



NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: November 10, 2025

Presenter: Dan Villarreal
Susan Lackorn, Executive Director
Finance & Accounting
Jeff Coats, Senior Director
Accounting & Payroll

Subject: Annual Comprehensive
Financial Report for the Year
Ended June 30, 2025

Related Page(s): None

PRESENTATION

BACKGROUND INFORMATION

The Texas Education Code (44.008) requires school districts to submit a copy of the Annual Comprehensive Financial Report (Annual Report) with accompanying management letter to the Division of School Financial Audits of TEA within 150 days following the end of the school district's fiscal year, which ended June 30, 2025.

Due to delays in the development of TEA's new reporting software and the release of the final 2025 Office of Management and Budget (OMB) Compliance Supplement, our deadline for fiscal year 2025 annual financial report's submission has been changed to February 27, 2026.

OMB's Compliance Supplement is an annual publication that provides auditors with requirements that the federal government expects to be included in a Single Audit, which is the audit of a non-federal entity's federal award expenditures. At this time, no release date has been announced for the 2025 Compliance Supplement. TEA has advised auditors to withhold issuance of final Single Audit reports until the Compliance Supplement is released.

The firm ABIP, PC is engaged to audit the annual report and present it to the Board of Trustees for review. Under the law, the Board may either approve or disapprove the report. The decision of the Board must be certified within the Annual Report and be forwarded to the Texas Education Agency. The President and Secretary of the Board must sign the Certificate of Board.

This presentation will provide the results of the audit-to-date. Once the 2025 Compliance Supplement is released and the Single Audit is ready, we will submit an action item to the Board to approve the annual report including the Single Audit. No significant changes to the annual report are expected.

BOARD ACTION REQUIRED

None