904 percent as of June 30, 2023.

The following table shows the impact to the net OPEB liability if a healthcare trend that is one percent less or one percent greater than the assumed 8.80 percent rate.

1% Decrease in Trend Rate (7.25%)	Healthcare Trend Rate (8.25%)	1% Increase in Trend Rate (9.25%)
\$80,848,251	\$98,182,350	\$120,482,726

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period.

- The discount rate changed from 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023. This change decreased the total OPEB liability (TOL).
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms during the valuation period.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$25,326,833) and revenue of \$4,642,250 for support provided by the State.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

I. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (continued)

At June 30, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 4,442,007	\$ 82,601,849
Changes in actuarial assumptions	13,401,175	60,119,657
Difference between projected and actual investment earnings	42,421	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	16,503,975	37,304,083
Contributions paid to TRS subsequent to the measurement date	2,857,647	-
Total	\$ 37,247,225	\$ 180,025,589

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ending August 31,	Pension Expense
2024	\$ (30,157,790)
2025	(25,654,614)
2026	(19,558,118)
2027	(22,144,617)
2028	(18,292,179)
Thereafter	(29,828,693)
	\$ (145,636,011)

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

J. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District also offers medical, dental, and life insurance coverage to certain retirees who have continued their coverage with the District's insurance plans since their retirement. The option to continue coverage is no longer offered; thereby, participation in the plan is limited to those employees who retired prior to August 31, 2004. There are currently eight former employees receiving benefits under the plan.

Plan Description

The plan is a single employer plan offering continued medical coverage under the District's medical insurance for retirees and their dependents with the retiree paying both the employee and District contributions. If Medicare coverage is available, the District's third-party administrator, Blue Cross/Blue Shield of Texas, will coordinate coverage with Medicare acting as the primary insurer. The plan does not issue a separate set of financial statements. The plan has no assets set aside to pay for future benefit payments.

Benefits

The District's retiree OPEB plan provides health insurance and dental insurance coverages through the District's self-funded plans.

Contributions

Plan participants pay the employee and employer portion of premiums for coverage selected under the OPEB plan. The participants in the plan contributed \$182,196 for the year ended June 30, 2024. The District has chosen to fund the benefit payments on a pay as you go basis in lieu of an annual contribution. Benefit payments are made from the Health Insurance Fund.

Actuarial Assumptions

The June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and methods:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.97%
Inflation	2.75%
Mortality	2024 IRS Static
Healthcare Trend (Initial/ultimate/grade down)	10%/5%/0.5%

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

J. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Discount Rate

A single discount rate of 3.97 percent was used to measure the total OPEB liability. Because the plan is essentially a pay as you go plan, the discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that the participants in the plan would make contributions equal to the rates that the District uses for its health plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to *not* be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Retiree OPEB Net Pension Liability

	Total OPEB Liability	OPEB Fiduciary Net Position	Net OPEB Liability
Beginning Balance	\$ 4,818,205	\$ -	\$ 4,818,205
Service Cost	-	-	-
Interest	172,208	-	172,208
Differences Between Expected and Actual Experience	(1,025,325)	-	(1,025,325)
Changes in Benefit Terms	-	-	-
Changes in Assumptions	(149,949)	-	(149,949)
Contributions - Employer	-	(182,196)	(182,196)
Benefit Payments	(182,196)	182,196	-
Ending Balance	<u>\$ 3,632,943</u>	<u>\$ -</u>	<u>\$ 3,632,943</u>

Discount Rate Sensitivity Analysis

The following table shows the impact to the net OPEB liability if the discount rate used was one percent less than or one percent more than the discount rate that was used in measuring the net OPEB liability.

1% Decrease in Discount Rate (2.97%)	Discount Rate (3.97%)	1% Increase in Discount Rate (4.97%)
\$3,935,389	\$3,632,943	\$3,370,841

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

J. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Health Care Trend Rate Sensitivity Analysis

The following table shows the impact to the net OPEB liability if the health care trend rate used was one percent less than or one percent more than the health care trend rate that was used in measuring the net OPEB liability.

1% Decrease in Trend Rate (9.0% to 4.0%)	Healthcare Trend Rate (10.0% to 5.0%)	1% Increase in Trend Rate (11.0% to 6.0%)
\$3,411,409	\$3,632,943	\$3,872,476

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period.

- The Mortality Table was updated to the 2024 IRS Static table.
- The discount rate was increased from 3.69 percent to 3.97 percent.
- There were no changes in benefit terms.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

J. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Retiree OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of (\$627,543) and revenue of \$182,196 for premiums paid by plan participants.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ -	\$ 2,226,954
Changes in actuarial assumptions	-	335,015
Difference between projected and actual investment earnings	-	-
Employer Contributions after measurement date	-	-
Total	\$ -	\$ 2,561,969

The net amounts of the employer's balances of deferred outflows and inflows of resources related to the Retiree OPEB will be recognized in OPEB expense as follows:

Measurement Period Ending June 30,	Pension Expense
2025	\$ 1,045,930
2026	1,045,929
2027	235,055
2028	235,055
	\$ 2,561,969

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

K. RISK MANAGEMENT

The District is exposed to various risks or torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. During fiscal year 2024, the District purchased insurance coverage for property, general liability, fleet liability, errors and omissions, crime, various cyber liability and network insurance coverage, extortion, equipment breakdown coverage, storage tank liability, and police professional liability. Internal Service Funds purchased self-funded unemployment compensation insurance, employee health stop-loss coverage, and workers' compensation excess coverage. There has been no significant reduction in insurance coverage from the prior year by major category of risk. There were three instances that reached the stop-loss coverage under the District's health insurance coverage.

Detailed information on the major categories of risk is as follows:

Employee Health Coverage

The District's major medical program offers three plan options, which are self-funded through an Internal Service Fund. Under the three plan options, the District carries \$600,000 specific stop-loss (SSL) coverage, aggregate stop-loss coverage of 125 percent, and the plans have an unlimited maximum lifetime SSL benefit. Accrued expenses in the Health Insurance Fund are based on actuarial estimates of the amounts necessary to pay prior and current period claims and to establish a reserve for catastrophic losses. A liability claim is established if information indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable.

A reconciliation of changes in the aggregate liabilities for major medical claims for the prior and current fiscal period is presented below:

	Beginning of Fiscal Year Liability		Claims and Changes in Estimates		Claim Payments		End of Fiscal Year Liability
2022-2023	\$	5,588,000	\$	75,924,492	\$	(75,825,574)	\$ 5,686,918
2023-2024	\$	5,686,918	\$	75,978,981	\$	(74,502,899)	\$ 7,163,000

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

K. RISK MANAGEMENT (continued)

Employee Dental Program

The District offers two dental plans which are self-funded through an Internal Service Fund. It is a voluntary program funded solely by employee contributions. Cost containment features include waiting periods to deter adverse selection into the plan, maximum annual benefit of \$750 and \$1,750 and deductibles/coinsurance. The District and third-party administrator determine projected claim costs and administrative fees. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. A reconciliation of changes in the aggregate liabilities for the dental program for the prior and current fiscal period is below:

		Beginning of Fiscal Year Liability		Claims and Changes in Estimates		Claim Payments		End of Fiscal Year Liability
2022-2023	\$	202,000	\$	3,010,563	\$	(3,030,720)	\$	181,843
2023-2024	\$	181,843	\$	3,065,582	\$	(3,038,425)	\$	209,000

Workers' Compensation

The District's workers' compensation program is self-funded through an Internal Service Fund. The District carries excess coverage of \$500,000 specific stop-loss and aggregate stop-loss of \$5,000,000. Amounts payable to the Workers' Compensation Fund are based on actuarial estimates of the amounts necessary to pay prior and current period claims and to establish a reserve for catastrophic losses. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable.

A reconciliation of changes in the aggregate liabilities for workers' compensation claims for the prior and current fiscal period is presented below:

		Beginning of Fiscal Year Liability		Claims and Changes in Estimates		Claim Payments		End of Fiscal Year Liability
2022-2023	\$	1,115,643	\$	1,434,495	\$	(1,395,792)	\$	1,154,346
2023-2024	\$	1,154,346	\$	2,459,774	\$	(2,054,764)	\$	1,559,356

The current portion of workers' compensation claims is \$643,000.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

L. FINANCED PURCHASES

Financed purchases of the District are reflected in the Statement of Net position. Current requirements for principal and interest expenditures are shown in the Print Services Fund. The District purchases electronic equipment from outside vendors through leasing arrangements. Amortization of the leased assets is included as a component of depreciation expense. Financed assets and the effect of depreciation is shown in Footnote E.

The District has future minimum lease payments for financed purchases as shown.

Year Ending June 30,	Principal	Interest	Total
2025	\$ 10,374	\$ 132	\$ 10,506
2026	10,439	68	10,507
2026	6,118	10	6,128
	<u>\$ 26,931</u>	<u>\$ 210</u>	<u>\$ 27,141</u>

M. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS

Subscription-based information technology agreements are capitalized in the statement of net position as a right-to-use asset and the activity is reflected in footnote E. Correspondingly, a liability is created to capture the present value of future payments for these agreements. The agreements allow the District to utilize various software in the course of its business. The agreements range from one-to-five years with varying renewal options.

The future principal and interest payments on these agreements is presented below:

Year Ending June 30,	Principal	Interest	Total
2025	<u>\$ 17,424</u>	<u>\$ -</u>	<u>\$ 17,424</u>

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

N. CHANGES IN LONG-TERM LIABILITIES

Activity for long-term liabilities for the year ended June 30, 2024, was as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and Notes Payables:					
General Obligation Bonds	\$ 1,328,870,000	\$ 144,710,000	\$ 301,225,000	\$ 1,172,355,000	\$ 64,275,000
Issuance Premiums Amortization	64,359,240	-	11,836,504	52,522,736	-
Total Bonds and Notes Payable	<u>1,393,229,240</u>	<u>144,710,000</u>	<u>313,061,504</u>	<u>1,224,877,736</u>	<u>64,275,000</u>
Other Liabilities:					
Workers' Compensation					
Accrued Claims Liability	1,154,346	2,459,774	2,054,764	1,559,356	643,000
Financed Purchases Liability	37,239	-	10,308	26,931	10,374
Subscription Liability	924,622	-	907,198	17,424	17,424
Compensated Absences	<u>3,094,580</u>	<u>1,523,187</u>	<u>748,362</u>	<u>3,869,405</u>	<u>584,559</u>
Total Other Liabilities	<u>5,210,787</u>	<u>3,982,961</u>	<u>3,720,632</u>	<u>5,473,116</u>	<u>1,255,357</u>
Retiree OPEB Liability	4,818,205	172,208	1,357,470	3,632,943	-
TRS Net Pension Liability	214,245,509	43,049,771	34,592,774	222,702,506	-
TRS Net OPEB Liability	<u>118,379,423</u>	<u>8,173,256</u>	<u>28,370,329</u>	<u>98,182,350</u>	<u>-</u>
	<u>337,443,137</u>	<u>51,395,235</u>	<u>64,320,573</u>	<u>324,517,799</u>	<u>-</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 1,735,883,164</u>	<u>\$ 200,088,196</u>	<u>\$ 381,102,709</u>	<u>\$ 1,554,868,651</u>	<u>\$ 65,530,357</u>

Long-term liabilities are broken into amounts due in one year and amounts due in more than one year on the Statement of Net Position as follows:

Total Bonds and Notes Payable	\$ 1,224,877,736
Total Other Liabilities	5,473,116
<i>Subtotal</i>	<u>1,230,350,852</u>
Less Amounts Due Within One Year:	
Bonds and Notes Payable	64,275,000
Other Liabilities	<u>1,255,357</u>
Total Amounts Due Within One Year	<u>65,530,357</u>
Long-Term Liabilities Due in More than One Year	<u>\$ 1,164,820,495</u>

The liability for compensated absences is liquidated primarily by the general fund and proprietary funds. The liabilities for TRS Pension and TRS OPEB are liquidated by all funds based on the proportionate share of covered payroll.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

O. Net Position

The District's Net Position as of June 30, 2024 Net Position is categorized as follows:

	Governmental Activities	Business Activities	Total
Net Investment in Capital Assets	\$ 23,660,107	\$ 4,506,817	\$ 28,166,924
Restricted:			
Federal and State Programs	17,614,662	-	17,614,662
Debt Service	146,133,531	-	146,133,531
Scholarships - Nonexpendable	200,000	-	200,000
Scholarships - Expendable	69,453	-	69,453
Total Restricted	164,017,646	-	164,017,646
Unrestricted	(101,041,307)	2,754,095	(98,287,212)
Total Net Position	\$ 86,636,446	\$ 7,260,912	\$ 93,897,358

P. UNEARNED REVENUE

Unearned revenue in the District's governmental funds at June 30, 2024 consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
National Breakfast and Lunch Program	\$ -	\$ 544,017	\$ 544,017
Teacher & Principal Training		1,281	1,281
Other Federal Grants	-	1,044	1,044
Advanced Placement Initiatives	-	73,508	73,508
State Textbook	-	1,727,707	1,727,707
Misc State Grants	-	8,803	8,803
Coalition of Essential Schools	-	1,070	1,070
City of San Antonio SPARK Program		1,365	1,365
Other Local Awards	-	11	11
Asia Society	-	28,180	28,180
Project Lead the Way	-	3,687	3,687
Other	50,250	-	50,250
Total	\$ 50,250	\$ 2,390,673	\$ 2,440,923

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

P. UNEARNED REVENUE (continued)

The District's proprietary funds reported unearned revenue as of June 30, 2024 as follows:

	Enterprise Funds
Community Education	\$ 457,295
Total	<u>\$ 457,295</u>

Q. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2024 are presented below. All federal grants shown below are passed through the TEA and are reported as Due From Other Governments.

	General Fund	Debt Service	Nonmajor Governmental Funds	Total
State Pass Through Grants	\$ 46,736,772	1,631,293	\$ 20,842,097	\$ 69,210,162
Federal Grants	-	-	361,727	361,727
Other	3,964,335	-	315,842	4,280,177
Total	<u>\$ 50,701,107</u>	<u>\$ 1,631,293</u>	<u>\$ 21,519,666</u>	<u>\$ 73,852,066</u>

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

R. RECEIVABLES

Receivables as of June 30, 2024 for the District's individual major governmental funds and other nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 19,122,057	\$ 7,297,935	\$ -	\$ 26,419,992
Due From Other Governments	50,701,107	1,631,293	21,519,666	73,852,066
Interest	366,336	69,271	1,629	437,236
Other Receivables	192,385	-	112,115	304,500
Gross Receivables	70,381,885	8,998,499	21,633,410	101,013,794
Less: Allowance for Uncollectible	(1,854,764)	(670,209)	-	(2,524,973)
Net Total Receivables	\$ 68,527,121	\$ 8,328,290	\$ 21,633,410	\$ 98,488,821

Receivables as of June 30, 2024 for the District's proprietary-type funds in the aggregate are as follows:

	Enterprise Funds	Internal Service Funds	Total
Interest	\$ -	\$ 5,304	\$ 5,304
Other Receivables	17,038	49,881	66,919
Gross Receivables	\$ 17,038	\$ 55,185	\$ 72,223

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

S. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the current fiscal year, revenues from local and intermediate sources in the Governmental Fund Types consisted of the following:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 341,927,983	\$ 144,422,080	\$ -	\$ 486,350,063
Penalties, Interest and Other				
Tax Related Income	2,210,041	739,872	-	2,949,913
Investment Income	17,540,852	5,968,300	634,851	24,144,003
Food Sales	-	-	8,207,102	8,207,102
Tuition and Fees	2,007,326	-	-	2,007,326
Co-curricular Student Activities	1,497,441	-	-	1,497,441
Other	3,077,933	-	13,795,529	16,873,462
Total	<u>\$ 368,261,576</u>	<u>\$ 151,130,252</u>	<u>\$ 22,637,482</u>	<u>\$ 542,029,310</u>

During the current fiscal year, revenues from local and intermediate sources in the Proprietary Fund Types consisted of the following:

	Enterprise Funds	Internal Service Funds	Total
User Charges	\$ -	\$ 102,575,381	\$ 102,575,381
Tuition and Fees	6,273,458	-	6,273,458
Rent	30,450	-	30,450
Athletics	1,363,125	-	1,363,125
Enterprising Activities	239,859	101,238	341,097
Other Revenue from Local Sources	4,785	187,890	192,675
Total	<u>\$ 7,911,677</u>	<u>\$ 102,864,509</u>	<u>\$ 110,776,186</u>

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

T. PAYMENTS IN LIEU OF TAXES

The District is subject to a multi-party agreement under Texas' Economic Development Corporation Act of 1979. The City of Windcrest, Texas established the Windcrest Economic Development Corporation (EDC) for the purpose of development and diversification of the economy. As such, the Windcrest EDC purchased property within the District's boundaries to entice companies to relocate their corporate headquarters to the property. The revenue lost for 2023-2024 includes \$202,541 in Maintenance & Operations (M&O) taxes and \$85,521 in Interest & Sinking (I&S) taxes. Under the Foundation School Program, the loss of M&O taxes was recuperated through additional state aid. In addition, the corporation leasing the property from the EDC pays the District a payment in lieu of taxes in an amount equal to the I&S taxes.

U. LITIGATION

The District is a defendant in several cases relating to accidents and other matters. While the result of any litigation contains an element of uncertainty, the District's management believes the amount of any liability and costs which might result would not have a material adverse effect on the financial statements.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

V. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

At June 30, 2024, the District was committed under the terms of various construction contracts for new school facilities and the remodeling of existing facilities for \$730,013.

As discussed in footnote III.A, encumbrance accounting is used to ensure budgetary control and accountability. At June 30, 2024, the amount of encumbrances expected to be honored upon performance of the service of delivery of merchandise by vendors in the subsequent year are as follows:

	Encumbrances
General Fund	\$ 3,650,112
Debt Service Fund	1,511,664
Nonmajor Governmental Funds	23,470,219
Enterprise Funds	249,175
Internal Service Funds	1,155,075
	<u>\$ 30,036,245</u>

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

W. SHARED SERVICE ARRANGEMENTS

The District participates in the North East Independent School District Regional Day School Program for the Deaf (NEISD RDSPD), a shared service arrangement, with two member Districts: Comal ISD, and Judson ISD. The District is acting as the fiscal agent for the parties involved. The NEISD RDSPD provides services to students from birth through 21 years of age who are auditorily impaired.

Funding for the NEISD RDSPD is provided by the TEA and by the member districts at a per pupil cost of \$15,250. Revenue from the respective member districts, including the District's contribution, is as follows:

Member Districts	Amounts
North East ISD	\$ 733,144
Judson ISD	106,750
Comal ISD	25,075
	<u>\$ 864,969</u>

As fiscal agent, NEISD RDSPD is responsible for reporting all financial activities of the shared service arrangement. The District accounts for the activity in Special Revenue Fund 435.

X. ARBITRAGE

The Federal Tax Reform Act of 1986 enacted section 148(f) of the Internal Revenue Code, relating to arbitrage rebate requirements, which generally provides that in order for interest on any issue of obligation to be excluded from gross income the issuer must rebate to the United States the sum of (1) the excess of the amount earned on all "non-purpose investments" acquired with "gross proceeds" of the issue over the amount which would have been earned if such investments had been invested at a yield equal to the yield on the issue, and (2) the earnings on such excess earnings.

The Act requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due.

As of June 30, 2024, the District had no arbitrage liability for applicable bond issues calculated to be due to the IRS. This amount is determined based on current investment yields and is subject to change prior to the due date of the rebate. The due date of the rebate is five years from the bond's date of issuance. The District considers arbitrage a revenue-generated liability and has adjusted interest earnings for the annual change in the liability.

North East Independent School District

Notes to the Financial Statements

Year Ended June 30, 2024

Y. FUND BALANCE

The fund balance as of June 30, 2024 consists of the following amounts:

Committed fund balance within the Nonmajor Governmental funds represents fund balance in the Campus Activity and Hail Damage Replacement funds.

Assigned fund balance reported within the debt service fund represent amounts that are not collected from the interest and sinking fund tax levy and represent amounts set aside for debt maturing in future years.

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Inventory	\$ 2,748,414	\$ -	\$ 2,399,437	\$ 5,147,851
Prepays	88,002	-	13,452	101,454
Scholarships	-	-	200,000	200,000
Restricted:				
Debt Service	-	116,260,257	-	116,260,257
Child Nutrition	-	-	13,998,089	13,998,089
Capital Acquisition	-	-	11,024,758	11,024,758
Medicaid	-	-	1,206,108	1,206,108
Scholarships	-	-	69,453	69,453
Committed:				
Hail Damage Claims	-	-	351,871	351,871
Assigned:				
Debt Service	-	26,075,426	-	26,075,426
Campus Funds	-	-	7,867,755	7,867,755
Capital Projects	-	-	-	-
Unassigned:	193,774,491	-	-	193,774,491
Total	\$ 196,610,907	\$ 142,335,683	\$ 37,130,923	\$ 376,077,513

(This page intentionally left blank.)

Required Supplementary Information

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Pension Liability (Asset)	0.324212211%	0.360880562%	0.320394111%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 222,702,506	\$ 214,245,509	\$ 81,593,041
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	311,188,964	281,191,563	144,733,076
Total	<u>\$ 533,891,470</u>	<u>\$ 495,437,072</u>	<u>\$ 226,326,117</u>
District's Covered Payroll	\$ 424,059,476	\$ 438,734,155	\$ 429,994,949
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	52.51%	48.83%	18.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.15%	75.62%	88.79%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.322876655%	0.355138171%	0.372185117%	0.373539868%	0.3875223%	0.431772%	0.2816673%
\$ 172,926,149	\$ 184,611,924	\$ 204,859,721	\$ 119,437,926	\$ 146,438,896	\$ 152,627,496	\$ 75,237,231
319,354,395	299,889,567	338,862,162	211,411,821	251,889,011	236,953,006	207,927,911
<u>\$ 492,280,544</u>	<u>\$ 484,501,491</u>	<u>\$ 543,721,883</u>	<u>\$ 330,849,747</u>	<u>\$ 398,327,907</u>	<u>\$ 389,580,502</u>	<u>\$ 283,165,142</u>
\$ 434,096,665	\$ 388,662,320	\$ 464,839,020	\$ 423,829,981	\$ 369,612,889	\$ 452,851,440	\$ 391,710,991
39.83%	50.08%	44.07%	28.18%	39.61%	36.70%	19.26%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 16,665,281	\$ 16,839,754	\$ 16,275,834
Contribution in Relation to the Contractually Required Contribution	(16,665,281)	(16,839,754)	(16,275,834)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 454,881,379	\$ 430,390,599	\$ 433,297,505
Contributions as a Percentage of Covered Payroll	3.66%	3.91%	3.15%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

2021	2020	2019	2018	2017	2016	2015
\$ 13,194,972	\$ 13,157,125	\$ 12,410,785	\$ 12,512,363	\$ 12,234,644	\$ 12,785,109	\$ 12,022,603
(13,194,972)	(13,157,125)	(12,410,785)	(12,512,363)	(12,234,644)	(12,785,109)	(12,022,603)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 428,025,117	\$ 436,166,407	\$ 413,994,688	\$ 420,196,767	\$ 423,671,164	\$ 416,950,819	\$ 405,150,000
3.11%	2.85%	3.01%	2.98%	2.94%	2.98%	2.83%

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.443495332%	0.49440109%	0.463642766%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 98,182,350	\$ 118,379,423	\$ 178,847,733
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	118,472,096	144,404,298	239,616,105
Total	<u>\$ 216,654,446</u>	<u>\$ 262,783,721</u>	<u>\$ 418,463,838</u>
District's Covered Payroll	\$ 424,059,476	\$ 430,390,599	\$ 429,994,994
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	27.93%	27.50%	41.59%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.94%	11.52%	6.18%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2024 are for the measurement date of August 31, 2023. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2021 Plan Year 2020		FY 2020 Plan Year 2019		FY 2019 Plan Year 2018		FY 2018 Plan Year 2017	
0.475445106%		0.84236919%		0.4966435%		0.489050498%	
\$	180,738,155	\$	228,098,308	\$	249,479,574	\$	212,699,715
242,868,756		303,091,631		361,114,884		336,290,848	
\$	423,606,911	\$	531,189,940	\$	610,594,458	\$	548,990,563
\$	434,096,665	\$	368,662,320	\$	464,839,020	\$	423,829,981
41.63%		61.87%		53.66%		50.17%	
4.99%		2.66%		1.57%		0.91%	

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022
Contractually Required Contribution	\$ 3,847,210	\$ 4,060,718	\$ 3,239,740
Contribution in Relation to the Contractually Required Contribution	(3,847,210)	(4,060,718)	(3,239,740)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 454,881,379	\$ 438,754,155	\$ 433,297,505
Contributions as a Percentage of Covered Payroll	0.84%	0.92%	0.83%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

2021		2020		2019		2018	
\$	3,249,747	\$	3,242,611	\$	3,112,322	\$	3,027,720
	(3,249,747)		(3,242,611)		(3,112,322)		(3,027,720)
\$	-	\$	-	\$	-	\$	-
\$ 428,025,117		\$ 436,166,407		\$ 413,994,688		\$ 420,196,767	
0.84%		0.78%		0.83%		0.75%	

Schedule of Changes in OPEB Liability and Fiduciary Net Position For Retiree OPEB
Past Five Fiscal Years

Total OPEB Liability	2024	2023
Beginning Total OPEB Liability	\$ 4,818,205	\$ 4,921,298
Service Cost	-	-
Interest	172,208	176,439
Difference Between Expected and Actual Experience	(1,025,325)	-
Changes in Benefit Terms	-	-
Changes in Assumptions	(149,949)	-
Benefit Payments	(182,196)	(279,532)
Net Change in Total OPEB Liability	<u>\$ 3,632,943</u>	<u>\$ 4,818,205</u>

Plan Fiduciary Net Position

Plan Fiduciary Beginning Net Position	\$ -	\$ -
Contributions - Employer	182,196	279,532
Net Investment Income	-	-
Benefit Payments	(182,196)	(279,532)
Administrative Expenses	-	-
Plan Fiduciary Ending Net Position	<u>\$ -</u>	<u>\$ -</u>

Plan Fiduciary Net Position as a Percentage of Total Retiree OPEB Liability	0.00%	0.00%
--	-------	-------

Note: The schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

Schedule of Changes in OPEB Liability and Fiduciary Net Position For Retiree OPEB

Past Five Fiscal Years

2022	2021	2020
\$ 8,925,884	\$ 9,069,313	\$ 7,462,292
-	-	-
213,817	217,774	289,609
(3,516,733)	-	(300,471)
-	-	-
(537,640.0)	-	1,764,544
(164,030)	(361,203)	(146,661)
<u>\$ 4,921,298</u>	<u>\$ 8,925,884</u>	<u>\$ 9,069,313</u>

\$ -	\$ -	\$ -
164,030	361,203	146,661
-	-	-
(164,030)	(361,203)	(146,661)
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

0.00%

0.00%

0.00%

(This page intentionally left blank.)

Combining and Individual Fund Statements and Schedules

(This page intentionally left blank.)

North East Independent School District

Nonmajor Governmental Funds

Fund Descriptions

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B-Education for Homeless Children and Youth (Title I, Part A, and Every Student Succeeds Act, Title IX, Part A) (Fund 206)

This code is used to account for funds granted for activities such as coordination and collaboration with local agencies to provide comprehensive services to homeless children and youths, and a variety of staff-development and supplemental services, including in-service training, counseling and psychological services, and tutoring. (ALN 84.196)

ESEA, Title I, Part A – Improving Basic Programs (Fund 211)

This code is used to account for funds to help LEAs improve teaching and learning in high poverty schools for children failing, or most at-risk of failing, to meet challenging State academic standards. (ALN 84.010A)

Adult Basic Education, Federal (Fund 220)

This code is used to account for funds granted to provide or support programs for adult education and literacy services to adults who are beyond compulsory school age attendance, and do not have a high school diploma, or lack sufficient mastery of basic educational skills to function effectively in society, or are unable to speak, read or write the English language; and are not enrolled in school. Education services include basic educational skills (reading, writing, speaking and mathematics), English as a Second Language instruction, and secondary level competencies for acquisition of a high school diploma or equivalent. (ALN 84.002)

Temporary Assistance for Needy Families (TANF) (Fund 223)

This code is used to account for funds granted to provide educational services to undereducated adults who receive cash assistance under Temporary Assistance for Needy Families. Recipients of benefits are required to participate in adult basic education or job training programs as a condition of eligibility. Educational services include basic educational skills, English as a second language, secondary level competencies for acquisition of a high school diploma or its equivalent. (ALN 93.558)

Individuals with Disabilities Education Act – Part B (IDEA-B), Formula (Fund 224)

This code is used to account for funds granted to operate educational programs for children with disabilities, ages 3-21. (ALN 84.027)

North East Independent School District

Nonmajor Governmental Funds

Fund Descriptions

IDEA-B, Preschool (Fund 225)

This code is used to account for funds granted for preschool children with disabilities. (ALN 84.173)

IDEA-B, Discretionary (Fund 226)

This code is used to account for funds used to support special education component and a targeted support to districts, regional day school programs for the deaf, private residential placements, priority projects, and other emerging needs. (ALN 84.027)

National Breakfast and Lunch Program (Fund 240)

Operations of the District's cafeterias are accounted for in this fund. Revenue sources are principally from the sale of meals to students, teachers and others, along with the National School Breakfast and Lunch program and the Child and Adult Care Food Program. (ALN 10.555, 10.553, 10.558)

Nutrition Services Fresh Fruit and Vegetable Program (Fund 240)

The Fresh Fruit and Vegetable Program (FFVP) provides all children in participating schools with a variety of free fresh fruits and vegetables throughout the school day, introducing fresh fruit and vegetables as a healthy snack. (ALN 10.582)

Local Food for Texas Schools (Fund 240)

The purpose of the program is to support local and regional food systems, with a focus on historically underutilized and small businesses. This grant can help participating Contract Entities establish or strengthen connections to Texas farmers, ranchers, and small businesses and get more Texas food on students' trays. (ALN 10.185)

Summer Food Service Program for Children, Texas Department of Agriculture (TDA) (Fund 242)

This code is used to account for funds received from the Texas Department of Agriculture for meals provided to the community based on the average number of daily participants. (ALN 10.559)

Career and Technical - Basic Grant (Fund 244)

This code is used to account for funds granted to provide career and technical education (CTE) and to develop new and/or improve existing CTE programs for paid and unpaid employment. Full participation in the basic grant is from members of special populations at a limited number of campuses or in a limited number of program areas. (ALN 84.048)

North East Independent School District

Nonmajor Governmental Funds

Fund Descriptions

Title II, Part A - Teacher and Principal Training and Recruiting (Fund 255)

This code is used to account for funds used to improve student academic achievement by improving teacher and principal quality and increasing the number of highly qualified teachers, principals and assistant principals in schools, and hold to LEAs accountable for improving student academic achievement. (ALN 84.367A)

Title III, Part A - English Language Acquisition and Language Enhancement (Fund 263)

This code is used to account for funds granted to improve the education of children with limited English proficiency by helping the children learn English and meet challenging academic achievement standards. (ALN 84.365A)

Medicaid Administrative Claiming Program - MAC (Fund 272)

This code is used to account for funds allocated to districts to reimburse eligible administrative costs for activities that implement the Medicaid state plan. (ALN 93.778)

American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER) Fund- Homeless Children and Youth (ARP-HCY) (Fund 278)

This code is used to account for federal stimulus ESSER funds granted to LEAs through the American Rescue Plan Act to identify homeless children and youth, to provide homeless children and youth with wrap-around services to address the challenges of COVID-19, and to enable homeless children and youth to attend school and fully participate in school activities. (ALN 84.425W) (Education Stabilization Fund)

Texas COVID Learning Acceleration Supports (TCLAS)-State Elementary and Secondary School Emergency Relief Fund III (ESSER III) of the American Rescue Plan (ARP) Act of 2021 (Fund 279)

This code is used to account for funds granted for targeted supports to assist LEAs to accelerate student learning due to learning loss caused by the COVID-19 pandemic. (ALN 84.425U) (This grant is funded by the ARP Act of 2021)

Elementary and Secondary School Emergency Relief Fund III (ESSER III) of the American Rescue Plan Act of 2021 (Fund 282)

This code is used to account for federal stimulus ESSER III funds granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services considering challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities. (ALN 84.425U) (Education Stabilization Fund)

North East Independent School District

Nonmajor Governmental Funds

Fund Descriptions

IDEA-Part B, Formula-American Rescue Plan Act of 2021 (Fund 284)

This code is used to account for federal stimulus funds granted under the ARP Act to operate educational programs for children with disabilities. (ALN 84.027X) (ARP Act of 2021)

IDEA-Part B, Preschool-American Rescue Plan Act of 2021 (Fund 285)

This code is used to account for federal stimulus funds granted under the ARP Act for preschool children with disabilities. (ALN 84.173X) (ARP Act of 2021)

United States Conference of Catholic Bishops/Migration and Refugee Services (Fund 289)

This code is used to account for the Refugee School Impact Grant. The program is designed to provide academic and socio-emotional support to refugee students, parents and families during their first five years in the United States. (ALN 93.566)

Title IV, Part A, Subpart 1, Student Support and Academic Enrichment (Fund 289)

This code is used to account for funds granted to improve the academic achievement of all students by increasing the capacity of LEAs schools, and communities to provide all students with access to a well-rounded education, improve school conditions for student learning and to improve the use of technology to enhance academic outcomes and digital literacy of students. (ALN 84.424A)

Title VI, Part A, Summer School LEP (Fund 289)

These funds are to be used to account, on a project basis, for funds granted for summer school programs for LEP students only if a bilingual program is part of the standard curriculum. Monies may be used to fund both required summer school and voluntary summer school LEP students. (ALN 84.369A)

San Antonio Youth Commission (SAYC) microgrant-State and Local Fiscal Recovery Funds (SLFRF) through ARP (Fund 289)

These microgrants were awarded to five NEISD schools to fund individual campus projects that benefit the mental health and well-being of youth and young adults on the campus. (ALN 21.019)

Bexar County Fit Mind Fit Self Fit Future-State and Local Fiscal Recovery Funds (SLFRF) through ARP (Fund 289)

These funds were awarded to allow NEISD to expand and enhance wrap-around support systems for mental health and student services, staffed with certified and licensed mental health professionals. (ALN 21.027)

North East Independent School District

Nonmajor Governmental Funds

Fund Descriptions

Special Education Capacity Contracted Services Grant (Fund 289)

These funds were awarded to NEISD to assist with payment for contracted service providers for evaluation specialist (educational diagnostician, school psychologist/LSSP, speech-language pathologist, etc.) to meet the students' Find requirements and contracted services provided by an instructional or related services provider for the provision of services in students' IEP. (ALN 84.027A)

IDEA-B, Discretionary (Fund 315)

The fiscal agent of a shared services arrangement uses this code to account for funds used to support a regional education service center basic special education component and targeted support to LEAs, Regional Day School Program for the Deaf, Private residential placements, priority projects and other emerging needs. (ALN 84.027)

Adult Basic Education (ABE) - State (Fund 381)

This code is used to account for funds granted to provide or support programs for adult education and literacy services to adults 16 years of age and above, who do not have a high school diploma and are out of school. These funds can be used for the same purposes as federal funds for adult education.

State Supplemental Visually Impaired (SSVI) (Fund 385)

This code is used to account for state supplemental visually impaired funds received through ESC Region XX.

Noneducational Community-Based Support (Fund 392)

This code is used to account for funds to provide non-educational, community-based support services to students with disabilities who would remain in or must be placed in residential facilities for educational reasons without these services. The support services may include transportation, respite for the parents, case management, social work, in-home family support, and other items.

Advanced Placement Incentives (Fund 397)

This code is used to account for funds awarded to districts under the Texas Advanced Placement Incentive Program.

State Instructional Materials Fund (Fund 410)

This code is used to account for funds awarded to school districts under the instructional materials allotment. Instructional materials include textbooks, software, supplemental materials, media storage devices, online services, open-source materials, and other means of conveying information electronically.

North East Independent School District

Nonmajor Governmental Funds

Fund Descriptions

Pre-K 4 SA (Fund 427)

These funds are used to supplement the Pre-K program that expands and/or enhances the educational opportunities for four-year old children in San Antonio. Authorized by Chapter 397A, Texas Local Government Code.

Learning Acceleration Support Opportunities Grant (LASO) (Fund 429)

The Early College High Schools (ECHS) model is used to allow students least likely to attend college an opportunity to receive both a high school diploma and either an associate degree or at least 60 credit hours toward a baccalaureate degree. The ECHS provides dual credit at no cost to historically underserved students, targeting those who are at-risk and/or economically disadvantaged.

Silent Panic Alert Technology Grant (Fund 429)

These funds are provided to LEAs to purchase silent panic alert technologies for campuses as a measure of school safety.

School Officers Shield Protection Project (Fund 429)

These funds awarded through the Office of the Governor were used to purchase 36 bullet resistant shields for the NEISD Police Department.

Urban School Agricultural Grant Project (Fund 429)

These funds are used for the purpose of establishing demonstration agricultural projects or other projects designed to foster an understanding and awareness of agriculture.

Read to Succeed Program (Fund 429)

These funds are used to help support public school libraries and strengthen the campus-reading program. Funds are generated through the sale of specialty license plates. Members of the community have chosen to support school libraries in the district by purchasing these specialty license plates.

Special Education Fiscal Support (Fund 429)

This program assists LEAs in securing appropriately certified/licensed providers or extending the use of existing staff to fill short-term needs related to Full and Individual Initial Evaluations, Independent Educational Evaluations, Compensatory Services, and Extended School Year services.

North East Independent School District

Nonmajor Governmental Funds

Fund Descriptions

Law Enforcement Officers Standards and Education Program (Fund 429)

These funds are awarded to school districts for the continuing education of officers licensed under Chapter 1701, Occupations Code.

School Safety and Security Grant (Fund 429)

These funds are provided to LEAs for the purchase of exterior doors with push bars; metal detectors at school entrances; erected vehicle barriers; security systems that monitor and record school entrances, exits, and hallways; campus-wide active shooter alarm systems that are separate from fire alarms; two-way radio systems; perimeter security fencing; bullet-resistant glass or film for school entrances; and door-locking systems.

Camp Code Program (Fund 429)

Camp Code program is to increase the interest of Texas middle school students in coding and programming by providing hands-on experiences in summer camps that include challenging and innovative concepts and experiences in learning, problem solving, and analytical skills and simultaneously fostering an interest in STEM-related careers.

Dyslexia Grant Award (Fund 429)

The purpose of this project is for school districts to increase local capacity to appropriately serve students with dyslexia by providing high quality training to classroom teachers and administrators in meeting the needs of students with dyslexia and training to intervention staff resulting in appropriate credentialing related to dyslexia.

Dyslexia Funding Support Grant (Fund 429)

The purpose of this grant is to provide additional assistance to help directly support students with dyslexia.

Mathematics Achievement Academies (Fund 429)

These funds are for teacher stipends who completed a Mathematics Achievement Academy and provide mathematics instruction to students in kindergarten and/or grades 1-4.

Innovative Services for Students with Autism (Fund 429)

These funds will provide funding to implement innovative services that improve functional and/or academic outcomes for students with autism.

North East Independent School District

Nonmajor Governmental Funds

Fund Descriptions

SSA Regional Day School for the Deaf (Fund 435)

This code is used by the fiscal agent of a shared services arrangement to account for funds allocated for staff and activities of the Regional Day School Program for the Deaf. (RDSPD)

Campus Activity Funds (Fund 461)

These funds are composed of various non-tax local monies generated at the campus-level via campus vending machines, assemblies, school-wide sales, etc. These are public funds under the responsibility and control of the campus administrator. They are used to promote the general welfare of the campus and the educational development and morale of all students within the campus. As public funds, they are subject to the same statutory controls and district regulations as the general fund.

Coalition of Essential Schools (CES) (Fund 485)

These funds are used solely to support the continued growth and development of equitable, vibrant small schools as well as the mentoring efforts and participation of the Mentor School in the CES Small Schools Network funded by the Bill & Melinda Gates Foundation.

Fuel Up to Play 60 (Fund 486)

These funds are used to support broad-based in-school promotions and strategies that create healthy eating and physical activity opportunities for students and the school environment.

Whole Kids (Fund 486)

These funds are granted to K-12 schools, to support a new or existing edible garden on school grounds.

Dairy Optimization (Fund 486)

These funds are used to purchase dairy merchandisers which support improved access to and consumption of low-fat/fat-free dairy.

No Kid Hungry – Share Our Strength Breakfast Grant (Fund 486)

These funds support schools with the purchase of equipment, materials, and promotional initiatives to increase student participation in school breakfast.

Pre-K 4 SA (Fund 488)

These funds are used to supplement the Pre-K program that expands and/or enhances the educational opportunities for four-year old children in San Antonio. Authorized by Chapter 397A, Texas Local Government Code.

North East Independent School District

Nonmajor Governmental Funds

Fund Descriptions

T-STEM Innovations to Advance Blueprint Implementation Grant (Fund 489)

These funds provide support to campuses with grades 6 – 12 T-STEM designation to provide transition programming for students across grades 6 – 9. Funds will be used to implement mixed grade level advisories, technology tidbits camps for parents, summer bridge camps, field trips to universities and business partners and college career day.

Educate Texas Fund of Communities Foundation of Texas (Fund 489)

These funds are used to provide resources to teachers to help write curriculum and purchase a curriculum program to benefit the STEM Academy at LEE High School.

Asia Society Confucius Classroom (Fund 489)

These funds are used to build the field of Chinese language teaching in American schools.

Project Lead the Way (Fund 490)

These funds are used to provide resources and support to schools interested in offering Computer Integrated Manufacturing (CIM) courses to teach students about manufacturing processes, product design, robotics, and automation. This program is funded through a partnership with The Project Lead the Way Program and Toyota USA Foundation.

Hail Damage Repair (Fund 491)

These funds are used to record and track resources used to repair buildings damaged by hailstorms. Insurance proceeds will cover most of the expenditures needed to repair and/or replace roofing on buildings and other required repairs.

CAPITAL PROJECTS FUND (Fund 699)

The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

PERMANENT FUND

Scholarships (Fund 479)

This fund is used to account for donations received where the earnings are available to fund scholarships for the district's students and the principal received must remain intact.

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

Data Control Codes		206 ESSA, IX, A Homeless Children Ed.	211 ESEA I, A Improving Basic Program	220 Adult Basic Education Federal	223 TANF Family Assistance
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
1240	Due from Other Governments	30,633	5,404,424	282,526	47,071
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	698	21,092	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	1,215
1000	Total Assets	<u>\$ 30,633</u>	<u>\$ 5,405,122</u>	<u>\$ 303,618</u>	<u>\$ 48,286</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 25,905	\$ -	\$ -
2160	Accrued Wages Payable	10,690	1,905,643	946	-
2170	Due to Other Funds	19,943	3,473,574	302,672	48,286
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2200	Accrued Expenditures	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>30,633</u>	<u>5,405,122</u>	<u>303,618</u>	<u>48,286</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
3425	Endowment Principal	-	-	-	-
3430	Prepaid Items	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 30,633</u>	<u>\$ 5,405,122</u>	<u>\$ 303,618</u>	<u>\$ 48,286</u>

224 IDEA Part B Formula	225 IDEA Part B Preschool	226 IDEA Part B Discretionary	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition
\$ -	\$ -	\$ -	\$ 651,998	\$ 15,306,668	\$ -	\$ -	\$ -
-	-	-	834,237	-	-	-	-
3,024,713	97,124	14,288	200,733	278,860	198,901	425,817	402,287
-	-	-	1,629	-	-	-	-
211,497	-	-	628,390	-	209	-	118
-	-	-	372	-	-	-	-
-	-	-	3,234,835	-	-	-	-
-	-	-	-	11,028	-	-	-
<u>\$ 3,236,210</u>	<u>\$ 97,124</u>	<u>\$ 14,288</u>	<u>\$ 5,552,194</u>	<u>\$ 15,596,556</u>	<u>\$ 199,110</u>	<u>\$ 425,817</u>	<u>\$ 402,405</u>
\$ 24,474	\$ -	\$ -	\$ 808,212	\$ 29,146	\$ 719	\$ 18,687	\$ 224
1,182,735	18,220	-	294,374	-	289	114,787	199,591
2,029,001	78,904	14,288	1,462,366	1,558,293	198,102	291,062	202,590
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	43,788	-	-	-	-
-	-	-	544,017	-	-	1,281	-
<u>3,236,210</u>	<u>97,124</u>	<u>14,288</u>	<u>3,152,757</u>	<u>1,587,439</u>	<u>199,110</u>	<u>425,817</u>	<u>402,405</u>
-	-	-	2,399,437	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	11,028	-	-	-
-	-	-	-	13,998,089	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,399,437</u>	<u>14,009,117</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,236,210</u>	<u>\$ 97,124</u>	<u>\$ 14,288</u>	<u>\$ 5,552,194</u>	<u>\$ 15,596,556</u>	<u>\$ 199,110</u>	<u>\$ 425,817</u>	<u>\$ 402,405</u>

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

Data Control Codes		272 Medicaid Admin. Claim MAC	278 ESSER (ARP) Homeless Children	279 ESSER III TCLAS ARP Act	282 ESSER III American Rescue Plan
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
1240	Due from Other Governments	173,797	12,592	-	8,963,444
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	1,033,815	-	-	239,009
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	4,958	57,666	-
1000	Total Assets	<u>\$ 1,207,612</u>	<u>\$ 17,550</u>	<u>\$ 57,666</u>	<u>\$ 9,202,453</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 171,157
2160	Accrued Wages Payable	1,295	-	-	1,256,156
2170	Due to Other Funds	209	17,550	45,116	7,585,514
2180	Due to Other Governments	-	-	12,550	159,028
2190	Due to Student Groups	-	-	-	-
2200	Accrued Expenditures	-	-	-	30,598
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>1,504</u>	<u>17,550</u>	<u>57,666</u>	<u>9,202,453</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
3425	Endowment Principal	-	-	-	-
3430	Prepaid Items	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	1,206,108	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>1,206,108</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,207,612</u>	<u>\$ 17,550</u>	<u>\$ 57,666</u>	<u>\$ 9,202,453</u>

284 IDEA B Formula ARP Act	285 IDEA B Preschool ARP Act	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	381 Adult Basic Education State	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support	397 Advanced Placement Incentives
\$ 267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,653
-	-	-	-	-	-	-	-
-	-	613,245	6,636	3,627	24,371	1,278	-
-	-	-	-	-	-	-	-
159,255	869	2,649	-	335	13,218	-	-
-	-	111,743	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 159,522</u>	<u>\$ 869</u>	<u>\$ 727,637</u>	<u>\$ 6,636</u>	<u>\$ 3,962</u>	<u>\$ 37,589</u>	<u>\$ 1,278</u>	<u>\$ 78,653</u>
\$ -	\$ -	\$ 1,945	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	185,203	4,548	440	24,371	-	-
159,522	869	539,445	2,088	3,522	13,218	1,278	5,145
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,044	-	-	-	-	73,508
<u>159,522</u>	<u>869</u>	<u>727,637</u>	<u>6,636</u>	<u>3,962</u>	<u>37,589</u>	<u>1,278</u>	<u>78,653</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 159,522</u>	<u>\$ 869</u>	<u>\$ 727,637</u>	<u>\$ 6,636</u>	<u>\$ 3,962</u>	<u>\$ 37,589</u>	<u>\$ 1,278</u>	<u>\$ 78,653</u>

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

Data Control Codes		410 State Instructional Materials	427 City of San Antonio Pre-K Grant	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
1240	Due from Other Governments	-	5,202	1,173,339	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	1,557,707	-	-	876,779
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	170,000	-	1,699	-
1000	Total Assets	<u>\$ 1,727,707</u>	<u>\$ 5,202</u>	<u>\$ 1,175,038</u>	<u>\$ 876,779</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ 288,006	\$ -
2160	Accrued Wages Payable	-	3,822	-	291,516
2170	Due to Other Funds	-	1,380	878,229	585,263
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2200	Accrued Expenditures	-	-	-	-
2300	Unearned Revenue	1,727,707	-	8,803	-
2000	Total Liabilities	<u>1,727,707</u>	<u>5,202</u>	<u>1,175,038</u>	<u>876,779</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
3425	Endowment Principal	-	-	-	-
3430	Prepaid Items	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,727,707</u>	<u>\$ 5,202</u>	<u>\$ 1,175,038</u>	<u>\$ 876,779</u>

461 Campus Activity Funds	485 Coalition Of Essential Schools	486 Other Local Funds	488 Pre-K 4 SA Fund	489 Educate Texas Fund	490 Project Lead The Way	491 Hail Damage Repair	Total Nonmajor Special Revenue Funds
\$ 119,525	\$ 1,070	\$ 1,365	\$ -	\$ 26,902	\$ 3,687	\$ 358,419	\$ 16,548,554
-	-	-	-	-	-	-	834,237
-	-	-	134,758	-	-	-	21,519,666
-	-	-	-	-	-	-	1,629
8,271,283	-	-	2,024	1,278	-	-	13,020,225
-	-	-	-	-	-	-	112,115
-	-	-	-	-	-	-	3,234,835
-	-	-	-	-	-	-	246,566
<u>\$ 8,390,808</u>	<u>\$ 1,070</u>	<u>\$ 1,365</u>	<u>\$ 136,782</u>	<u>\$ 28,180</u>	<u>\$ 3,687</u>	<u>\$ 358,419</u>	<u>\$ 55,517,827</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,548	\$ 1,375,023
-	-	-	40,884	-	-	-	5,535,510
303,519	-	-	95,887	-	-	-	19,916,835
-	-	-	-	-	-	-	171,578
219,534	-	-	-	-	-	-	219,534
-	-	-	-	-	-	-	74,386
-	1,070	1,365	11	28,180	3,687	-	2,390,673
<u>523,053</u>	<u>1,070</u>	<u>1,365</u>	<u>136,782</u>	<u>28,180</u>	<u>3,687</u>	<u>6,548</u>	<u>29,683,539</u>
-	-	-	-	-	-	-	2,399,437
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	11,028
-	-	-	-	-	-	-	15,204,197
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	351,871	351,871
<u>7,867,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,867,755</u>
<u>7,867,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,871</u>	<u>25,834,288</u>
<u>\$ 8,390,808</u>	<u>\$ 1,070</u>	<u>\$ 1,365</u>	<u>\$ 136,782</u>	<u>\$ 28,180</u>	<u>\$ 3,687</u>	<u>\$ 358,419</u>	<u>\$ 55,517,827</u>

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

Data Control Codes		699 Capital Projects Fund	479 Permanent Fund Scholarships	Total Nonmajor Governmental Funds
ASSETS				
1110	Cash and Cash Equivalents	\$ 11,415,935	\$ 269,453	\$ 28,233,942
1120	Investments	-	-	834,237
1240	Due from Other Governments	-	-	21,519,666
1250	Accrued Interest	-	-	1,629
1260	Due from Other Funds	20,462	-	13,040,687
1290	Other Receivables	-	-	112,115
1300	Inventories	-	-	3,234,835
1410	Prepayments	2,424	-	248,990
1000	Total Assets	<u>\$ 11,438,821</u>	<u>\$ 269,453</u>	<u>\$ 67,226,101</u>
LIABILITIES				
2110	Accounts Payable	\$ 394,660	\$ -	\$ 1,769,683
2160	Accrued Wages Payable	-	-	5,535,510
2170	Due to Other Funds	1,709	-	19,918,544
2180	Due to Other Governments	-	-	171,578
2190	Due to Student Groups	-	-	219,534
2200	Accrued Expenditures	15,270	-	89,656
2300	Unearned Revenue	-	-	2,390,673
2000	Total Liabilities	<u>411,639</u>	<u>-</u>	<u>30,095,178</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	-	-	2,399,437
3425	Endowment Principal	-	200,000	200,000
3430	Prepaid Items	2,424	-	13,452
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	15,204,197
3470	Capital Acquisition and Contractual Obligation	11,024,758	-	11,024,758
3490	Other Restricted Fund Balance	-	69,453	69,453
Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	351,871
Assigned Fund Balance:				
3590	Other Assigned Fund Balance	-	-	7,867,755
3000	Total Fund Balances	<u>11,027,182</u>	<u>269,453</u>	<u>37,130,923</u>
4000	Total Liabilities and Fund Balances	<u>\$ 11,438,821</u>	<u>\$ 269,453</u>	<u>\$ 67,226,101</u>

(This page intentionally left blank.)

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	206 ESSA, IX, A Homeless Children Ed.	211 ESEA I, A Improving Basic Program	220 Adult Basic Education Federal	223 TANF Family Assistance
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 81	\$ 5,980	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	111,885	18,312,411	943,872	82,518
5020 Total Revenues	111,966	18,318,391	943,872	82,518
EXPENDITURES:				
Current:				
0011 Instruction	180	13,010,962	902,086	72,320
0012 Instructional Resources and Media Services	-	258	-	-
0013 Curriculum and Instructional Staff Development	-	1,531,532	20,925	-
0021 Instructional Leadership	-	-	1,000	-
0023 School Leadership	-	89,388	19,861	10,198
0031 Guidance, Counseling, and Evaluation Services	-	391,929	-	-
0032 Social Work Services	69,857	3,004,767	-	-
0033 Health Services	-	33,586	-	-
0034 Student Transportation	-	79,754	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	25,778	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	4,639	-	-
0052 Security and Monitoring Services	-	419	-	-
0053 Data Processing Services	-	29,913	-	-
0061 Community Services	41,929	115,466	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	111,966	18,318,391	943,872	82,518
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	-
7949 Other Resources	-	-	-	-
8911 Transfers Out (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

224 IDEA Part B Formula	225 IDEA Part B Preschool	226 IDEA Part B Discretionary	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition
\$ 3,314	\$ -	\$ -	\$ 8,638,101	\$ 3,001	\$ 852	\$ 2,912	\$ 621
-	-	-	978,435	4,230	-	-	-
12,715,056	206,677	14,288	28,876,824	341,871	748,375	2,102,131	1,490,549
12,718,370	206,677	14,288	38,493,360	349,102	749,227	2,105,043	1,491,170
9,578,880	206,677	14,288	-	-	697,823	100	633,544
-	-	-	-	-	-	-	-
726,803	-	-	-	-	36,350	2,104,343	810,659
858,586	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,431,761	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
80,216	-	-	-	-	-	-	7,161
-	-	-	-	-	-	-	29,211
-	-	-	45,860,593	262,878	-	-	-
42,124	-	-	-	-	15,054	-	-
-	-	-	-	-	-	600	-
-	-	-	1,052,095	-	-	-	10,595
-	-	-	362	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
12,718,370	206,677	14,288	46,913,050	262,878	749,227	2,105,043	1,491,170
-	-	-	(8,419,690)	86,224	-	-	-
-	-	-	24,880	-	-	-	-
-	-	-	3,360	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	28,240	-	-	-	-
-	-	-	(8,391,450)	86,224	-	-	-
-	-	-	10,790,887	13,922,893	-	-	-
\$ -	\$ -	\$ -	\$ 2,399,437	\$ 14,009,117	\$ -	\$ -	\$ -

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	272 Medicaid Admin. Claim MAC	278 ESSER (ARP) Homeless Children	279 ESSER III TCLAS ARP Act	282 ESSER III American Rescue Plan
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 1,196
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	236,673	115,953	220,510	28,082,217
5020 Total Revenues	236,673	115,953	220,510	28,083,413
EXPENDITURES:				
Current:				
0011 Instruction	-	24,876	207,099	15,506,984
0012 Instructional Resources and Media Services	-	-	-	117,799
0013 Curriculum and Instructional Staff Development	-	-	13,411	1,612,461
0021 Instructional Leadership	-	-	-	159,178
0023 School Leadership	-	-	-	658,273
0031 Guidance, Counseling, and Evaluation Services	-	-	-	784,180
0032 Social Work Services	-	91,077	-	91,548
0033 Health Services	-	-	-	143,135
0034 Student Transportation	-	-	-	342,253
0035 Food Services	-	-	-	344,788
0036 Extracurricular Activities	-	-	-	41,878
0041 General Administration	70,925	-	-	183,405
0051 Facilities Maintenance and Operations	-	-	-	481,354
0052 Security and Monitoring Services	-	-	-	396,037
0053 Data Processing Services	-	-	-	2,788,518
0061 Community Services	-	-	-	224,319
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	4,207,303
6030 Total Expenditures	70,925	115,953	220,510	28,083,413
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	165,748	-	-	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	-
7949 Other Resources	-	-	-	-
8911 Transfers Out (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	165,748	-	-	-
0100 Fund Balance - July 1 (Beginning)	1,040,360	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ 1,206,108	\$ -	\$ -	\$ -

284 IDEA B Formula ARP Act	285 IDEA B Preschool ARP Act	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary	381 Adult Basic Education State	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support	397 Advanced Placement Incentives
\$ 345	\$ -	\$ 378	\$ 2	\$ -	\$ -	\$ -	\$ -
-	-	-	-	127,802	54,659	-	13,316
-	35,933	2,503,452	112,243	-	-	-	-
345	35,933	2,503,830	112,245	127,802	54,659	-	13,316
345	35,933	377,349	112,245	98,080	54,659	-	-
-	-	-	-	-	-	-	-
-	-	79,232	-	15,905	-	-	13,225
-	-	275,177	-	-	-	-	-
-	-	-	-	13,817	-	-	-
-	-	1,166,195	-	-	-	-	91
-	-	332,053	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	50	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	273,774	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
345	35,933	2,503,830	112,245	127,802	54,659	-	13,316
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	410 State Instructional Materials	427 City of San Antonio Pre-K Grant	429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 10,370	\$ -	\$ 11	\$ 864,969
5800 State Program Revenues	2,649,668	-	2,077,787	497,277
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	2,660,038	-	2,077,798	1,362,246
EXPENDITURES:				
Current:				
0011 Instruction	2,535,555	-	150,469	1,362,246
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	215,717	-
0021 Instructional Leadership	-	-	89,562	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	7,235	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	1,614,815	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	124,483	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	2,660,038	-	2,077,798	1,362,246
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	-
7949 Other Resources	-	-	-	-
8911 Transfers Out (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

461 Campus Activity Funds	485 Coalition Of Essential Schools	486 Other Local Funds	488 Pre-K 4 SA Fund	489 Educate Texas Fund	490 Project Lead The Way	491 Hail Damage Repair	Total Nonmajor Special Revenue Funds
\$ 12,479,596	\$ -	\$ -	\$ 255,151	\$ 2,850	\$ -	\$ 22,207	\$ 22,291,937
-	-	-	16,631	13	-	-	6,419,818
-	-	-	-	-	-	-	97,253,438
12,479,596	-	-	271,782	2,863	-	22,207	125,965,193
3,915,183	-	-	3,119	115	-	-	49,501,117
384,838	-	-	-	-	-	-	502,895
16,829	-	-	268,663	2,748	-	-	7,468,803
-	-	-	-	-	-	-	1,383,503
450,750	-	-	-	-	-	-	1,242,287
57,890	-	-	-	-	-	-	3,839,281
-	-	-	-	-	-	-	3,589,302
2,702	-	-	-	-	-	-	266,800
-	-	-	-	-	-	-	451,218
-	-	-	-	-	-	-	46,468,259
7,678,951	-	-	-	-	-	-	7,803,785
-	-	-	-	-	-	-	254,930
71,290	-	-	-	-	-	85,798	1,705,771
46,395	-	-	-	-	-	-	2,058,078
-	-	-	-	-	-	-	2,818,431
5,534	-	-	-	-	-	-	661,022
-	-	-	-	-	-	-	124,483
-	-	-	-	-	-	-	4,207,303
12,630,362	-	-	271,782	2,863	-	85,798	134,347,268
(150,766)	-	-	-	-	-	(63,591)	(8,382,075)
-	-	-	-	-	-	-	24,880
319,890	-	-	-	-	-	-	323,250
-	-	-	-	-	-	-	-
(199,011)	-	-	-	-	-	-	(199,011)
120,879	-	-	-	-	-	-	149,119
(29,887)	-	-	-	-	-	(63,591)	(8,232,956)
7,897,642	-	-	-	-	-	415,462	34,067,244
\$ 7,867,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 351,871	\$ 25,834,288

NORTH EAST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	699 Capital Projects Fund	479 Permanent Fund Scholarships	Total Nonmajor Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 331,413	\$ 14,132	\$ 22,637,482
5800 State Program Revenues	61,876	-	6,481,694
5900 Federal Program Revenues	-	-	97,253,438
5020 Total Revenues	393,289	14,132	126,372,614
EXPENDITURES:			
Current:			
0011 Instruction	-	-	49,501,117
0012 Instructional Resources and Media Services	-	-	502,895
0013 Curriculum and Instructional Staff Development	-	-	7,468,803
0021 Instructional Leadership	-	-	1,383,503
0023 School Leadership	-	-	1,242,287
0031 Guidance, Counseling, and Evaluation Services	-	-	3,839,281
0032 Social Work Services	-	-	3,589,302
0033 Health Services	-	-	266,800
0034 Student Transportation	-	-	451,218
0035 Food Services	-	-	46,468,259
0036 Extracurricular Activities	-	-	7,803,785
0041 General Administration	-	-	254,930
0051 Facilities Maintenance and Operations	535,933	-	2,241,704
0052 Security and Monitoring Services	-	-	2,058,078
0053 Data Processing Services	885,616	-	3,704,047
0061 Community Services	-	-	661,022
Debt Service:			
0071 Principal on Long-Term Liabilities	60,318	-	184,801
Capital Outlay:			
0081 Facilities Acquisition and Construction	2,186,923	-	6,394,226
6030 Total Expenditures	3,668,790	-	138,016,058
1100 Excess (Deficiency) of Revenues Over (Under)	(3,275,501)	14,132	(11,643,444)
Expenditures			
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	-	-	24,880
7915 Transfers In	-	-	323,250
7949 Other Resources	60,318	-	60,318
8911 Transfers Out (Uses)	-	-	(199,011)
7080 Total Other Financing Sources (Uses)	60,318	-	209,437
1200 Net Change in Fund Balance	(3,215,183)	14,132	(11,434,007)
0100 Fund Balance - July 1 (Beginning)	14,242,365	255,321	48,564,930
3000 Fund Balance - June 30 (Ending)	\$ 11,027,182	\$ 269,453	\$ 37,130,923

North East Independent School District

Internal Service Funds

Fund Descriptions

The Internal Service Funds are used to account for the financing of goods and services provided by certain departments in the District to other departments in the District on a cost-reimbursement basis.

Document Management & Printing Services Fund (Fund 752)

This fund accounts for the operations of the District's Document Management Department. Revenue is comprised of user charges from the various campuses and departments within the District.

Health Insurance Fund (Fund 753)

The operations of the District's self-funded medical programs, including the state-mandated medical plan comparable to the TRS health plan are accounted for in this fund. Contributions are collected from the employees of the District along with amounts contributed from various District accounts. Claim costs, administrative costs, stop-loss premiums, hospital indemnity claims, employee assistance program fees, and employee term-life insurance are paid from the proceeds of the premiums collected. Excess claims are covered by a stop-loss carrier.

Data Processing Center Fund (Fund 754)

This fund accounts for the operations of the District's Data Processing Department. Revenue is comprised of user charges from the various departments within the District.

Network Technology Services Fund (Fund 755)

This fund accounts for the operations of the District's network infrastructure and the maintenance and repair of computers across the District. Revenue is comprised of user charges from the various departments within the District.

Dental Insurance Fund (Fund 773)

The operations of the District's self-funded dental insurance plan are recorded in this fund. Participation is voluntary and contributions are collected from employees of the District. Claim costs, administrative costs, and vision discount program fees are paid from the proceeds of the contributions collected. Excess claims are the responsibility of the employees.

North East Independent School District

Internal Service Funds

Fund Descriptions

Rolling Owner Controlled Insurance Program Fund (Fund 792)

This fund accounts for the operations of the District's ROCIP that covers several construction projects over a period of years. The ROCIP allows the District to purchase a large package of insurance at lower premiums. This insurance covers the owner, contractors, and subcontractors working on the construction projects. Insurance coverage provided under the ROCIP includes on-site workers' compensation, general liability, excess liability, and builder's risk. The cost of on-site insurance coverage for the contractors is paid for through the deduction of the insurance cost contractors would have passed on to the District for the various construction projects under the 1998 and 2003 Bond construction programs.

Workers' Compensation Insurance Fund (Fund 793)

This fund accounts for the operations of the District's self-funded, self-administered program that meets the state mandate that all District employees be covered by workers' compensation insurance. Premiums are collected from each department of the District. Claim costs, administrative costs, and stop-loss insurance premiums are paid from the premiums collected. Excess claims are covered by an outside insurance company.

Unemployment Compensation Insurance Fund (Fund 795)

This fund accounts for the operations of the District's self-funded, self-administered program that meets the state mandate that all District employees be covered by unemployment compensation insurance.

Police Services Fund (Fund 796)

The operations of the District's police force are recorded in this fund. Revenue is comprised of user charges from the various campuses and departments within the District.

(This page intentionally left blank.)

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

	752 Document Mgt and Print Shop Fund	753 Health Insurance Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,941,641	\$ 27,280,185
Investments	-	407,536
Accrued Interest	-	5,304
Due from Other Funds	1	-
Other Receivables	517	3,598
Inventories	468,400	-
Prepayments	-	178
Total Current Assets	<u>3,410,559</u>	<u>27,696,801</u>
Noncurrent Assets:		
Capital Assets:		
Land	-	86,060
Buildings and Improvements, Net	-	51,396
Furniture and Equipment, Net	202,330	-
SBITA Asset, Net	-	-
Total Noncurrent Assets	<u>202,330</u>	<u>137,456</u>
Total Assets	<u>3,612,889</u>	<u>27,834,257</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	37,150	1,727,290
Workers' Comp Payable	-	-
Right-to-Use Lease Liabilities Payable	10,374	-
Payroll Deductions and Withholdings Payable	-	20,196
Accrued Wages Payable	89,300	-
Due to Other Funds	426,391	16,091
Due to Other Governments	276	-
Accrued Expenses	-	7,163,000
Total Current Liabilities	<u>563,491</u>	<u>8,926,577</u>
Noncurrent Liabilities:		
Right-to-Use Lease Liability - Long Term	16,557	-
Workers' Comp Payable - Long Term	-	-
Total Noncurrent Liabilities	<u>16,557</u>	<u>-</u>
Total Liabilities	<u>580,048</u>	<u>8,926,577</u>
NET POSITION		
Net Investment in Capital Assets	202,330	137,456
Unrestricted Net Position	<u>2,830,511</u>	<u>18,770,224</u>
Total Net Position	<u>\$ 3,032,841</u>	<u>\$ 18,907,680</u>

754 Data Processing Center	755 Network Technology Fund	773 Dental Insurance Fund	792 Rolling Owner Controlled Insurance Pgm	793 Workers' Compensation Insurance	795 Unemployment Insurance Fund	796 Police Department Fund	Total Internal Service Funds
\$ 7,587,703	\$ 205,641	\$ 3,135,313	\$ 950,926	\$ 2,146,772	\$ 737,832	\$ 1,805,897	\$ 46,791,910
-	-	-	-	-	-	-	407,536
-	-	-	-	-	-	-	5,304
-	498,473	180	-	57,612	-	112,120	668,386
-	-	-	-	40,000	-	5,766	49,881
95,663	28,890	-	-	-	-	-	592,953
-	-	-	-	-	7,367	-	7,545
<u>7,683,366</u>	<u>733,004</u>	<u>3,135,493</u>	<u>950,926</u>	<u>2,244,384</u>	<u>745,199</u>	<u>1,923,783</u>	<u>48,523,515</u>
-	-	-	-	-	-	-	86,060
-	43,426	-	-	-	-	-	94,822
474,904	756,784	-	-	-	-	669,018	2,103,036
1,780	-	-	-	-	-	-	1,780
<u>476,684</u>	<u>800,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>669,018</u>	<u>2,285,698</u>
<u>8,160,050</u>	<u>1,533,214</u>	<u>3,135,493</u>	<u>950,926</u>	<u>2,244,384</u>	<u>745,199</u>	<u>2,592,801</u>	<u>50,809,213</u>
5,945	2,342	-	-	9,999	-	194,666	1,977,392
-	-	-	-	643,000	-	-	643,000
-	-	-	-	-	-	-	10,374
-	-	-	-	-	-	-	20,196
8,513	89,517	-	-	5,119	-	216,316	408,765
39,143	6,497	90	-	510	-	9,199	497,921
-	-	-	-	-	-	-	276
-	-	209,000	-	-	-	-	7,372,000
<u>53,601</u>	<u>98,356</u>	<u>209,090</u>	<u>-</u>	<u>658,628</u>	<u>-</u>	<u>420,181</u>	<u>10,929,924</u>
-	-	-	-	-	-	-	16,557
-	-	-	-	916,356	-	-	916,356
-	-	-	-	916,356	-	-	932,913
<u>53,601</u>	<u>98,356</u>	<u>209,090</u>	<u>-</u>	<u>1,574,984</u>	<u>-</u>	<u>420,181</u>	<u>11,862,837</u>
476,684	800,210	-	-	-	-	669,018	2,285,698
7,629,765	634,648	2,926,403	950,926	669,400	745,199	1,503,602	36,660,678
<u>\$ 8,106,449</u>	<u>\$ 1,434,858</u>	<u>\$ 2,926,403</u>	<u>\$ 950,926</u>	<u>\$ 669,400</u>	<u>\$ 745,199</u>	<u>\$ 2,172,620</u>	<u>\$ 38,946,376</u>

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	752 Document Mgt and Print Shop Fund	753 Health Insurance Fund
<hr/>		
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 3,014,789	\$ 80,676,864
State Program Revenues	<u>131,898</u>	<u>16,098</u>
Total Operating Revenues	<u>3,146,687</u>	<u>80,692,962</u>
OPERATING EXPENSES:		
Payroll Costs	1,870,480	239,495
Professional and Contracted Services	216,755	308,561
Supplies and Materials	838,120	45,823
Other Operating Costs	17,934	75,380,139
Depreciation Expense	62,803	4,963
Debt Service	<u>196</u>	<u>-</u>
Total Operating Expenses	<u>3,006,288</u>	<u>75,978,981</u>
Operating Income (Loss)	<u>140,399</u>	<u>4,713,981</u>
NONOPERATING REVENUES (EXPENSES):		
Gain on Sale of Real and Personal Property	873	-
Earnings from Temporary Deposits & Investments	<u>-</u>	<u>720,175</u>
Total Nonoperating Revenues (Expenses)	<u>873</u>	<u>720,175</u>
Income (Loss) Before Transfers	141,272	5,434,156
Transfers In	-	10,087
Transfers Out	<u>-</u>	<u>(80,830)</u>
Change in Net Position	141,272	5,363,413
Total Net Position - July 1 (Beginning)	<u>2,891,569</u>	<u>13,544,267</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 3,032,841</u></u>	<u><u>\$ 18,907,680</u></u>

754 Data Processing Center	755 Network Technology Fund	773 Dental Insurance Fund	792 Rolling Owner Controlled Insurance Pgm	793 Workers' Compensation Insurance	795 Unemployment Insurance Fund	796 Police Department Fund	Total Internal Service Funds
\$ 4,458,553	\$ 4,002,654	\$ 3,309,240	\$ -	\$ 1,943,110	\$ -	\$ 5,459,299	\$ 102,864,509
198,796	233,195	-	-	18,435	-	370,253	968,675
4,657,349	4,235,849	3,309,240	-	1,961,545	-	5,829,552	103,833,184
2,355,480	3,278,102	-	-	245,247	-	4,696,830	12,685,634
1,396,474	589,004	183,591	-	306,340	-	133,237	3,133,962
464,788	859,347	-	-	2,395	-	211,855	2,422,328
15,643	10,934	2,881,991	-	1,905,792	35,130	41,427	80,288,990
526,092	548,900	-	-	-	-	125,288	1,268,046
408	-	-	-	-	-	-	604
4,758,885	5,286,287	3,065,582	-	2,459,774	35,130	5,208,637	99,799,564
(101,536)	(1,050,438)	243,658	-	(498,229)	(35,130)	620,915	4,033,620
3	80,822	-	-	-	-	20,998	102,696
-	-	144,231	-	78,380	-	-	942,786
3	80,822	144,231	-	78,380	-	20,998	1,045,482
(101,533)	(969,616)	387,889	-	(419,849)	(35,130)	641,913	5,079,102
-	121,447	-	-	-	-	-	131,534
-	-	-	-	-	-	-	(80,830)
(101,533)	(848,169)	387,889	-	(419,849)	(35,130)	641,913	5,129,806
8,207,982	2,283,027	2,538,514	950,926	1,089,249	780,329	1,530,707	33,816,570
\$ 8,106,449	\$ 1,434,858	\$ 2,926,403	\$ 950,926	\$ 669,400	\$ 745,199	\$ 2,172,620	\$ 38,946,376

NORTH EAST INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	752 Document Mgt and Print Shop Fund	753 Health Insurance Fund	754 Data Processing Center	755 Network Technology Fund
<u>Cash Flows from Operating Activities:</u>				
Cash Received from User Charges	\$ 3,014,272	\$ 80,685,180	\$ 4,458,553	\$ 4,002,654
Cash Received from Assessments - Other Funds	80,135	5,542,783	-	-
Cash Payments to Employees for Services	(1,740,423)	(248,831)	(2,165,559)	(3,060,246)
Cash Payments for Insurance Claims	-	(73,904,057)	-	-
Cash Payments for Suppliers	(1,103,549)	(10,580)	(1,878,948)	(1,633,872)
Cash Payments for Other Operating Expenses	-	-	(57,070)	(3,233,731)
Net Cash Provided by (Used for) Operating Activities	250,435	12,064,495	356,976	(3,925,195)
<u>Cash Flows from Non-Capital Financing Activities:</u>				
Transfers Out	-	(80,830)	-	-
Transfers In	-	10,087	-	121,447
Net Cash Provided by (Used for) Non-Capital	-	(70,743)	-	121,447
<u>Cash Flows from Capital & Related Financing Activities:</u>				
Acquisition of Capital Assets	(18,914)	(31,058)	(252,980)	(186,741)
Capital Contributed by Other Funds	-	-	3	80,822
Net Cash Used For Capital and Related Financing	(18,914)	(31,058)	(252,977)	(105,919)
<u>Cash Flows from Investing Activities:</u>				
Proceeds from Sale & Maturities of Securities	-	3,988,397	-	-
Interest and Dividends on Investments	-	741,623	-	-
Net Cash Provided by Investing Activities	-	4,730,020	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	231,521	16,692,714	103,999	(3,909,667)
Cash and Cash Equivalents at Beginning of Year	2,710,120	10,587,471	7,483,704	4,115,308
Cash and Cash Equivalents at End of Year	<u>\$ 2,941,641</u>	<u>\$ 27,280,185</u>	<u>\$ 7,587,703</u>	<u>\$ 205,641</u>

773 Dental Insurance Fund	792 Rolling Owner Controlled Insurance Pgm	793 Workers' Compensation Insurance	795 Unemployment Insurance Fund	796 Police Department Fund	Total Internal Service Funds
\$ 3,309,240	\$ -	\$ 1,943,110	\$ -	\$ 5,454,586	\$ 102,867,595
76,417	-	-	-	29,492	5,728,827
-	-	(227,775)	-	(4,362,175)	(11,805,009)
(2,854,834)	-	(1,500,782)	(35,130)	-	(78,294,803)
(183,591)	-	(307,502)	17,800	(201,868)	(5,302,110)
-	-	(21,315)	-	-	(3,312,116)
347,232	-	(114,264)	(17,330)	920,035	9,882,384
-	-	-	-	-	(80,830)
-	-	-	-	-	131,534
-	-	-	-	-	50,704
-	-	-	-	(532,652)	(1,022,345)
-	-	-	-	20,998	101,823
-	-	-	-	(511,654)	(920,522)
323,833	-	-	-	-	4,312,230
144,984	-	78,384	-	-	964,991
468,817	-	78,384	-	-	5,277,221
816,049	-	(35,880)	(17,330)	408,381	14,289,787
2,319,264	950,926	2,182,652	755,162	1,397,516	32,502,123
<u>\$ 3,135,313</u>	<u>\$ 950,926</u>	<u>\$ 2,146,772</u>	<u>\$ 737,832</u>	<u>\$ 1,805,897</u>	<u>\$ 46,791,910</u>

NORTH EAST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	752 Document Mgt and Print Shop Fund	753 Health Insurance Fund	754 Data Processing Center	755 Network Technology Fund
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ 140,399	\$ 4,713,981	\$ (101,536)	\$ (1,050,438)
Adjustments to Reconcile Operating Income				
to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	62,803	4,963	526,092	548,900
Effect of Increases and Decreases in Current				
Assets and Liabilities:				
Decrease (increase) in Due From Other Funds	(1)	5,528,150	-	(272,387)
Decrease (increase) in Inventories	(55,345)	-	(5,107)	-
Decrease (increase) in Receivables	(517)	8,316	-	-
Decrease (Increase) in Prepayments	-	(178)	-	-
Increase (decrease) in Accounts Payable	24,703	343,982	3,064	(395)
Increase (decrease) in Accrued Payroll	(1,841)	(25,434)	(8,875)	(15,339)
Increase (decrease) in Due to Other Funds	80,136	14,633	(56,662)	(2,961,344)
Increase (decrease) in Due to Other Governments	98	-	-	(174,192)
Increase (Decrease) in Accrued Expenses	-	1,476,082	-	-
Increase (decrease) in Workers' Comp Payable	-	-	-	-
Net Cash Provided by (Used for)				
Operating Activities	<u>\$ 250,435</u>	<u>\$ 12,064,495</u>	<u>\$ 356,976</u>	<u>\$ (3,925,195)</u>
<u>Noncash Investing, Capital and Financing Activities:</u>				
Increase in Fair Value of Investments	-	(7,039)	-	-

773 Dental Insurance Fund	792 Rolling Owner Controlled Insurance Pgm	793 Workers' Compensation Insurance	795 Unemployment Insurance Fund	796 Police Department Fund	Total Internal Service Funds
\$ 243,658	\$ -	\$ (498,229)	\$ (35,130)	\$ 620,915	\$ 4,033,620
-	-	-	-	125,288	1,268,046
76,327	-	(21,361)	-	28,457	5,339,185
-	-	-	-	-	(60,452)
-	-	-	-	(4,713)	3,086
-	-	-	17,800	-	17,622
-	-	1,233	-	184,651	557,238
-	-	(963)	-	(35,598)	(88,050)
90	-	46	-	1,035	(2,922,066)
-	-	-	-	-	(174,094)
27,157	-	-	-	-	1,503,239
-	-	405,010	-	-	405,010
<u>\$ 347,232</u>	<u>\$ -</u>	<u>\$ (114,264)</u>	<u>\$ (17,330)</u>	<u>\$ 920,035</u>	<u>\$ 9,882,384</u>
-	-	-	-	-	(7,039)

(This page intentionally left blank.)

North East Independent School District

Enterprise Funds

Fund Descriptions

The Enterprise Funds are used to account for the financing or recovery of costs of providing goods and services to the general public on a continuing basis primarily through user charges.

Uniform Rental Fund (Fund 713)

This fund accounts for the rental of uniforms. Revenue is comprised of user charges from band, orchestra, spirit, and choir groups.

Community Education Fund (Fund 714)

This fund accounts for services provided to the community for after school childcare and community education classes. Revenue is comprised of user charges from the community and after school tuition fees.

North East Aquatics and Tennis (NEAT) Fund (Fund 721)

This fund accounts for the North East Aquatics and Tennis Center's operations. Revenue is comprised of user charges from team activities.

NORTH EAST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2024

	713 Uniform Rental Fund	714 Community Education Fund	721 North East Aquatics & Tennis	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 331,662	\$ 2,167,126	\$ 868,042	\$ 3,366,830
Due from Other Funds	-	124,636	3,103	127,739
Other Receivables	-	12,246	4,792	17,038
Total Current Assets	<u>331,662</u>	<u>2,304,008</u>	<u>875,937</u>	<u>3,511,607</u>
Noncurrent Assets:				
Capital Assets:				
Land	-	961,852	-	961,852
Buildings and Improvements, Net	-	2,918,480	22,262	2,940,742
Furniture and Equipment, Net	-	8,578	595,645	604,223
Total Noncurrent Assets	<u>-</u>	<u>3,888,910</u>	<u>617,907</u>	<u>4,506,817</u>
Total Assets	<u>331,662</u>	<u>6,192,918</u>	<u>1,493,844</u>	<u>8,018,424</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	22,861	25,188	48,049
Accrued Wages Payable	-	181,451	40,063	221,514
Due to Other Funds	-	13,753	-	13,753
Due to Other Governments	-	-	572	572
Due to Student Groups	-	16,329	-	16,329
Unearned Revenues	-	457,295	-	457,295
Total Liabilities	<u>-</u>	<u>691,689</u>	<u>65,823</u>	<u>757,512</u>
NET POSITION				
Net Investment in Capital Assets	-	3,888,910	617,907	4,506,817
Unrestricted Net Position	<u>331,662</u>	<u>1,612,319</u>	<u>810,114</u>	<u>2,754,095</u>
Total Net Position	<u>\$ 331,662</u>	<u>\$ 5,501,229</u>	<u>\$ 1,428,021</u>	<u>\$ 7,260,912</u>

NORTH EAST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	713 Uniform Rental Fund	714 Community Education Fund	721 North East Aquatics & Tennis	Total Nonmajor Enterprise Funds
OPERATING REVENUES:				
Local and Intermediate Sources	\$ 65,255	\$ 6,306,693	\$ 1,539,729	\$ 7,911,677
State Program Revenues	-	398,606	15,213	413,819
Total Operating Revenues	65,255	6,705,299	1,554,942	8,325,496
OPERATING EXPENSES:				
Payroll Costs	-	5,683,729	453,661	6,137,390
Professional and Contracted Services	40,788	514,959	374,743	930,490
Supplies and Materials	23,519	179,271	159,529	362,319
Other Operating Costs	-	418,039	208,810	626,849
Depreciation Expense	-	220,848	148,744	369,592
Total Operating Expenses	64,307	7,016,846	1,345,487	8,426,640
Operating Income (Loss)	948	(311,547)	209,455	(101,144)
Total Net Position - July 1 (Beginning)	330,714	5,812,776	1,218,566	7,362,056
Total Net Position - June 30 (Ending)	\$ 331,662	\$ 5,501,229	\$ 1,428,021	\$ 7,260,912

NORTH EAST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	713 Uniform Rental Fund	714 Community Education Fund	721 North East Aquatics & Tennis	Total Nonmajor Enterprise Funds
<u>Cash Flows from Operating Activities:</u>				
Cash Received from User Charges	\$ 65,255	\$ 6,306,693	\$ 1,539,729	\$ 7,911,677
Cash Received from Assessments - Other Funds	-	26,274	1,622	27,896
Cash Payments to Employees for Services	-	(5,244,800)	(440,376)	(5,685,176)
Cash Payments for Suppliers	(64,307)	(1,087,964)	(727,199)	(1,879,470)
Net Cash Provided by Operating Activities	948	203	373,776	374,927
<u>Cash Flows from Capital & Related Financing Activities:</u>				
Acquisition of Capital Assets	-	-	(698,691)	(698,691)
Net Increase (Decrease) in Cash and Cash Equivalents	948	203	(324,915)	(323,764)
Cash and Cash Equivalents at Beginning of Year	330,714	2,166,923	1,192,957	3,690,594
Cash and Cash Equivalents at End of Year	<u>\$ 331,662</u>	<u>\$ 2,167,126</u>	<u>\$ 868,042</u>	<u>\$ 3,366,830</u>

NORTH EAST INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	713 Uniform Rental Fund	714 Community Education Fund	721 North East Aquatics & Tennis	Total Nonmajor Enterprise Funds
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by Operating Activities:</u>				
Operating Income (Loss):	\$ 948	\$ (311,547)	\$ 209,455	\$ (101,144)
Adjustments to Reconcile Operating Income				
to Net Cash Provided by Operating Activities:				
Depreciation	-	220,848	148,744	369,592
Effect of Increases and Decreases in Current				
Assets and Liabilities:				
Decrease (increase) in Due From Other Funds	-	26,173	1,622	27,795
Increase (decrease) in Accounts Payable	-	1,383	15,670	17,053
Increase (decrease) in Accrued Payroll	-	40,323	(1,928)	38,395
Increase (decrease) in Due to Other Funds	-	(16,228)	-	(16,228)
Increase (decrease) in Due to Other Governments	-	-	213	213
Increase (Decrease) in Unearned Revenues	-	22,922	-	22,922
Increase (decrease) in Due to Student Groups	-	16,329	-	16,329
Net Cash Provided by Operating	<u>\$ 948</u>	<u>\$ 203</u>	<u>\$ 373,776</u>	<u>\$ 374,927</u>
Activities				

(This page intentionally left blank.)

Schedules Required By the Texas Education Agency

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2024

Last 10 Years Ended	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2015 and prior years	Various	Various	\$ Various
2016	1.040000	0.375000	34,350,592,637
2017	1.040000	0.345000	37,314,410,827
2018	1.040000	0.325000	39,407,749,915
2019	1.040000	0.320000	41,523,653,573
2020	0.970000	0.320000	43,578,719,348
2021	0.963400	0.050000	45,502,321,544
2022	0.952500	0.300000	47,325,608,088
2023	0.882200	0.300000	52,472,327,513
2024 (School year under audit)	0.710500	0.300000	53,002,099,335
1000 TOTALS			

8000 Total Taxes Refunded Under Section 26.1115, Tax Code

Source: Bexar County Tax Assessor/Collector's Office

Current year adjustments must be applied to the tax levy after October 1 due to taxpayer protests and valuation adjustments.

(10) Beginning Balance 7/1/2023	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2024	(99) Taxes Refunded Under Section 26.1115c
\$ 2,657,899	\$ -	\$ 155,050	\$ 50,843	\$ (186,111)	\$ 2,265,895	
532,612	-	29,751	10,727	(355)	491,779	
592,906	-	37,311	12,377	(348)	542,870	
749,858	-	55,279	17,275	(5,120)	672,184	
944,279	-	95,661	29,434	(280)	818,904	
1,392,171	-	243,721	80,403	(21,058)	1,046,989	
1,750,269	-	281,007	88,963	(185,161)	1,195,138	
2,555,846	-	212,889	67,052	(859,536)	1,416,369	
16,108,205	-	5,982,597	2,034,436	(5,405,350)	2,685,822	
-	492,003,778	335,189,879	141,529,857	-	15,284,042	
<u>\$ 27,284,045</u>	<u>\$ 492,003,778</u>	<u>\$ 342,283,145</u>	<u>\$ 143,921,367</u>	<u>\$ (6,663,319)</u>	<u>\$ 26,419,992</u>	
						<u>\$ 490,228</u>

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 9,221,996	\$ 8,556,672	\$ 8,638,101	\$ 81,429
5800 State Program Revenues	1,145,907	1,428,752	978,435	(450,317)
5900 Federal Program Revenues	24,235,138	29,107,269	28,876,824	(230,445)
5020 Total Revenues	34,603,041	39,092,693	38,493,360	(599,333)
EXPENDITURES:				
Current:				
0035 Food Services	46,513,340	48,770,068	45,860,593	2,909,475
0051 Facilities Maintenance and Operations	723,500	1,467,007	1,052,095	414,912
0052 Security and Monitoring Services	1,000	1,000	362	638
6030 Total Expenditures	47,237,840	50,238,075	46,913,050	3,325,025
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,634,799)	(11,145,382)	(8,419,690)	2,725,692
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	24,880	24,880
7915 Transfers In	-	17,260	3,360	(13,900)
7080 Total Other Financing Sources (Uses)	-	17,260	28,240	10,980
1200 Net Change in Fund Balances	(12,634,799)	(11,128,122)	(8,391,450)	2,736,672
0100 Fund Balance - July 1 (Beginning)	10,790,887	10,790,887	10,790,887	-
3000 Fund Balance - June 30 (Ending)	\$ (1,843,912)	\$ (337,235)	\$ 2,399,437	\$ 2,736,672

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 170,741,582	\$ 150,475,582	\$ 151,130,252	\$ 654,670
5800 State Program Revenues	3,460,243	13,232,349	14,863,642	1,631,293
5900 Federal Program Revenues	1,856,120	1,556,120	1,502,481	(53,639)
5020 Total Revenues	176,057,945	165,264,051	167,496,375	2,232,324
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	77,340,000	77,340,000	77,340,000	-
0072 Interest on Long-Term Liabilities	51,502,028	51,752,028	51,446,035	305,993
0073 Bond Issuance Cost and Fees	32,540,550	83,777,550	82,973,503	804,047
6030 Total Expenditures	161,382,578	212,869,578	211,759,538	1,110,040
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	14,675,367	(47,605,527)	(44,263,163)	3,342,364
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	122,300,000	-	144,710,000	144,710,000
7911 Capital Related Debt Issued	-	147,010,000	-	(147,010,000)
7915 Transfers In	-	-	2,300,000	2,300,000
8940 Payment to Bond Refunding Escrow Agent (Use)	(120,000,000)	-	(144,312,404)	(144,312,404)
8949 Other (Uses)	-	(144,555,000)	-	144,555,000
7080 Total Other Financing Sources (Uses)	2,300,000	2,455,000	2,697,596	242,596
1200 Net Change in Fund Balances	16,975,367	(45,150,527)	(41,565,567)	3,584,960
0100 Fund Balance - July 1 (Beginning)	183,901,250	183,901,250	183,901,250	-
3000 Fund Balance - June 30 (Ending)	\$ 200,876,617	\$ 138,750,723	\$ 142,335,683	\$ 3,584,960

State Compensatory Education and Bilingual Education Program Expenditures

For the Year Ended June 30, 2024

Section A: Compensatory Education

AP1	Did your District expend any state compensatory education program state allotment funds during the fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the fiscal year.	\$ 45,502,186
AP3	Actual direct program expenditures for state compensatory education programs during the fiscal year. (PICs 24,26,28,29,30)	\$ 17,028,354

Section B: Bilingual Education

AP5	Did your District expend any bilingual education program state allotment funds during the fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the fiscal year.	\$ 7,670,266
AP8	Actual direct program expenditures for bilingual education programs during the fiscal year. (PICs 24,26,28,29,30)	\$ 5,362,198

Schools FIRST Questionnaire

For the Year Ended June 30, 2024

SF1	Was there an unmodified opinion in the Annual Comprehensive Financial Report (ACFR) as a whole?	Yes
SF2	Were there any disclosures in the ACFR and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the district make timely payments to the Teachers Retirement System, Texas Workforce Commission, Internal Revenue Service, and other government agencies? If payments were not made or warrant holds not cleared within 30 days of when they were due, then payments were not made timely.	Yes
SF4	Was the district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days - the answer is still Yes.	No
SF5	Did the ACFR disclose any instances of material weakness in internal controls over financial reporting and compliance for local, state or federal funds and/or substantial doubt about the district's ability to continue as a going concern?	No
SF6	Were there any disclosures in the ACFR of material noncompliance with grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the district post the required financial information on its website in accordance with Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at year end?	Yes
SF8	Did the district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the district adopted its budget?	Yes
SF9	Total accumulated accretion on Capital Appreciation Bonds included in government-wide financial statements at fiscal year-end?	\$0

(This page intentionally left blank.)

Statistical Section

Financial Trend Explanations

- A. In fiscal year 2018, the District implemented GASB Statement No. 75, Accounting and Financial Reporting for Other Post-Employment Benefits. This resulted in a decrease of Government-wide net position of \$373.3 million as a prior period restatement, reflecting the effect of the new statement to the District's June 30, 2017 net position. Continued swings in net position related to GASB Statement No. 75 are as follows:

Fiscal 2017-2018: \$74,346,211

Fiscal 2018-2019: (\$3,315,948)

Fiscal 2019-2020: (\$7,302,153) prior period adjustment of June 30, 2019 net position and (\$3,713,884) adjustments in Statement of Activities

Fiscal 2020-2021: \$6,848,506

Fiscal 2021-2022: \$11,850,052

Fiscal 2022-2023: (\$19,917,245)

Fiscal 2023-2024: (\$26,774,290)

- B. In Governmental Fund Revenue and General Fund Revenues per ADA, the trend shows the inverse relationship between property tax revenue and state aid. Outliers from normal revenue trends include:

Fiscal 2017-2018: a one-time property damage insurance settlement of \$18,537,201.

Fiscal 2018-2019: a one-time change in the timing of reimbursement under the federal School Health and Related Services program that resulted in increased federal revenue of \$5,041,055.

Fiscal 2019-2020: State formula aid increased by \$33.1 million as the funding formula for schools was drastically changed by the legislature. The state increased the basic allotment and compressed property tax rates to not exceed 2.5 percent growth per year.

Fiscal 2020-2021: a \$10,499,576 reduction of state revenue as the state supplanted Foundation School Program revenue in 2020-2021 with federal CARES Act funds in Fiscal 2020-2021.

Fiscal 2021-2022: The state provided \$9 million in additional funds due to relief for lagging attendance related to COVID. Federal revenues were higher by \$6.8 million as Federal ESSER grants increased indirect cost revenue.

Fiscal 2022-2023: Property tax revenue increased \$33.0 million, due to high property value growth. State aid was then decreased by \$37.7 million.

Fiscal 2023-2024: The Texas legislature passed property tax relief resulting in a decrease of \$103.3 million in property tax collections while increasing state aid to offset the loss.

Financial Trends

Compiles information reported in the Comprehensive Annual Financial Report over the past ten years. These schedules report how the District's financial position has changed over time.

North East Independent School District

Net Position by Component

Last Ten Years

(Unaudited)

	2024	2023	2022	2021
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 23,660,107	\$ (2,007,392)	\$ (7,229,850)	\$ (7,670,080)
Restricted	164,017,646	190,629,530	150,742,336	136,321,069
Unrestricted	(101,041,307)	(139,031,859)	(195,266,943)	(281,261,684)
Total Governmental				
Activities Net Position	86,636,446	49,590,279	(51,754,457)	(152,610,695)
<i>Business - Type Activities</i>				
Net Investment in Capital Assets	4,506,817	4,177,720	4,380,229	4,658,464
Unrestricted	2,754,095	3,184,336	2,438,444	(454,432)
Total Business - Type				
Activities Net Position	7,260,912	7,362,056	6,818,673	4,204,032
<i>Primary Government</i>				
Net Investment in Capital Assets	28,166,924	2,170,328	(2,849,621)	(3,011,616)
Restricted	164,017,646	190,629,530	150,742,336	136,321,069
Unrestricted	(98,287,212)	(135,847,523)	(192,828,499)	(281,716,116)
Total Primary				
Government Net Position	\$ 93,897,358	\$ 56,952,335	\$ (44,935,784)	\$ (148,406,663)

Source: The District's Statement of Net Position (Exhibit A – 1).

2020	2019	2018	2017	2016	2015
\$ (1,518,854)	\$ 148,634,963	\$ 49,160,344	\$ 9,008,051	\$ 13,556,511	\$ 337,201
127,633,667	141,331,659	138,404,142	130,075,489	126,348,275	102,759,331
(294,930,967)	(419,929,104)	(296,912,590)	11,309,848	4,463,258	3,105,289
(168,816,154)	(129,962,482)	(109,348,104)	150,393,388	144,368,044	106,201,821
4,948,644	5,257,028	5,578,144	5,386,871	5,173,058	9,355,291
480,178	1,631,313	1,455,056	1,747,154	2,861,479	4,378,696
5,428,822	6,888,341	7,033,200	7,134,025	8,034,537	13,733,987
3,429,790	153,891,991	54,738,488	14,394,922	18,729,569	9,692,492
127,633,667	141,331,659	138,404,142	130,075,489	126,348,275	102,759,331
(294,450,789)	(418,297,791)	(295,457,534)	13,057,002	7,324,737	7,483,985
\$ (163,387,332)	\$ (123,074,141)	\$ (102,314,904)	\$ 157,527,413	\$ 152,402,581	\$ 119,935,808

North East Independent School District
Governmental Activities Revenues & Expenses

Last Ten Years
(Unaudited)

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Expenses				
<i>Governmental Activities:</i>				
Instruction	\$ 436,918,021	\$ 414,951,860	\$ 400,304,226	\$ 422,939,721
Instructional Resources & Media Services	12,757,590	12,480,208	12,756,851	12,890,976
Curriculum and Staff Development	23,180,488	21,823,582	19,506,428	20,119,786
Instructional Leadership	8,695,771	8,146,180	7,107,723	7,960,378
School Leadership	41,419,699	38,924,137	36,065,950	39,387,933
Guidance, Counseling & Evaluation Services	24,721,588	24,198,704	22,752,049	25,097,821
Social Work Services	5,521,362	5,567,104	5,733,189	6,395,340
Health Services	8,884,329	8,665,142	8,498,968	9,091,726
Student (Pupil) Transportation	19,417,092	18,719,039	18,485,485	17,995,720
Food Services	47,935,814	39,621,601	36,137,053	29,877,375
Cocurricular/Extracurricular Activities	28,129,668	26,662,250	25,453,396	23,093,296
General Administration	13,179,739	12,015,197	11,592,750	14,380,162
Plant Maintenance and Operations	74,928,429	67,374,864	68,865,402	74,463,192
Security and Monitoring Services	8,165,579	5,605,573	4,819,700	4,984,461
Data Processing Services	10,637,347	10,845,517	9,347,313	17,870,299
Community Services	952,469	810,324	547,539	857,847
Debt Service - Interest on Long Term Debt	38,645,455	42,423,259	41,706,750	43,817,967
Debt Service - Bond Issuance Cost and Fees	3,400,907	964,355	859,850	2,090,979
Instructional Shared Service Arrangements	733,143	586,475	569,312	498,431
Juvenile Justice Alternative Ed Program	176,605	61,812	97,948	8,423
Property Tax Assessment	2,535,289	2,768,610	2,480,507	2,277,851
Total Governmental Activities Expense	810,936,384	763,215,793	733,688,389	776,099,684
Program Revenues:				
Charges for Services - Instruction	8,896,813	9,040,078	7,843,664	5,140,000
Charges for Services - Food Service	8,207,102	8,643,291	2,374,007	904,536
Charges for Services - Cocurricular/ Extracurricular Activities	2,484,953	2,870,890	2,577,887	1,782,495
Charges for Services - Community Services	1,517,017	1,683,075	1,217,149	1,285,206
Charges for Services - Other	1,442,563	1,393,501	1,247,480	95,035
Operating Grants and Contributions	103,757,556	141,060,745	135,301,444	113,642,860
Total Governmental Activities Program Revenue	126,306,004	164,691,580	150,561,631	122,850,132
Net Governmental Activities Revenue/(Expense)	\$ (684,630,380)	\$ (598,524,213)	\$ (583,126,758)	\$ (653,249,552)

Source: The District's Statement of Activities (Exhibit B – 1).

June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 453,813,619	\$ 426,719,778	\$ 261,489,393	\$ 399,507,523	\$ 408,558,569	\$ 375,521,024
13,833,977	13,229,396	10,020,881	13,170,476	12,351,156	11,529,428
20,723,302	20,790,533	13,360,477	20,092,302	18,615,983	16,663,996
8,364,028	8,244,443	4,877,721	8,518,737	7,890,497	6,736,551
42,998,084	41,374,406	24,899,231	39,194,083	39,540,096	35,390,638
26,099,722	25,219,132	14,048,265	22,377,644	22,534,649	20,218,076
6,898,865	5,721,443	2,825,232	4,840,836	4,677,933	4,017,672
9,194,194	8,902,911	5,213,509	8,413,065	8,355,502	7,782,708
19,489,347	21,222,601	15,695,198	21,195,334	22,050,204	20,486,754
38,845,094	38,744,951	29,636,992	37,180,571	35,577,329	33,228,511
23,598,710	24,066,762	18,405,586	21,573,636	18,737,525	16,990,955
15,396,590	13,560,150	8,559,283	13,530,876	12,811,149	11,028,060
74,025,803	65,267,827	50,547,656	66,840,053	62,485,132	62,443,927
5,562,868	5,848,723	3,395,544	5,352,855	5,494,483	4,307,086
10,045,106	13,735,107	14,028,833	14,950,097	7,960,840	17,801,725
1,148,130	1,047,523	(2,356,534)	642,768	1,042,957	500,935
52,276,259	48,709,248	44,832,347	44,440,208	41,734,262	36,878,928
1,544,344	2,235,932	1,081,760	831,890	1,243,314	13,850,766
610,859	850,806	36,301	255,805	494,688	406,752
153,782	144,680	210,568	102,974	79,336	78,657
2,309,255	2,133,907	2,507,784	2,294,330	2,214,745	2,335,660
826,931,938	787,770,259	523,316,027	745,306,063	734,450,349	698,198,809
5,369,736	6,366,895	4,406,770	4,189,978	5,165,426	5,094,590
7,582,090	11,455,099	12,341,495	12,767,676	12,684,333	12,858,113
1,676,246	2,043,477	1,921,658	2,117,170	2,338,735	2,191,998
1,656,633	1,760,531	1,997,666	1,720,110	1,144,364	1,104,186
257,566	1,352,188	1,102,942	1,983,186	1,795,374	1,702,300
120,893,482	108,844,330	(41,459,817)	81,481,294	80,725,582	79,819,596
137,435,753	131,822,520	(19,689,286)	104,259,414	103,853,814	102,770,783
\$ (689,496,185)	\$ (655,947,739)	\$ (543,005,313)	\$ (641,046,649)	\$ (630,596,535)	\$ (595,428,026)

North East Independent School District
Business – Type Activities Revenues & Expense

Last Ten Years
(Unaudited)

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Business - Type Activities				
<i>Expenses</i>				
Property Management	\$ -	\$ -	\$ -	\$ -
Uniform Rental	64,307	39,920	43,310	42,443
Community Education	7,016,846	6,120,062	5,127,632	4,671,575
Preschool Program for Children with Disabilities	-	-	-	657,203
North East Aquatics and Tennis	1,345,487	1,054,853	1,115,872	881,825
Total Expenses	<u>8,426,640</u>	<u>7,214,835</u>	<u>6,286,814</u>	<u>6,253,046</u>
<i>Charges for Services</i>				
Property Management	-	-	-	-
Uniform Rental	65,255	67,100	60,805	-
Community Education	6,705,299	6,346,465	6,938,833	3,608,455
Preschool Program for Children with Disabilities	-	-	-	404,132
North East Aquatics and Tennis	1,554,942	1,357,323	1,367,847	1,009,669
Total Charges for Services	<u>8,325,496</u>	<u>7,770,888</u>	<u>8,367,485</u>	<u>5,022,256</u>
Net Business - Type Activities Revenue/(Expense)	<u>\$ (101,144)</u>	<u>\$ 556,053</u>	<u>\$ 2,080,671</u>	<u>\$ (1,230,790)</u>

Source: The District's Statement of Activities (Exhibit B-1).

June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ -	\$ -	\$ -	\$ -	\$ 4,603,831	\$ 734,221
63,312	42,607	129,651	69,037	16,674	116,708
8,225,038	8,910,963	9,252,312	9,033,588	8,618,542	8,000,362
667,994	644,626	629,411	597,046	729,733	647,012
974,166	1,059,139	1,023,165	921,851	963,504	771,497
9,930,510	10,657,335	11,034,539	10,621,522	14,932,284	10,269,800
-	-	-	-	616,234	602,736
73,085	54,030	75,540	69,058	51,891	63,227
6,926,309	8,971,050	9,179,971	9,071,163	9,182,638	8,684,821
548,708	638,466	670,149	539,804	564,854	600,610
928,889	872,230	1,008,054	1,007,745	954,667	805,267
8,476,991	10,535,776	10,933,714	10,687,770	11,370,284	10,756,661
\$ (1,453,519)	\$ (121,559)	\$ (100,825)	\$ 66,248	\$ (3,562,000)	\$ 486,861

North East Independent School District
General Revenues and Changes in Net Position

Last Ten Years
(Unaudited)

	2024	2023	2022	2021
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes, Levied for General Purposes	\$ 342,371,213	\$ 440,318,734	\$ 423,631,363	\$ 414,843,590
Property Taxes, Levied for Debt Service	144,387,418	149,758,874	133,413,272	131,334,977
State Aid - Unrestricted Formula Grants	155,425,341	54,763,277	92,493,473	99,378,672
Grants & Contributions not Restricted	46,694,540	30,105,461	27,364,769	15,682,486
Investment Earnings	23,817,416	14,872,670	(1,353,329)	639,243
Miscellaneous Local and Intermediate Revenue	8,980,607	8,965,972	8,968,819	4,973,984
Transfers In (Out)	-	12,670	-	-
	<u>721,676,535</u>	<u>698,797,658</u>	<u>684,518,367</u>	<u>666,852,952</u>
Business-Type Activities				
Transfers In (Out)	-	(12,670)	-	-
Total Primary Government	<u>\$ 721,676,535</u>	<u>\$ 698,784,988</u>	<u>\$ 684,518,367</u>	<u>\$ 666,852,952</u>
Change in Net Position				
Governmental Activities	\$ 37,046,155	\$ 100,273,445	\$ 101,391,609	\$ 13,603,400
Business-Type Activities	(101,144)	543,383	2,080,671	(1,230,790)
Total Primary Government	<u>\$ 36,945,011</u>	<u>\$ 100,816,828</u>	<u>\$ 103,472,280</u>	<u>\$ 12,372,610</u>

Source: The District's Statement of Activities (Exhibit B-1).

2020	2019	2018	2017	2016	2015
\$ 401,714,265	\$ 409,385,540	\$ 390,815,343	\$ 371,138,322	\$ 341,926,319	\$ 316,681,845
132,489,070	126,008,597	122,125,146	123,125,707	123,255,313	121,999,975
100,141,565	67,064,906	99,617,895	125,126,121	152,196,326	159,179,444
14,717,658	19,997,943	20,061,615	15,945,323	23,696,179	6,954,975
5,432,307	8,344,603	5,096,736	2,618,560	1,775,298	1,102,680
3,449,801	4,508,471	18,830,335	8,151,200	5,726,038	4,457,969
-	23,300	(5,000)	966,760	2,137,450	1,960,594
657,944,666	635,333,360	656,542,070	647,071,993	650,712,923	612,337,482
-	(23,300)	-	(966,760)	(2,137,450)	(1,960,594)
\$ 657,944,666	\$ 635,310,060	\$ 656,542,070	\$ 646,105,233	\$ 648,575,473	\$ 610,376,888
\$ (31,551,519)	\$ (20,614,379)	\$ 15,495,421	\$ 16,475,458	\$ 55,284,897	\$ 16,762,169
(1,453,519)	(144,859)	(100,825)	(900,512)	(5,699,450)	(1,473,733)
\$ (33,005,038)	\$ (20,759,238)	\$ 15,394,596	\$ 15,574,946	\$ 49,585,447	\$ 15,288,436

North East Independent School District

Fund Balances, Governmental Funds

Last Ten Years
(Unaudited)

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
General Fund				
Nonspendable:				
Inventory	\$ 2,748,414	\$ 3,012,144	\$ 2,412,011	\$ 2,923,861
Prepayments	88,002	203,185	63,742	
Unassigned	193,774,491	218,218,842	194,413,850	145,212,440
General Fund Balance	<u>196,610,907</u>	<u>221,434,171</u>	<u>196,889,603</u>	<u>148,136,301</u>
All Other Governmental Funds				
Nonspendable				
Nonmajor Governmental Funds	2,412,889	3,051,721	3,093,422	2,376,433
Permanent Fund	200,000	200,000	200,000	200,000
Restricted:				
Debt Service Fund	116,260,257	160,867,850	124,727,759	123,008,526
Capital Projects Fund	11,024,758	13,853,115	17,848,685	9,023,203
Special Revenue Fund	15,204,197	22,704,600	19,431,274	7,169,822
Permanent Fund	69,453	55,321	46,870	46,381
Committed				
Capital Projects Fund	-	-	-	-
Special Revenue Fund	351,871	415,462	349,390	2,304,543
Assigned:				
Debt Service Fund	26,075,426	23,033,400	19,234,263	18,449,776
Special Revenue Funds	7,867,755	7,897,642	7,701,477	6,959,371
Capital Projects Fund	-	387,069	605,605	1,071,008
Unassigned				
Unassigned - Capital Projects	-	-	-	-
Fund Balance	<u>179,466,606</u>	<u>232,466,180</u>	<u>193,238,745</u>	<u>170,609,063</u>
Total Fund Balances	<u>\$ 376,077,513</u>	<u>\$ 453,900,351</u>	<u>\$ 390,128,348</u>	<u>\$ 318,745,364</u>
General Fund				
Beginning Fund Balance	\$ 221,434,171	\$ 196,889,603	\$ 147,602,331	\$ 127,592,077
Net Change in Fund Balance	(24,823,264)	24,544,568	49,287,272	20,544,224
Ending Fund Balance	<u>\$ 196,610,907</u>	<u>\$ 221,434,171</u>	<u>\$ 196,889,603</u>	<u>\$ 148,136,301</u>

Source: The District's Governmental Funds Balance Sheet (Exhibit C-1).

June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
2,862,430 \$	2,599,185 \$	2,545,558 \$	2,635,981 \$	1,754,001 \$	2,455,320
124,729,647	125,246,220	120,227,689	120,428,463	121,379,578	112,644,911
127,592,077	127,845,405	122,773,247	123,064,444	123,133,579	115,100,231
3,409,085	1,722,122	1,870,831	1,711,547	1,580,615	51,430
200,000	200,000	200,000	200,000	200,000	200,000
112,359,093	125,101,012	122,512,082	115,008,745	103,510,943	90,277,490
8,174,888	-	-	-	19,977,421	98,294,312
8,409,587	18,610,876	11,109,409	10,502,378	10,043,036	9,786,962
47,161	44,152	38,752	37,194	33,643	25,248
-	-	-	1,318,177	-	-
11,698,054	9,038,313	23,427,468	6,245,645	3,404,748	3,284,254
16,569,815	14,542,791	12,486,511	10,615,813	8,817,620	7,004,770
-	-	-	-	-	-
-	-	-	-	-	-
413,906	(46,943,197)	(2,702,348)	-	-	-
161,281,589	122,316,069	168,942,705	145,639,499	147,568,026	208,924,466
288,873,666 \$	250,161,474 \$	291,715,952 \$	268,703,943 \$	270,701,605 \$	324,024,697
127,845,405 \$	122,773,247 \$	123,064,444 \$	123,133,579 \$	115,100,231 \$	114,118,514
(253,328)	5,072,158	(291,197)	(69,135)	8,033,348	981,717
127,592,077 \$	127,845,405 \$	122,773,247 \$	123,064,444 \$	123,133,579 \$	115,100,231

North East Independent School District

Governmental Fund Revenues

Last Ten Years
(Unaudited)

	2024	2023	2022	2021
Local Revenues				
Property Taxes	\$ 486,264,542	\$ 588,068,139	\$ 558,233,638	\$ 544,207,541
Penalties, Interest and Other Tax Related Income	3,035,434	2,912,238	3,146,895	2,509,188
Investment Income	24,129,871	15,180,656	1,553,666	675,434
Food Sales	8,207,102	8,643,291	2,374,007	904,536
Cocurricular Student Activities	1,497,441	1,878,138	1,191,443	1,322,476
Other	18,894,920	18,572,721	14,408,656	9,757,748
Total Local Revenues	542,029,310	635,255,183	580,908,305	559,376,923
State Revenues				
Per Capita and Foundation	155,845,231	54,763,277	92,493,473	99,378,672
Other	52,127,211	42,010,847	32,330,687	35,250,905
Total State Revenues	207,972,442	96,774,124	124,824,160	134,629,577
Federal Revenues	107,625,121	151,376,236	166,539,284	86,771,557
Total Governmental Fund Revenues	\$ 857,626,873	\$ 883,405,543	\$ 872,271,749	\$ 780,778,057

Source: The District's Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance and footnotes.

2020	2019	2018	2017	2016	2015
\$ 530,740,464	\$ 532,718,103	\$ 507,527,490	\$ 494,264,029	\$ 464,462,516	\$ 438,545,561
2,609,359	2,367,400	2,267,490	2,286,993	2,217,575	2,487,181
5,554,769	8,041,445	4,946,315	2,618,560	1,775,298	1,102,680
7,582,090	11,455,099	12,341,495	12,760,917	12,684,333	12,858,113
1,083,977	1,317,352	1,185,558	1,449,684	417,567	1,477,235
10,434,074	13,409,530	29,747,576	14,541,944	13,373,228	10,462,748
558,004,733	569,308,929	558,015,924	527,922,127	494,930,517	466,933,518
100,141,565	67,064,906	99,617,895	125,126,121	152,196,326	159,179,444
38,437,596	35,157,633	35,474,152	33,236,219	31,196,123	31,120,595
138,579,161	102,222,539	135,092,047	158,362,340	183,392,449	190,300,039
71,633,356	72,868,753	66,465,063	60,881,777	58,823,892	55,653,976
\$ 768,217,250	\$ 744,400,221	\$ 759,573,034	\$ 747,166,244	\$ 737,146,858	\$ 712,887,533

North East Independent School District
Governmental Fund Expenditures by Function
Last Ten Years
(Unaudited)

	2024	2023	2022	2021
Instruction	\$ 405,656,167	\$ 389,133,087	\$ 391,210,906	\$ 368,824,345
Instructional Resources & Media Services	8,994,627	8,701,629	9,117,445	8,643,394
Curriculum & Instructional Staff Development	23,997,798	23,203,869	21,607,036	19,714,370
Instructional Leadership	8,932,913	8,497,300	7,924,689	7,772,356
School Leadership	40,737,682	38,775,431	37,413,344	36,493,906
Guidance, Counseling & Evaluation Services	25,223,570	24,684,673	24,500,309	23,924,665
Social Work Services	5,857,183	6,201,910	6,335,566	6,254,014
Health Services	8,754,000	8,580,369	8,831,294	8,489,118
Student Transportation	18,701,278	17,073,086	17,257,329	15,706,344
Food Services	46,539,036	36,544,238	33,178,687	24,680,719
Cocurricular/Extracurricular Activities	20,463,118	19,710,435	18,532,019	14,578,855
General Administration	14,121,503	13,088,075	13,276,790	13,914,198
Plant Maintenance and Operations	67,571,999	59,795,097	62,824,723	63,806,790
Security and Monitoring Services	8,901,761	5,948,023	5,220,026	5,939,709
Data Processing Services	8,227,464	9,682,037	9,100,034	11,182,351
Community Services	1,234,120	1,043,159	925,402	697,271
Debt Service				
Principal on Long-Term Debt	77,797,940	63,225,362	60,695,776	60,475,000
Interest on Long-Term Debt	51,446,655	54,010,508	55,978,091	57,821,668
Bond Issuance Cost and Fees	82,973,503	8,014,050	20,884,952	8,217,552
Capital Outlay				
Facilities Acquisition and Construction	6,430,949	17,461,331	11,373,363	22,531,440
Intergovernmental				
Instructional Shared Service Arrangements	733,143	586,475	569,312	498,431
Juvenile Justice Alternative Ed. Prg.	176,605	61,812	97,948	8,423
Property Appraisal Services	2,535,289	2,768,610	2,480,507	2,277,851
Total Expenditures	<u>\$ 936,008,303</u>	<u>\$ 816,790,566</u>	<u>\$ 819,335,548</u>	<u>\$ 782,452,770</u>
Debt Service as a Percentage of Noncapital Expenditures	22.9%	15.7%	17.0%	16.5%
Capital Outlay as a Percentage of Operating Expenditures	0.9%	2.6%	1.7%	3.6%

Source: The District's Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance.

Note: Operating expenditures exclude debt service and capital outlay amounts.
Noncapital expenditures exclude capital outlay amounts noted in Schedule C-4 and detailed in Footnote II B.

2020	2019	2018	2017	2016	2015
\$ 375,237,078	\$ 355,609,847	\$ 353,689,398	\$ 354,655,101	\$ 353,694,315	\$ 346,902,321
9,061,849	9,021,407	9,384,627	9,504,738	8,671,270	8,621,119
19,067,585	19,079,115	19,304,595	19,450,178	17,836,249	16,902,450
7,766,093	7,800,536	7,844,616	8,177,598	7,431,833	6,890,101
37,514,821	36,625,152	36,484,516	36,666,252	35,802,208	34,142,116
23,502,682	22,412,751	21,353,261	21,309,426	20,866,500	20,081,912
6,235,942	5,263,274	4,726,955	4,880,740	4,242,741	4,100,889
8,210,047	8,057,568	7,669,645	7,949,573	7,696,544	7,583,670
16,362,458	19,739,821	22,263,342	20,375,960	18,591,771	18,022,734
33,637,210	34,033,978	32,890,763	33,720,023	32,065,563	30,972,062
13,836,725	14,999,773	14,809,362	14,567,423	11,714,982	11,003,133
13,393,603	13,147,743	13,922,001	13,196,811	12,275,922	11,431,047
61,413,094	56,784,158	58,968,656	64,212,146	56,546,200	53,096,804
5,153,905	5,412,109	4,915,234	5,171,594	4,884,476	4,781,741
6,351,467	9,627,455	11,495,550	13,818,260	6,695,003	4,520,579
588,551	484,245	451,518	517,349	547,790	514,023
83,620,000	64,180,000	65,715,000	54,000,000	52,055,000	52,580,000
60,955,893	57,933,629	54,566,656	56,293,651	54,826,387	60,576,951
6,364,344	8,535,932	1,081,760	7,051,890	8,041,497	13,850,766
72,425,486	173,100,651	119,202,532	61,444,557	84,119,064	151,300,370
610,859	850,806	36,301	255,805	494,688	406,752
153,782	144,680	210,568	102,974	79,336	78,657
2,309,255	2,133,907	2,507,784	2,294,330	2,214,745	2,335,660
\$ 863,772,729	\$ 924,978,537	\$ 863,494,640	\$ 809,616,379	\$ 801,394,084	\$ 860,695,857
18.9%	17.4%	16.4%	15.8%	16.1%	17.3%
11.3%	27.9%	19.1%	13.8%	14.0%	26.0%

North East Independent School District
Governmental Fund Other Sources, Uses, And Changes in Fund Balance
Last Ten Years
(Unaudited)

	2024	2023	2022	2021
Excess of Revenues over (Under) Expenditures	\$ (78,381,430)	\$ 66,614,977	\$ 52,936,201	\$ (1,674,713)
Other Financing Sources (Uses)				
Refunding Bonds Issued	144,710,000	58,185,000	107,870,000	250,910,000
Capital-related Debt Issued	-	-	12,935,000	27,500,000
Sale of Real and Personal Property	142,822	87,880	119,385	167,751
Transfers In	2,687,507	3,962,250	2,528,219	3,254,412
Process of SBITAs and Other Resources	68,878	624,087	-	-
Premium or Discount on Issuance of Bonds	-	-	4,200,436	24,979,333
Transfers Out (Use)	(2,738,211)	(7,921,886)	(2,457,389)	(3,652,582)
Payment to Bond Refunding Escrow Agent (Use)	(144,312,404)	(57,780,305)	(106,214,898)	(274,214,562)
Total Other Financing Sources(Uses)	558,592	(2,842,974)	18,980,753	28,944,352
Net Change in Fund Balances	\$ (77,822,838)	\$ 63,772,003	\$ 71,916,954	\$ 27,269,639

Source: The District's Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances.

2020	2019	2018	2017	2016	2015
\$ (95,555,479) \$	(180,578,316) \$	(103,921,606) \$	(62,450,135) \$	(64,247,226) \$	(147,808,324)
136,295,000	222,425,000	86,595,000	58,095,000	58,095,000	107,045,000
131,590,000	135,500,000	125,000,000	55,000,000	55,000,000	6,000,000
121,177	2,046,723	117,904	109,713	109,713	10,487
2,393,092	9,203,567	3,221,275	9,430,337	9,430,337	8,667,597
-	-	-	-	-	-
16,073,864	17,413,815	4,192,100	-	-	4,359,156
(2,325,462)	(9,180,267)	(2,192,663)	(4,087,577)	(4,087,577)	(4,323,147)
(149,880,000)	(238,385,000)	(90,000,000)	(58,095,000)	(58,095,000)	(110,834,959)
134,267,671	139,023,838	126,933,616	60,452,473	60,452,473	10,924,134
\$ 38,712,192 \$	(41,554,478) \$	23,012,010 \$	(1,997,662) \$	(3,794,753) \$	(136,884,190)

North East Independent School District

General Fund Revenues Per ADA

Last Ten Years

(Unaudited)

Fiscal Year	Local and Intermediate Sources				State Sources		
	Local Maintenance Tax	Tuition From Patrons	Other	Total	Per Capita and Foundation	Other	Total
2015	\$ 4,980.50	\$ 13.98	\$ 66.29	\$ 5,060.77	\$ 2,481.87	\$ 349.98	\$ 2,831.85
2016	5,333.22	10.07	99.59	5,442.88	2,360.24	378.78	2,739.02
2017	5,838.04	7.87	83.84	5,929.75	1,953.98	408.41	2,362.39
2018	6,098.31	12.49	107.57	6,218.36	1,554.79	404.48	1,959.27
2019	6,476.66	11.80	166.26	6,654.71	1,057.98	393.50	1,451.47
2020	6,685.67	14.18	123.99	6,823.85	1,660.22	491.60	2,151.83
2021	7,312.37	18.14	59.38	7,389.89	1,740.45	510.65	2,251.11
2022	7,917.60	27.37	62.19	8,007.16	1,706.60	502.26	2,208.86
2023	8,236.75	36.67	283.37	8,556.78	1,017.04	537.82	1,554.85
2024	6,581.71	38.39	422.98	7,043.08	2,972.54	596.74	3,569.28

* Average Daily Attendance is the average daily attendance of eligible enrollees.

** Average Daily Membership is the average daily enrollment of students,
District-Wide.

Source: General Fund revenue was obtained from the Statement of Revenues, Expenditures, and Changes in Fund Balance for each respective year. These amounts were then divided by the ADA amounts in the respective Annual Report.

Federal Sources				Total All Sources	* Average Daily Attendance	** Average Daily Membership	Ratio of Average Daily Attendance to Average Daily Membership	Percentage Increase of Average Daily Attendance Over Prior Year
Federally Distributed	Vocational and Other	Total						
\$ 97.50	\$ 12.58	\$ 110.08	\$	8,002.70	63,935	66,662	95.91	1.72
97.28	12.31	109.60		8,291.50	64,308	67,042	95.92	0.58
102.98	14.17	117.15		8,409.28	63,848	66,758	95.64	(0.72)
202.85	12.27	215.13		8,392.76	63,689	66,511	95.76	(0.25)
262.31	10.79	273.11		8,379.29	63,170	63,719	99.14	(0.81)
181.72	11.12	192.83		9,168.51	59,995	62,969	95.28	(5.03)
220.93	12.23	233.16		9,874.15	56,775	59,596	95.27	(5.37)
420.52	12.76	433.28		10,649.30	53,928	57,635	93.57	(5.01)
416.38	16.78	433.16		10,544.80	53,548	57,279	93.49	(0.70)
154.11	15.52	169.63		10,781.99	52,287	56,251	92.95	(2.36)

North East Independent School District

General Fund Expenditures Per ADA

Last Ten Years

(Unaudited)

Fiscal Year	Average Daily Attendance	Instruction and Instructional- Related Services	Instructional and School Leadership	Support Services – Student (Pupil)	Administrative Support Services
2015	63,935 \$	5,257.15 \$	623.65 \$	893.32 \$	176.46
2016	64,308	5,371.32	651.44	908.58	189.37
2017	63,848	5,523.84	677.41	947.37	204.07
2018	63,689	5,510.74	674.34	936.39	216.44
2019	63,170	5,481.30	677.87	954.41	206.01
2020	59,995	6,083.18	730.30	974.93	222.07
2021	56,775	6,187.25	751.64	1,036.25	241.84
2022	53,928	6,176.31	789.73	1,138.84	241.42
2023	53,548	6,378.59	833.89	1,134.34	239.41
2024	52,287	7,290.07	899.74	1,207.17	265.20

Note: Average Daily Attendance (ADA) obtained from PEIMS reports via the Texas Education Agency website.

The Per ADA Expenditures are calculated by summing the functional categories (1X, 2X, etc.) from the respective General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and then dividing by the ADA.

Support Services – Nonstudent Based	Ancillary Services	Facilities Acquisition and Construction	Inter- Governmental Charges	Total
\$ 944.83	\$ 2.84	\$ 1.14	\$ 44.12	\$ 7,943.51
986.52	3.21	59.93	43.37	8,213.73
1,013.32	3.68	0.55	41.55	8,411.79
1,003.35	3.14	2.81	43.25	8,390.47
1,010.02	5.39	0.40	49.54	8,384.93
1,064.97	8.32	3.36	51.24	9,138.37
1,178.77	8.33	9.73	49.05	9,462.86
1,276.78	10.43	4.78	58.37	9,696.66
1,284.54	15.91	-	63.81	9,950.49
1,466.85	16.20	0.70	65.89	11,211.83

(This page intentionally left blank.)

Revenue Capacity Information

Provides information regarding the District's major revenue sources (property taxes) and the stability/growth of revenue.

North East Independent School District
Assessed and Actual Value of Taxable Property
Last Ten Years
(Unaudited)

Fiscal Year	Gross Assessed Value			Change in Assessed Value
	Real Property	Personal Property	Total	
2015	\$ 32,060,657,066	\$ 2,843,845,035	\$ 34,904,502,101	0.61 %
2016	35,674,018,845	3,017,522,460	38,691,541,305	10.85
2017	38,765,978,480	3,166,943,080	41,932,921,560	8.38
2018	41,022,407,667	3,207,611,468	44,230,019,135	5.48
2019	43,312,616,168	3,317,198,334	46,629,814,502	5.43
2020	45,411,740,162	3,382,381,182	48,794,121,344	4.64
2021	48,216,203,673	3,444,820,766	51,661,024,439	5.88
2022	50,475,211,670	3,319,031,308	53,794,242,978	4.13
2023	57,161,344,690	3,582,216,052	60,743,560,742	12.92
2024	63,203,333,389	3,870,299,478	67,073,632,867	10.42

Source: Bexar Appraisal District

Note: Texas appraises property at estimated market valuation. Therefore, the assessed valuation is at 100 percent of market value for all years shown.

Gross Assessed Value	Property Tax Exemptions			Net Assessed Value	Total Direct Tax Rate
	State	Local			
34,904,502,101	\$ 2,707,438,945	\$ 647,391,957	\$	31,549,671,199	\$ 1.440600
38,691,541,305	3,690,191,591	650,757,077		34,350,592,637	1.415000
41,932,921,560	3,908,298,183	710,212,550		37,314,410,827	1.385000
44,230,019,135	4,090,832,794	731,436,426		39,407,749,915	1.365000
46,629,814,502	4,356,608,328	749,552,601		41,523,653,573	1.365000
48,794,121,344	4,449,000,851	766,401,145		43,578,719,348	1.290000
51,661,024,439	5,385,263,778	773,439,117		45,502,321,544	1.268400
53,794,242,978	5,702,328,857	766,306,033		47,325,608,088	1.252500
60,743,560,742	7,535,506,206	735,727,023		52,472,327,513	1.182200
67,073,632,867	13,382,098,389	729,444,741		52,962,089,737	1.010500

North East Independent School District
Direct and Overlapping Property Tax Rates

Last Ten Years
(Unaudited)

	2024	2023	2022	2021
Direct Tax Rate				
Maintenance and Operations	\$ 0.710500	\$ 0.882200	\$ 0.952500	\$ 0.963400
Interest and Sinking	0.300000	0.300000	0.300000	0.305000
Total Direct Tax Rate	\$ 1.010500	\$ 1.182200	\$ 1.252500	\$ 1.268400
Overlapping Tax Rates				
Alamo Community College District	\$ 0.149150	\$ 0.149150	\$ 0.149150	\$ 0.149150
Bexar County	0.276331	0.276331	0.276331	0.276331
Bexar County Road & Flood	0.023668	0.023668	0.023668	0.023668
San Antonio River Authority	0.017870	0.018000	0.018580	0.018580
University Health System	0.276235	0.276235	0.276235	0.276235
Balcones Heights, City of	0.604000	0.604000	0.583000	0.583000
Bexar County Emergency District # 1	0.100000	0.100000	0.096510	0.017191
Bexar County Emergency District # 3	0.065493	0.083941	0.071914	0.096510
Castle Hills, City of	0.540661	0.543658	0.524899	0.524899
Cibolo Canyons Special Improvement District	0.541590	0.541590	0.558270	0.558270
Hill Country Village	0.145000	0.145000	0.145000	0.145000
Hollywood Park	0.461700	0.461700	0.461700	0.461700
Live Oak, City of	0.370824	0.385790	0.410220	0.410220
San Antonio, City of	0.541590	0.541590	0.558270	0.558270
Terrell Hills, City of	0.354727	0.359393	0.365000	0.365000
Windcrest, City of	0.393917	0.388171	0.409494	0.409494
Total Overlapping Tax Rates	4.862756	4.898217	4.928241	4.873518
Total Direct and Overlapping Tax Rate	\$ 5.873256	\$ 6.080417	\$ 6.180741	\$ 6.141918

Note: Until 2020, the District was subject to a maximum Maintenance & Operations Tax Rate of \$1.04 per hundred dollars of assessed valuation without voter approval. In 2020, the maximum rate was \$0.97 per hundred of assessed valuation. Thereafter, the maximum base rate is determined by the Texas Education Agency, plus an additional five enrichment pennies.

2020		2019		2018		2017		2016		2015	
\$	0.970000	\$	1.040000	\$	1.040000	\$	1.040000	\$	1.040000	\$	1.040000
	0.320000		0.320000		0.325000		0.345000		0.375000		0.400600
\$	1.290000	\$	1.360000	\$	1.365000	\$	1.385000	\$	1.415000	\$	1.440600
\$	0.149150	\$	0.149150	\$	0.149150	\$	0.149150	\$	0.149150	\$	0.149150
	0.277429		0.277429		0.291229		0.293250		0.297500		0.283821
	0.023668		0.023668		0.012868		0.015700		0.017000		0.030679
	0.018580		0.018580		0.017290		0.017290		0.017290		0.017500
	0.276235		0.276235		0.276235		0.276235		0.276235		0.276235
	0.583000		0.583000		0.583000		0.551000		0.539300		0.572199
	0.100000		0.100000		0.100000		0.099571		0.100000		0.100000
	0.075000		0.050334		0.047967		0.045730		0.047763		0.051408
	0.480619		0.501345		0.501345		0.501345		0.501345		0.501345
	0.558270		0.558270		0.558270		0.558270		0.558270		0.565690
	0.145000		0.145000		0.145000		0.145000		0.145000		0.095000
	0.499254		0.510081		0.510081		0.510081		0.510081		0.511000
	0.414686		0.437087		0.443475		0.466837		0.467691		0.510000
	0.558270		0.558270		0.558270		0.558270		0.558270		0.565690
	0.365000		0.347673		0.347673		0.339538		0.345906		0.370525
	0.413544		0.327469		0.308092		0.308093		0.334100		0.340900
	4.937705		4.863591		4.849945		4.835360		4.864901		4.941142
\$	6.227705	\$	6.223591	\$	6.214945	\$	6.220360	\$	6.279901	\$	6.381742

North East Independent School District

Property Tax Levies and Collections

Last Ten Years

(Unaudited)

Fiscal Year	Adjusted Tax		Current Collections	Percentage of Levy	Collections in Subsequent Years	Total Collections to Date	
	Levy for the Fiscal Year					Amount	Percentage of Levy
2015	\$ 439,926,797		426,594,188	96.97 %	\$ 10,601,683	\$ 437,195,871	99.38 %
2016	468,452,343		453,818,126	96.88	10,153,550	463,971,676	99.04
2017	498,568,320		480,578,120	96.39	9,310,240	489,888,360	98.26
2018	514,824,935		498,381,060	96.81	10,804,387	509,185,447	98.90
2019	538,622,414		519,099,028	96.38	14,102,020	533,201,048	98.99
2020	537,170,672		515,430,245	95.95	16,218,815	531,649,060	98.97
2021	550,303,612		531,310,585	96.55	13,540,141	544,850,726	99.01
2022	562,274,301		547,175,345	97.31	11,467,084	558,642,429	99.35
2023	592,629,729		576,521,524	97.28	8,017,035	584,538,559	98.63
2024	492,003,778		476,137,589	96.78	-	476,137,589	96.78

North East Independent School District

Principal Property Taxpayers

Current Year and Nine Years Prior
(Unaudited)

Name	2024 Assessed Valuation	Percentage of Total Assessed Valuation	2015 Assessed Valuation	Percentage of Total Assessed Valuation	2015 Rank
Methodist Healthcare Systems SA	\$ 337,652,970	0.64%	\$ 263,455,528	0.90%	1
HEB Grocery	290,180,520	0.55%	186,078,563	0.63%	3
VHS San Antonio PRTNR	258,925,180	0.49%	255,791,862	0.87%	2
EastGroup Properties LP	255,154,950	0.49%	NA	NA	NA
North Star Mall, Inc.	181,974,061	0.35%	178,503,926	0.61%	4
Wal-Mart	134,913,260	0.26%	166,441,000	0.57%	5
Maratonio Property LLC	133,000,000	0.25%	NA	NA	NA
5622 Equity DE LLC	132,500,000	0.25%	NA	NA	NA
Frankel Family Trust	115,174,560	0.22%	89,750,000	0.30%	8
DDR DB SA Ventures, LP	105,174,560	0.20%	100,075,760	0.34%	7
Cole OFC San Antonio	NA	NA	126,000,000	0.43%	6
PN Plaza Investments	NA	NA	89,158,850	0.30%	9
Santikos Legacy LTD	NA	NA	70,465,570	0.24%	10
	<u>\$ 1,944,650,061</u>	3.71%	<u>\$ 1,525,721,059</u>	5.18%	

Source: Information for current year Principal Taxpayers was provided by the Bexar Appraisal District.

Note: No information is presented in either year if the taxpayer was not in the top ten principal taxpayers for that year.

North East Independent School District

Allocation of Tax Rates and Levies

Last Ten Years

(Unaudited)

Fiscal Year	Tax Rates			Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Total
2015	\$ 1.040000	\$ 0.400600	\$ 1.440600	\$ 341,374,467	\$ 98,552,330	\$ 439,926,797
2016	1.040000	0.375000	1.415000	363,487,773	104,964,570	468,452,343
2017	1.040000	0.345000	1.385000	384,006,406	114,561,914	498,568,320
2018	1.040000	0.325000	1.365000	392,490,717	122,334,218	514,824,935
2019	1.040000	0.320000	1.360000	411,887,728	126,734,686	538,622,414
2020	0.970000	0.320000	1.290000	403,919,032	133,251,640	537,170,672
2021	0.963400	0.305000	1.268400	417,977,373	132,326,239	550,303,612
2022	0.952500	0.300000	1.252500	427,597,822	134,676,479	562,274,301
2023	0.882200	0.300000	1.182200	442,241,539	150,388,190	592,629,729
2024	0.710500	0.300000	1.010500	416,688,196	175,941,533	592,629,729

Source: Bexar County Tax Assessor/Collector October 1 Tax Roll
The basis for the property tax rate is \$100 assessed valuation.

Debt Capacity Information

Provides information on the District's outstanding debt, the District's ability to repay the debt, and its ability to issue additional debt if needed.

North East Independent School District

Outstanding Debt by Type

Last Ten Years

(Unaudited)

Fiscal Year		General Obligation Bonds	Commercial Paper	Capital Leases	Total Oustanding Debt	Percentage of Personal Income	Debt Per Capita
2015	\$	1,588,110,484	-	-	\$ 1,588,110,484	9.0 %	\$ 3,715
2016		1,472,834,610	6,000,000	-	1,478,834,610	7.8	3,388
2017		1,398,330,138	61,000,000	46,511	1,459,376,649	7.6	3,362
2018		1,323,025,000	96,000,000	36,372	1,419,061,372	7.2	3,220
2019		1,429,585,000	38,500,000	26,245	1,468,111,245	7.3	3,415
2020		1,443,150,000	54,500,000	16,080	1,497,666,080	7.0	3,388
2021		1,382,200,000	82,000,000	5,926	1,464,205,926	6.7	3,376
2022		1,398,145,000	-	123,733	1,398,268,733	6.0	3,195
2023		1,328,870,000	-	37,239	1,328,907,239	NA	3,062
2024		1,172,355,000	-	26,931	1,172,381,931	NA	2,629

Note:

General Obligation bonds are those backed by the full credit of the District and that do not have any revenue streams dedicated to their repayment. Currently, all outstanding bonds are considered to be general obligation bonds of the District.

Source:

Debt information was obtained from the District's Annual Report in the corresponding year. The per capita and personal income information was obtained for San Antonio Metropolitan area from the United States Department of Commerce Bureau of Economic Analysis.

NA – Not Available

North East Independent School District

Direct and Overlapping Debt

As of June 30, 2024

(Unaudited)

Governmental Unit	Debt Outstanding	As of	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Alamo Community College District	\$ 741,940,000	6/30/2024	23.44 %	\$ 173,910,736
Bexar County	2,223,205,000	6/30/2024	23.44	521,119,252
Bexar County Hosp Dist	1,280,820,000	6/30/2024	23.44	300,224,208
Cibolo Canyons Special ID	32,765,000	6/30/2024	28.65	9,387,173
City of Balcones Heights	305,000	6/30/2024	45.24	137,982
City of Castle Hills	12,295,000	6/30/2024	100.00	12,295,000
City of Live Oak	23,935,000	6/30/2024	31.34	7,501,229
City of San Antonio	2,520,820,000	6/30/2024	28.66	722,467,012
City of Terrell Hills	5,025,000	6/30/2024	16.16	812,040
City of Windcrest	6,900,000	6/30/2024	100.00	6,900,000
Subtotal, Overlapping Debt				1,754,754,632
District Direct Debt				1,172,355
Total Direct and Overlapping Debt				\$ 1,755,926,987

Source: The Municipal Advisory Council of Texas (MAC). The MAC provides direct and overlapping debt information at the par value of outstanding bonds for all governmental entities. In order to provide a consistent presentation, the District direct debt value is stated at its par value as shown in Footnote IV F.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The overlapping percentage represents an estimate of the overlapping geographic area between the District and the respective governments listed above. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses within the boundaries of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

North East Independent School District

Debt Margin Information

Last Ten Years

(Unaudited)

	2024	2023	2022	2021
Debt Limit – 10% of Assessed Valuation	\$ 5,296,208,974	\$ 5,247,232,751	\$ 4,732,560,809	\$ 4,550,232,154
Outstanding Bonds	1,172,355,000	1,328,870,000	1,398,145,000	1,382,200,000
Less: Amounts Set Restricted to Repay Debt on Statement of Net Position	116,260,257	160,867,850	124,727,759	20,391
Applicable Debt	1,056,094,743	1,168,002,150	1,273,417,241	1,382,179,609
Debt Margin	\$ 4,240,114,231	\$ 4,079,230,601	\$ 3,459,143,568	\$ 3,168,052,546
Debt Margin as a Percentage of the Debt Limit (Debt Margin Divided by Debt Limit)	80.06%	77.74%	73.09%	69.62%
Total Assets per Statement of Net Position	\$ 1,797,125,845	\$ 1,934,111,105	\$ 1,934,493,416	\$ 1,933,813,620
Debt as a Percentage of Assets per Statement of Net Position	65.23%	68.71%	72.27%	71.48%
(Bonds outstanding divided by the amount of assets on the Statement of Net Position)				

Note: Texas Statutes do not prescribe a legal debt limit. For comparison purposes, a 10 percent debt limit has been used in this schedule.

2020	2019	2018	2017	2016	2015
\$ 4,357,871,935	\$ 4,152,365,357	\$ 3,940,774,992	\$ 3,731,441,083	\$ 3,435,059,264	\$ 3,154,967,120
1,443,150,000	1,429,585,000	1,323,025,000	1,398,330,138	1,472,834,610	1,588,110,484
21,396	20,166	20,685	19,652	18,095	19,314
1,443,128,604	1,429,564,834	1,323,004,315	1,398,310,486	1,472,816,515	1,588,091,170
<u>\$ 2,914,743,331</u>	<u>\$ 2,722,800,523</u>	<u>\$ 2,617,770,677</u>	<u>\$ 2,333,130,597</u>	<u>\$ 1,962,242,749</u>	<u>\$ 1,566,875,949</u>
66.88%	65.57%	66.43%	62.53%	57.12%	49.66%
<u>\$ 1,967,133,637</u>	<u>\$ 1,958,900,285</u>	<u>\$ 1,888,428,115</u>	<u>\$ 1,797,785,175</u>	<u>\$ 1,790,047,832</u>	<u>\$ 1,826,631,483</u>
73.36%	72.98%	70.06%	77.78%	82.28%	86.94%

North East Independent School District

Debt to Net Assessed Valuation

Last Ten Years

(Unaudited)

Fiscal Year	Average Daily Membership	Estimated Population	Net Assessed Value	Total Bonded Debt
2015	66,662	427,521	\$ 31,549,671,199	\$ 1,588,110,484 *
2016	67,042	436,463	34,350,592,637	1,472,834,610
2017	66,758	434,116	37,314,410,827	1,398,330,138
2018	66,511	440,669	39,407,749,915	1,323,025,000
2019	63,719	429,857	41,523,653,573	1,429,585,000
2020	62,969	442,047	43,578,719,348	1,443,150,000
2021	59,596	433,743	45,502,321,544	1,382,200,000
2022	57,635	437,583	47,325,608,088	1,398,145,000
2023	57,279	433,984	52,472,327,513	1,328,870,000
2024	56,251	445,872	52,962,089,737	1,172,355,000

Source: Average Daily membership and Estimated Population information is listed in the Demographic and Economic Information section of the Statistical Section in the following pages. Demographic and Economic schedules in the following section:

Average Daily Membership is the District-wide average daily enrollment of students. Prior years' ADM reflects the average for the entire school year based on a final report of ADA and ADM.

* Amount includes the accreted portion of capital appreciation bonds.

Restricted For Debt Service			Net Debt			Net Debt Ratio To Assessed Valuation
			Per Average Daily Membership	Ratio to Assessed Valuation	Per Capita	
Net Bonded Debt						
\$ 88,943,519	\$ 1,499,166,965	\$ 22,489	4.75	\$ 3,507	5.03	
90,277,490	1,382,557,120	20,622	4.02	3,168	4.29	
103,510,943	1,294,819,195	19,396	3.47	2,983	3.75	
115,008,744	1,208,016,256	18,163	3.07	2,741	3.36	
122,512,082	1,307,072,918	20,513	3.15	3,041	3.44	
125,101,012	1,318,048,988	20,932	3.02	2,982	3.31	
112,359,093	1,269,840,907	21,307	2.79	2,928	3.04	
123,008,526	1,275,136,474	22,125	2.69	2,914	2.95	
160,867,850	1,168,002,150	20,391	2.23	2,691	2.53	
116,260,257	1,056,094,743	18,775	1.99	2,369	2.21	

North East Independent School District
Bonded Debt to Operating Expenditures
Last Ten Years
(Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures
2015	\$ 52,580,000 *	60,576,951	\$ 113,156,951	\$ 507,868,164	22.3
2016	52,055,000	54,824,187	106,879,187	528,208,686	20.2
2017	54,000,000	56,293,651	110,293,651	537,076,062	20.5
2018	65,715,000	52,599,296	118,314,296	534,380,866	22.1
2019	64,180,000	56,727,829	120,907,829	529,676,003	22.8
2020	83,620,000	60,955,893	144,575,893	548,256,678	26.4
2021	60,475,000	57,821,668	118,296,668	537,253,935	22.0
2022	60,620,000	55,977,403	116,597,403	522,921,550	22.3
2023	62,630,000	54,100,000	116,730,000	532,491,750	21.9
2024	64,275,000	51,446,035	115,721,035	585,922,225	19.8

* Accreted portion of bonds included in principal rather than interest amount for capital appreciation bonds.

Source: The District's Annual Report.

Demographic and Economic Information

Provides information regarding the District's socioeconomic environment; specifically, its taxpayers, employers, and the changes to those groups over the past ten years if possible.

North East Independent School District
Demographic and Economic Information

Last Ten Years
(Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Assessed Valuation of Taxable Property	Wealth Per ADA
2015	427,521	\$ 17,687,398,812	\$ 41,372	3.8 %	\$ 34,904,502,101	\$ 545,937
2016	436,463	19,001,416,705	43,535	4.0	38,691,541,305	601,660
2017	434,116	19,224,392,944	44,284	3.9	41,932,921,560	656,762
2018	440,669	19,745,496,552	44,808	3.6	39,407,749,915	618,753
2019	429,857	20,201,129,715	46,995	3.2	41,523,653,573	657,332
2020	442,047	21,520,616,148	48,684	6.6	43,578,719,348	726,373
2021	433,743	21,696,692,346	50,022	4.8	45,502,321,544	801,450
2022	437,583	23,475,452,784	53,648	4.0	47,325,608,088	877,570
2023	433,984	NA	NA	3.9	52,472,327,513	979,903
2024	445,872	NA	NA	4.2	52,962,089,737	1,012,911

Note: ADA information is available on the following page.

Source: Population estimates are provided as follows:

U.S. Census Bureau's American Community Survey for fiscal years 2014-2020; U.S. Census Bureau's 2020 Decennial Census for fiscal years 2021- 2024.

Per capita income information was obtained from the U.S. Department of Commerce Bureau of Economic Analysis. San Antonio metropolitan area information was used to provide consistent historical information in this schedule. The personal income total equals the District's population estimate multiplied by San Antonio metropolitan area per capita income.

Unemployment rate information was obtained from the U.S. Department of Labor Bureau of Labor Statistics website for the San Antonio Metropolitan area.

North East Independent School District

Student Demographic Information

Last Ten Years

(Unaudited)

Fiscal Year	Average Daily Attendance	Percentage Change		Average Daily Membership	Percentage Change		Percentage Economically Disadvantaged Students		Increase/ (Decrease)
2015	63,935	1.98	%	66,662	1.71	%	47.8	%	0.60
2016	64,308	0.58		67,042	0.57		46.7		(1.10)
2017	63,848	-0.72		66,758	-0.42		46.2		(0.50)
2018	63,689	-0.25		66,511	-0.37		46.4		0.20
2019	63,170	-0.81		63,719	-4.20		46.4		0.00
2020	59,995	-5.03		62,969	-1.18		48.4		2.00
2021	56,775	-5.37		59,596	-5.36		49.5		1.10
2022	53,928	-5.01		57,635	-3.29		59.3		9.80
2023	53,548	-0.70		57,279	-0.62		52.4		(6.90)
2024	52,287	-2.36		56,251	-1.79		51.8		(0.60)

Source: ADA, ADM, and the percentage of Economically Disadvantaged Students were obtained from the Public Education Management Information System reports from TEA.

North East Independent School District

Principal Employers

Current Year and Nine Years Ago
(Unaudited)

Employer	2023		2014		
	Employees	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Joint Base San Antonio (JBSA) (Lackland AFB, Fort Sam Houston Randolph AFB)	82,639	43.25%	80,165	1	44.81%
H.E.B. Food Stores	20,000	10.47%	20,000	2	11.18%
USAA	18,100	9.47%	16,000	3	8.94%
City of San Antonio	14,500	7.59%	11,326	5	6.33%
Northside ISD	12,900	6.75%	13,000	4	7.27%
Methodist Healthcare System	12,000	6.28%	8,118	7	4.54%
North East ISD	8,208	4.30%	9,141	6	5.11%
University of Texas Health Science	7,930	4.15%			
San Antonio ISD	7,500	3.93%	7,425	8	4.15%
Baptist Healthcare System	7,291	3.82%	7,205	9	4.03%
Wells Fargo			6,500	10	3.63%
	<u>191,068</u>	<u>100.00%</u>	<u>178,880</u>		<u>100.00%</u>
Total Employment	<u>191,068</u>		<u>178,880</u>		

Source: City of San Antonio Comprehensive Annual Financial Report for the Year Ended September 30, 2023. The current year information was not available.

Operating Information

Provides information on the District's employees, operations of the District, and facilities.

North East Independent School District
Employees by Full Time Equivalent by Job Function
Last Ten Years
(Unaudited)

	2024	2023	2022	2021
Professional Staff				
Teachers	4,152.5	4,066.9	4,001.4	4,224.6
Professional Support	982.2	1,056.7	1,081.6	1,079.5
Campus Administration	188.0	192.4	191.0	195.0
Central Administration	52.0	51.0	48.0	51.0
Total Professional Staff	<u>5,374.7</u>	<u>5,367.0</u>	<u>5,322.0</u>	<u>5,550.1</u>
Educational Aides	796.2	690.9	742.9	768.9
Auxiliary Staff	<u>2,038.2</u>	<u>2,011.4</u>	<u>2,087.1</u>	<u>2,198.3</u>
Total Staff	<u><u>8,209.1</u></u>	<u><u>8,069.3</u></u>	<u><u>8,152.0</u></u>	<u><u>8,517.3</u></u>
Pupil to Teacher Ratio	13.8	14.5	15.0	14.3
Teachers by Population Served				
Regular Education	2,660.8	2,681.6	2,557.8	2,690.7
Career and Technology	162.4	157.6	153.6	156.5
Bilingual/ESL	234.7	205.1	279.0	323.4
Compensatory Education	103.5	130.7	113.1	123.2
Gifted and Talented	75.1	73.8	66.7	73.1
Special Education	702.5	622.9	634.6	606.8
Other	213.6	195.2	196.5	251.1
Total	<u><u>4,152.6</u></u>	<u><u>4,066.9</u></u>	<u><u>4,001.3</u></u>	<u><u>4,224.8</u></u>

Source: Current year information is from Public Education Information Management System (PEIMS) Reports submitted to TEA. All other data obtained via Academic Excellence Indicator System (AEIS) Reports obtained from TEA's Web site. Minor differences between this schedule and those on the internet are due to rounding.

Note: Professional Support includes librarians, counselors, school nurses, etc.

2020	2019	2018	2017	2016	2015
4,255.6	4,174.5	4,306.1	4,309.4	4,323.2	4,314.8
1,063.6	1,011.2	985.9	988.7	956.2	942.7
201.0	204.0	209.4	207.5	209.0	207.5
48.0	49.0	47.0	28.0	25.0	25.0
<u>5,568.2</u>	<u>5,438.7</u>	<u>5,548.4</u>	<u>5,533.6</u>	<u>5,513.4</u>	<u>5,490.0</u>
751.3	684.3	685.1	683.6	684.4	679.1
<u>2,283.9</u>	<u>2,265.7</u>	<u>2,319.6</u>	<u>2,337.7</u>	<u>2,401.0</u>	<u>2,354.2</u>
<u>8,603.4</u>	<u>8,388.7</u>	<u>8,553.1</u>	<u>8,554.9</u>	<u>8,598.8</u>	<u>8,523.3</u>
15.2	15.6	15.4	15.7	15.7	15.8
2,901.8	3,001.5	3,039.8	3,064.7	3,132.3	3,111.1
147.2	148.3	145.9	140.3	134.6	117.9
308.9	121.1	109.1	101.3	90.3	101.5
137.6	106.5	138.9	137.0	116.4	142.6
72.9	75.0	72.6	68.5	64.3	64.6
419.7	433.5	466.4	453.2	439.1	439.0
267.6	288.6	333.4	344.4	346.2	336.9
<u>4,255.7</u>	<u>4,174.5</u>	<u>4,306.1</u>	<u>4,309.4</u>	<u>4,323.2</u>	<u>4,313.6</u>

North East Independent School District

Teacher Salary Comparison

Last Ten Years

(Unaudited)

Fiscal Year	Minimum Salary	Maximum Salary	State Minimum Salary	State Maximum Salary
2015	\$ 49,288	\$ 60,078	\$ 27,540	\$ 44,620
2016	50,000	60,665	28,080	45,510
2017	51,100	61,276	28,080	45,510
2018	51,100	60,776	28,080	45,510
2019	51,652	60,828	28,080	45,510
2020	53,000	62,028	33,660	54,540
2021	53,000	62,150	33,660	54,540
2022	54,250	62,800	33,660	54,540
2023	55,300	74,850	33,660	54,540
2024	57,000	75,350	33,660	54,540

Source: State Minimum Salary information obtained from TEA Web site. The District's salary information obtained from the District's Department of Human Resources.

Note: Salary information shown above is for teachers with a Bachelor's degree. Teachers with six to fifteen years' experience receive an additional \$600. Teachers with sixteen years' experience or more receive an additional \$1,200. Teachers with a Master's degree earn an additional \$1,800. Teachers with a doctorate earn \$1,500 above the master's degree stipend.

The District's maximum salary represents the maximum amount paid to teachers with 25 or more years of experience who begin employment with the District. Teachers who were employed with the District earning more than \$57,990 annually as of 2010 were grandfathered at their existing rate of pay.

North East Independent School District

Operating Statistics

Last Ten Years
(Unaudited)

Fiscal Year	Average Daily Attendance	Governmental			Government Wide		
		Operating	Cost	Percent	Operating	Cost	Percent
		Expenditures	Per Pupil	Change	Expenses	Per Pupil	Change
2015	63,935	\$ 545,613,510	\$ 8,534	-1.83 %	\$ 601,619,856	\$ 9,410	(0.02) %
2016	64,308	543,980,266	8,459	(0.88)	618,921,108	9,624	2.28
2017	63,848	562,350,442	8,808	4.12	629,646,035	9,862	2.47
2018	63,689	582,387,770	9,144	3.82	647,469,116	10,166	3.09
2019	63,170	602,352,136	9,535	4.28	691,472,773	10,946	7.67
2020	59,995	630,826,281	10,515	10.27	700,033,965	11,668	6.60
2021	56,775	622,928,692	10,972	4.35	477,401,920	8,409	(27.94)
2022	53,928	674,079,315	12,500	13.92	719,828,179	13,348	58.74
2023	53,548	674,079,315	12,588	0.71	719,828,179	13,443	0.71
2024	52,287	717,359,256	13,720	8.99	768,890,022	14,705	9.39

Source: District's Annual Report.

Note: Operating expenditures and expenses exclude any debt service or capital transactions as reflected in functions 71 through 81.

North East Independent School District

Fidelity Bonds

Current Year
(Unaudited)

Positions Covered	Amount of Bond
Superintendent	\$ 1,000,000
Associate Superintendents	1,000,000
Executive Director of Finance & Accounting	1,000,000
Senior Director of Accounting and Payroll	1,000,000
Director of Budgets and Financial Analysis	1,000,000
Executive Director of Procurement and eCommerce	1,000,000
Senior Director of Risk Management	1,000,000
Staff Accountants	1,000,000
Applications Team Leader – Finance	1,000,000
Investment Officer	1,000,000
Applications Team Leader – Students	1,000,000
Systems Analysts	1,000,000
Computer Programmers	1,000,000
Assistant Director Workers' Compensation	1,000,000
Senior Payroll Manager	1,000,000
Bookkeepers – Secondary Schools	1,000,000
Bookkeepers – Elementary Schools	1,000,000
Other Employees	1,000,000

The District purchases blanket crime coverage that covers all employees. The \$1,000,000 limit is in the aggregate for all covered positions within the coverage period. Each occurrence has a \$10,000 deductible.

(This page intentionally left blank.)

North East Independent School District

School Building Information

Last Ten Years
(Unaudited)

	2024	2023	2022	2021
Elementary Schools				
Number of Locations	46	46	46	46
Square Footage	4,122,397	4,122,876	4,125,513	4,135,824
Enrollment	24,417	26,096	26,196	25,839
Middle Schools				
Number of Locations	14	14	14	14
Square Footage	2,677,803	2,677,558	2,678,300	2,678,300
Enrollment	12,481	12,988	13,544	14,139
High Schools				
Number of Locations	8	8	8	8
Square Footage	3,647,255	3,651,802	3,662,975	3,662,975
Enrollment	18,904	19,003	20,090	20,336
Other Learning Facilities				
Square Footage	179,168	179,168	179,213	179,213
Athletic Facilities				
Square Footage	407,667	399,768	260,965	260,925
Administration				
Square Footage	140,557	140,557	140,557	140,557
Support Facilities				
Square Footage	410,576	410,576	409,139	409,139
District Totals				
Number of Locations	71	71	71	71
School Square Footage	10,448,455	10,452,236	10,466,788	10,477,099
Total Square Footage	11,586,423	11,582,305	11,456,662	11,466,933
Enrollment	55,802	58,087	59,830	60,314

Source: The District's Department of Budgets and Financial Analysis and AEIS Reports.

2020	2019	2018	2017	2016	2015
46	46	46	46	46	46
4,445,635	4,408,706	4,408,706	4,408,706	4,388,030	4,294,855
28,753	28,667	30,762	30,762	31,097	31,493
14	14	14	14	14	14
2,797,874	2,698,970	2,609,620	2,609,620	2,517,248	2,403,490
14,525	14,632	15,053	15,053	15,142	15,337
8	8	8	8	8	8
3,854,548	3,699,424	3,673,018	3,673,018	3,645,826	3,251,900
20,502	21,179	21,716	21,716	21,458	21,141
209,017	209,017	210,513	187,926	187,926	187,926
215,034	215,034	201,972	201,972	183,732	183,732
147,456	147,456	147,456	147,456	147,456	147,456
342,425	329,425	329,425	350,323	350,323	350,323
69	69	68	68	68	68
11,307,074	11,015,740	10,901,857	10,879,270	10,739,030	10,138,171
12,011,989	11,707,655	11,580,710	11,579,021	11,420,541	10,819,682
64,539	65,186	66,101	67,531	67,697	67,971

(This page intentionally left blank)

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

To the Board of Trustees
North East Independent School District
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North East Independent School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2024. Our report includes a reference to other auditors who audited the financial statements of North East Education Foundation, a discretely presented component unit, as described in our report on the District's financial statement. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance or other matters that are reported on separately by those auditors. The financial statements of North East Education Foundation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 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 District'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in blue ink that reads "ABIP, PC".

San Antonio, Texas
November 11, 2024

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

To the Board of Trustees
North East Independent School District
San Antonio, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North East Independent School District's (the District) 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 District's major federal programs for the year ended June 30, 2024. The District'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 District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District 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 District'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 District'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 District'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 District'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 District'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 District'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 District'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.

ABIP, PC

San Antonio, Texas
November 11, 2024

North East Independent School District
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024

SECTION I --- SUMMARY OF AUDITORS' RESULTS

Financial Statements			
	Type of auditor's report issued:	Unmodified	
	Internal control over financial reporting: • Material weakness(es) identified?	Yes	X No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	Yes	X None Reported
	Noncompliance material to financial statements noted?	Yes	X No

Federal Awards			
	Internal control over major programs: • Material weakness(es) identified?	Yes	X No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	Yes	X None Reported
	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 2 CFR Section 200.516(a)?	Yes	X No

Identification of Major Programs			
	CFDA Numbers(s)	Name of Federal Program or Cluster	
	84.027 and 84.173	Special Education Cluster (IDEA)	
	10.553, 10.555, 10.559, and 10.582	Child Nutrition Cluster	
	Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000	
	Auditee qualified as low-risk auditee?	X Yes	No

North East Independent School District
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024

SECTION II --- FINANCIAL STATEMENT FINDINGS

There were no financial statement findings required to be reported in accordance with **Government Auditing Standards**.

SECTION III --- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

North East Independent School District
Summary Schedule of Prior Audit Findings
For The Year Ended June 30, 2024

There were no prior audit findings reported.

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY			
<u>Passed Through the City of San Antonio</u>			
COVID-19 ARP State and Local Fiscal Recovery Fund (SLFRF)	21.019	4600023399	\$ 11,146
Total Passed Through the City of San Antonio			<u>11,146</u>
<u>Passed Through Bexar County</u>			
COVID-19 ARP State and Local Fiscal Recovery Fund (SLFRF)	21.027	SLFRP1970	426,526
Total Passed Through Bexar County			<u>426,526</u>
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>437,672</u>
 U. S. GENERAL SERVICES ADMINISTRATION			
<u>Passed Through the Texas Facilities Commission</u>			
Federal Surplus Property	39.003		166
Total Passed Through the Texas Facilities Commission			<u>166</u>
TOTAL U. S. GENERAL SERVICES ADMINISTRATION			<u>166</u>
 U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
ROTC	12.000		691,031
Total Direct Programs			<u>691,031</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>691,031</u>
 U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041		120,346
Total Direct Programs			<u>120,346</u>
<u>Passed Through Restore Education</u>			
Adult Education & Family Literacy Continuation	84.002 A	220-472-3-11	967,724
Total Passed Through Restore Education			<u>967,724</u>
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	24610101015910	16,308,438
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	23610101015910	2,491,258
Total Assistance Listing Number 84.010			<u>18,799,696</u>
Statewide Evaluation Capacity Contracted Services	84.027 A		138,973
*IDEA - Part B, Formula	84.027 A	246600010159106600	11,507,325
*IDEA - Part B, Formula	84.027 A	236600010159106600	1,518,795
High Cost Fund	84.027 A	660024	14,288
*IDEA - Part B, Discretionary	84.027 A		500
*SSA - IDEA - Part B, Discretionary	84.027 A	246600110159106673	101,026
*SSA - IDEA - Part B, Discretionary	84.027 A	236600110159106673	13,050

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
Total Assistance Listing Number 84.027			13,293,957
*IDEA - Part B, Preschool	84.173 A	246610010159106610	173,872
*IDEA - Part B, Preschool	84.173 A	236610010159106610	37,681
*COVID 19 - IDEA, Part B, Preschool- (ARP)	84.173 X	225360020159105360	35,933
Total Assistance Listing Number 84.173			247,486
Total Special Education Cluster (IDEA)			13,541,443
ESSA Title IX, Part A Homeless Children Education	84.196 A	46002405	89,655
ESSA Title IX, Part A Homeless Children Education	84.196 A	46002305	25,136
Total Assistance Listing Number 84.196			114,791
Title III, Part A - ELA	84.365 A	24671001015910	1,004,436
Title III, Part A - Immigrant	84.365 A	24671003015910	330,320
Title III, Part A, ELA	84.365 A	23671001015910	185,058
Total Assistance Listing Number 84.365			1,519,814
2022-2023 Principal Residency Cycle 5	84.367 A	S367A210041	10,555
Title II, Part A - Supporting Effective Instruction	84.367 A	24694501015910	1,574,384
Title II, Part A - Supporting Effective Instruction	84.367 A	23694501015910	571,858
Total Assistance Listing Number 84.367			2,156,797
Title IV, Part A, Subpart 1	84.424 A	24680101015910	940,372
Title IV - Part A, Subpart 1	84.424 A	23680101015910	378,423
Total Assistance Listing Number 84.424			1,318,795
COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425 U	21528042015910	264,058
COVID 19 ARP ESSER III	84.425 U	21528001015910	31,465,462
COVID-19 ARP Homeless I-TEHCY Supplemental Grant	84.425 W	215330017110060	133,827
COVID-19 ARP Homeless I-TEHCY Supplemental Grant	84.425 W	21533002	37,780
Total Assistance Listing Number 84.425			31,901,127
Summer School LEP	84.369 A	S369A220045	84,929
Career and Technical - Basic Grant	84.048 A	24420006015910	737,749
Career and Technical - Basic Grant	84.048 A	23420006015910	30,004
Total Assistance Listing Number 84.048			767,753
Total Passed Through Texas Education Agency			70,205,145
TOTAL U.S. DEPARTMENT OF EDUCATION			71,293,215
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Migration and Refugee Services</u>			
USCCB/MRS Refugee School Impact Program	93.566	2024RSINEISD	447,749
USCCB/MRS Refugee School Impact Program	93.566	2302TXRSSS	123,628
Total Assistance Listing Number 93.566			571,377
Total Passed Through Migration and Refugee Services			571,377
<u>Passed Through Restore Education</u>			
ABE TANF Federal	93.558	223-475-3-06	84,772

NORTH EAST INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
Total Passed Through Restore Education			84,772
<u>Passed Through Texas Health and Human Services Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	HHS0005379000150	236,673
Total Passed Through Texas Health and Human Services Commission			236,673
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			892,822
 U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	NT4XL1YGLGC5	4,988,431
*National School Lunch Program - Cash Assistance	10.555	NT4XL1YGLGC5	21,165,156
2022 Supply Chain Assistance Grant Reallocation Award	10.555	NT4XL1YGLGC5	2,187,724
State Reduced Breakfast Program	10.555	NT4XL1YGLGC5	9,218
Total Assistance Listing Number 10.555			23,362,098
*Summer Feeding Program - Cash Assistance	10.559	NT4XL1YGLGC5	331,940
Total Child Nutrition Cluster			28,682,469
Child & Adult Care Food Program - Cash Assistance	10.558	NT4XL1YGLGC5	881,807
*Commodity Supplemental - Non-Cash Assistance	10.555	NT4XL1YGLGC5	3,447,397
*Fresh Fruit & Vegetable Program	10.582	NT4XL1YGLGC5	248,448
Total Food Distribution Cluster			3,695,845
Local Food Source Program	10.185	NT4XL1YGLGC5	130,810
Total Passed Through the Texas Department of Agriculture			33,390,931
TOTAL U.S. DEPARTMENT OF AGRICULTURE			33,390,931
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 \$ 106,705,837
*Clustered Programs			

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

(This page intentionally left blank).

North East Independent School District
Notes to Schedule of Expenditure of Federal Awards
For the Year Ended June 30, 2024

1. For all federal programs, the District uses the fund types specified in the TEA's *Financial Accountability System Resource Guide*.

General Fund – is used to account for, among other things, resources related to the United States Department of Defense ROTC program, Texas Facilities Commission, and the United States Department of Education's Impact Aid.

Special Revenue Funds – are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for either in the General Fund or in the Special Revenue Funds, components of the Governmental Fund Types. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund Types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both measurable and available), and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are generally considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Uniform Guidance.

North East Independent School District
Notes to Schedule of Expenditure of Federal Awards
For the Year Ended June 30, 2024

4. The National School Breakfast and Lunch Programs and the USDA donated commodities are accounted for in the nonmajor governmental funds. The Impact Aid, Texas Facilities Commission, and ROTC programs are accounted for in the General Fund. Expenditures are not specifically attributable to these revenue sources and are shown on this schedule in an amount equal to revenue for balancing purposes only. The revenue for indirect costs is recognized in the General Fund.
5. The District elected not to use the 10 percent de minimis indirect cost rate.
6. The expenditures shown on the Schedule of Expenditures of Federal Awards (SEFA) does not equal to total federal revenues shown on Exhibit C-3 by the amount of federal revenue recorded in various funds as shown below. These amounts are not subject to the Single Audit Act and are not required to be included in the SEFA.

Amount reported on the Schedule of	
Expenditures of Federal Awards	\$ 106,705,837
SHARS Revenue reported in the General Fund	(583,197)
Tax Credit Revenue reported in the Debt Service Fund	<u>1,502,481</u>
Federal Program Revenue Reported on Exhibit C-3	<u>107,625,121</u>
 Total Federal Program Revenue	 <u><u>\$ 107,625,121</u></u>