

ANNUAL FINANCIAL REPORT

of

**THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL**

(A department of the University of Texas,
an agency of the State of Texas)

**For the Year Ended
August 31, 2023**

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THE UNIVERSITY OF TEXAS ELEMENTARY SCHOOL

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INTRODUCTORY SECTION

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CERTIFICATE OF BOARD

The University of Texas Elementary School
Name of School

Travis County
County

227-819
School Number

We, the undersigned, certify that the attached annual financial reports of the above named charter school were reviewed and (check one) approved _____ disapproved for the year ended August 31, 2023 at a meeting of the Management Board of the Charter School on the 23rd day of January, 2024.

DocuSigned by:

Dr. Kal Kallison

753AB1D6A7334DF

Signature of Finance Chairman

DocuSigned by:

Dr. William Lasher

AE301E1678A844C

Signature of Board President

If the Management Board disapproved the auditors' report, the reason(s) for disapproving it is (are):
(attached list as necessary)

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Management Board of
The University of Texas Elementary School:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The University of Texas Elementary School (the "Charter School") (a department of The University of Texas (the "University"), which is an agency of the State of Texas (the "State")) as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Charter School'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, each major fund, and the aggregate remaining fund information of the Charter School as of August 31, 2023, 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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charter 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 I, the financial statements of the Charter 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 the Charter School, a department of the University, which is an agency of the State, that is attributable to the transactions of the Charter School. They do not purport to, and do not, present fairly the financial position of the University or the State, as of August 31, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Charter 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.

Auditors' 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 auditors' 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 Charter 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 Charter 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 schedules, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's basic financial statements. The supplementary information noted 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 supplementary information noted in the table of contents is 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 auditors' 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 December 28, 2023 on our consideration of the Charter 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 Charter 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 Charter School's internal control over financial reporting and compliance.

The logo for Belt Harris Pechacek, LLLP features the names 'Belt', 'Harris', and 'Pechacek' in a stylized, cursive font, with 'Belt' and 'Pechacek' in a larger size than 'Harris'. The letters 'L', 'L', and 'L' are placed below 'Belt', 'Harris', and 'Pechacek' respectively, followed by 'P ECHACEK, LLLP' in a smaller, sans-serif font.

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
December 28, 2023

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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THE UNIVERSITY OF TEXAS

ELEMENTARY SCHOOL

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2023

This discussion and analysis of The University of Texas Elementary School's (the "Charter School") financial performance provides an overview of the Charter School's financial activities for the fiscal year ended August 31, 2023. This Management's Discussion and Analysis is unaudited and is intended to offer a summary of significant current year activities, resulting changes, and currently known economic conditions and facts. It should be read in conjunction with the Charter School's financial statements.

FINANCIAL HIGHLIGHTS

- The Charter School's total net position at August 31, 2023 was \$2,303,254, which was unrestricted.
- For the fiscal year ended August 31, 2023, the Charter School's general fund reported a total fund balance of \$2,303,254, which was unassigned.

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 Charter School.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Charter School's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Charter School, reporting the Charter 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 statements report information about the Charter School as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Charter 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 Charter School's net position and how it has changed. Net position is the difference between the Charter School's assets and liabilities and is one way to measure the Charter School's financial health or position.

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

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended August 31, 2023

The government-wide financial statements of the Charter School include the *governmental activities*. The Charter School's basic services such as instruction, curriculum and staff development, health services, food services, general administration, and plant maintenance and operations are included in *governmental activities*.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Charter School's most significant funds – not the Charter 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 Management Board (the "Board") establishes other funds to control and manage money set aside for particular purposes.

The Charter School has the following kinds of funds:

- *Governmental funds* – The Charter 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 Charter School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them, if applicable.

FINANCIAL ANALYSIS OF THE CHARTER SCHOOL AS A WHOLE

The Charter School's net position was \$2,303,254 at August 31, 2023. *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, 2023.

Table 1
Net Position

	Governmental Activities		Total Change
	2023	2022	2023-2022
Current assets	\$ 2,508,130	\$ 2,182,652	\$ 325,478
Total Assets	2,508,130	2,182,652	325,478
Current liabilities	204,876	226,638	(21,762)
Total Liabilities	204,876	226,638	(21,762)
Net Position:			
Restricted	-	86,308	(86,308)
Unrestricted	2,303,254	1,869,706	433,548
Total Net Position	\$ 2,303,254	\$ 1,956,014	\$ 347,240

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended August 31, 2023

Table 2
Changes in Net Position

	Governmental Activities		Total Change
	2023	2022	2023-2022
Revenues			
Program revenues:			
Charges for services	\$ 7,276	\$ 3,609	\$ 3,667
Operating grants and contributions	195,520	195,377	143
General revenues:			
Grants and contributions not restricted	3,829,638	3,491,822	337,816
Miscellaneous	491,683	644,628	(152,945)
Total Revenue	<u>4,524,117</u>	<u>4,335,436</u>	<u>188,681</u>
Expenses			
Instruction	2,569,239	2,322,776	246,463
Instructional resources and media services	14,339	23,492	(9,153)
Curriculum and staff development	20,183	49,748	(29,565)
School leadership	278,673	387,611	(108,938)
Guidance, counseling, and evaluation services	200	449	(249)
Health services	20,839	52,867	(32,028)
Food services	333,413	263,484	69,929
General administration	392,291	307,328	84,963
Plant maintenance and operations	369,461	313,297	56,164
Security and monitoring	5,345	12,204	(6,859)
Data processing services	21,353	23,956	(2,603)
Fundraising	151,541	152,399	(858)
Total Expenses	<u>4,176,877</u>	<u>3,909,611</u>	<u>267,266</u>
Change in Net Position	<u>347,240</u>	<u>425,825</u>	<u>(78,585)</u>
Beginning net position	1,956,014	1,530,189	425,825
Ending Net Position	<u>\$ 2,303,254</u>	<u>\$ 1,956,014</u>	<u>\$ 347,240</u>

Net position of the Charter School's governmental activities increased from \$1,956,014 to \$2,303,254. Unrestricted net position, the part of net position that can be used to finance daily operations without constraints, was \$2,303,254 at August 31, 2023. The increase in net position was primarily the result of an increase in revenue for grants and contributions not restricted, which was offset by an overall increase in expenses.

FINANCIAL ANALYSIS OF THE CHARTER SCHOOL'S FUNDS

At the close of the fiscal year ending August 31, 2023, the Charter School's governmental funds reported a combined fund balance of \$2,303,254. This compares to a combined fund balance of \$1,956,014 at August 31, 2022. The general fund experienced an increase in fund balance of \$433,548. Expenditures increased for instruction and plant maintenance and operations and decreased for school leadership and food services, while revenue increased from local and intermediate sources and state program revenues, resulting in the overall increase in fund balance compared to the prior year. The fund balance in the child nutrition fund decreased by \$86,308 due to increased expenditures.

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended August 31, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The actual revenues were less the amended budgeted revenues for the general fund by \$2,338 during the year. This variance was primarily the result of less local and intermediate revenue sources received than anticipated for the general fund.

General fund expenditures were less than the amended budget by \$444,209. This variance was primarily the result of lower than expected expenditures for instruction, school leadership, food service, general administration, and plant maintenance and operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Charter School's Board considered many factors when setting the 2023-2024 budget including:

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

The Charter School plans no additional new programs during 2023-2024 and anticipates revenues of \$3,749,669 and expenditures of \$3,749,669 which are in line with current levels.

CONTACTING THE CHARTER SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Charter School's business office at 2200 East Sixth Street, R1100, Austin, Texas 78702 or by calling (512) 471-1434.

BASIC FINANCIAL STATEMENTS

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
STATEMENT OF NET POSITION - EXHIBIT A-1
August 31, 2023

<u>Data Control Codes</u>		<u>1</u> <u>Governmental Activities</u>
	<u>Assets</u>	
1110	Cash and cash equivalents	\$ 2,099,711
1241	Due from State	356,839
1243	Due from other governments	51,580
1000	Total Assets	<u>2,508,130</u>
	<u>Liabilities</u>	
2110	Accounts payable	37,962
2160	Accrued wages payable	166,914
2000	Total Liabilities	<u>204,876</u>
	<u>Net Position</u>	
3900	Unrestricted	2,303,254
3000	Total Net Position	<u>2,303,254</u>
	Total Liabilities and Net Position	<u>\$ 2,508,130</u>

See Notes to Financial Statements.

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
STATEMENT OF ACTIVITIES - EXHIBIT B-1
For the Year Ended August 31, 2023

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expense)
			3 Charges for Services	4 Operating Grants and Contributions	Revenue and Changes in Net Position
					6 Primary Gov. Governmental Activities
Primary Government					
Governmental Activities					
0011	Instruction	\$ 2,569,239	\$ -	\$ 110,775	\$ (2,458,464)
0012	Instructional resources and media services	14,339	-	-	(14,339)
0013	Curriculum and staff development	20,183	-	-	(20,183)
0023	School leadership	278,673	-	-	(278,673)
0031	Guidance, counseling, and evaluation services	200	-	-	(200)
0033	Health services	20,839	-	-	(20,839)
0035	Food services	333,413	7,276	84,745	(241,392)
0041	General administration	392,291	-	-	(392,291)
0051	Plant maintenance and operations	369,461	-	-	(369,461)
0052	Security and monitoring service	5,345	-	-	(5,345)
0053	Data processing services	21,353	-	-	(21,353)
0081	Fundraising	151,541	-	-	(151,541)
TG	Total Governmental Activities	<u>\$ 4,176,877</u>	<u>\$ 7,276</u>	<u>\$ 195,520</u>	<u>(3,974,081)</u>
General Revenues					
GC	Grants and contributions not restricted				3,829,638
MI	Miscellaneous local and intermediate revenue				491,683
TR				Total General Revenues	<u>4,321,321</u>
CN				Change in Net Position	<u>347,240</u>
NB	Beginning net position				1,956,014
NE				Ending Net Position	<u>\$ 2,303,254</u>

See Notes to Financial Statements.

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS - EXHIBIT C-1
August 31, 2023

Data Control Codes	10	24	OMF American Rescue Plan ESSER III	ONMF Other Nonmajor Governmental
	General	Child Nutrition		
<u>Assets</u>				
1110	Cash and cash equivalents	\$ 2,084,326	\$ 15,385	\$ -
1241	Due from State	224,860	-	71,130
1243	Due from other governments	51,580	-	-
1260	Due from other funds	118,878	-	-
1000	Total Assets	\$ 2,479,644	\$ 15,385	\$ 71,130
<u>Liabilities</u>				
2110	Accounts payable	\$ 35,336	\$ -	\$ 2,626
2160	Accrued wages payable	141,054	11,643	7,603
2170	Due to other funds	-	3,742	63,527
2000	Total Liabilities	176,390	15,385	71,130
<u>Fund Balances</u>				
3600	Unassigned	2,303,254	-	-
3000	Total Fund Balances	2,303,254	-	-
4000	Total Liabilities and Fund Balances	\$ 2,479,644	\$ 15,385	\$ 71,130
			\$ 60,849	

See Notes to Financial Statements.

98
Total
Governmental
Funds

\$ 2,099,711
356,839
51,580
118,878

\$ 2,627,008

\$ 37,962
166,914
118,878

323,754

2,303,254

2,303,254

\$ 2,627,008

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - EXHIBIT C-2
For the Year Ended August 31, 2023

Data Control Codes	10	24	OMF	ONMF
	General	Child Nutrition	American Rescue Plan ESSER III	Other Nonmajor Governmental
Revenues				
5700	Local and intermediate sources	\$ 491,683	\$ 7,276	\$ -
5800	State program revenues	3,062,667	912	39,240
5900	Federal program revenues	-	194,608	425,255
5020	Total Revenues	<u>3,554,350</u>	<u>202,796</u>	<u>425,255</u>
Expenditures				
0011	Instruction	2,034,205	-	351,764
0012	Instructional resources and media services	14,339	-	-
0013	Curriculum and staff development	9,608	-	10,575
0023	School leadership	151,397	-	13,268
0031	Guidance, counseling, and evaluation services	200	-	-
0033	Health services	47	-	20,792
0035	Food services	70,133	244,153	-
0041	General administration	290,166	52,204	28,856
0051	Plant maintenance and operations	368,391	1,070	-
0052	Security and monitoring services	1,099	-	-
0053	Data processing services	21,353	-	-
0081	Fundraising	151,541	-	-
6030	Total Expenditures	<u>3,112,479</u>	<u>297,427</u>	<u>425,255</u>
1100	Excess (Deficiency) of Revenues			
1100	Over (Under) Expenditures	441,871	(94,631)	-
Other Financing Sources (Uses):				
7915	Transfers in	-	8,323	-
8911	Transfers (out)	(8,323)	-	-
7080	Total Other Financing Sources (Uses)	<u>(8,323)</u>	<u>8,323</u>	<u>-</u>
1200	Net Change in Fund Balances	433,548	(86,308)	-
0100	Beginning fund balances	1,869,706	86,308	-
3000	Ending Fund Balances	<u>\$ 2,303,254</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

98
Total
Governmental
Funds

\$ 498,959
3,102,819
922,339

4,524,117

2,569,239
14,339
20,183
278,673
200

20,839
333,413
392,291
369,461
5,345
21,353
151,541

4,176,877

347,240

8,323
(8,323)

-

347,240
1,956,014

\$ 2,303,254

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2023

I. 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 it receives funds.

A. Reporting Entity

The University of Texas Elementary School (the “Charter School”) is a department of The University of Texas (UT), which is an agency of the State of Texas (the “State”). UT is one of the universities that make up The University of Texas System (the “UT System”) and the UT System is one of six university systems and five independent universities that in total are presented as a major enterprise fund in the State’s Annual Comprehensive Financial Report.

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

The Charter School is chartered by the State Board of Education and accredited by the TEA. The charter is held by UT. UT is accredited with the Southern Association of Colleges and Schools. Courses are developed to comply with the Texas Essential Knowledge and Skills objectives and are compliant. The Charter School’s administrators and staff are degreed and certified for the positions to which they are assigned.

As approved in the Charter School application, the Chief Administrative Officer of the Charter School is the CEO/Executive Director of the Charter School. The CEO/Executive Director reports to the Management Board (the “Board”), who reports to the President of UT, who is ultimately responsible to the UT System Board of Regents (the “Board of Regents”), appointed by the Governor of the State and confirmed by the Texas Senate. The reporting structure effectively outlines the governing body of the Charter School, with the President, Vice President, and the Board of Regents retaining final oversight. The Board works to ensure effective operation of the Charter School. The Charter School provides educational curriculum to pre-kindergarten through grade five.

B. 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 Charter 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 Charter School has no business-type activities.

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended August 31, 2023

C. 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.

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. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Charter School's funds. Separate statements for each fund category – governmental – are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Charter School reports the following governmental funds:

General Fund

The general fund is the Charter School's primary operating fund. It accounts for and reports all financial resources of the Charter School not accounted for and reported in another fund. The major revenue source for the general fund is the State funding under the Foundation School Program. Expenditures include all costs associated with the daily operations of the Charter School except for specific programs funded by the federal or state government, which are required to be accounted for in another fund. The general fund is always considered a major fund for reporting purposes.

Child Nutrition Fund

The child nutrition fund is used to account for the National School Breakfast and Lunch Program. The major revenue source for the child nutrition fund is federal funding. Expenditures include the cost of providing low-cost or free meals to students at the Charter School. The child nutrition fund is considered a major fund for reporting purposes.

American Rescue Plan ESSER III Fund

American Rescue Plan ESSER III grant fund is used to account for federal funds received to assist with recovery from the COVID-19 pandemic. Expenditures include costs associated with funding initiatives and providing services to students impacted most by the pandemic. The American Rescue Plan ESSER III grant fund is considered a major fund for reporting purposes.

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenues sources comprise a substantial portion of the inflows of these special revenue funds.

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended August 31, 2023

During the course of operations, the Charter 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.

E. 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.

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 Charter School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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 all 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 Charter School.

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended August 31, 2023

F. Assets, Liabilities, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The Charter 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 Charter School’s agent bank approved pledged securities in an amount sufficient to protect Charter 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 insurance. The Charter School’s funds are maintained by UT.

On a monthly basis, UT provides the Charter 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 Charter School. Such deposits are insured or collateralized with securities held by UT in UT’s name. The Charter School does not maintain investments of any kind outside the operating bank account since funds available are retained by UT, therefore, the only interest accruing to the Charter School is from the operating bank account.

2. Investments

The Charter School does not maintain investments of any kind.

3. Receivables and Payables

The Charter 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.

4. Capital Assets

Since title and ownership of all capital assets are in UT’s name, no capital assets are reported in the accompanying financial statements.

5. Long-Term Obligations

The Charter School does not separately issue long-term debt. The Charter School is not currently engaged in any long-term financing transactions.

6. Interfund Receivables and Payables

The composition of interfund balances as of year end were as follows:

Due to	Due from	Amount
General fund	American Rescue Plan ESSER III fund	\$ 63,527
General fund	Nonmajor governmental funds	55,351
	Total	\$ 118,878

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended August 31, 2023

7. Net Position Flow Assumption

Sometimes the Charter 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 Charter School's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

8. Fund Balance Flow Assumptions

Sometimes the Charter 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 Charter 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.

9. 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 Charter 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. Amounts that are externally imposed by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted fund balance.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Charter School's highest level of decision-making authority. The Board is the highest level of decision-making authority for the Charter 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.

Amounts in the assigned fund balance classification are intended to be used by the Charter School for specific purposes but do not meet the criteria to be classified as committed. The Charter School's 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.

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended August 31, 2023

10. 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.

11. Data Control Codes

Data control codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

G. Revenues and Expenditures/Expenses

1. 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. Internally dedicated resources are reported as general revenues rather than as program revenues.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the Charter 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. Supplemental budget appropriations were made for the year.

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

III. OTHER INFORMATION

A. Risk Management

The Charter 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. UT carries commercial insurance to cover losses to which the Charter School may be exposed.

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended August 31, 2023

B. Contingent Liabilities

The Charter School receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the TEA and is subject to audit and adjustment. In addition, costs charged to federal programs are subject to audit and adjustment by the grantor agencies. 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 Charter 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.

C. Pension Plan

Plan Description

The Charter School 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). It is a defined benefit pension plan 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. TRS's Board of Trustees does not have the authority to establish or amend benefit terms.

All UT System personnel employed in a position on a half-time or greater basis for at least 4½ months or more are eligible for membership in TRS. However, students employed in positions that require student status as a condition of employment do not participate. Members with at least five years of service have a vested right to unreduced retirement benefits at age 65 or provided they have a combination of age plus years of service totaling 80 or more. However, members who began TRS participation on or after September 1, 2007 must be age 60 to retire with unreduced benefits and members who are not vested in TRS on August 31, 2014 must be age 62 to retire with unreduced benefits under the second option. Members are fully vested after five years of service and are entitled to any reduced benefits for which the eligibility requirements have been met prior to meeting the eligibility requirements for unreduced benefits.

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/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)-542-6592.

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended August 31, 2023

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 the State. The pension formula is calculated using 2.3% (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 5 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 5 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 postemployment benefit changes; including automatic cost-of-living adjustments (COLAs). Ad hoc postemployment 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. Actuarial implications of the funding provided in the manner are determined by TRS's actuary.

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 TRS. ORP is available to certain eligible employees who hold faculty positions and other professional positions including, but not limited to, director-level and above, librarians, and coaches. 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 the ORP. 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 participating employee the maximum employer rate. The chancellor then approves the employer rates each fiscal year.

Additional information may be obtained from the UT System's annual financial report on the internet at <https://www.utsystem.edu/documents/docs/report-state/2023/consolidated-annual-financial-report-fy-2022>.

D. Postemployment Benefits Other Than Pensions

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.

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended August 31, 2023

Plan Description and Funding Policy

OPEB are provided to the UT System's retirees under the UT System Employee Group Insurance Program (EGIP). EGIP is a single-employer defined benefit OPEB plan; however, due to the state statute requiring appropriations for funding EGIP, 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 proportions are 18.06% and 18.26% 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, 2022 and 2021, respectively. The UT System's proportions as of August 31, 2022 and 2021 measurement dates were 81.94% and 81.74%, respectively. At August 31, 2022 and 2021, the amounts of the total OPEB liability related to the UT System reported by the State were \$3,239,950,544 and \$2,666,184,108, respectively. The amounts reported by the State are related to the premium sharing contributions, which are recognized as State appropriation general revenue on the UT System's financial statements in the fiscal year that the State contributed the amounts for OPEB on the UT System's behalf.

The UT System and member contribution rates are determined annually by the UT System based on the recommendations of the UT System's Office of Employee Benefits staff and consulting actuary. The contribution rates are determined based on the benefit and administrative costs expected to be incurred, the funds appropriated, and the funding policy established by the Texas Legislature in connection with benefits provided through the EGIP. The UT System revises benefits when necessary to match expected benefits and administrative costs with available revenue. EGIP 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, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Additional information may be obtained from the UT System's annual financial report: <https://www.utsystem.edu/documents/docs/report-state/2023/consolidated-annual-financial-report-fy-2022>.

E. Employee Health Care Coverage

The Charter School provides health care benefits through the UT Health Coverage Plan to all Charter School employees who meet UT employment qualifications and requirements.

F. Related Party Transactions

For the fiscal year ended August 31, 2023, UT provided the Charter School with direct funding in the amount of \$212,308. UT also provided the Charter School with funding for administrative and development expenses estimated at \$94,737 for the fiscal year 2023. These amounts have been included in the revenues reported in the financial statements for the year. In addition, the Charter School provided UT with funding for \$252,248, of which \$120,459 was for administrative expenses and \$131,789 was for strategic direction and support, which is included in the expenses reported in the financial statements for the year.

G. Charter School Operations

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

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REQUIRED SUPPLEMENTARY INFORMATION

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - EXHIBIT G-1

For the Year Ended August 31, 2023

Data Control Codes	Revenues	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
		Original	Final		
5700	Local and intermediate sources	\$ 557,336	\$ 657,336	\$ 491,683	\$ (165,653)
5800	State program revenues	2,760,588	2,899,352	3,062,667	163,315
5020	Total Revenues	<u>3,317,924</u>	<u>3,556,688</u>	<u>3,554,350</u>	<u>(2,338)</u>
	Expenditures				
	Current:				
0011	Instruction	2,020,420	2,122,186	2,034,205	87,981
0012	Instructional resources and media	20,496	20,496	14,339	6,157
0013	Curriculum and staff development	12,500	12,500	9,608	2,892
0023	School leadership	194,539	200,539	151,397	49,142
0031	Guidance, counseling, and evaluation services	600	600	200	400
0033	Health services	24,002	5,000	47	4,953
0034	Student (pupil) transportation	10,000	10,000	-	10,000
0035	Food service	119,044	169,044	70,133	98,911
0041	General administration	345,185	345,185	290,166	55,019
0051	Plant maintenance and operations	389,685	489,685	368,391	121,294
0052	Security	5,400	5,400	1,099	4,301
0053	Data processing services	24,264	24,264	21,353	2,911
0081	Fundraising	151,789	151,789	151,541	248
6030	Total Expenditures	<u>3,317,924</u>	<u>3,556,688</u>	<u>3,112,479</u>	<u>444,209</u>
1100	Excess of Revenues				
1100	Over Expenditures	<u>-</u>	<u>-</u>	<u>441,871</u>	<u>(446,547)</u>
	Other Financing Sources (Uses)				
8911	Transfers (out)	-	-	(8,323)	(8,323)
7080	Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>(8,323)</u>	<u>(8,323)</u>
1200	Net Change in Fund Balance	-	-	433,548	433,548
0100	Beginning fund balance	1,869,706	1,869,706	1,869,706	-
3000	Ending Fund Balance	<u>\$ 1,869,706</u>	<u>\$ 1,869,706</u>	<u>\$ 2,303,254</u>	<u>\$ 433,548</u>

Notes to Required Supplementary Information:

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

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHILD NUTRITION FUND - EXHIBIT J-1

For the Year Ended August 31, 2023

Data Control Codes		Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
		Original	Final		
	Revenues				
5700	Local and intermediate sources	\$ -	\$ -	\$ 7,276	\$ 7,276
5800	State program revenues	-	-	912	912
5900	Federal program revenues	165,000	220,000	194,608	(25,392)
5020	Total Revenues	<u>165,000</u>	<u>220,000</u>	<u>202,796</u>	<u>(17,204)</u>
	Expenditures				
	Current:				
0035	Food services	161,000	245,000	244,153	847
0041	General administration	1,500	53,000	52,204	796
0051	Plant maintenance and operations	2,500	2,000	1,070	930
6030	Total Expenditures	<u>165,000</u>	<u>300,000</u>	<u>297,427</u>	<u>2,573</u>
1100	(Deficiency) of Revenues				
1100	(Under) Expenditures	<u>-</u>	<u>(80,000)</u>	<u>(94,631)</u>	<u>(14,631)</u>
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	8,323	8,323
7080	Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>8,323</u>	<u>8,323</u>
1200	Net Change in Fund Balance	-	(80,000)	(86,308)	(6,308)
0100	Beginning fund balance	86,308	86,308	86,308	-
3000	Ending Fund Balance	<u>\$ 86,308</u>	<u>\$ 6,308</u>	<u>\$ -</u>	<u>\$ (6,308)</u>

Notes to Required Supplementary Information:

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

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***OTHER SUPPLEMENTARY
INFORMATION***

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
SCHEDULE OF EXPENSES - EXHIBIT J-2
For the Year Ended August 31, 2023

Data Control Codes	Expenses	Amount
6100	Payroll costs	\$ 2,892,532
6200	Professional and contractual services	569,271
6300	Supplies and materials	278,343
6400	Other operating costs	436,731
	Total Expenses	\$ 4,176,877

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended August 31, 2023

<u>Related Party Name</u>	<u>Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid During Fiscal Year</u>	<u>Principal Balance Due</u>
The University of Texas at Austin	Component unit	Division	Financial	Charge to all components	State funds	Annual	\$ 252,248	\$ -

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**THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL**

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST - EXHIBIT J-3
For the Year Ended August 31, 2023

<u>Date of Purchase</u>	<u>Description</u>	<u>Local Funds</u>	<u>State Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
None	None	None	None	None	None

The Charter School has not purchased any real property.

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
USE OF FUNDS REPORT
SELECT STATE ALLOTMENT PROGRAMS- EXHIBIT J-4
For the Year Ended August 31, 2023

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did the Charter School expend any state compensatory education program state allotment funds during the Charter School's fiscal year?	Yes
AP2	Does the Charter 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 Charter School's fiscal year.	\$ 254,172
AP4	List the actual direct program expenditures for state compensatory education programs during the Charter School's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 158,389
<u>Section B: Bilingual Education Programs</u>		
AP5	Did the Charter School expend any bilingual education program state allotment funds during the Charter School's fiscal year?	Yes
AP6	Does the Charter School have written policies and procedures for bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the Charter School's fiscal year.	\$ 20,307
AP8	List the actual direct program expenditures for bilingual education programs during the Charter School's fiscal year. (PICs 25, 35)	\$ 24,449

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
SCHEDULE OF REQUIRED RESPONSES TO
SELECTED SCHOOL FIRST INDICATORS - EXHIBIT L-1
For the Year Ended August 31, 2023

<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 Charter School make timely payments to the Teacher Retirement System, Texas Workforce Commission, Internal Revenue Service, and other governmental agencies?	Yes
SF4	Was the Charter 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?	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 Charter 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 Charter School's fiscal year end?	Yes
SF8	Did the Board members discuss the Charter School's property values at a Board meeting within 120 days before the Charter School adopted its budget?	N/A
SF9	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year end.	<u>\$ -</u>

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COMPLIANCE SECTION

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INDEPENDENT AUDITORS' 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 Management Board of
The University of Texas Elementary School:

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 The University of Texas Elementary School (the "Charter School") (a department of The University of Texas, which is an agency of the State of Texas) as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements and have issued our report thereon dated December 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) as a basis for designing the 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 Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter 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 Charter School'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 the Charter 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 Charter School'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 Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
December 28, 2023

THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of The University of Texas Elementary School.
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.

B. FINDINGS – BASIC FINANCIAL STATEMENTS AUDIT

None Noted

C. FINDINGS – FEDERAL AWARDS

None Noted

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THE UNIVERSITY OF TEXAS
ELEMENTARY SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended August 31, 2023

A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year findings.

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