

**ROY MAAS' YOUTH ALTERNATIVES, INC.  
AND AFFILIATES (ROY MAAS' YOUTH  
ALTERNATIVES FOUNDATION AND  
MEADOWLAND CHARTER DISTRICT)**

**CONSOLIDATED FINANCIAL STATEMENTS WITH  
COMPLIANCE AND SINGLE AUDIT REPORTING**

**June 30, 2021 and 2020**

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**FINANCIAL STATEMENTS WITH COMPLIANCE**  
**AND SINGLE AUDIT REPORTING**  
**June 30, 2021 and 2020**

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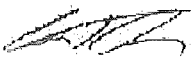
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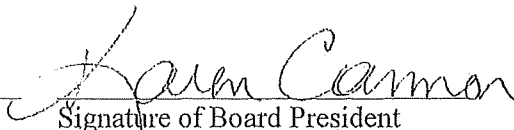
**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES  
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION  
AND MEADOWLAND CHARTER DISTRICT)**

Federal Employer Identification Number: 74-1914638

**Certificate of Board**

We, the undersigned, certify that the attached Financial and Compliance Report of the above-named charter holder was reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2021, at a meeting of the Board of Trustees of such charter holder on the 22 day of NOVEMBER, 2021.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

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

# RWC | Randy Walker & Company

Certified Public Accountants

7800 IH 10 West, Suite 505 | San Antonio, TX 78230  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Roy Maas' Youth Alternatives, Inc. and Affiliates  
San Antonio, Texas

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Roy Maas' Youth Alternatives, Inc. and its affiliates (non-profit organizations), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities (with comparative totals for 2020), functional expenses (with comparative totals for 2020), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Roy Maas' Youth Alternatives, Inc. and its affiliates as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedules on pages 19-21, the specific-purpose financial statements on pages 22-29, and the accompanying schedule of expenditures of federal awards on page 30, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, on pages 32-33 on our consideration of Roy Maas' Youth Alternatives, Inc. and its affiliates' internal control over financial reporting and on our tests of their 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 Roy Maas' Youth Alternatives, Inc. and its affiliates' 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 Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control over financial reporting and compliance.

***Randy Walker & Co.***

San Antonio, Texas  
November 22, 2021

## **GENERAL-PURPOSE FINANCIAL STATEMENTS**

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 2,717,691	\$ 1,539,056
Due from State	326,673	570,721
Accounts Receivable	931,069	785,077
Grants Receivable	578,881	456,777
Prepaid Expenses	243,950	226,090
Total Current Assets	<u>4,798,264</u>	<u>3,577,721</u>
<b>LONG-TERM ASSETS</b>		
Investments	1,829,796	1,139,822
Fixed Assets - net	6,285,481	6,352,732
Total Long-Term Assets	<u>8,115,277</u>	<u>7,492,554</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 12,913,541</u></u>	<u><u>\$ 11,070,275</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 434,231	\$ 411,343
Accrued Expenses	591,452	475,712
Deferred Revenue	2,035	1,500
Other Liabilities	684	684
<b>TOTAL LIABILITIES</b>	<u>1,028,402</u>	<u>889,239</u>
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	10,255,803	7,990,569
Designated	254,928	254,928
Total Without Donor Restrictions	<u>10,510,731</u>	<u>8,245,497</u>
With Donor Restrictions:		
Time/Purpose Restricted	1,374,408	1,935,539
Total With Donor Restrictions	<u>1,374,408</u>	<u>1,935,539</u>
<b>TOTAL NET ASSETS</b>	<u>11,885,139</u>	<u>10,181,036</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 12,913,541</u></u>	<u><u>\$ 11,070,275</u></u>

The accompanying notes are an integral part of these financial statements.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**  
**(with comparative totals for 2020)**

	<b>2021</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>2020 Total</b>
<b><u>OPERATING SUPPORT AND REVENUE</u></b>				
Government Fee-for-Service Contracts	\$ 6,751,587	\$ -	\$ 6,751,587	\$ 6,576,997
Government Grants	1,168,996	1,974,439	3,143,435	3,256,880
Grants and Contributions - General	16,990	1,725,535	1,742,525	2,205,296
Contributed Goods/Equipment/Fixed Assets	340,168	-	340,168	181,040
United Way	163,003	66,407	229,410	297,156
Sales - Thrift Shop	126,141	-	126,141	167,291
Contributed Services	58,961	-	58,961	64,684
Self Referral and Other Program Fees	35,253	-	35,253	68,535
Special Event Income	33,080	-	33,080	217,185
Other Income	16,000	-	16,000	30,526
Net Assets Released from Restriction	4,327,512	(4,327,512)	-	-
<b>TOTAL OPERATING SUPPORT AND REVENUE</b>	<b>13,037,691</b>	<b>(561,131)</b>	<b>12,476,560</b>	<b>13,065,590</b>
<b><u>OPERATING EXPENSES</u></b>				
Program Services	10,561,851	-	10,561,851	11,914,568
Supporting Services	2,099,622	-	2,099,622	1,953,107
Thrift Shop	276,700	-	276,700	279,737
<b>TOTAL OPERATING EXPENSES</b>	<b>12,938,173</b>	<b>-</b>	<b>12,938,173</b>	<b>14,147,412</b>
<b>CHANGE IN NET ASSETS BEFORE NON- OPERATING ACTIVITY</b>	<b>99,518</b>	<b>(561,131)</b>	<b>(461,613)</b>	<b>(1,081,822)</b>
<b><u>NON-OPERATING ACTIVITY</u></b>				
PPP Revenue	1,585,700	-	1,585,700	1,748,100
Investment Income (Loss) - net	307,026	-	307,026	(12,496)
Insurance Proceeds	272,290	-	272,290	-
Gain on Sale of Assets	700	-	700	-
<b>TOTAL NON-OPERATING ACTIVITY</b>	<b>2,165,716</b>	<b>-</b>	<b>2,165,716</b>	<b>1,735,604</b>
<b>CHANGE IN NET ASSETS AFTER NON- OPERATING ACTIVITY</b>	<b>2,265,234</b>	<b>(561,131)</b>	<b>1,704,103</b>	<b>653,782</b>
<b>NET ASSETS, Beginning of Year</b>	<b>8,245,497</b>	<b>1,935,539</b>	<b>10,181,036</b>	<b>9,527,254</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 10,510,731</b>	<b>\$ 1,374,408</b>	<b>\$ 11,885,139</b>	<b>\$ 10,181,036</b>

The accompanying notes are an integral part of these financial statements.



**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2021**  
**(with comparative totals for 2020)**

	Program Services										Supporting Services						Other				
	Bridge Emergency Shelter	San Antonio Counseling Center	Meadowland Counseling Center	Glebeville/ The Junction	The Meadows	Turning Point	DMST	La Puerta	Charter School	Eliminating Entry	Total Program	General Management	Burdick Center	RMVIA Foundation	Fund- Raising	Eliminating Entry	Total Supporting Services	Thrift Shop	2021 Total	2020 Total	
OPERATING EXPENSES																					
Salaries	\$ 692,241	\$ 356,395	\$ 383,728	\$ 892,227	\$ 2,076,316	\$ 304,739	\$ 486,658	\$ 65,943	\$ 1,408,791	\$ -	\$ 6,657,040	\$ 921,227	\$ -	\$ -	\$ 327,349	\$ -	\$ 1,248,567	\$ 122,718	\$ 8,008,395	\$ 8,949,466	
Employee Benefits	66,095	27,334	31,377	87,111	141,446	19,103	35,535	6,556	98,787	-	513,344	51,406	-	-	25,326	-	76,732	18,256	698,332	676,606	
Payroll Taxes	52,831	25,936	28,743	70,523	161,429	23,154	37,822	6,366	46,491	-	453,293	66,565	-	-	25,054	-	91,619	9,609	554,523	618,538	
Total Payroll Expenses	801,167	409,665	443,848	1,049,861	2,379,191	346,956	560,015	78,867	1,554,069	-	7,623,679	1,039,158	-	-	377,720	-	1,416,918	150,653	9,191,259	10,244,610	
Professional Fees	62,849	91,208	6,613	21,591	59,533	3,956	158,121	41,623	100,020	-	545,514	91,102	-	5,125	29,797	-	126,024	3,209	674,747	674,712	
Occupancy	64,974	14,401	257	106,962	163,700	51,057	30,777	5,107	21,983	(9,694)	449,614	10,258	28,034	-	486	-	33,778	7,494	495,886	268,441	
Depreciation	22,603	2,520	750	7,599	17,573	5,294	6,532	6,926	22,354	-	92,151	3,620	-	257,483	638	-	261,731	1,705	355,587	367,949	
Contributed Goods/Equipment	36,018	3,141	-	66,881	82,974	27,821	29,809	243	-	-	246,837	207	38	-	22,609	-	22,854	73,312	344,083	190,193	
Insurance	27,114	12,259	10,320	41,693	76,427	12,481	27,117	4,810	12,591	-	221,764	22,719	6,349	4,523	9,757	-	43,348	7,130	275,242	191,984	
Heating, Cooling and Water	11,757	3,049	-	55,327	82,218	21,188	6,858	3,182	64,919	-	248,491	1,154	-	-	-	-	1,154	16,157	265,809	263,967	
Food Services	36,327	1,091	59	68,436	101,740	6,861	13,522	3,793	-	-	231,829	3,170	-	-	310	-	3,480	36	235,345	301,352	
Children's Personal Expenses	7,490	34	37,331	34	27,320	47,789	39,632	3,736	535	-	164,677	26	-	-	-	-	26	-	164,703	116,829	
Computer Services and Equipment	26,173	6,470	8,747	17,736	24,367	16,142	10,247	819	-	-	110,701	12,905	690	-	9,304	-	22,899	1,060	124,660	104,547	
Office Supplies, Printing and Postage	2,845	6,857	865	2,705	5,190	456	2,674	116	73,725	-	95,433	4,840	60	-	7,726	-	12,726	137	108,196	126,208	
Miscellaneous	1,642	772	50	3,877	3,995	790	6,543	1,567	47,236	-	66,472	14,304	-	4,553	61	-	18,918	2,615	88,085	69,018	
Telephone	13,615	10,322	38	9,440	18,258	6,130	7,797	1,843	-	-	67,443	14,500	-	-	809	-	15,309	4,070	86,873	93,690	
FPE Supplies	14,247	4,699	419	12,259	16,714	6,666	6,719	2,832	-	-	64,565	1,379	-	-	453	-	1,832	3,827	70,214	23,370	
Event Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,640	-	62,150	-	62,150	77,412	
Contributed Services	122	55,432	47	356	740	2,031	77	-	-	-	58,895	94	-	-	39	-	133	23	58,961	64,684	
Supplies - Housekeeping	15,340	447	-	13,362	20,067	2,177	1,351	622	-	-	53,366	1,007	-	-	-	-	1,007	190	54,563	67,636	
Travel and Mileage	2,560	107	-	4,293	8,267	21,659	557	228	9,911	-	47,573	-	-	-	12	-	12	1,690	48,675	50,835	
Automotive Expenses	9,446	693	-	8,866	17,302	3,053	5,999	85	-	-	45,390	416	-	-	-	-	416	2,543	48,419	22,209	
Contract Labor	3,515	2,176	-	10,351	16,958	1,201	3,628	-	-	-	37,829	2,136	1,958	-	-	-	4,094	326	42,249	28,337	
Employee Recruitment and Other	4,424	1,945	2,058	3,905	8,466	562	1,334	156	-	-	22,839	4,813	2	-	381	-	5,196	253	28,779	20,144	
Membership Dues	2,181	393	341	1,247	2,193	431	1,019	126	3,517	-	11,848	9,922	-	-	3,346	-	13,268	142	25,258	26,296	
Conferences and Workshops	2,773	8,074	905	1,668	7,049	824	-	27	-	-	21,329	1,520	-	-	584	-	2,104	273	23,699	42,048	
Personnel Supplies	3,250	844	931	2,849	5,177	594	3,120	-	-	-	16,805	3,497	-	-	771	-	4,258	453	21,516	11,881	
Rent	-	-	-	-	-	-	-	-	-	-	-	19,553	-	-	-	-	-	-	-	19,553	45,513
Recreational Equipment	534	64	20	1,205	1,833	2,597	2,038	333	-	-	8,534	-	-	-	-	-	-	-	8,534	7,302	
USDA Commodities	695	-	-	2,121	2,593	-	5	-	-	-	5,324	-	-	-	-	-	-	-	5,324	281	
Interest	-	-	-	-	-	-	-	-	-	-	-	12,780	-	-	-	-	-	-	-	38,444	281
Public Relations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,467)	1,313	-	1,313	-	510
Funds Returned to Grantor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,000
TOTAL OPERATING EXPENSES	\$ 1,174,011	\$ 638,035	\$ 476,302	\$ 1,581,873	\$ 3,159,775	\$ 588,547	\$ 925,491	\$ 156,561	\$ 1,910,860	\$ (9,694)	\$10,561,851	\$ 1,275,790	\$ 37,131	\$ 271,684	\$ 526,484	\$ (11,467)	\$ 2,093,622	\$ 276,709	\$12,938,173	\$14,147,412	

The accompanying notes are an integral part of these financial statements.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Increase in Net Assets	\$ 1,704,103	\$ 653,782
Adjustments to Reconcile Net Change to Net Cash		
Provided by Operations:		
Depreciation	355,587	367,989
Realized/Unrealized (Gains) Losses on Investments	(274,088)	33,592
Gain on Sale of Assets	(700)	-
Decrease (Increase) in Assets:		
Due from State	244,048	(222,632)
Accounts Receivable	(145,992)	-
Grants Receivable	(122,104)	11,511
Prepaid Expenses	(17,860)	62,211
Increase (Decrease) in Liabilities:		
Accounts Payable	22,888	138,349
Accrued Expenses	115,740	(41,863)
Deferred Revenue	535	(2,450)
Other Liabilities	-	350
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,882,157</u>	<u>1,000,839</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of Property and Equipment	(287,636)	(695,543)
(Purchase) Sale of Investments - net	(415,886)	168,640
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(703,522)</u>	<u>(526,903)</u>
<b>NET INCREASE IN CASH FLOWS</b>	1,178,635	473,936
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<u>1,539,056</u>	<u>1,065,120</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u>\$ 2,717,691</u>	<u>\$ 1,539,056</u>
<b><u>SUPPLEMENTAL DISCLOSURES</u></b>		
Interest Paid	<u>\$ 1,313</u>	<u>\$ 23,114</u>

The accompanying notes are an integral part of these financial statements.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES**

The accompanying consolidated financial statements of Roy Maas' Youth Alternatives, Inc. and its affiliates have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Nature of Activities**

Roy Maas' Youth Alternatives, Inc. (the Company) is organized in Texas as a 501(c)(3) non-profit corporation to provide counseling and residential programs within the state of Texas which are directed towards assisting troubled youths.

Affiliated with Roy Maas' Youth Alternatives, Inc. is Roy Maas' Youth Alternatives Foundation (the Foundation), a 501(c)(3) non-profit corporation. The Foundation is organized for the exclusive purpose of serving as a supporting organization for Roy Maas' Youth Alternatives, Inc. The Foundation is controlled by the Board of Directors (the Board) of Roy Maas' Youth Alternatives, Inc., and the two entities are financially inter-related.

Also affiliated with the Company is Meadowland Charter District (the District), which operates under an open-enrollment charter pursuant to Chapter 12 of the Texas Education Code in the fall of 2008. The District was organized to provide educational services to at-risk students, and its programs, services, activities and functions are governed by the District's board of directors.

**Principles of Consolidation**

The accompanying consolidated financial statements as of June 30, 2021 and 2020, include the financial statements of the Company, the Foundation and the District. Intercompany transactions and balances have been eliminated in the consolidation.

**Basis of Presentation**

The Company and its affiliates are required to report information regarding their financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, designated.
- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions that are more restrictive than the Company's and its affiliates' mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Actual results could differ from those estimates.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Company and its affiliates consider all certificates of deposit and money market fund purchases with an original maturity of three months or less to be cash equivalents.

**Receivables**

The Company and its affiliates consider their accounts receivable and grants receivable to be fully collectible as they are primarily receivables from government agencies; accordingly, no allowance for doubtful accounts is required.

**Fixed Assets**

Fixed assets acquired by the Company and its affiliates are considered to be owned by the Company and its affiliates. However, federal, state, and city funding sources may maintain equitable interest in the property purchased with grant funds as well as the right to determine the use of any proceeds from the sale of these assets.

Fixed assets are recorded at cost. Donated assets are recorded at estimated market value at the date of donation. Fixed assets with a value of \$5,000 or more are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings	30 years
Modular Classrooms	15 years
Software	3 years
Transportation Equipment	5 years
Furniture and Equipment	5 years
Improvements	5 - 30 years
Vehicles	5 years

**Contributions**

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

**Commitments and Contingencies**

The District 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 (TEA) 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 District have complex compliance requirements, and, should state or federal auditors discover areas of noncompliance, funds may be subject to refund if so determined by TEA or the grantor agency.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

**Investments**

Purchased securities are reported at market value. Donated securities are recorded at market value at date of donation. Investment income is reported net of fees of \$11,395 and \$9,332 for the years ended June 30, 2021 and 2020, respectively. All dividends and interest are included in investment income - net in the accompanying consolidated statement of activities.

**Functional Allocation of Expenses**

The costs of providing the services and other activities of the Company and its affiliates have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expenses which are allocated on the basis of estimates of time and effort, as well as occupancy, depreciation, insurance, and various other expenses which are allocated on the basis of square footage or some other reasonable basis.

**Income Taxes**

Roy Maas' Youth Alternatives, Inc., Roy Maas' Youth Alternatives Foundation, and Meadowland Charter District are all exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2021, the tax years that remain subject to examination by taxing authorities begin with 2018.

**New Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2021. A lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

**Recently Adopted Accounting Pronouncements**

In 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, effective for periods beginning after December 15, 2018. This pronouncement clarifies and improves the scope and the accounting guidance for contributions received and contributions made in order to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to other guidance and (2) determining whether a contribution is conditional. The Company and its affiliates adopted this pronouncement effective July 1, 2019.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

**Recently Adopted Accounting Pronouncements (continued)**

In 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This update was followed up in 2018 by ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* and ASU 2018-09, *Codification Improvements*. These pronouncements provide guidance regarding the reporting and disclosure requirements of investments, effective for periods beginning after December 15, 2018. The Company and its affiliates adopted these pronouncements effective July 1, 2019.

In 2018, the FASB issued ASU 2018-13, *Changes to the Disclosure Requirements for Fair Value Measurement*, effective for periods beginning after December 15, 2019. This pronouncement improves the effectiveness of fair value measurement disclosures in the notes to the financial statements. The Company and its affiliates adopted this new pronouncement effective July 1, 2020. The change was applied retrospectively, but there was no cumulative effect on beginning net assets as of this date.

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This pronouncement provides guidance regarding revenue recognition effective for reporting periods beginning after December 15, 2019. The pronouncement affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets. The core principle of this update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. The Company and its affiliates adopted this new pronouncement effective July 1, 2020. The change was applied retrospectively, but there is no cumulative effect on beginning net assets as of this date.

**Revenue - Exchange Transactions**

The Company receives revenue through fee-for-service contracts, which are exchange transactions. Revenue from fee-for-service contracts with government agencies and government sub-contractors for residential services provided to children in the care of the state or county court systems are reported at the amounts that reflect the consideration to which the Company expects to be entitled in exchange for providing residential services. These amounts are defined by the contracts and related amendments. Revenue is recognized monthly as the service is provided. Generally, the Company bills the government agencies and government sub-contractors after services have been provided. While amounts billed may be adjusted to reflect corrections in dates and times of residential services provided, refunds are not provided under these contracts.

The Company also receives revenue through various other exchange transactions, including counseling revenue, thrift shop sales and special events. The amount of consideration received from these transactions is variable. Revenue from these transactions is recorded as an increase in net assets without donor restrictions to the extent that the earnings process is complete. Performance obligations are satisfied at a point in time when the service is performed, the sale is made or the event is held. There were no receivables, contract assets or contract liabilities related to counseling and thrift shop exchange transactions at June 30, 2021 and 2020. For the years ended June 30, 2021 and 2020, substantially all special event income consisted of contributions (non-exchange) which are recognized as revenue when received and are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

**Contract Balances**

Contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. There were no contract assets at June 30, 2021 and 2020.

Contract liabilities represent the Company's obligation to transfer goods or services to a customer when consideration has already been received from the customer. There were no contract liabilities at June 30, 2021 and 2020.

Accounts receivable consists of billings due for residential services provided. Amounts are reported net of adjustments for time period and rate level corrections. Accounts receivable balances were as follows at June 30:

	<u>2021</u>	<u>2020</u>
Beginning of Year	\$ 785,077	\$ 702,034
End of Year	\$ 931,069	\$ 785,077

**NOTE 2 - INVESTMENTS**

The fair value of investments held was as follows at June 30:

	<u>2021</u>	<u>2020</u>
Equity Securities	\$ 771,866	\$ 442,331
Corporate Bonds	685,375	497,626
Money Market	169,912	149,834
Exchange-Traded Funds	104,185	8,755
Equity Mutual Funds	98,458	41,276
Total Investments	<u>\$ 1,829,796</u>	<u>\$ 1,139,822</u>

Investment income (loss) - net consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Interest and Dividends	\$ 44,333	\$ 30,428
Realized/Unrealized Gains (Losses)	274,088	(33,592)
Investment Fees	(11,395)	(9,332)
Total Investment Income (Loss) - net	<u>\$ 307,026</u>	<u>\$ (12,496)</u>

**NOTE 3 - DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS**

During the years ended June 30, 2021 and 2020, the Company and its affiliates had \$254,928 in net assets without donor restrictions designated by the Board to be maintained as a cash reserve available for any future operating needs.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 4 - PRIOR PERIOD RECLASSIFICATIONS**

The following reclassifications between accounts were made to the consolidated financial statements of the Company and its affiliates for the year ended June 30, 2020: \$456,777 from accounts receivable to grants receivable in the consolidated statement of financial position, \$56,144 from grants and contributions to government fee-for-service contracts in the consolidated statement of activities, and \$5,520,853 from government grants (formerly government funding) to government fee-for-service contracts in the consolidated statement of activities. The reclassifications had no effect on the previously reported total net assets or change in net assets for the year ended June 30, 2020.

The following reclassification between accounts were made to the specific-purpose financial statements of the District for the year ended June 30, 2020: \$10,772 from other assets to prepaid expenses in the statement of financial position. The reclassification had no effect on the previously reported total net assets or change in net assets for the year ended June 30, 2020.

**NOTE 5 - CONCENTRATIONS OF CREDIT RISK**

The District maintains its cash balances in checking and money market accounts at a single bank. The Federal Deposit Insurance Corporation (the FDIC) insures the cash balances up to \$250,000 per bank. At June 30, 2021 and 2020, the District's uninsured cash and investment balances totaled \$699,388 and \$420,838, respectively, without regard to reconciling items.

The Company maintains its cash balances at several banks. Furthermore, it maintains significant cash and investment balances at one investment company that are insured by the Securities Investor Protection Corporation up to \$500,000. At June 30, 2021 and 2020, the Company's uninsured cash and investment balances totaled \$1,683,354 and \$842,102, respectively, without regard to reconciling items.

**NOTE 6 - FIXED ASSETS**

Fixed assets consisted of the following at June 30:

	<b>2021</b>	<b>2020</b>
Land	\$ 485,546	\$ 485,546
Construction in Progress	11,870	11,870
Buildings	10,505,133	10,222,339
Building Improvements	426,723	426,723
Transportation Equipment	646,789	641,251
Furniture and Equipment	600,056	600,055
Software	146,225	146,225
Vehicles	87,789	87,789
	<u>12,910,131</u>	<u>12,621,798</u>
Less: Accumulated Depreciation	<u>(6,624,650)</u>	<u>(6,269,066)</u>
Total Fixed Assets, net	<u>\$ 6,285,481</u>	<u>\$ 6,352,732</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$355,587 and \$367,989, respectively.



**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 7 - RELATED PARTY TRANSACTIONS**

The District has an agreement with the Foundation to lease property for its Oaks Academy campus at an annual rate of \$1 per year. For the years ended June 30, 2021 and 2020, lease expense was \$1.

The Company has agreements with the Foundation to lease property for its Meadowland Residential Treatment Center, Turning Point program, and San Antonio campus. For the years ended June 30, 2021 and 2020, total expense for these leases was \$3.

The Company had a receivable of \$10,889 and \$15,380 from the District for miscellaneous expenses as of June 30, 2021 and 2020, respectively. Additionally, the Foundation received \$9,600 in payments from the Company for pre-emptive maintenance, interest and miscellaneous expenses for the years ended June 30, 2021 and 2020.

On July 1, 2016, the Company entered into a line of credit loan agreement with the Foundation for \$500,000. Interest is based on a 4% APR, and the loan term is 15 years. Interest only is due and payable monthly until the maturity date, at which time the unpaid principal balance and the accrued unpaid interest will be payable in full. In February 2020, the Foundation extended the line of credit through 2025 and suspended interest on the line of credit. In September 2020, the Company received a gift of stock, proceeds from the sale of which it applied to the remaining outstanding balance as of February 2021. The Company had an outstanding balance of \$0- and \$479,973 on this loan as of June 30, 2021 and 2020, respectively.

The Company transferred buildings and improvements to the Foundation at the net book value of \$272,350 and \$527,713 during the years ended June 30, 2021 and 2020, respectively.

**NOTE 8 - CONTRIBUTED SERVICES AND CONTRIBUTIONS OF GOODS**

The Company receives a substantial amount of donated services from interns, doctors, nurses and other professionals who are committed to the programs currently being provided and to the youths who benefit from these programs. The value for these services is based on conservative hourly rates determined by management from current market rates in relation to the type of service received. For the year ended June 30, 2021, total volunteer hours logged by these individuals amounted to 2,607 hours and were valued at \$58,961 for the various programs. For the year ended June 30, 2020, total volunteer hours logged by these individuals amounted to 1,374 hours and were valued at \$64,684 for the various programs. Other non-cash contributions received by the Company include supplies, food, clothing, other personal items, furnishings and equipment. The estimated fair market value of these contributions was \$340,168 and \$181,040 for the years ended June 30, 2021 and 2020, respectively.

Other in-kind services received by the Company are from non-professional volunteers and are not reflected on these financial statements. Total hours logged by these individuals for the years ended June 30, 2021 and 2020 amounted to 2,468 and 3,353, respectively.

**NOTE 9 - PAYCHECK PROTECTION PROGRAM LOAN**

During the year ended June 30, 2020, the Company received a Paycheck Protection Program (PPP) loan of \$1,748,100 from the Small Business Administration (SBA) as part of the CARES Act passed during the year to assist small businesses and non-profits affected by measures instituted in response to the COVID-19 pandemic. In January 2021, the Company applied for and received forgiveness of the full amount.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 9 - PAYCHECK PROTECTION PROGRAM LOAN (continued)**

During the year ended June 30, 2021, the Company received a second PPP loan of \$1,585,700 from the SBA. As of June 30, 2021, the loan was fully expended, and it was reasonably certain the full amount of the loan would be forgiven. Therefore, it has been recognized as revenue in the consolidated statement of activities.

**NOTE 10 - SUBSEQUENT EVENTS**

The Company has not experienced a decline in clients served in fiscal year 2022 as a result of the ongoing COVID-19 pandemic. However, the Company continues to evaluate current economic conditions, and any potential financial impact cannot be reasonably estimated at this time.

The Company is in the process of applying for forgiveness of the second PPP loan.

The Company and its affiliates have evaluated subsequent events through November 22, 2021, which is the date the financial statements were available to be issued.

**NOTE 11 - OPERATING LEASES**

The Company leases copiers under operating leases with varying expiration dates from 2020 to 2023. The Company also had a lease for office space that expired on December 31, 2020 and was not renewed.

The District leases copiers under operating leases that expire in September 2023 and July 2026. Furthermore, the District also had a lease for office space that expired in June 2020 and was not renewed.

Total lease expense related to all agreements for the years ended June 30, 2021 and 2020 was \$59,278 and \$87,001, respectively.

Future lease payments under existing agreements are as follows:

Years Ending June 30,	
2022	\$ 38,733
2023	26,808
2024	22,788
2025	14,748
2026	10,728
2027	<u>894</u>
Total	<u>\$ 114,699</u>

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were for the following purposes at June 30:

	<u>2021</u>	<u>2020</u>
Foundation School Program Act Revenues	\$ 1,132,596	\$ 1,069,017
United Way Grants (Food, Supplies and Operations)	66,407	20,500
Future School Building	57,175	57,175
Michael Gibbons Fund: Children's Special Activities	50,321	51,321
Burdick Center Upgrades	25,000	-
Centro Seguro	15,000	15,000
Gala	11,845	17,819
Meadowland Furniture	10,160	-
Medical Supplies	4,186	18,655
Clothing	1,718	-
PPP Eligible Expenses	-	590,357
San Antonio Area Foundation (Overtime and Supplies)	-	45,818
Charity Ball (Supplies)	-	27,377
NXT Level Housing	-	22,500
	<u>\$ 1,374,408</u>	<u>\$ 1,935,539</u>
Total Net Assets With Donor Restrictions		

**NOTE 13 - PENSION PLAN OBLIGATIONS**

**Plan Description**

The District contributes to the Teacher Retirement System of Texas (TRS), a public employee retirement system. It is a cost-sharing, multiemployer defined benefit pension plan with one exception: all risks and costs are not shared by the District but are the liability of the state of Texas. TRS provides service retirement, disability retirement, and death benefits to plan members and beneficiaries. TRS operates under the authority of provisions contained primarily in Texas Government Code, Title 8, *Public Retirement Systems*, Subtitle C, *Teacher Retirement System of Texas*, which is subject to amendment by the Texas Legislature. TRS's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

The TRS plan differs from a single-employer plan as follows:

- Charter schools are legally separate entities from the state and each other.
- Assets contributed by one charter school or independent school district (ISD) may be used for the benefit of an employee of another ISD or charter school.
- The unfunded obligations get passed along to the other charter schools and ISDs.
- There is no withdrawal penalty for leaving the TRS system.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
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**June 30, 2021 and 2020**

**NOTE 13 - PENSION PLAN OBLIGATIONS (continued)**

Total plan assets, accumulated benefit obligations, and % funded are as follows:

Total Plan Assets - \$184,361,871,000  
 Accumulated Benefit Obligations - \$209,719,687,047  
 The plan is 76.8% funded.

There are no collective-bargaining agreements.

**Funding Policy**

Under provisions in state law, plan members are required to contribute 7.7% of their annual covered salary, and the state of Texas contributes an amount equal to 7.5% of the District's covered payroll.

The District's contributions to TRS for the years ended June 30, 2021 and 2020 were \$74,070 and \$73,713, respectively, which included \$17,881 and \$19,623 in Non-OASDI participating surcharges, respectively. The District's contributions did not represent more than 5% of the total contributions to the plan (i.e., total plan assets). There have been no changes that would affect the comparison of employer contributions from year to year.

**NOTE 14 - FUNDING FROM GOVERNMENT SOURCES**

The Company receives the majority of its program support from federal, state and local government sources under unit rate contracts and cost reimbursement grants. This support is contingent upon the future availability of funds from these sources and compliance with the various federal, state, and local regulations and laws.

Total government support was as follows for the years ended June 30:

Unit Rate Contract Funding:	<u>2021</u>	<u>2020</u>
Bexar County Juvenile Probation	\$ 135,000	\$ 135,000
Other County Juvenile Probation	58,516	159,421
U.S. Department of Health and Human Services	144,030	192,249
Texas Department of State Health Services	467,530	156,622
Texas Department of Family and Protective Services	5,945,871	5,922,726
Office of the Governor	-	8,118
Other	640	2,861
	<u>6,751,587</u>	<u>6,576,997</u>
Grant Funding		
U.S. Department of Agriculture	150,727	154,681
U.S. Department of Agriculture Commodities	5,253	-
U.S. Department of Health and Human Services	240,500	283,902
U.S. Department of Veteran Affairs	264,165	199,844
U.S. Department of Justice	297,252	286,680
Texas Education Agency	1,974,439	2,274,273
City of San Antonio	158,539	57,500
Other	52,560	-
	<u>3,143,435</u>	<u>3,256,880</u>
Total Government Support	<u>\$ 9,895,022</u>	<u>\$ 9,833,877</u>

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 15 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Company and its affiliates adopted the provisions of ASC 820, "*Fair Value Measurements and Disclosures*" (formerly SFAS 157). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect the Company's and its affiliates' financial position or results of operations.

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The Company's and its affiliates' current assets and liabilities as presented in the consolidated statements of financial position are Level 1. The Company and its affiliates have no Level 2 or Level 3 assets or liabilities. The carrying amounts reported in the consolidated statements of financial position approximate fair values because of the short maturities of those instruments.

The fair values of investments are based on quoted market prices for those or similar investments (Note 2).

**NOTE 16 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The following reflects the Company's and its affiliates' financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of donor-stipulated restrictions or internal designations that are amounts set aside for operating and other reserves that could be drawn upon if the Board approves that action.

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 2,717,691	\$ 1,539,056
Investments	1,829,796	1,139,822
Due from State	326,673	570,721
Accounts Receivable	941,958	785,077
Grants Receivable	488,049	456,777
Total Financial Assets	<u>6,304,167</u>	<u>4,491,453</u>
Donor Restrictions	(1,999,118)	(1,935,539)
Board Designations	<u>(254,928)</u>	<u>(254,928)</u>
Financial Assets Available to Meet Cash		
Needs for Expenditures Within One Year	<u>\$ 4,050,121</u>	<u>\$ 2,300,986</u>

The Company's and its affiliates' primary sources of cash flows include federal and state funding. The Company and its affiliates have a consistent inflow of cash throughout the year to cover normal operating expenses.

## **SUPPLEMENTARY INFORMATION**

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**June 30, 2021**  
**(with comparative totals for 2020)**

	2021					2020
	Roy Maas' Youth Alternatives, Inc.	Roy Maas' Youth Alternatives Foundation	Meadowland Charter District	Eliminating Entries	Total	Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	\$ 1,723,135	\$ 40,298	\$ 954,258	\$ -	\$ 2,717,691	\$ 1,539,056
Due from State	-	-	326,673	-	326,673	570,721
Accounts Receivable	941,958	-	-	(10,889)	931,069	785,077
Grants Receivable	578,881	-	-	-	578,881	456,777
Prepaid Expenses	219,344	-	24,606	-	243,950	226,090
Total Current Assets	3,463,318	40,298	1,305,537	(10,889)	4,798,264	3,577,721
<b>LONG-TERM ASSETS</b>						
Investments	-	1,829,796	-	-	1,829,796	1,139,822
Fixed Assets - net	393,232	5,810,516	81,733	-	6,285,481	6,352,732
Total Long-Term Assets	393,232	7,640,312	81,733	-	8,115,277	7,492,554
<b>TOTAL ASSETS</b>	<b>\$ 3,856,550</b>	<b>\$ 7,680,610</b>	<b>\$ 1,387,270</b>	<b>\$ (10,889)</b>	<b>\$ 12,913,541</b>	<b>\$ 11,070,275</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable	\$ 430,659	\$ 1,000	\$ 13,461	\$ (10,889)	\$ 434,231	\$ 411,343
Accrued Expenses	489,201	-	102,251	-	591,452	475,712
Deferred Revenue	2,035	-	-	-	2,035	1,500
Other Liabilities	-	-	684	-	684	684
<b>TOTAL LIABILITIES</b>	<b>921,895</b>	<b>1,000</b>	<b>116,396</b>	<b>(10,889)</b>	<b>1,028,402</b>	<b>889,239</b>
<b>NET ASSETS</b>						
Without Donor Restrictions:						
Undesignated	2,495,090	7,622,435	138,278	-	10,255,803	7,990,569
Designated	254,928	-	-	-	254,928	254,928
Total Without Donor Restrictions	2,750,018	7,622,435	138,278	-	10,510,731	8,245,497
With Donor Restrictions:						
Time/Purpose Restricted	184,637	57,175	1,132,596	-	1,374,408	1,935,539
Total With Donor Restrictions	184,637	57,175	1,132,596	-	1,374,408	1,935,539
<b>TOTAL NET ASSETS</b>	<b>2,934,655</b>	<b>7,679,610</b>	<b>1,270,874</b>	<b>-</b>	<b>11,885,139</b>	<b>10,181,036</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,856,550</b>	<b>\$ 7,680,610</b>	<b>\$ 1,387,270</b>	<b>\$ (10,889)</b>	<b>\$ 12,913,541</b>	<b>\$ 11,070,275</b>

See independent auditor's report.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**  
**(with comparative totals for 2020)**

	2021					2020
	Roy Maas' Youth Alternatives, Inc.	Roy Maas' Youth Alternatives Foundation	Meadowland Charter District	Eliminating Entries	Total	Total
<b><u>OPERATING SUPPORT AND REVENUE</u></b>						
Government Fee-for-Service Contracts	\$ 6,751,587	\$ -	\$ -	\$ -	\$ 6,751,587	\$ 6,576,997
Government Grants	1,168,996	-	1,974,439	-	3,143,435	3,256,880
Grants and Contributions - General	1,716,160	-	26,365	-	1,742,525	2,205,296
Contributed Goods/Equipment/Fixed Assets	340,168	-	-	-	340,168	181,040
United Way	229,410	-	-	-	229,410	297,156
Sales - Thrift Shop	126,141	-	-	-	126,141	167,291
Contributed Services	58,961	-	-	-	58,961	64,684
Self Referral and Other Program Fees	35,253	-	-	-	35,253	68,535
Special Event Income	33,080	-	-	-	33,080	217,185
Other Income	16,000	11,467	-	(11,467)	16,000	30,526
Rental Income	-	9,604	-	(9,604)	-	-
<b>TOTAL OPERATING SUPPORT AND REVENUE</b>	<b>10,475,756</b>	<b>21,071</b>	<b>2,000,804</b>	<b>(21,071)</b>	<b>12,476,560</b>	<b>13,065,590</b>
<b><u>OPERATING EXPENSES</u></b>						
Program Services	8,660,595	-	1,910,860	(9,604)	10,561,851	11,914,568
Supporting Services	1,839,405	271,684	-	(11,467)	2,099,622	1,953,107
Thrift Shop	276,700	-	-	-	276,700	279,737
<b>TOTAL OPERATING EXPENSES</b>	<b>10,776,700</b>	<b>271,684</b>	<b>1,910,860</b>	<b>(21,071)</b>	<b>12,938,173</b>	<b>14,147,412</b>
<b>CHANGE IN NET ASSETS BEFORE NON- OPERATING ACTIVITY</b>	<b>(300,944)</b>	<b>(250,613)</b>	<b>89,944</b>	<b>-</b>	<b>(461,613)</b>	<b>(1,081,822)</b>
<b><u>NON-OPERATING ACTIVITY</u></b>						
PPP Revenue	1,585,700	-	-	-	1,585,700	1,748,100
Investment Income (Loss) - net	91,571	215,455	-	-	307,026	(12,496)
Insurance Proceeds	272,290	-	-	-	272,290	-
Gain on Sale of Assets	700	-	-	-	700	-
Transfer of Land, Buildings, and Improvements	(272,350)	272,350	-	-	-	-
<b>TOTAL NON-OPERATING ACTIVITY</b>	<b>1,677,911</b>	<b>487,805</b>	<b>-</b>	<b>-</b>	<b>2,165,716</b>	<b>1,735,604</b>
<b>CHANGE IN NET ASSETS AFTER NON- OPERATING ACTIVITY</b>	<b>1,376,967</b>	<b>237,192</b>	<b>89,944</b>	<b>-</b>	<b>1,704,103</b>	<b>653,782</b>
<b>NET ASSETS, Beginning of Year</b>	<b>1,557,688</b>	<b>7,442,418</b>	<b>1,180,930</b>	<b>-</b>	<b>10,181,036</b>	<b>9,527,254</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 2,934,655</b>	<b>\$ 7,679,610</b>	<b>\$ 1,270,874</b>	<b>\$ -</b>	<b>\$ 11,885,139</b>	<b>\$ 10,181,036</b>

See independent auditor's report.



**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**SCHEDULE OF THRIFT SHOP REVENUE AND EXPENSES**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUES:</b>		
Sales Revenue	\$ 126,141	\$ 167,291
Contributed Goods/Equipment	<u>73,312</u>	<u>13,163</u>
<b>TOTAL REVENUES</b>	<u>199,453</u>	<u>180,454</u>
<b>EXPENSES:</b>		
Salaries	122,788	177,781
Employee Benefits	18,256	19,710
Payroll Taxes	<u>9,609</u>	<u>14,062</u>
	150,653	211,553
Contributed Goods/Equipment	73,312	13,163
Heating, Cooling and Water	16,157	17,784
Occupancy	7,494	8,401
Insurance	7,130	4,730
Telephone	4,070	6,578
PPE Supplies	3,827	437
Professional Fees	3,209	3,201
Miscellaneous	2,615	3,408
Automotive Expenses	2,543	1,557
Depreciation Expense	1,705	3,060
Travel and Mileage	1,090	1,367
Computer Services and Equipment	1,060	1,251
Personnel Supplies	453	449
Contract Labor	326	-
Conferences and Workshops	275	372
Employee Recruitment and Other	253	419
Supplies - Housekeeping	190	104
Membership Dues	142	79
Office Supplies, Printing and Postage	137	1,575
Food Services	36	172
Contributed Services	23	79
Children's Personal Expenses	<u>-</u>	<u>77</u>
<b>TOTAL EXPENSES</b>	<u>276,700</u>	<u>279,816</u>
<b>NET LOSS</b>	<u><u>\$ (77,247)</u></u>	<u><u>\$ (99,362)</u></u>

See independent auditor's report.

## **SPECIFIC-PURPOSE FINANCIAL STATEMENTS**

**MEADOWLAND CHARTER DISTRICT**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 954,258	\$ 634,001
Due from State	326,673	570,721
Prepaid Expenses	24,606	12,796
Total Current Assets	<u>1,305,537</u>	<u>1,217,518</u>
<b>LONG-TERM ASSETS</b>		
Property and Equipment, net	81,733	98,623
Total Long-Term Assets	<u>81,733</u>	<u>98,623</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,387,270</u></u>	<u><u>\$ 1,316,141</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 13,461	\$ 5,922
Accrued Expenses	102,251	128,605
Other Liabilities	684	684
<b>TOTAL LIABILITIES</b>	<u>116,396</u>	<u>135,211</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	138,278	111,913
With Donor Restrictions	1,132,596	1,069,017
<b>TOTAL NET ASSETS</b>	<u>1,270,874</u>	<u>1,180,930</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,387,270</u></u>	<u><u>\$ 1,316,141</u></u>

See independent auditor's report.

**MEADOWLAND CHARTER DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**  
**(with comparative totals for 2020)**

	2021		
	Without Donor Restrictions	With Donor Restrictions	2020 Total
<b><u>OPERATING REVENUES AND OTHER SUPPORT</u></b>			
Local Support:			
5740 Other Revenues from Local Sources	\$ 26,365	\$ -	\$ 19,011
Total Local Support	26,365	-	19,011
State Program Revenues:			
5810 Foundation School Program Act Revenues	-	1,204,424	1,514,245
5811 Per Capita Apportionment	-	42,715	34,358
5820 State Program Revenues Distributed by TEA	-	32,000	4
Total State Program Revenues	-	1,279,139	1,548,607
Federal Program Revenues:			
5920 Federal Revenues Distributed by TEA	-	603,357	702,362
5931 School Health and Related Services	-	91,943	23,304
Total Federal Program Revenues	-	695,300	725,666
Net Assets Released From Restrictions			
Restrictions Satisfied By Payments	1,910,860	(1,910,860)	-
<b>TOTAL OPERATING REVENUES AND OTHER SUPPORT</b>	<b>1,937,225</b>	<b>63,579</b>	<b>2,293,284</b>
<b><u>OPERATING EXPENSES</u></b>			
11 Instruction	1,097,233	-	1,334,239
13 Curriculum Development and Instructional Staff Development	5,399	-	12,225
21 Instructional Leadership	600	-	747
23 School Leadership	382,471	-	393,288
31 Guidance, Counseling, and Evaluation Services	41,002	-	63,127
32 Social Work Services	69,180	-	61,093
33 Health Services	1,577	-	11
34 Transportation	12,048	-	17,695
36 Extracurricular Activities	336	-	8,491
41 General Administration	115,265	-	139,800
51 Plant Maintenance and Operations	162,157	-	142,095
53 Data Processing Services	23,592	-	65,412
61 Community Services	-	-	2,555
<b>TOTAL OPERATING EXPENSES</b>	<b>1,910,860</b>	<b>-</b>	<b>2,240,778</b>
<b>CHANGE IN NET ASSETS</b>	<b>26,365</b>	<b>63,579</b>	<b>52,506</b>
<b>NET ASSETS, Beginning of Year</b>	<b>111,913</b>	<b>1,069,017</b>	<b>1,128,424</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 138,278</b>	<b>\$ 1,132,596</b>	<b>\$ 1,180,930</b>

See independent auditor's report.

**MEADOWLAND CHARTER DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Foundation School Program and Per Capita Apportionment Payments	\$ 1,323,557	\$ 1,583,165
Grant Payments	916,632	468,476
Miscellaneous Sources	4,663	19,011
Payments to Vendors for Goods and Services Rendered	(338,708)	(350,530)
Payments to Charter School Personnel for Services Rendered	(1,580,423)	(1,834,082)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>325,721</u>	<u>(113,960)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of Property and Equipment	(5,464)	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(5,464)</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH FLOWS</b>	320,257	(113,960)
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<u>634,001</u>	<u>747,961</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u><u>\$ 954,258</u></u>	<u><u>\$ 634,001</u></u>
Reconciliation of Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Change in Net Assets	\$ 89,944	\$ 52,506
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	22,354	32,545
Decrease (Increase) in Assets:		
Due from State	244,048	(222,632)
Prepaid Expenses	(11,810)	11,759
Increase (Decrease) in Liabilities:		
Accounts Payable	7,539	2,884
Accrued Expenses	(26,354)	8,628
Other Liabilities	-	350
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ 325,721</u></u>	<u><u>\$ (113,960)</u></u>

See independent auditor's report.

**MEADOWLAND CHARTER DISTRICT**  
**SCHEDULE OF EXPENSES**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b><u>OPERATING EXPENSES</u></b>		
6100 Payroll Costs	<b>\$ 1,554,069</b>	\$ 1,842,710
6200 Professional and Contracted Services	<b>176,308</b>	181,586
6300 Supplies and Materials	<b>84,874</b>	100,336
6400 Other Operating Costs	<b><u>95,609</u></b>	<u>116,146</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u><u>\$ 1,910,860</u></u></b>	<b><u><u>\$ 2,240,778</u></u></b>

See independent auditor's report.

**MEADOWLAND CHARTER DISTRICT**  
**SCHEDULE OF CAPITAL ASSETS**  
**June 30, 2021**

Capital assets acquired with public funds, which constitute public property pursuant to Chapter 12 of the Texas Education Code, are as follows:

	<b>Ownership Interest</b>		
	<u>Local</u>	<u>State</u>	<u>Federal</u>
1110 Cash	\$ 138,278	\$ 815,980	\$ -
1520 Buildings and Improvements	-	134,908	-
1530 Furniture, Equipment, and Vehicles	-	96,394	-
Total Capital Assets	<u>\$ 138,278</u>	<u>\$ 1,047,282</u>	<u>\$ -</u>

Reconciliation of Property and Equipment on Schedule of Capital Assets to Statements of Financial Position:

*Per Schedule of Capital Assets:*

1520 Buildings and Improvements	\$ 134,908
1531 Vehicles	87,789
1539 Furniture and Equipment	8,605

*Less Accumulated Depreciation:*

(149,569)

**Total Property and Equipment per Statements of Financial Position:**

\$ 81,733

See independent auditor's report.

**MEADOWLAND CHARTER DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b><u>OPERATING REVENUES AND OTHER SUPPORT</u></b>				
Local Support:				
5740 Other Revenues from Local Sources	\$ 4,000	\$ 26,202	\$ 26,365	\$ 163
Total Local Support	4,000	26,202	26,365	163
State Program Revenues:				
5810 Foundation School Program Act Revenues	1,485,000	1,329,124	1,204,424	(124,700)
5811 Per Capita Apportionment	27,500	38,445	42,715	4,270
5820 State Program Revenues Distributed by TEA	-	32,000	32,000	-
Total State Program Revenues	1,512,500	1,399,569	1,279,139	(120,430)
Federal Program Revenues:				
5920 Federal Revenues Distributed by TEA	276,656	618,105	603,357	(14,748)
5931 School Health and Related Services	55,000	95,000	91,943	(3,057)
Total Federal Program Revenues	331,656	713,105	695,300	(17,805)
<b>TOTAL OPERATING REVENUES AND OTHER SUPPORT</b>	<b>1,848,156</b>	<b>2,138,876</b>	<b>2,000,804</b>	<b>(135,015)</b>
<b><u>OPERATING EXPENSES</u></b>				
11 Instruction	920,310	1,190,686	1,097,233	93,453
13 Curriculum Development and Instructional				
Staff Development	19,144	5,398	5,399	(1)
21 Instructional Leadership		601	600	1
23 School Leadership	420,400	477,968	382,471	95,497
31 Guidance, Counseling, and Evaluation Services	41,476	46,131	41,002	5,129
32 Social Work Services	5,514	73,036	69,180	3,856
33 Health Services	1,100	2,600	1,577	1,023
34 Transportation	15,800	19,800	12,048	7,752
36 Extracurricular Activities	9,283	1,283	336	947
41 General Administration	100,362	138,350	115,265	23,085
51 Plant Maintenance and Operations	143,318	167,575	162,157	5,418
53 Data Processing Services	10,917	26,190	23,592	2,598
61 Community Services	54,350	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>1,741,974</b>	<b>2,149,618</b>	<b>1,910,860</b>	<b>238,758</b>
<b>CHANGE IN NET ASSETS</b>	<b>106,181</b>	<b>(10,742)</b>	<b>89,944</b>	<b>103,743</b>
<b>NET ASSETS, Beginning of Year</b>	<b>1,180,930</b>	<b>1,180,930</b>	<b>1,180,930</b>	<b>-</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 1,287,111</b>	<b>\$ 1,170,188</b>	<b>\$ 1,270,874</b>	<b>\$ 103,743</b>

See independent auditor's report.



**MEADOWLAND CHARTER DISTRICT**  
**SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS**  
**For the Year Ended June 30, 2021**

<b>Related Party Name</b>	<b>Name of Relation to the Related Party</b>	<b>Relationship</b>	<b>Compensation or Benefit</b>	<b>Payment Frequency</b>	<b>Description</b>	<b>Source of Funds Used</b>	<b>Total Paid During FY</b>
Rosa Belcher	Annette Ellenwood	Sister-in-law	Compensation	Monthly	Student Service Clerk	State	\$ 24,069

See independent auditor's report.

**MEADOWLAND CHARTER DISTRICT**  
**USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS**  
**For the Year Ended June 30, 2021**

**Section A: Compensatory Education Programs**

Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?		Yes
AP2	Does the district 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.	\$	140,966
AP4	List the actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$	102,798

**Section B: Bilingual Education Programs**

Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?		No
AP6	Does the district have written policies and procedures for its bilingual education program?		No
AP7	List the total state allotment funds received for bilingual education programs during the district's fiscal year.	\$	-
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	\$	-

See independent auditor's report.

## **FINANCIAL AWARDS**

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2021**

<b>Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Disbursements/ Expenditures</b>
<b>U.S. Department of Health and Human Services:</b>			
Basic Center Grant	93.623	90CY681102/90CY681103	\$ 144,031
Medical Assistance Program	93.778	0801037-01	240,499
<i>Total U.S. Department of Health and Human Services</i>			<u>384,530</u>
<b>U.S. Department of Homeland Security:</b>			
Emergency Food and Shelter National Board Program (CARES Act)	97.024	788600-047	15,342
Emergency Food and Shelter National Board Program (EFSNP Phase 37)	97.024	788600-047	5,158
Emergency Food and Shelter National Board Program (EFSNP Phase 38)	97.024	788600-047	30,000
<i>Total U.S. Department of Homeland Security</i>			<u>50,500</u>
<b>U.S. Department of Agriculture:</b>			
Passed-Through Texas Department of Agriculture:			
School Breakfast Program and National School Lunch Program	10.553-10.555	01310	150,728
USDA Commodities - Noncash Award	10.555	01310	5,324
<i>Total U.S. Department of Agriculture</i>			<u>156,052</u>
<b>U.S. Department of Education:</b>			
Passed-Through Texas Education Agency:			
Title I Grants to Local Educational Agencies	84.010A	20610101130801	213,831
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	20694501130801	8,860
School Improvement Grants	84.377A	1661073171100006	121,406
Rural Education	84.358A	S358A193753	10,742
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	20521001130801	185,810
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	21528001130801	18,899
Student Support and Academic Enrichment Program	84.424A	20680101130801	6,409
<i>Total U.S. Department of Education</i>			<u>565,957</u>
<b>U.S. Department of Justice:</b>			
Crime Victim Assistance	16.575	3267102/3952401	213,840
Crime Victim Assistance	16.575	3544501	288,523
Crime Victim Assistance	16.575	3746201	488,340
<i>Total U.S. Department of Justice</i>			<u>990,703</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Youth Homelessness Demonstration Program	14.276	TX0579Y6J001899	52,560
<i>Total U.S. Department of Housing and Urban Development</i>			<u>52,560</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 2,200,302</u></u>

See accompanying notes to schedule of expenditures of federal awards.

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2021**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Roy Maas' Youth Alternatives, Inc. and its affiliates and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of Roy Maas' Youth Alternatives, Inc. and its affiliates, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Roy Maas' Youth Alternatives, Inc. and its affiliates.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - NONCASH ASSISTANCE – FOOD DONATION**

Commodities represent the amount of donated food received during the 2020-2021 fiscal year. Commodities are valued at fair value, which was determined at the time of donation to be \$5,324.

**NOTE 4 - NON-PROFIT CHARTER SCHOOL CHART OF ACCOUNTS**

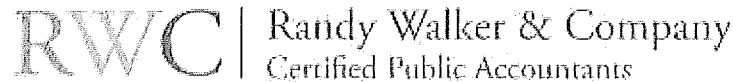
For all federal programs, Meadowland Charter District used the net asset classes and codes specified by Texas Education Agency (TEA) in the *Special Supplement to Financial Accounting and Reporting, Non-Profit Charter School Chart of Accounts*. Temporarily restricted net asset codes are used to account for resources restricted to or designated for specific purposes by the grantor. Federal financial assistance is generally accounted for in temporarily restricted net asset codes.

**NOTE 5 - OTHER DISCLOSURES**

There were no loans or loan guarantees outstanding at year end.

Roy Maas' Youth Alternatives, Inc. and its affiliates have elected not to use the 10 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

Roy Maas' Youth Alternatives, Inc. and its affiliates did not pass any federal awards through to subrecipients for the year ended June 30, 2021.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Roy Maas' Youth Alternatives, Inc. and Affiliates  
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Roy Maas' Youth Alternatives, Inc. and its affiliates (non-profit organizations), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 22, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Roy Maas' Youth Alternatives, Inc.'s and its affiliates' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Roy Maas' Youth Alternatives, Inc.'s and its affiliates' consolidated 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 consolidated 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 Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Randy Walker & Co.*

San Antonio, Texas  
November 22, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Roy Maas' Youth Alternatives, Inc. and Affiliates  
San Antonio, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Roy Maas' Youth Alternatives, Inc.'s and its affiliates' (non-profit organizations) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' major federal programs for the year ended June 30, 2021. Roy Maas' Youth Alternatives, Inc.'s and its affiliates' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Roy Maas' Youth Alternatives, Inc.'s and its affiliates' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' compliance.



***Opinion on Each Major Federal Program***

In our opinion, Roy Maas' Youth Alternatives, Inc. and its affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

**Report on Internal Control Over Compliance**

Management of Roy Maas' Youth Alternatives, Inc. and its affiliates is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

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.

*Randy Walker & Co.*

San Antonio, Texas  
November 22, 2021

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2021**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Noncompliance material to the financial statements	None

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	None

**Major Programs**

***Federal***

16.575      Crime Victim Assistance

Dollar threshold used to distinguish between type A and type B programs	\$750,000
Audit qualified as low-risk auditee	Yes

**Findings - Financial Statements Audit** None

**Findings and Questioned Costs - Major Federal Award Programs Audit** None

**ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES**  
**(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)**  
**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2021**

I. PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT

None

II. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None



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Certified Public Accountants

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November 22, 2021

To the Board of Directors  
Roy Maas' Youth Alternatives, Inc. and Affiliates  
San Antonio, Texas

In planning and performing our audit of the consolidated financial statements of Roy Maas' Youth Alternatives, Inc. and its affiliates as of and for the years ended June 30, 2021 and 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Roy Maas' Youth Alternatives, Inc.'s and its affiliates' 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 statements, but not for the purpose of expressing an opinion on the effectiveness of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control.

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 significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies or material weaknesses. However, significant deficiencies or material weaknesses may exist that have not been identified.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

This communication is intended solely for the information and use of management, the Board of Directors, and others within Roy Maas' Youth Alternatives, Inc. and its affiliates, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Randy Walker & Co.*

San Antonio, Texas  
November 22, 2021



# RWC | Randy Walker & Company

Certified Public Accountants

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November 22, 2021

To the Board of Directors  
Roy Maas' Youth Alternatives, Inc. and Affiliates  
San Antonio, Texas

We have audited the consolidated financial statements of Roy Maas' Youth Alternatives, Inc. and its affiliates for the years ended June 30, 2021 and 2020, and have issued our report thereon dated November 22, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 23, 2021. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant Audit Matters**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Roy Maas' Youth Alternatives, Inc. and its affiliates are described in Note 1 to the consolidated financial statements. As described in Note 1, Roy Maas' Youth Alternatives, Inc. and its affiliates changed accounting policies related to investments and revenue recognition by adopting the following FASB Accounting Standards Updates (ASU) in 2021: ASU 2018-13, *Changes to the Disclosure Requirements for Fair Value Measurement*; and ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Accordingly, the accounting changes have been retrospectively applied to periods presented as if the policies have always been used. We noted no transactions entered into by Roy Maas' Youth Alternatives, Inc. and its affiliates during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Certain consolidated financial statement disclosures are particularly sensitive because of their significance to financial statement users. The consolidated financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.





Roy Maas' Youth Alternatives, Inc. and Affiliates  
Board Letter

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes misstatements of the consolidated financial statements, which are considered to be material, both individually and in the aggregate, to the consolidated financial statements taken as a whole. Management has corrected all such misstatements.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 22, 2021.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Roy Maas' Youth Alternatives, Inc.'s and its affiliates' consolidated financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Roy Maas' Youth Alternatives, Inc.'s and its affiliates' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

*Supplementary Information*

With respect to the supplementary information accompanying the consolidated financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.



Roy Maas' Youth Alternatives, Inc. and Affiliates  
Board Letter

We would like to express our appreciation for the courtesy and cooperation extended to us by Bill Wilkinson, Harper Stewart, Mariana Vazquez, and their staff.

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Please do not hesitate to contact us if you want to discuss any of the matters contained herein.

Sincerely,

*Randy Walker & Co.*

