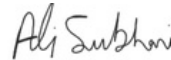


MEMORANDUM

Date: January 30, 2026

To: Shannon Davidson, Executive Director, STEM Academy

From: Ali Subhani, CIA CISA, CFE, GSNA, CDPSE
Chief Audit Executive



Cc: Dr. Sandra K. Woodley, President

RE: STEM Academy Expenditure Review for fiscal year ended August 31, 2025

The Office of Internal Audit has completed its review of STEM Academy expenditures for the fiscal year ended August 31, 2025. The *Agreement Between Ector County ISD and University of Texas Permian Basin* (Agreement) requires that the operating partner, UTPB, submit to the school district annually an audited financial report. The STEM Academy is a departmental unit within UTPB and, as such, is included in financial reporting and related audits of UTPB. Individual department financial report audits are not performed.

UTPB was included in the following audits for the fiscal year ended August 31, 2025:

Audited Annual Financial Report – UTPB, the operating partner per the Agreement, is included in the Consolidated Annual Financial Report of The University of Texas System, audited annually by Deloitte & Touche LLP. The report for the fiscal year ended August 31, 2025, is available at <https://www.utsystem.edu/sites/default/files/documents/report-state/2025/consolidated-annual-financial-report-fy-2025/uts-fy25-and-fy24-audit-reportfinal121125.pdf>

Single Audit – As an entity of the State of Texas, UTPB is included in the State of Texas Statewide Single Audit performed annually by the Texas State Auditor’s Office. The report will be available at <http://sao.texas.gov/SAOReports/> upon its publication in February 2026.

The objective of this review was to determine whether STEM Academy expenditures complied with the terms of the Agreement. Based on a detailed review of expenditures, discussion with knowledgeable staff, and limited testing, STEM Academy expenditures for the fiscal year ended August 31, 2025, were allowable per the terms of the Agreement. Minor immaterial corrections were necessary and communicated to management for correction.

STEM Academy - Cost Center 31000157
Fiscal Year 2025 (9/1/2024-8/31/2025)
Expenditures by PEIMS Category

Payroll Costs (61xx)	\$566,576.40
Professional and Contracted Services (62xx)	\$29,669.50
Supplies and Materials (63xx)	\$58,413.32
Less: Immaterial Corrections Completed	(\$3,447.34)
Other Operating Costs (64xx)	\$7,161.65
Capital Outlay - Land, Buildings, and Equipment (66xx)	\$311,537.64
Total Expenditures:	\$969,911.17

Details of Immaterial Corrections Completed

November Water IDT- Duplicate Entry	(\$192.00)
December Water IDT- Duplicate Entry	(\$192.00)
UTeach Resident Meal Passes- Chartwells	(\$379.60)
Staff Development (approved for Cost Center 55XXXXXX)	(\$2,683.74)
Subtotal Corrections:	(\$3,447.34)