

UT TYLER UNIVERSITY ACADEMY
(a department of The University of Texas at Tyler,
an agency of the State of Texas)

ANNUAL FINANCIAL REPORT
For the year ended August 31, 2025

UT TYLER UNIVERSITY ACADEMY

ANNUAL FINANCIAL REPORT
For the year ended August 31, 2025

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
Certificate of Board	1	
FINANCIAL SECTION		
Independent Auditor's Report.....	2	
Management's Discussion and Analysis (Required Supplementary Information)	5	
BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements		
Statement of Net Position	10	A-1
Statement of Activities.....	11	B-1
Fund Financial Statements		
Governmental Funds Financial Statements		
Balance Sheet - Governmental Funds and		
Reconciliation of the Governmental Funds Balance		
Sheet to the Statement of Net Position	12	C-1
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds and Reconciliation		
of the Statement of Revenues, Expenditures and Changes		
in Fund Balances - Governmental Funds to the Statement of Activities	13	C-2
Notes to Financial Statements.....	14	
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of Revenues, Expenditures, and Changes in		
Fund Balance - Budget and Actual - General Fund	23	G-1
SUPPLEMENTARY INFORMATION		
Combining Balance Sheet – Nonmajor Governmental Funds	24	H-1
Combining Statement of Revenues, Expenditures, and Changes in		
Fund Balances – Nonmajor Governmental Funds	26	H-2
Schedule of Expenses.....	28	J-1
Schedule of Assets and Real Property Ownership Interest	29	J-2
Use of Funds Report - Select State Allotment Programs	30	J-4

UT TYLER UNIVERSITY ACADEMY

ANNUAL FINANCIAL REPORT
For the year ended August 31, 2025

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
COMPLIANCE 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 <i>Government Auditing Standards</i>	31	
Schedule of Findings and Questioned Costs	33	
Summary Schedule of Prior Year Audit Findings	34	
Schedule of Required Responses to Selected School First Indicators	35	L-1

INTRODUCTORY SECTION

UT TYLER UNIVERSITY ACADEMY

CERTIFICATE OF BOARD

UT Tyler University Academy
Name of Charter School

Smith
County

212-804
Co. Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named School were reviewed and (check one) X approved ____ disapproved for the year ended August 31, 2025, at a meeting of the School Board on the 22 day of January, 2026.

DocuSigned by:
Michael Odell

Signature of Board Secretary

Signed by:
Eric Semlear

Signature of Board President

If the School Board disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the School Board of
UT Tyler University Academy
Tyler, Texas

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of UT Tyler University Academy (the "School"), a department of The University of Texas at Tyler ("UTT"), which is an agency of the State of Texas, as of and for the year ended August 31, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of August 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 School 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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of UTT that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of UTT or the State of Texas, as of August 31, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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.

(Continued)

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 School'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 Responsibility 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying other supplementary information, such as the combining statements, schedule of expenses, schedule of assets and real property ownership interest, and use of funds report for select state allotment programs, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of 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 statements, schedule of expenses, schedule of assets and real property ownership interest, and use of funds report for select state allotment programs 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 report. The other information comprises the introductory section and the schedule of required responses to selected school first indicators 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 January 16, 2026 on our consideration of the School'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 School'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 School's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Houston, Texas
January 16, 2026

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

UT TYLER UNIVERSITY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended August 31, 2025

This discussion and analysis of UT Tyler University Academy's (the "School") financial performance provides an overview of the School's financial activities for the fiscal year ended August 31, 2025. It should be read in conjunction with the School's financial statements.

FINANCIAL HIGHLIGHTS

- The School's total net position at August 31, 2025 was \$2,444,158, of which \$252,512 is related to net investment in capital assets, \$155,392 is restricted for other programs, and \$2,036,254 is unrestricted.
- For the fiscal year ended August 31, 2025, the School's general fund reported a total fund balance of \$2,036,254, all of which is unassigned.
- At the end of the fiscal year, the School's governmental funds (the general fund plus all state and federal grant funds) reported a combined ending fund balance of \$2,191,646.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Required Supplementary Information*. The basic financial statements include two kinds of statements that present different views of the School.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the School's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School, reporting the School's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *instructional* services were financed in the *short-term*, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School's assets and liabilities. All of the current period's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The government-wide statements report the School's net position and how it has changed. Net position is the difference between the School's assets and liabilities and is one way to measure the School's financial health or position.

- Over time, increases or decreases in the School's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the School, one needs to consider additional nonfinancial factors such as changes in the School's staffing patterns, enrollment, and attendance.

(Continued)

UT TYLER UNIVERSITY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended August 31, 2025

The government-wide financial statements of the School include the *governmental activities*. The School's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant maintenance and operations are included in *governmental activities*. State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the School's most significant funds - not the School as a whole. Funds are simply accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The School Board (the "Board") establishes other funds to control and manage money set aside for particular purposes or to show that the School is properly using certain grants.

The School has the following kinds of funds:

Governmental funds – The School's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

The School's net position was \$2,444,158 at August 31, 2025. Table 1 focuses on net position while Table 2 shows the revenues and expenses that changed the net position balance during the fiscal year ended August 31, 2025.

Table 1
Net Position

	<u>Governmental Activities</u>		<u>Total Change</u>
	<u>2025</u>	<u>2024</u>	<u>2025-2024</u>
ASSETS			
Current assets	\$ 2,235,538	\$ 1,699,816	\$ 535,722
Noncurrent assets	<u>252,512</u>	<u>292,386</u>	<u>(39,874)</u>
Total assets	<u>2,488,050</u>	<u>1,992,202</u>	<u>495,848</u>
LIABILITIES			
Current liabilities	<u>43,892</u>	<u>37,359</u>	<u>6,533</u>
Total liabilities	<u>43,892</u>	<u>37,359</u>	<u>6,533</u>
NET POSITION			
Net investment in capital assets	252,512	292,386	(39,874)
Restricted	155,392	161,018	(5,626)
Unrestricted	<u>2,036,254</u>	<u>1,501,439</u>	<u>534,815</u>
Total net position	<u>\$ 2,444,158</u>	<u>\$ 1,954,843</u>	<u>\$ 489,315</u>

(Continued)

UT TYLER UNIVERSITY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended August 31, 2025

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Total Change</u>
	<u>2025</u>	<u>2024</u>	<u>2025-2024</u>
Revenues			
Program revenues			
Charges for services	\$ 6,751	\$ 5,833	\$ 918
Operating grants and contributions	864,414	884,863	(20,449)
General revenues			
Grants and contributions not restricted	12,255,063	10,402,361	1,852,702
Miscellaneous	95,155	196,221	(101,066)
Total revenues	<u>13,221,383</u>	<u>11,489,278</u>	<u>1,732,105</u>
Expenses			
Instruction	7,983,814	7,482,853	500,961
Instructional resources and media services	7,772	7,604	168
Curriculum and staff development	686,049	569,435	116,614
Instructional leadership	82,977	80,114	2,863
School leadership	780,011	628,540	151,471
Guidance, counseling, and evaluation services	763,199	548,548	214,651
Health services	227,463	237,685	(10,222)
Student (pupil) transportation	127,996	137,736	(9,740)
Food services	23,981	17,075	6,906
Extracurricular activities	122,268	136,653	(14,385)
General administration	771,635	852,503	(80,868)
Plant maintenance and operations	933,487	430,684	502,803
Security and monitoring services	152,553	338,873	(186,320)
Data processing services	68,863	87,525	(18,662)
Community services	-	6,462	(6,462)
Total expenses	<u>12,732,068</u>	<u>11,562,290</u>	<u>1,169,778</u>
Change in net position	489,315	(73,012)	562,327
Net position - beginning of year	<u>1,954,843</u>	<u>2,027,855</u>	<u>(73,012)</u>
Net position - end of year	<u>\$ 2,444,158</u>	<u>\$ 1,954,843</u>	<u>\$ 489,315</u>

Current year end ending net position is \$2,444,158, which is an increase of \$489,315 over the prior year net position of \$1,954,843. Total revenue for governmental activities increased by \$1,732,105, which is primarily due to an increase in grants and contributions not restricted as a result of increased enrollment in the current year. There was also an increase in total expenses of \$1,169,778. This change in expenses is mainly due to an increase in instruction expenses attributed to higher costs for salaries and benefits needed to staff additional positions based on the School's enrollment growth.

(Continued)

UT TYLER UNIVERSITY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended August 31, 2025

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

At the close of the fiscal year ending August 31, 2025, the School's governmental funds reported a combined fund balance of \$2,191,646. This compares to a combined fund balance of \$1,662,457 at August 31, 2024. The general fund experienced an increase in fund balance of \$534,815 as a result of increases in state program revenues due to higher foundation school program payments.

The School reports four special revenue funds as major funds in the current year, including Title I-Part A, IDEA-B Formula, State Textbook, and State-Funded Special Revenue funds. These funds are reimbursement grant funds; therefore, the revenue was equal to the related expenditures incurred for each grant. There was no change in fund balance or ending fund balance for each of these funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with State law and generally accepted accounting principles, the School prepares an annual budget for the general fund. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the year ended August 31, 2025, the School amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures. The general fund's budgeted revenues were more than actual revenues by \$138,359, and the budgeted expenditures exceeded actual expenditures by \$556,021.

The variance in expenditures was primarily the result of lower than expected expenditures for all areas. The School's final budget had planned to have a use of fund balance of \$159,565, however fund balance increased by \$534,815.

CAPITAL ASSETS

Capital assets are generally defined as those items that have useful lives of two years or more and have an initial cost or value (if donated) of an amount determined by the Board. During the fiscal year ended August 31, 2025, the School used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.

At August 31, 2025, the School had a total of \$252,512 invested in capital assets (net of depreciation) such as furniture and equipment.

More detailed information about the School's capital assets can be found in Note 3 to the financial statements

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The School's Board considered many factors when setting the 2025-2026 budget including:

- Average daily attendance
- State aid
- Federal grants
- Donations and contributions

(Continued)

UT TYLER UNIVERSITY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended August 31, 2025

The School anticipates increases in revenues and expenditures for the additional growth in the school during 2025-2026 fiscal year.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School's business office at 3900 University Blvd., Tyler, Texas 75799, or by calling (903) 730-3990.

BASIC FINANCIAL STATEMENTS

UT TYLER UNIVERSITY ACADEMY
STATEMENT OF NET POSITION - EXHIBIT A-1
August 31, 2025

Data Control Codes	1 Governmental Activities
ASSETS	
1110 Cash and cash equivalents	\$ 1,436,213
1240 Due from other governments	781,447
1290 Other receivables	<u>17,878</u>
	<u>2,235,538</u>
Capital assets	
1530 Furniture and equipment, net	<u>252,512</u>
	<u>252,512</u>
1000 Total assets	<u>2,488,050</u>
LIABILITIES	
2110 Accounts payable	39,459
2190 Due to student groups	<u>4,433</u>
2000 Total liabilities	<u>43,892</u>
NET POSITION	
3200 Net investment in capital assets	252,512
Restricted for:	
3890 Other programs	155,392
3900 Unrestricted	<u>2,036,254</u>
3000 Total net position	<u>\$ 2,444,158</u>

See Notes to Financial Statements.

UT TYLER UNIVERSITY ACADEMY
STATEMENT OF ACTIVITIES - EXHIBIT B-1
For the year ended August 31, 2025

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position 6
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
	Primary government				
	Governmental activities				
0011	Instruction	\$ 7,983,814	\$ -	\$ 447,587	\$ (7,536,227)
0012	Instructional resources				
0012	and media services	7,772	-	-	(7,772)
0013	Curriculum and staff				
0013	development	686,049	-	37,191	(648,858)
0021	Instructional leadership	82,977	-	-	(82,977)
0023	School leadership	780,011	-	-	(780,011)
0031	Guidance, counseling, and				
0031	evaluation services	763,199	-	59,860	(703,339)
0033	Health services	227,463	-	36,561	(190,902)
0034	Student (pupil) transportation	127,996	-	-	(127,996)
0035	Food services	23,981	6,751	-	(17,230)
0036	Extracurricular activities	122,268	-	-	(122,268)
0041	General administration	771,635	-	-	(771,635)
0051	Plant maintenance and				
0051	operations	933,487	-	147,011	(786,476)
0052	Security and monitoring				
0052	services	152,553	-	136,204	(16,349)
0053	Data processing services	68,863	-	-	(68,863)
TG	Total governmental				
TG	activities	<u>\$ 12,732,068</u>	<u>\$ 6,751</u>	<u>\$ 864,414</u>	<u>(11,860,903)</u>
	General revenues				
GC	Grants and contributions not restricted				12,255,063
MI	Miscellaneous local and intermediate revenue				95,155
TR	Total general revenues				<u>12,350,218</u>
CN	Change in net position				489,315
NB	Beginning net position				<u>1,954,843</u>
NE	Ending net position				<u>\$ 2,444,158</u>

See Notes to Financial Statements.

UT TYLER UNIVERSITY ACADEMY
BALANCE SHEET - GOVERNMENTAL FUNDS AND
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION - EXHIBIT C-1
August 31, 2025

Data Control Codes	10 General	OMF Title I Part A	OMF Formerly Nonmajor IDEA-B Formula	OMF State Textbook	OMF State-Funded Special Revenue	ONMF Nonmajor Governmental Funds	98 Total Governmental Funds
ASSETS							
1110 Cash and cash equivalents	\$ 1,292,472	\$ 588	\$ -	\$ -	\$ -	\$ 143,153	\$ 1,436,213
1240 Due from other governments	279,527	62,746	93,896	77,179	237,558	30,541	781,447
1260 Due from other funds	486,737	-	-	-	-	-	486,737
1290 Other receivables	-	-	-	-	-	17,878	17,878
1000 Total assets	<u>\$ 2,058,736</u>	<u>\$ 63,334</u>	<u>\$ 93,896</u>	<u>\$ 77,179</u>	<u>\$ 237,558</u>	<u>\$ 191,572</u>	<u>\$ 2,722,275</u>
LIABILITIES							
2110 Accounts payable	\$ 22,482	\$ 589	\$ -	\$ 6,798	\$ 8,384	\$ 1,206	\$ 39,459
2170 Due to other funds	-	62,745	93,896	70,381	229,174	30,541	486,737
2190 Due to student groups	-	-	-	-	-	4,433	4,433
2000 Total liabilities	<u>22,482</u>	<u>63,334</u>	<u>93,896</u>	<u>77,179</u>	<u>237,558</u>	<u>36,180</u>	<u>530,629</u>
FUND BALANCES							
Restricted							
3490 Other restricted fund balance	-	-	-	-	-	155,392	155,392
3600 Unassigned	<u>2,036,254</u>	-	-	-	-	-	<u>2,036,254</u>
3000 Total fund balances	<u>2,036,254</u>	-	-	-	-	155,392	<u>2,191,646</u>
4000 Total liabilities and fund balances	<u>\$ 2,058,736</u>	<u>\$ 63,334</u>	<u>\$ 93,896</u>	<u>\$ 77,179</u>	<u>\$ 237,558</u>	<u>\$ 191,572</u>	<u>\$ 2,722,275</u>
Total fund balances - balance sheet							\$ 2,191,646
Amounts reported for governmental activities in the Statement of Net Position are different because:							
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.							
Capital assets - depreciable, net							<u>252,512</u>
Net position of governmental activities							<u>\$ 2,444,158</u>

See Notes to Financial Statements.

UT TYLER UNIVERSITY ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS AND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - EXHIBIT C-2
For the year ended August 31, 2025

Data Control Codes		10	OMF	OMF Formerly Nonmajor	OMF	OMF	ONMF	98
		<u>General</u>	<u>Title I Part A</u>	<u>IDEA-B Formula</u>	<u>State Textbook</u>	<u>State-Funded Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues								
5700	Local and intermediate sources	\$ 20,766	\$ -	\$ -	\$ -	\$ -	\$ 81,140	\$ 101,906
5800	State program revenues	12,255,063	-	-	220,057	289,788	-	12,764,908
5900	Federal program revenues	-	122,292	158,203	-	-	74,074	354,569
5020	Total revenues	<u>12,275,829</u>	<u>122,292</u>	<u>158,203</u>	<u>220,057</u>	<u>289,788</u>	<u>155,214</u>	<u>13,221,383</u>
Expenditures								
Current								
0011	Instruction	7,534,236	93,708	126,927	220,057	6,573	2,313	7,983,814
0012	Instructional resources and media services	7,772	-	-	-	-	-	7,772
0013	Curriculum/instructional staff development	648,858	-	-	-	-	37,191	686,049
0021	Instructional leadership	82,977	-	-	-	-	-	82,977
0023	School leadership	780,011	-	-	-	-	-	780,011
0031	Guidance, counseling, and evaluation services	703,339	28,584	31,276	-	-	-	763,199
0033	Health services	190,902	-	-	-	-	36,561	227,463
0034	Student (pupil) transportation	88,122	-	-	-	-	-	88,122
0035	Food services	15,251	-	-	-	-	8,730	23,981
0036	Extracurricular activities	58,880	-	-	-	-	63,388	122,268
0041	General administration	771,635	-	-	-	-	-	771,635
0051	Plant maintenance and operations	773,819	-	-	-	147,011	12,657	933,487
0052	Security and monitoring services	16,349	-	-	-	136,204	-	152,553
0053	Data processing services	68,863	-	-	-	-	-	68,863
6030	Total expenditures	<u>11,741,014</u>	<u>122,292</u>	<u>158,203</u>	<u>220,057</u>	<u>289,788</u>	<u>160,840</u>	<u>12,692,194</u>
1200	Net change in fund balances	534,815	-	-	-	-	(5,626)	529,189
0100	Beginning fund balances	<u>1,501,439</u>	-	-	-	-	161,018	<u>1,662,457</u>
3000	Ending fund balances	<u>\$ 2,036,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,392</u>	<u>\$ 2,191,646</u>
Net change in fund balances - total governmental funds								\$ 529,189
Amounts reported for governmental activities in the Statement of Activities are different because:								
Depreciation expense								(39,874)
Change in net position of governmental activities								<u>\$ 489,315</u>

See Notes to Financial Statements.

UT TYLER UNIVERSITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements are prepared in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB), and they comply with the requirements of the appropriate version of Texas Education Agency's (TEA) *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which funds are received.

Reporting Entity: UT Tyler University Academy (the "School") is a department of The University of Texas at Tyler ("UTT"), which is an agency of the State of Texas (the "State"). UTT is one of the universities that make up the University of Texas System (UT System), and the UT System is one of seven university systems and two independent universities that in total are presented as a major enterprise fund in the State's Annual Comprehensive Financial Report.

UTT, UT System, and the School have elected to define the School's reporting entity to include only activities in the School's name. The School's proportionate share of liabilities in the name of UTT and/or UT System are reported by UTT and/or UT System. Accordingly, transactions associated with facilities and associated bonds, pensions, other postemployment benefits, and compensated absences related to the School's activities in the name of UTT and/or UT System are not reported by the School. However, the School has elected to make limited disclosures with respect to these matters in Note 4. The associated financial activities related to these items and required disclosures are made within the UT System's and the State's Annual Comprehensive Financial Reports. These financial statements present financial information that is attributable to the School and do not purport to, and do not, present fairly the financial position of UTT, UT System, or the State.

The School is chartered by the State Board of Education and accredited by the TEA. Courses are developed to comply with the Texas Essential Knowledge and Skills objectives and are compliant. The School's administrators and staff are degreed and certified for the positions to which they are assigned.

As approved in the Charter application, the Chief Administrative Officer of the School is the Superintendent of the School. The Superintendent reports to the School Board (the "Board"), which reports to the President of UTT, who is ultimately responsible to the UT System Board of Regents (the "Regents"), appointed by the Governor of the State and confirmed by the Texas Senate. The reporting structure effectively outlines the governing body of the School, with the President and the Regents retaining final oversight. The Board works to ensure effective operation of the School. The UTT faculty provides educational curriculum to kindergarten through grade twelve.

The School is supported by UTT, both directly and indirectly, through revenue, management oversight, services, supplies, operations, and maintenance.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The School has no business-type activities.

Basis of Presentation - Government-Wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and various other functions of the School. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation - Fund Financial Statements: The fund financial statements provide information about the School's funds. Separate statements for governmental funds are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The School reports the following governmental funds:

General Fund: The general fund is used to account for and report all financial resources of the School not accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

Special Revenue Funds: Special revenue funds are used to account for, and report proceeds of, specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Most of the special revenue funds are considered nonmajor funds for reporting purposes; however, the Title I-Part A, IDEA-B Formula, State Textbook, and State-Funded Special Revenue Funds met the technical criteria to be presented as major funds. During the current fiscal year, the School's IDEA-B Formula fund was reclassified from a nonmajor governmental fund to a major governmental fund. This change was the result of an increase in the fund's financial activity and significance relative to the District's total governmental funds. Additionally, the School's ARP ESSER III fund was reclassified from a major governmental fund to a nonmajor governmental fund. This change was the result of a decrease in the fund's financial activity and significance relative to the District's total governmental funds. Because the beginning fund balance for each of these funds was zero, there was no change to the beginning fund balances reported.

During the course of operations, the School 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 funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting: The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

(Continued)

UT TYLER UNIVERSITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Grant revenue and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the School.

Assets, Liabilities, and Net Position/Fund Balance:

Cash and Cash Equivalents: The School's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the School's agent bank approved pledged securities in an amount sufficient to protect School 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. The School's funds are maintained by UTT.

On a monthly basis, UTT provides the School with a statement of accounts showing all fund activities for the month and ending monthly balances, which is then reconciled to the accounts of the School. Such deposits are insured or collateralized with securities held by UTT in UTT's name. The School does not maintain investments of any kind outside the operating bank account since funds available are retained by UTT, therefore, the only interest accruing to the School is from the operating bank account.

Investments: The School does not maintain investments of any kind.

Capital Assets: Capital assets, which include furniture and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

(Continued)

UT TYLER UNIVERSITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant, and equipment of the School are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Equipment	5-12 years

Receivables and Payables: The School believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided to further disaggregate those balances. All receivables are scheduled for collection within one year from year end.

Long-Term Obligations: The School does not separately issue long-term debt. The School is not currently engaged in any long-term financing transactions.

Net Position Flow Assumption: Sometimes the School will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions: Sometimes the School will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies: Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The School itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Restricted fund balance represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's highest level of decision-making authority. The Board is the highest level of decision-making authority for the School that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

(Continued)

UT TYLER UNIVERSITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts in the assigned fund balance classification are intended to be used by the School for specific purposes but do not meet the criteria to be classified as committed. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Estimates: The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Data Control Codes: The data control codes refer to the account code structure prescribed by the TEA in the Resource Guide. The TEA requires schools to display these codes in the financial statements filed with the TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

Revenues and Expenditures/Expenses:

Program Revenues: Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the School prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year.

In accordance with State law, the School prepares an annual budget for the general fund. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the year, the School amended its budget as required by State law and to reflect current levels of revenue and anticipated expenditures.

(Continued)

UT TYLER UNIVERSITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS

Capital Assets: A summary of changes in capital assets for governmental activities at year end is as follows:

	<u>Beginning Balances</u>	<u>Increase</u>	<u>(Decreases)</u>	<u>Ending Balances</u>
<u>Governmental activities</u>				
Other capital assets				
Furniture and equipment	\$ 455,951	\$ -	\$ (25,955)	\$ 429,996
Total other capital assets	<u>455,951</u>	<u>-</u>	<u>(25,955)</u>	<u>429,996</u>
Less accumulated depreciation for				
Furniture and equipment	(163,565)	(39,874)	25,955	(177,484)
Total accumulated depreciation	<u>(163,565)</u>	<u>(39,874)</u>	<u>25,955</u>	<u>(177,484)</u>
Other capital assets, net	<u>292,386</u>	<u>(39,874)</u>	<u>-</u>	<u>252,512</u>
Governmental activities capital assets, net	<u>\$ 292,386</u>	<u>\$ (39,874)</u>	<u>\$ -</u>	<u>252,512</u>
		Net investment in capital assets		<u>\$ 252,512</u>

Depreciation was charged to governmental functions as follows:

	<u>Governmental Activities</u>
34 Student transportation	\$ 39,874
Total depreciation expense	<u>\$ 39,874</u>

Interfund Transactions: The interfund balances at August 31, 2025 were as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amounts</u>
General fund	Title I, Part A fund	\$ 62,745
General fund	IDEA-B Formula fund	93,896
General fund	State Textbook fund	70,381
General fund	State-Funded Special Revenue fund	229,174
General fund	Nonmajor governmental funds	30,541
		<u>\$ 486,737</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

NOTE 4 - OTHER INFORMATION

Risk Management: The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which UTT purchases commercial insurance. The School's operations have been incidental to UTT insurance coverage or settlements for the past three years.

(Continued)

UT TYLER UNIVERSITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2025

NOTE 4 - OTHER INFORMATION (Continued)

Contingent Liabilities: Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

Pension Plans:

Teacher Retirement System (TRS): UTT 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 (TRS). TRS's defined benefit pension plan 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 TRS's Board of Trustees does not have the authority to establish or amend benefit terms.

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

Pension Plan Fiduciary Net Position: Detailed information about TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/Homepage.aspx>, selecting About TRS, then Publications, then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Optional Retirement Program (ORP): The State has also established an optional defined contribution retirement program (ORP) for institutions of higher education. Participation in the ORP is in lieu of participation in the TRS. The ORP is available to certain eligible employees who hold faculty positions and other professional positions including but limited to director-level and above, librarians, and coaches. The ORP provides for the purchase of annuity contracts and mutual funds. Participants are vested in the employer contributions after one year and one day of service. Depending upon the source of funding for the employee's compensation, the UT System may be required to make the employer contributions in lieu of the State. Since these are individual annuity contracts, the State and the UT System have no additional or unfunded liability for this program. The employee and employer contribution rates are established by the State Legislature each biennium. The State provides an option for a local supplement on top of the state base rate. Each institution within the UT System can decide to adopt and fund a local supplement each year to provide each ORP employee the maximum employer rate. The chancellor then approves the employer rates each fiscal year.

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

Additional information may be obtained from the UT System annual financial report:

<https://www.utsystem.edu/sites/default/files/documents/report-state/2025/consolidated-annual-financial-report-fy-2025/uts-fy25-and-fy24-audit-reportfinal121125.pdf>

Other Postemployment Benefits:

In addition to providing pension benefits, the State provides certain health and life insurance benefits for retired employees (OPEB), in accordance with State statutes. Many employees may become eligible for the health and life insurance benefits as a retired employee if they meet certain age and service requirements as defined by the State. Similar benefits for active employees are provided through the same self-funded plan.

Plan Description and Funding Policy: OPEB are provided to the System's retirees under the UT System Employee Group Insurance Program (EGIP). The EGIP is a single-employer defined benefit OPEB plan; however, due to the State statute requiring appropriations for funding the plan, the State is reporting a proportionate share. Chapter 1551 of the Texas Insurance Code, Sections 310 and 311, require that the State contribute to the cost of each participant's insurance coverage. The funds are appropriated under the General Appropriations Act Higher Education Employees Group Insurance (HEGI) Contributions. The State's proportion was 16.00% and 15.51% of the collective OPEB-related liabilities, deferred outflows and inflows and expense based on HEGI contributions by the State to total contributions as of August 31, 2025 and 2024. The System's proportion as of August 31, 2025 and 2024 was 84.00% and 84.49%. At August 31, 2025 and 2024, the amount of the total OPEB liability related to the System reported by the State was \$1,693,706,680 and \$1,612,475,073, respectively. The amount reported by the State is related to the premium sharing contributions, which are recognized as State appropriation general revenue on the System's financial statements in the fiscal year that the State contributed the amounts for OPEB on the System's behalf.

The System and member contribution rates are determined annually by the System based on the recommendations of the Office of Employee Benefits (OEB) staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs expected to be incurred and (i) the funds appropriated and (ii) the funding policy established by the Texas Legislature in connection with benefits provided through the EGIP. The System revises benefits when necessary to match expected benefit and administrative costs with available revenue. The plan is operated on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Additional information may be obtained from the UT System annual financial report:

<https://www.utsystem.edu/sites/default/files/documents/report-state/2025/consolidated-annual-financial-report-fy-2025/uts-fy25-and-fy24-audit-reportfinal121125.pdf>

Employee Health Care Coverage: The School provides health care benefits through the UTT health coverage plan to all School employees who meet UTT employment qualifications and requirements.

(Continued)

UT TYLER UNIVERSITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2025

NOTE 4 - OTHER INFORMATION (Continued)

Shared Services Arrangements: The School participates in a shared services arrangement (SSA) for the improvement of the education of limited English proficient children funded under Title III, Part A English Language Acquisition. The School neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center Region VII, nor does the School have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the School. The fiscal agent is responsible for part of the financial activities of the SSA. Region VII is reporting \$3,644 as expenditures incurred on behalf of the School.

The School participates in a SSA for the development and improvement of Career and Technical Education (CTE) programs to prepare students for college, career, and military success funded under federal CTE Basic Grants managed by the U.S. Department of Education. The School neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center Region VII, nor does the School have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the School. The fiscal agent is responsible for part of the financial activities of the SSA. Region VII is reporting \$7,836 as expenditures incurred on behalf of the School.

The School participates in a SSA for the Texas Education for Homeless Children and Youth (TEHCY) program to remove barriers to education for homeless children and unaccompanied youth funded under the federal McKinney-Vento Homeless Assistance Act managed by the U.S. Department of Education. The School neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Education Service Center Region VII, nor does the School have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the School. The fiscal agent is responsible for part of the financial activities of the SSA. Region VII is reporting \$3,468 as expenditures incurred on behalf of the School.

School Operations: The School did not conduct any other charter or noncharter activities.

REQUIRED SUPPLEMENTARY INFORMATION

UT TYLER UNIVERSITY ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - EXHIBIT G-1
For the year ended August 31, 2025

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
Revenues					
5700	Local and intermediate sources	\$ -	\$ -	\$ 20,766	\$ 20,766
5800	State program revenues	11,770,427	12,137,470	12,255,063	117,593
5020	Total revenues	11,770,427	12,137,470	12,275,829	138,359
Expenditures					
0011	Instruction	7,451,325	7,689,991	7,534,236	155,755
	Instructional resources				
0012	and media services	7,982	7,982	7,772	210
	Curriculum and staff				
0013	development	699,188	699,188	648,858	50,330
0021	Instructional leadership	80,830	83,830	82,977	853
0023	School leadership	834,011	781,011	780,011	1,000
	Guidance, counseling, and				
0031	evaluation services	568,678	768,520	703,339	65,181
0033	Health services	269,993	249,993	190,902	59,091
0034	Student (pupil) transportation	141,173	126,173	88,122	38,051
0035	Food services	22,413	22,413	15,251	7,162
0036	Extracurricular activities	53,900	58,900	58,880	20
0041	General administration	871,470	846,470	771,635	74,835
0051	Plant maintenance and				
0051	operations	583,892	791,156	773,819	17,337
0052	Security and monitoring				
0052	services	92,967	97,367	16,349	81,018
0053	Data processing services	34,106	74,041	68,863	5,178
6030	Total expenditures	11,711,928	12,297,035	11,741,014	556,021
1200	Net change in fund balance	58,499	(159,565)	534,815	694,380
0100	Beginning fund balance	1,501,439	1,501,439	1,501,439	-
3000	Ending fund balance	\$ 1,559,938	\$ 1,341,874	\$ 2,036,254	\$ 694,380

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

SUPPLEMENTARY INFORMATION

UT TYLER UNIVERSITY ACADEMY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1
August 31, 2025

Data Control Codes	226	240	255	282 Formerly Major ARP ESSER III
	IDEA-B <u>Discretionary</u>	National School Breakfast/Lunch <u>Program</u>	Title II Training and <u>Recruiting</u>	
ASSETS				
1110 Cash and cash equivalents	\$ -	\$ 7,020	\$ -	\$ -
1240 Due from other governments	-	-	27,189	-
1290 Other receivables	-	-	-	-
1000 Total assets	<u>\$ -</u>	<u>\$ 7,020</u>	<u>\$ 27,189</u>	<u>\$ -</u>
LIABILITIES				
2110 Accounts payable	\$ -	\$ -	\$ -	\$ -
2170 Due to other funds	-	-	27,189	-
2190 Due to student groups	-	4,433	-	-
2000 Total liabilities	<u>-</u>	<u>4,433</u>	<u>27,189</u>	<u>-</u>
FUND BALANCES				
Restricted				
3490 Other restricted fund balance	-	2,587	-	-
3000 Total fund balances	<u>-</u>	<u>2,587</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 7,020</u>	<u>\$ 27,189</u>	<u>\$ -</u>

(Continued)

UT TYLER UNIVERSITY ACADEMY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-1
August 31, 2025

Data Control Codes		289	427	461	499	Total Nonmajor Governmental Funds
		Federally Funded	Misc. State- Funded Special Revenue	Campus Activity	Local-Funded Special Revenue	
ASSETS						
1110	Cash and cash equivalents	\$ -	\$ 1,506	\$ 46,122	\$ 88,505	\$ 143,153
1240	Due from other governments	3,352	-	-	-	30,541
1290	Other receivables	-	-	-	17,878	17,878
1000	Total assets	<u>\$ 3,352</u>	<u>\$ 1,506</u>	<u>\$ 46,122</u>	<u>\$ 106,383</u>	<u>\$ 191,572</u>
LIABILITIES						
2110	Accounts payable	\$ -	\$ -	\$ 1,080	\$ 126	\$ 1,206
2170	Due to other funds	3,352	-	-	-	30,541
2190	Due to student groups	-	-	-	-	4,433
2000	Total liabilities	<u>3,352</u>	<u>-</u>	<u>1,080</u>	<u>126</u>	<u>36,180</u>
FUND BALANCES						
Restricted						
3490	Other restricted fund balance	-	1,506	45,042	106,257	155,392
3000	Total fund balances	<u>-</u>	<u>1,506</u>	<u>45,042</u>	<u>106,257</u>	<u>155,392</u>
4000	Total liabilities and fund balances	<u>\$ 3,352</u>	<u>\$ 1,506</u>	<u>\$ 46,122</u>	<u>\$ 106,383</u>	<u>\$ 191,572</u>

UT TYLER UNIVERSITY ACADEMY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2
For the year ended August 31, 2025

Data Control Codes	226	240	255	282 Formerly
	IDEA-B <u>Discretionary</u>	National School Breakfast/Lunch <u>Program</u>	Title II Training and <u>Recruiting</u>	<u>Major</u> ARP <u>ESSER III</u>
Revenues				
5700 Local and intermediate sources	\$ -	\$ 6,751	\$ -	\$ -
5900 Federal program revenues	<u>36,561</u>	<u>-</u>	<u>27,189</u>	<u>322</u>
5020 Total revenues	<u>36,561</u>	<u>6,751</u>	<u>27,189</u>	<u>322</u>
Expenditures				
Current				
0011 Instruction	-	-	-	322
0013 Curriculum/instructional staff development	-	-	27,189	-
0031 Guidance, counseling, and evaluation services	-	-	-	-
0033 Health services	36,561	-	-	-
0035 Food services	-	8,730	-	-
0036 Extracurricular activities	-	-	-	-
0051 Plant maintenance and operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6030 Total expenditures	<u>36,561</u>	<u>8,730</u>	<u>27,189</u>	<u>322</u>
1200 Net change in fund balances	-	(1,979)	-	-
0100 Beginning fund balances	<u>-</u>	<u>4,566</u>	<u>-</u>	<u>-</u>
3000 Ending fund balances	<u>\$ -</u>	<u>\$ 2,587</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

UT TYLER UNIVERSITY ACADEMY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS - EXHIBIT H-2
For the year ended August 31, 2025

Data Control Codes	289	427	461	499	Total
	Federally Funded	Misc. State- Funded Special Revenue	Campus Activity	Local-Funded Special Revenue	Nonmajor Governmental Funds
Revenues					
5700 Local and intermediate sources	\$ -	\$ -	\$ 32,404	\$ 41,985	\$ 81,140
5900 Federal program revenues	10,002	-	-	-	74,074
5020 Total revenues	<u>10,002</u>	<u>-</u>	<u>32,404</u>	<u>41,985</u>	<u>155,214</u>
Expenditures					
Current					
0011 Instruction	-	-	-	1,991	2,313
0013 Curriculum/instructional staff development	10,002	-	-	-	37,191
0033 Health services	-	-	-	-	36,561
0035 Food services	-	-	-	-	8,730
0036 Extracurricular activities	-	-	27,917	35,471	63,388
0051 Plant maintenance and operations	-	-	411	12,246	12,657
6030 Total expenditures	<u>10,002</u>	<u>-</u>	<u>28,328</u>	<u>49,708</u>	<u>160,840</u>
1200 Net change in fund balances	-	-	4,076	(7,723)	(5,626)
0100 Beginning fund balances	-	1,506	40,966	113,980	161,018
3000 Ending fund balances	<u>\$ -</u>	<u>\$ 1,506</u>	<u>\$ 45,042</u>	<u>\$ 106,257</u>	<u>\$ 155,392</u>

UT TYLER UNIVERSITY ACADEMY
SCHEDULE OF EXPENSES - EXHIBIT J-1
For the years ended August 31, 2025 and 2024

Data
Control
Codes

		<u>2025</u>	<u>2024</u>
	Expenses		
6100	Payroll costs	\$ 10,223,042	\$ 9,437,580
6200	Professional and contracted services	1,399,668	879,801
6300	Supplies and materials	912,227	1,149,382
6400	Other operating costs	<u>157,257</u>	<u>175,418</u>
		<u>\$ 12,692,194</u>	<u>\$ 11,642,181</u>

UT TYLER UNIVERSITY ACADEMY
SCHEDULE OF ASSETS AND REAL PROPERTY
OWNERSHIP INTEREST - EXHIBIT J-2
For the year ended August 31, 2025

Control <u>Codes</u>	Ownership Interest	
	<u>State</u>	<u>Federal</u>
1110 Cash	\$ 1,436,213	\$ -
1531 Vehicles	<u>429,996</u>	<u>-</u>
Total assets	<u>\$ 1,866,209</u>	<u>\$ -</u>

The School has not purchased any real property.

UT TYLER UNIVERSITY ACADEMY
USE OF FUNDS REPORT
SELECT STATE ALLOTMENT PROGRAMS - EXHIBIT J-4
For the year ended August 31, 2025

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did the School expend any state compensatory education program state allotment funds during the School's fiscal year?	Yes
AP2	Does the School have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the School's fiscal year.	\$ 599,522
AP4	List the actual direct program expenditures for state compensatory education programs during the School's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 330,121
<u>Section B: Bilingual Education Programs</u>		
AP5	Did the School expend any bilingual education program state allotment funds during the School's fiscal year?	Yes
AP6	Does the School have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the School's fiscal year.	\$ 23,452
AP8	List the actual direct program expenditures for bilingual education programs during the School's fiscal year. (PIC 25)	\$ 31,442

COMPLIANCE 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

To the School Board of
UT Tyler University Academy
Tyler, 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, each major fund, and the aggregate remaining fund information of UT Tyler University Academy (the "School"), a department of The University of Texas at Tyler ("UTT"), which is an agency of the State of Texas, as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise School's basic financial statements, and have issued our report thereon dated January 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether School'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.

Crowe LLP
Crowe LLP

Houston, Texas
January 16, 2026

UT TYLER UNIVERSITY ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended August 31, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of UT Tyler University Academy.
2. Material weaknesses in internal control were not disclosed by the audit of the basic financial statements.
3. Significant deficiencies in internal control were not disclosed by the audit of the basic financial statements.
4. No instances of noncompliance material to the financial statements were disclosed during the audit.

SECTION II - BASIC FINANCIAL STATEMENTS FINDINGS

None Noted

UT TYLER UNIVERSITY ACADEMY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended August 31, 2025

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year findings.

UT TYLER UNIVERSITY ACADEMY
SCHEDULE OF REQUIRED RESPONSES TO
SELECTED SCHOOL FIRST INDICATORS - EXHIBIT L-1
For the year ended August 31, 2025

<u>Data Control Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the annual financial report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the annual financial report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the School make timely payments to the Teacher Retirement System, Texas Workforce Commission, Internal Revenue Service, and other government agencies?	Yes
SF4	Was the School issued a warrant hold?	No
SF5	Did the annual financial report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds and/or substantial doubt about the School's ability to continue as a going concern?	No
SF6	Was there any disclosure in the annual financial report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the School post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code, and other statutes, laws, and rules that were in effect at the School's fiscal year end?	Yes
SF8	Did the Board members discuss the School's property values at a Board meeting within 120 days before the School adopted its budget?	N/A
SF9	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year end.	\$_____ -