

El Paso Leadership Academy

**Financial Statements with Supplemental Information
and Compliance Reports
August 31, 2025 and 2024**



**El Paso Leadership Academy
County District No. 071-810
Certificate of Board**

We, the undersigned, certify that the attached Annual Financial and Compliance Report of El Paso Leadership Academy was reviewed and (check one) approved ___ disapproved for the year ended August 31, 2025, at a meeting of the governing body of said charter school on the 24 day of February, 2026.



Signature of Board Secretary



Signature of Board President

El Paso Leadership Academy

Contents

Certificate of Board	1
Independent Auditors' Report	2
Financial Statements:	
Statements of Financial Position	5
Statements of Activities	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Supplemental Information and Compliance Reports:	20
Schedule of Assets	21
Schedule of Expenses	22
Budgetary Comparison Schedule	23
Education Programs Schedule	24
Schedule of Real Property Ownership Interest	25
Schedule of Related Party Transactions	26
Schedule of Related Party Compensation and Benefits	27
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 <i>Government Auditing Standards</i>	28
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	30
Schedule of Expenditures of Federal Awards	33
Notes to Schedule of Expenditures of Federal Awards	34
Schedule of Findings and Questioned Costs	35



Independent Auditors' Report

To the Board of Directors of
El Paso Leadership Academy

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of El Paso Leadership Academy (a nonprofit organization) (Academy), which comprise the statements of financial position as of August 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Academy as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Academy'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 Academy'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the accompanying table of contents is presented for purposes of additional analysis as required by the Texas Education Agency and by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2026, on our consideration of the Academy'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 Academy'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 Academy's internal control over financial reporting and compliance.



A Limited Liability Partnership

Arlington, Texas
February 24, 2026

El Paso Leadership Academy
Statements of Financial Position
August 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 1,565,863	\$ 1,612,707
Due from government agencies	1,220,740	1,284,500
Other receivable	-	16,091
Prepaid expense	28,816	8,031
Other assets	2,090	2,090
Total current assets	2,817,509	2,923,419
Noncurrent assets:		
Cash restricted for debt service	750,088	409,556
Property and equipment, net	15,182,392	15,593,844
Total noncurrent assets	15,932,480	16,003,400
Total assets	\$ 18,749,989	\$ 18,926,819
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 295,440	\$ 407,943
Accrued payroll liabilities	683,306	658,368
Current maturities of long-term debt	13,023,761	499,739
Total current liabilities	14,002,507	1,566,050
Long-term debt, net	2,464,888	15,305,527
Total liabilities	16,467,395	16,871,577
Net assets:		
Without donor restrictions	1,211,077	883,950
With donor restrictions	1,071,517	1,171,292
Total net assets	2,282,594	2,055,242
Total liabilities and net assets	\$ 18,749,989	\$ 18,926,819

See notes to financial statements.

El Paso Leadership Academy
Statement of Activities
Year Ended August 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Local support:			
5740 Other revenues from local sources	\$ 327,117	\$ -	\$ 327,117
5750 Revenues from cocurricular enterprising services or activities	10	-	10
Total local support	327,127	-	327,127
State program revenues:			
5810 Per capita and foundation school program	-	7,782,482	7,782,482
5820 State program revenues distributed by TEA	-	142,000	142,000
5830 Teacher retirement or TRS care-on-behalf of payments	-	230,388	230,388
Total state program revenue	-	8,154,870	8,154,870
Federal program revenues:			
5920 Federal revenues distributed by TEA	-	1,350,546	1,350,546
Net assets released from restrictions-satisfaction of program restrictions	9,605,191	(9,605,191)	-
Total revenue and other support	9,932,318	(99,775)	9,832,543
Expenses:			
11 Instruction	4,226,780	-	4,226,780
13 Curriculum development and instructional staff development	366,916	-	366,916
21 Instructional leadership	83,153	-	83,153
23 School leadership	811,780	-	811,780
31 Guidance, counseling and evaluation services	141,736	-	141,736
33 Health services	2,967	-	2,967
34 Student transportation	464,004	-	464,004
35 Food services	532,509	-	532,509
36 Extracurricular activities	185,937	-	185,937
41 General administration	760,805	-	760,805
51 Facilities maintenance and operations	865,918	-	865,918
52 Security and monitoring services	81,049	-	81,049
53 Data processing services	155,652	-	155,652
61 Community services	1,644	-	1,644
71 Debt service	924,341	-	924,341
Total expenses	9,605,191	-	9,605,191
Change in net assets	327,127	(99,775)	227,352
Net assets at beginning of year	883,950	1,171,292	2,055,242
Net assets at end of year	<u>\$ 1,211,077</u>	<u>\$ 1,071,517</u>	<u>\$ 2,282,594</u>

See notes to financial statements.

El Paso Leadership Academy
Statement of Activities
Year Ended August 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Local support:			
5740 Other revenues from local sources	\$ 142,500	\$ -	\$ 142,500
Total local support	142,500	-	142,500
State program revenues:			
5810 Per capita and foundation school program	-	8,111,873	8,111,873
5820 State program revenues distributed by TEA	-	336,274	336,274
5830 Teacher retirement or TRS care-on-behalf of payments	-	267,420	267,420
Total state program revenue	-	8,715,567	8,715,567
Federal program revenues:			
5920 Federal revenues distributed by TEA	-	1,509,400	1,509,400
Net assets released from restrictions-satisfaction of program restrictions	10,475,512	(10,475,512)	-
Total revenue and other support	10,618,012	(250,545)	10,367,467
Expenses:			
11 Instruction	4,704,905	-	4,704,905
13 Curriculum development and instructional staff development	461,341	-	461,341
21 Instructional leadership	115,129	-	115,129
23 School leadership	871,357	-	871,357
31 Guidance, counseling and evaluation services	165,277	-	165,277
33 Health services	4,710	-	4,710
34 Student transportation	656,709	-	656,709
35 Food services	683,419	-	683,419
36 Extracurricular activities	196,604	-	196,604
41 General administration	650,347	-	650,347
51 Facilities maintenance and operations	661,730	-	661,730
53 Data processing services	288,927	-	288,927
71 Debt service	935,285	-	935,285
Total expenses	10,475,512	-	10,475,512
Change in net assets	142,500	(250,545)	(108,045)
Net assets at beginning of year	741,450	1,421,837	2,163,287
Net assets at end of year	<u>\$ 883,950</u>	<u>\$ 1,171,292</u>	<u>\$ 2,055,242</u>

See notes to financial statements.

El Paso Leadership Academy
Statements of Cash Flows
Years ended August 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 227,352	\$ (108,045)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	760,088	696,521
Amortization of debt issuance costs	118,468	118,619
Changes in assets and liabilities:		
Due from government agencies	63,760	285,221
Other receivable	16,091	(16,091)
Prepaid expense	(20,785)	(359)
Other assets	-	(2,090)
Accounts payable and accrued expenses	(112,503)	225,964
Accrued payroll liabilities	24,938	250,914
Deferred revenue	-	(34,417)
Net cash provided by operating activities	1,077,409	1,416,237
Cash flows from investing activities:		
Purchases of property and equipment	(244,366)	(21,159)
Cash flows from financing activities:		
Principal payments of long-term debt	(539,355)	(465,000)
Change in cash and restricted cash	293,688	930,078
Cash and restricted cash at beginning of year	2,022,263	1,092,185
Cash and restricted cash at end of year	\$ 2,315,951	\$ 2,022,263
Reconciliation of cash reported within the statements of financial position to the statements of cash flows:		
Cash	\$ 1,565,863	\$ 1,612,707
Restricted cash	750,088	409,556
Total cash shown in the statements of cash flows	\$ 2,315,951	\$ 2,022,263
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 779,413	\$ 786,665
Non-cash investing and financing activities:		
Property and equipment financed through long-term debt	\$ 104,270	\$ -

See notes to financial statements.

El Paso Leadership Academy

Notes to Financial Statements

1. Organization and Nature of Activities

El Paso Leadership Academy (Academy) is a nonprofit organization incorporated in the State of Texas in September 2011 and exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. A board of directors consisting of five members that govern the Academy. The board of directors is selected pursuant to the bylaws of the Academy and significantly influences operations. The board of directors has the primary accountability for the fiscal affairs of the Academy.

The Academy operates under an open enrollment charter granted by the State of Texas Board of Education. The original charter was issued for the period July 31, 2014 through July 31, 2019. The charter was last renewed June 2019 and expires June 2029. The charter is subject to review and renewal prior to expiration.

The Academy is part of the public school system of the State of Texas (State) and is therefore entitled to distribution from the State's Foundation School Program (FSP) and Available School Fund (ASF). The Academy does not have the authority to impose ad valorem taxes or to charge tuition. The Academy operates a single charter school and does not conduct any non-charter activities.

The Academy's mission is to prepare students to obtain a four-year college degree and become engaged leaders in their community. The Academy currently serves students in grades 6th through 12th at two campuses in El Paso, TX.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Academy prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The accounting system is organized under the *Special Supplement to Financial Accounting and Reporting – Nonprofit Charter School Chart of Accounts*, a module of the Texas Education Agency Financial Accountability Resource Guide.

Net assets and revenues, expenses, gains and losses are classified based on the existence and nature or absence of donor or grant-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Net assets not subject to donor or grantor-imposed restrictions even though their use may be limited in other respects, such as by contract or board designation.

El Paso Leadership Academy

Notes to Financial Statements

Net assets with donor restrictions - Net assets subject to donor or grantor stipulations that will be met by actions of the Academy and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Academy to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy. As of August 31, 2025 and 2024, no such net asset restrictions existed.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist of cash and accounts receivable. Cash is placed with a high credit quality financial institution to minimize risk. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At August 31, 2025, the Academy's cash was partially covered by federal depository insurance and the remaining balance was fully collateralized by securities held by the Academy's agent in the Academy's name. The Academy has not experienced any losses on such accounts. Accounts receivable are unsecured and are due from the Texas Education Agency (TEA). The Academy continually evaluates the collectability of accounts receivable and maintains allowances as necessary. No provision has been made for uncollectible accounts receivable as of the statement of financial position date, given that none have been identified.

For the years ended August 31, 2025 and 2024, the Academy received approximately 97% and 99%, respectively, of its total revenue and support from governmental agencies.

Property and Equipment

Property and equipment purchased by the Academy are recorded at cost. Donated assets are reported at the fair market value. Capital assets are defined by the Academy as assets with an individual cost of more than \$5,000 and a useful life longer than one year. Depreciation is provided on the straight-line method based upon the estimated useful lives of the assets of 3 to 30 years. Expenditures for maintenance and repairs are expensed when incurred; significant renewals and betterments are capitalized. Property and equipment acquired with public funds received for the operation of the Academy constitute public property pursuant to Chapter 12 of the Texas Education Code.

For depreciable property and equipment, or resources to be used to acquire depreciable property and equipment, the donor or grantor restriction expires over the assets' useful life, as required by the TEA.

Interest expense on debt issued for construction projects is capitalized until the projects are placed in service.

El Paso Leadership Academy

Notes to Financial Statements

Impairment of Long Lived Assets

The Academy reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment included current operating results, trends and prospects and the effects of obsolescence, demand completion and other economic factors. There were no indications of asset impairment during the years ended August 31, 2025 and 2024.

Debt Issuance Costs

Costs of obtaining debt financing are recorded as debt issuance costs and are reported as a direct deduction from the carrying amount of that debt liability and amortized using the straight-line method over the related debt period. Amortization expense is included in debt service in the accompanying statements of activities.

Revenues Recognition

Revenues from the State's available school fund are earned based on reported attendance.

A portion of the Academy's revenue is derived from cost-reimbursement contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the Academy has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Academy was awarded cost-reimbursable grants totaling \$531,911 and \$1,404,892 that have not been received or recognized at August 31, 2025 and 2024, respectively, because qualifying expenditures have not been incurred.

Government grant contracts that are entered into by the Academy are recognized as revenue when services are rendered or when expenses in connection with those services are incurred.

All contributions are considered to be available for purposes without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support that increases net assets with donor restrictions.

El Paso Leadership Academy

Notes to Financial Statements

Contributed Goods and Services

Contributed services are recognized in the accompanying financial statements at fair value if the services received create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Numerous individuals donate significant amounts of time to the Academy. No donated services were utilized that met the criteria to be recorded as revenue in the Academy's financial statements. Contributions of donated noncash assets are recorded at the estimated fair value in the period the unconditional commitment is received. The related expense is recognized as the item is used.

Federal and State Income Taxes

The Academy is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and has not been classified as a private foundation as defined in the Code. Income generated from activities unrelated to the Academy's exempt purposes is subject to tax under Code Section 511. The Academy had no unrelated business income for the years ended August 31, 2025 and 2024. Accordingly, no provision has been made for federal income tax in the accompanying financial statements. The Academy is also exempt from sales and hotel occupancy taxes in the state of Texas.

GAAP requires the evaluation of tax positions taken in the course of preparing the Academy's tax returns and recognition of a tax liability (or asset) if the Academy has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Academy, and has concluded that as of August 31, 2025 and 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the Academy's financial statements are related to the Academy's estimate of revenue and receivable for the FSP, depreciation expense and the functional allocation of expenses.

El Paso Leadership Academy
Notes to Financial Statements

3. Restricted Cash Held by Bond Trustee

As a result of its debt issuances, the Academy is required to maintain separate bank accounts that are restricted for debt service totaling \$750,088 and \$409,556 as of August 31, 2025 and 2024, respectively.

4. Property and Equipment

Property and equipment consist of the following at August 31:

	2025	2024
Buildings and improvements	\$ 14,756,888	\$ 14,517,422
Land	1,823,202	1,823,202
Vehicles and equipment	1,924,960	1,815,790
Library books and media	43,980	43,980
Total property and equipment	18,549,030	18,200,394
Less accumulated depreciation	(3,366,638)	(2,606,550)
Property and equipment, net	\$ 15,182,392	\$ 15,593,844

Property and equipment acquired with public funds received for the operation of the Academy constitute public property pursuant to Chapter 12 of the Texas Education Code. These assets are specifically identified on the Schedule of Assets. Depreciation expense for the years ended August 31, 2025 and 2024 totaled \$760,088 and \$696,521, respectively.

5. Long-Term Debt

On October 6, 2014, the Academy entered into a note payable collateralized by a deed of trust on real property. The note bears interest at 7.5% with monthly principal and interest payments totaling \$11,968 through October 2026, when all principal and interest is due. The balance outstanding on the loan at August 31, 2025 and 2024 totaled \$949,978 and \$1,018,462, respectively.

On February 1, 2021, the Academy entered into a note payable with an interest rate of 5%. Principal and interest payments totaling \$15,816 are payable monthly starting in March 2023 through 2038. The loan is collateralized by a deed of trust on real property. The balance on the note payable totaled \$1,761,420 and \$1,860,437 at August 31, 2025 and 2024, respectively.

El Paso Leadership Academy

Notes to Financial Statements

On February 1, 2021, the Academy entered into a construction loan with an interest rate of 4.69%. Interest only payments are payable through July 1, 2022. Principal and interest payments totaling \$77,917 are payable monthly thereafter through February 2026. Effective December 2025, this loan was extended to May 2026 and the interest for the period from February 2026 to May 2026 is 6.25%. The loan is collateralized by real property. The balance on the note payable totaled \$12,789,521 and \$13,116,339 at August 31, 2025 and 2024, respectively.

On September 30, 2024, the Academy entered into a note payable with an interest rate of 11.52%. Principal and interest payments totaling \$4,417 are payable monthly through September 2026. The loan is collateralized by equipment. The balance on the note payable totaled \$53,734 at August 31, 2025.

On September 16, 2024, the Academy entered into a note payable with no interest rate. Principal and interest payments totaling \$500 are payable monthly through July 2026. The loan is collateralized by equipment. The balance on the note payable totaled \$5,500 at August 31, 2025.

The following is a summary of changes in the Academy's long-term debt for the year ended August 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance
Notes payable:				
Raza Loan	\$ 1,018,462	\$ -	\$ (68,484)	\$ 949,978
Heritage Loan	1,860,437	-	(99,017)	1,761,420
Unitranche Loan	13,116,339	-	(326,818)	12,789,521
Lenovo laptops	-	94,270	(40,536)	53,734
Ford E450 Bus	-	10,000	(4,500)	5,500
Debt issuance cost	(189,972)	-	118,469	(71,503)
Total	<u>\$ 15,805,266</u>	<u>\$ 104,270</u>	<u>\$ (420,886)</u>	<u>\$ 15,488,650</u>

The following is a summary of changes in the Academy's long-term debt for the year ended August 31, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance
Notes payable:				
Raza Loan	\$ 1,077,393	\$ -	\$ (58,931)	\$ 1,018,462
Heritage Loan	1,954,634	-	(94,197)	1,860,437
Unitranche Loan	13,428,211	-	(311,872)	13,116,339
Debt issuance cost	(308,591)	-	118,619	(189,972)
Total	<u>\$ 16,151,647</u>	<u>\$ -</u>	<u>\$ (346,381)</u>	<u>\$ 15,805,266</u>

El Paso Leadership Academy

Notes to Financial Statements

The required debt service payments of the notes payable are as follows for the years ending August 31:

	Principal	Interest	Total
2026	\$ 13,023,761	\$ 452,295	\$ 13,476,056
2027	988,464	80,424	1,068,888
2028	115,006	74,785	189,791
2029	120,890	68,901	189,791
2030	127,075	62,716	189,791
Thereafter	1,184,957	238,472	1,423,429
Total	\$ 15,560,153	\$ 977,593	\$ 16,537,746

Debt issuance costs totaling \$642,926 were capitalized and expensed over the term of the related debt agreement. For the years ending August 31, 2025 and 2024, the Academy recorded amortization expense totaling \$118,469 and \$118,619, respectively, that is included in the debt service in the accompanying statements of activities.

6. Net Assets with Donor Restrictions

Net assets with donor restrictions are available to pay expenditures as allowed by Section 45.105(c) of the Texas Education Code.

7. Contributions of Nonfinancial Assets

The Academy received the following contributions of nonfinancial assets during the year ended August 31, 2025:

	Program	Management and General	Total
TRS On-Behalf	\$ 195,380	\$ 35,008	\$ 230,388

The Academy received the following contributions of nonfinancial assets during the year ended August 31, 2024:

	Program	Management and General	Total
TRS On-Behalf	\$ 228,929	\$ 38,491	\$ 267,420

TRS On-Behalf

The Academy received on-behalf payments in the form of benefits paid to Teacher Retirement System (TRS). TRS on-behalf contributions received during the year ended August 31, 2025 and 2024 were restricted by donors for specific uses.

El Paso Leadership Academy Notes to Financial Statements

8. Multi-employer Defined Benefit Pension Plan

Plan Description

The Academy contributes to the TRS, a cost-sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the charter school, but are the liability of the state of Texas. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805, respectively. Texas legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications Heading.

Funding Policy

Plan members contributed 8.25% of their annual covered salary in 2025. The Academy contributes 8.25% for new members of the first 90 days of employment, and the state of Texas contributes 8.25%. Additionally, the Academy makes a 2% non-OASDI payment for all TRS eligible employees. The Academy contributions do not represent more than 5% of the TRS' total contributions. For the years ended August 31, 2025 and 2024, the Academy contributed \$291,838 and \$307,837 respectively, to the TRS. The Academy also recognized additional on-behalf revenue and expense totaling \$230,388 and \$267,420 for the years ended August 31, 2025 and 2024, respectively.

The risks of participating in a multi-employer, defined benefit plan are different from single-employer plans because (a) amounts contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers and (b) if an employer stops contributing to TRS, unfunded obligations of TRS may be required to be borne by the remaining employers. There is no withdrawal penalty for leaving TRS.

Total TRS plan assets as of the most recent fiscal years ended for TRS of August 31, 2025 and 2024 were \$257 billion and \$243 billion, respectively. Accumulated benefit obligation as of August 31, 2025 and 2024 was \$289 billion and \$272 billion, respectively. The plan was 78.24% and 77.51% funded as of August 31, 2025 and 2024, respectively.

El Paso Leadership Academy Notes to Financial Statements

9. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year of the statement of financial position date are as follows at August 31:

	<u>2025</u>	<u>2024</u>
Cash	\$ 1,565,863	\$ 1,612,707
Due from government agencies	1,220,740	1,284,500
Other receivables	-	16,091
Total financial assets available for general expenditure	<u>\$ 2,786,603</u>	<u>\$ 2,913,298</u>

The Academy relies on state aid and federal grants to meet general expenditures related to operations. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Academy considers all expenditures related to its ongoing activities of education, as well as the conduct of services undertaken to support those activities, to be general expenditures. As part of the Academy's liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due or as additional funding opportunities are presented by maintaining a significant portion of its assets in cash.

10. Health Care Coverage

During the years ended August 31, 2025 and 2024, employees of the Academy were covered by the Blue Cross Blue Shield of Texas Insurance Plan. The Academy contributed \$300 and \$325 per month for employee only and \$300 and \$425 per month for family plans for the years ending August 31, 2025 and 2024, respectively. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers.

11. Commitments and Contingencies

Leases

The Academy has a non-cancelable operating lease for office equipment expiring through August 2026.

Lease expense related to the lease totaled \$9,062 and \$14,516 for the years ended August 31, 2025 and 2024, respectively. Future minimum lease payments at August 31, 2025 for the year ended August 31, 2026 total \$9,062. The Academy has elected not to record leases with a term of less than twelve months.

El Paso Leadership Academy

Notes to Financial Statements

Contingencies

The Academy 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 Texas Education Agency and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the Academy have complex compliance requirements, and should state or federal auditors discover areas of noncompliance, charter school funds may be subject to refund if so determined by the Texas Education Agency or the grantor agency.

12. Functional Expenses

Expenses are reported by their functional classification as program services or support services. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the Academy exists. Support services are not directly identifiable with a specific program.

Expenses that are attributable to one or more programs or supporting activities are allocated among the activities benefited. Salaries and related costs are charged directly either to program services or support services based on actual time worked in each area. Information technology costs, depreciation, interest expense, and occupancy costs are allocated based on square footage used for instructional (program services) or administrative (support services) purposes.

The following is a schedule of functional expenses for the year ended August 31, 2025:

	Payroll Costs	Professional and Contracted Services	Supplies and Materials	Other Operating Costs	Debt	Total
Program Services:						
Instructional and instructional related services	\$ 3,701,067	\$ 92,061	\$ 196,489	\$ 435,660	\$ 499,144	\$ 4,924,421
Instructional and school leadership	79,558	-	-	11,199	9,244	100,001
Support services - student	228,705	459,626	578,669	157,689	175,625	1,600,314
Support services - nonstudent based	243,177	454,532	76,602	197,918	55,460	1,027,689
Ancillary services	-	-	1,140	504	-	1,644
Total program services	4,252,507	1,006,219	852,900	802,970	739,473	7,654,069
Support Services:						
Instructional and school leadership	449,865	114,056	121,413	79,713	83,191	848,238
Administrative support services	423,277	306,475	1,997	105,100	64,703	901,552
Support services - nonstudent based	121,349	2,576	25,051	15,382	36,974	201,332
Total support services	994,491	423,107	148,461	200,195	184,868	1,951,122
Total expenses	<u>\$ 5,246,998</u>	<u>\$ 1,429,326</u>	<u>\$ 1,001,361</u>	<u>\$ 1,003,165</u>	<u>\$ 924,341</u>	<u>\$ 9,605,191</u>

El Paso Leadership Academy

Notes to Financial Statements

The following is a schedule of functional expenses for the year ended August 31, 2024:

	Payroll Costs	Professional and Contracted Services	Supplies and Materials	Other Operating Costs	Debt	Total
Program Services:						
Instructional and instructional related services	\$ 4,227,341	\$ 92,718	\$ 319,707	\$ 402,676	\$ 505,054	\$ 5,547,496
Instructional and school leadership	100,149	-	14,980	6,965	9,353	131,447
Support services - student	332,964	637,719	688,393	155,848	177,704	1,992,628
Support services - nonstudent based	185,073	330,225	14,441	203,115	56,117	788,971
Total program services	4,845,527	1,060,662	1,037,521	768,604	748,228	8,460,542
Support Services:						
Instructional and school leadership	658,501	64,318	14,857	80,849	84,176	902,701
Administrative support services	314,339	301,753	4,917	78,094	65,470	764,573
Support services - nonstudent based	189,393	85,200	7,831	27,861	37,411	347,696
Total support services	1,162,233	451,271	27,605	186,804	187,057	2,014,970
Total expenses	<u>\$ 6,007,760</u>	<u>\$ 1,511,933</u>	<u>\$ 1,065,126</u>	<u>\$ 955,408</u>	<u>\$ 935,285</u>	<u>\$ 10,475,512</u>

13. Subsequent Events

Effective December 2025, the construction loan was extended to May 2026 and the interest for the period from February 2026 to May 2026 is 6.25%.

Management has evaluated subsequent events through February 24, 2026, the date the financial statements were available to be issued and concluded that no additional disclosures are required.

Supplemental Information and Compliance Reports

El Paso Leadership Academy
Schedule of Assets
August 31, 2025

Description	Ownership Interest		
	Local	State	Federal
1110 Cash	\$ -	\$ 1,565,863	\$ -
1510 Land	-	1,823,202	-
1520 Building and improvements	368,236	14,351,131	37,521
1539 Furniture and equipment	-	726,661	1,086,861
1541 Vehicles	-	111,438	-
1569 Library books and media	-	-	43,980
	<u>\$ 368,236</u>	<u>\$ 18,578,295</u>	<u>\$ 1,168,362</u>

El Paso Leadership Academy
Schedule of Expenses
Year Ended August 31, 2025

<u>Object Code</u>	<u>Description</u>	<u>Amount</u>
6100	Payroll costs	\$ 5,246,998
6200	Professional and contracted services	1,429,326
6300	Supplies and materials	1,001,361
6400	Other operating costs	1,003,165
6500	Debt service	924,341
		<u>\$ 9,605,191</u>

**El Paso Leadership Academy
Budgetary Comparison Schedule
Year Ended August 31, 2025**

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
Revenue and other support:				
Local support:				
5740 Other revenues from local sources	\$ 175,000	\$ 329,127	\$ 327,117	\$ (2,010)
5750 Revenues from cocurricular enterprising services or activities	-	-	10	10
Total local support	175,000	329,127	327,127	(2,000)
State program revenues:				
5810 Foundation school program act revenues	7,808,477	7,917,593	7,782,482	(135,111)
5820 State program revenues distributed by TEA	104,619	142,000	142,000	-
5830 Teacher retirement or TRS care-on-behalf of payments	231,421	231,421	230,388	(1,033)
Total state program revenue	8,144,517	8,291,014	8,154,870	(136,144)
Federal program revenues:				
5920 Federal revenues distributed by TEA	1,609,581	1,271,152	1,350,546	79,394
Total revenue and other support	9,929,098	9,891,293	9,832,543	(58,750)
Expenses:				
Program services:				
11 Instruction	4,527,488	4,226,778	4,226,780	(2)
13 Curriculum development and instructional staff development	567,046	366,915	366,916	(1)
21 Instructional leadership	103,000	83,152	83,153	(1)
23 School leadership	557,400	811,792	811,780	12
31 Guidance, counseling and evaluation services	135,679	141,734	141,736	(2)
33 Health services	6,500	2,967	2,967	-
34 Student transportation	398,950	431,006	464,004	(32,998)
35 Food services	630,542	585,508	532,509	52,999
36 Extracurricular activities	374,200	185,937	185,937	-
41 General administration	748,312	760,804	760,805	(1)
51 Facilities maintenance and operations	588,671	865,916	865,918	(2)
52 Security and monitoring services	65,169	81,049	81,049	-
53 Data processing services	135,812	145,653	155,652	(9,999)
61 Community services	15,950	1,644	1,644	-
71 Debt service	487,595	907,823	924,341	(16,518)
Total expenses	9,342,314	9,598,678	9,605,191	(6,513)
Change in net assets	586,784	292,615	227,352	(65,263)
Net assets at beginning of year	2,055,242	2,055,242	2,055,242	-
Net assets at end of year	\$ 2,642,026	\$ 2,347,857	\$ 2,282,594	\$ -

**El Paso Leadership Academy
Education Programs Schedule
Year Ended August 31, 2025**

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA 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 district's fiscal year.	\$1,010,761
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PIC's 24, 26, 28, 29, 30, 34)	\$556,924
Section B: Bilingual Education Programs		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA 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 LEA's fiscal year	\$317,295
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC's 25, 35)	\$362,113

**El Paso Leadership Academy
Schedule of Real Property Ownership Interest
Year Ended August 31, 2025**

Description	Property Address	Total Assessed Value	Ownership Interest		
			Local	State	Federal
58 Cotton 17 to 32 Exc Triangle	1918 Texas Avenue, El Paso, TX 79901	\$2,882,668	-	\$2,882,668	-
109-A Vista Hills #46 Lot 6 (111,200.26 SQ FT)	2101 Joe Battle Blvd, El Paso, TX 79938	6,422,736	-	6,422,736	-
109-A Vista Hills #46 Lot 7 (231,277.45 SQ FT)	2101 Joe Battle Blvd, El Paso, TX 79938	6,422,737	-	6,422,737	-

**El Paso Leadership Academy
Schedule of Related Party Transactions
Year Ended August 31, 2025**

<u>Related Party Name</u>	<u>Name of Relation to the Relationship</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>
None								

El Paso Leadership Academy
Schedule of Related Party Compensation and Benefits
Year Ended August 31, 2025

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Compensation or Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During Fiscal Year</u>
None	None						



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 Board of Directors of
El Paso Leadership Academy

We have audited, 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, the financial statements of El Paso Leadership Academy (Academy) (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 24, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy'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 determination of financial statement amounts. 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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



A Limited Liability Partnership

Arlington, Texas
February 24, 2026



Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
El Paso Leadership Academy

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited El Paso Leadership Academy's (Academy) (a nonprofit organization) compliance identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Academy's major federal programs for the year ended August 31, 2025. The Academy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effects on each of its major federal programs for the year ended August 31, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Academy' federal programs.

Auditors' Responsibilities of the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



A Limited Liability Partnership

Arlington, Texas
February 24, 2026

El Paso Leadership Academy
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2025

Federal Grantor/Pass through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through entity identifying number	Federal Expenditures
U.S. Department of Education			
Special Education Cluster:			
Passed through Texas Education Agency:			
Special Education Grants to States	84.027A	25660001071810600	\$ 119,086
Total Special Education Cluster			<u>119,086</u>
Passed through Texas Education Agency:			
Title I, Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010A	25610101071810	349,990
Title I, 1003 ESF Focused Support Grant	84.010A	246101397110043	38,705
Total ALN 84.010A			<u>388,695</u>
English Language Acquisition State Grants	84.365A	25671001071810	49,015
English Language Acquisition State Grants	84.365A	25671003071810	1,981
Total ALN 84.365A			<u>50,996</u>
Supporting Effective Instruction State Grants	84.367A	25694501071810	51,542
Student Support and Academic Enrichment Program	84.424F	236811017110069	316,360
Student Support and Academic Enrichment Program	84.424A	25680101071810	16,640
Total ALN 84.424			<u>333,000</u>
Passed through Region 19:			
Strengthening Career and Technical Education for the 21st Century Act (Perkins V)	84.048A	25420006071950	1,999
Total U.S. Department of Education			<u>945,318</u>
U.S. Department of Agriculture			
Child Nutrition Cluster:			
Passed through Texas Education Agency:			
National School Breakfast Program	10.553	-	78,014
National School Lunch Program	10.555	-	327,214
Total Child Nutrition Cluster			<u>405,228</u>
Total U.S. Department of Agriculture			<u>405,228</u>
Total Expenditures of Federal Awards			<u>\$ 1,350,546</u>

El Paso Leadership Academy
Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of El Paso Leadership Academy (Academy). The information in this Schedule is presented in accordance with the requirements of Title U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Academy.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Academy has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Shared Services Arrangements

The Academy is a member school district of various shared services arrangements for the year ended August 31, 2025. The Academy was allocated the following expenditures through participation in these shared arrangements during the year ended August 31, 2025:

Assistance Listing Number	Program Name	Federal Expenditures
84.048A	Strengthening Career and Technical Education for the 21st Century Act (Perkins V)	\$ 1,999

El Paso Leadership Academy
Schedule of Findings and Questioned Costs
Year Ended August 31, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs or cluster: Assistance Listing Number

Child Nutrition Cluster	10.555 and 10.553
-------------------------	-------------------

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
--	-----------

Auditee qualified as low-risk auditee?	Yes
--	-----

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – Summary of Prior Year Audit Findings

None.