

**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, 2023 and 2022

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, 2023 and 2022

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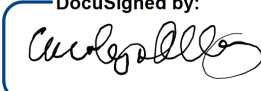
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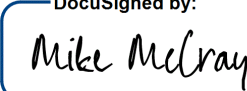
ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)

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) X approved disapproved for the year ended June 30, 2023, at a meeting of the Board of Trustees of such charter holder on the 13 day of November , 2023.

DocuSigned by:

DAC9102E13294A0
Signature of Board Secretary

DocuSigned by:

5866B82A2B1347E
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)

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Roy Maas' Youth Alternatives, Inc. (a non-profit organization) and its affiliates (Roy Maas' Youth Alternatives Foundation, a non-profit organization, and Meadowland Charter District, a non-profit organization), which comprise the consolidated statement of financial position as of June 30, 2023, 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.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Roy Maas' Youth Alternatives, Inc. and its affiliates as of June 30, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Roy Maas' Youth Alternatives, Inc. and its affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Roy Maas' Youth Alternatives, Inc.'s and its affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Roy Maas' Youth Alternatives, Inc.'s and its affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 20-23, the specific-purpose financial statements on pages 24-34, and the accompanying schedule of expenditures of federal awards on page 35, 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 financial information is fairly presented, 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 13, 2023 on pages 37-38 on our consideration of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control over financial reporting and 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.'s 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.

Report on Summarized Comparative Information

We have previously audited Roy Maas' Youth Alternatives, Inc.'s and its affiliates' 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Randy Walker & Co.

San Antonio, Texas
November 13, 2023

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, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,065,868	\$ 2,655,681
Due from State	348,108	362,510
Accounts Receivable	653,383	575,718
Grants Receivable	1,048,111	407,700
Prepaid Expenses	171,556	80,498
Total Current Assets	4,287,026	4,082,107
LONG-TERM ASSETS		
Investments	1,334,228	1,525,656
Fixed Assets - net	6,732,636	6,540,378
Finance Lease Right-of-Use Assets - net	76,051	-
Total Long-Term Assets	8,142,915	8,066,034
TOTAL ASSETS	\$ 12,429,941	\$ 12,148,141
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 317,668	\$ 288,263
Accrued Expenses	427,075	529,199
Other Liabilities	684	684
Finance Lease Payables - current portion	38,513	-
Total Current Liabilities	783,940	818,146
LONG-TERM LIABILITIES		
Finance Lease Payables - long-term portion	41,586	-
Total Long-Term Liabilities	41,586	-
TOTAL LIABILITIES	825,526	818,146
NET ASSETS		
Without Donor Restrictions:		
Undesignated	9,512,109	9,017,453
Designated	254,928	254,928
Total Without Donor Restrictions	9,767,037	9,272,381
With Donor Restrictions:		
Time/Purpose Restricted	1,837,378	2,057,614
Total With Donor Restrictions	1,837,378	2,057,614
TOTAL NET ASSETS	11,604,415	11,329,995
TOTAL LIABILITIES AND NET ASSETS	\$ 12,429,941	\$ 12,148,141

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, 2023
(summarized for 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<u>OPERATING SUPPORT AND REVENUE</u>				
Government Fee-for-Service Contracts	\$ 4,262,003	\$ -	\$ 4,262,003	\$ 4,970,237
Government Grants	768,068	2,177,257	2,945,325	3,768,835
Grants and Contributions - General	1,853,938	440,000	2,293,938	1,682,710
Special Event Income (net of direct expenses of \$241,270 and \$130,946, respectively)	990,575	126,012	1,116,587	520,379
Contributed Goods	614,003	-	614,003	692,099
Contributed Services	436,760	-	436,760	30,419
United Way	21	320,754	320,775	320,833
Sales - Thrift Shop	211,730	-	211,730	170,901
Other Income	42,452	-	42,452	18,743
Self Referral and Other Program Fees	19,943	-	19,943	13,794
Net Assets Released from Restriction	3,284,259	(3,284,259)	-	-
TOTAL OPERATING SUPPORT AND REVENUE	12,483,752	(220,236)	12,263,516	12,188,950
<u>OPERATING EXPENSES</u>				
Program Services	10,600,355	-	10,600,355	10,761,240
Supporting Services	845,930	-	845,930	1,653,269
Thrift Shop	660,507	-	660,507	358,839
TOTAL OPERATING EXPENSES	12,106,792	-	12,106,792	12,773,348
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	376,960	(220,236)	156,724	(584,398)
<u>NON-OPERATING ACTIVITY</u>				
Interest and Investment Income (Loss) - net	65,774	-	65,774	(129,684)
Gain (Loss) on Sale of Assets	51,922	-	51,922	(6,382)
Insurance Proceeds	-	-	-	165,320
TOTAL NON-OPERATING ACTIVITY	117,696	-	117,696	29,254
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	494,656	(220,236)	274,420	(555,144)
NET ASSETS, Beginning of Year	9,272,381	2,057,614	11,329,995	11,885,139
NET ASSETS, End of Year	\$ 9,767,037	\$ 1,837,378	\$11,604,415	\$11,329,995

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, 2023
(summarized for 2022)

	Program Services									Supporting Services						Other			
	Bridge Emergency Shelter	San Antonio Counseling Center	MeadowLand Counseling Center	Girlsville/ The Junction	The Meadows	Turning Point	DMST	Charter School	Eliminating Entry	Total Program	General Management	Burdick Center	RMYA Foundation	Fund- Raising	Eliminating Entry	Total Supporting Services	Thrift Shop	2023 Total	2022 Total
OPERATING EXPENSES																			
Salaries	\$ 616,726	\$ 399,539	\$ 339,032	\$ 675,327	\$ 2,132,170	\$ 379,202	\$ 218,659	\$ 1,524,923	\$ -	\$ 6,285,578	\$ 212,073	\$ -	\$ -	\$ 254,439	\$ -	\$ 466,512	\$ 196,476	\$ 6,948,566	\$ 7,550,779
Employee Benefits	49,906	35,389	36,538	74,914	180,057	41,121	9,160	196,276	-	623,361	6,601	-	-	17,220	-	23,821	28,054	675,236	715,194
Payroll Taxes	50,161	28,577	26,612	57,951	176,490	29,370	17,834	20,034	-	407,029	15,539	-	-	19,927	-	35,466	15,934	458,429	511,795
Total Payroll Expenses	716,793	463,505	402,182	808,192	2,488,717	449,693	245,653	1,741,233	-	7,315,968	234,213	-	-	291,586	-	525,799	240,464	8,082,231	8,777,768
Professional Fees	67,626	96,293	25,886	50,702	130,916	18,484	104,407	152,787	-	647,101	2,989	-	2,600	15,995	-	21,584	10,016	678,701	635,776
Contributed Goods/Equipment	12,314	6,907	11,298	28,262	96,172	7,152	77,594	-	-	239,699	99	-	-	62,121	-	62,220	313,888	615,807	698,853
Contributed Services	28,546	96,561	63,978	60,703	122,603	19,372	18,240	-	-	410,003	3,990	-	-	11,901	-	15,891	10,866	436,760	30,419
Depreciation	71,299	4,924	750	42,091	87,270	28,574	64,114	50,446	-	349,468	9,464	42,123	-	628	-	52,215	9,449	411,132	357,907
Occupancy	39,389	19,558	198	53,243	152,250	22,961	4,781	60,809	(4)	353,185	5,056	2,847	-	1,371	-	9,274	12,282	374,741	528,090
Insurance	30,329	11,418	7,664	47,130	90,546	20,370	17,272	29,368	-	254,097	3,394	25,581	5,418	4,948	-	39,341	24,705	318,143	294,134
Heating, Cooling and Water	13,685	5,301	-	43,737	76,942	24,009	4,597	46,090	-	214,361	1,418	1,668	-	1,429	-	4,515	19,051	237,927	268,930
Food Services	8,225	1,587	1,334	13,668	113,980	15,791	1,558	-	-	156,143	6,971	-	-	1,938	-	8,909	615	165,667	174,693
Children's Personal Expenses	11,785	4,490	1,305	11,857	48,252	21,287	9,325	-	-	108,301	805	-	-	3,573	-	4,378	593	113,272	114,449
Office Supplies, Printing and Postage	976	2,571	727	1,742	4,462	1,134	1,798	73,445	-	86,855	6,289	-	-	12,347	-	18,636	1,143	106,634	113,963
Computer Services and Equipment	7,489	4,581	6,701	14,237	32,350	8,925	3,245	-	-	77,528	6,902	-	-	9,937	-	16,839	1,507	95,874	136,017
Conferences and Workshops	3,940	23,803	4,371	6,805	17,990	3,584	12,536	-	-	73,029	4,385	-	-	-	-	4,385	1,158	78,572	123,294
Miscellaneous	11,461	898	344	235	2,511	308	107	30,120	-	45,984	6,315	-	131	4,993	-	11,439	1,435	58,858	140,453
Telephone	10,309	3,870	2,112	3,782	13,460	11,383	3,583	-	-	48,499	1,235	-	-	2,419	-	3,654	6,229	58,382	72,940
Lease Amortization	6,804	11,630	-	5,485	7,256	-	3,541	10,564	-	45,280	-	-	-	-	-	-	-	45,280	-
Supplies - Housekeeping	5,641	1,203	110	6,295	30,115	349	381	-	-	44,094	722	-	-	84	-	806	78	44,978	54,565
Automotive Expenses	3,178	267	-	5,806	25,871	1,431	1,841	-	-	38,394	279	-	-	161	-	440	5,716	44,550	32,604
Travel and Mileage	392	426	1,298	1,339	2,745	1,514	2,857	14,027	-	24,598	9,604	-	-	624	-	10,228	169	34,995	41,922
Membership Dues	2,744	1,124	2,193	3,621	8,611	1,155	6,409	-	-	25,857	1,644	-	-	4,289	-	5,933	652	32,442	23,150
Employee Recruitment and Other	1,766	1,729	1,721	2,571	8,674	1,040	759	-	-	18,260	6,479	1	-	607	-	7,087	432	25,779	40,212
Contract Labor	30	15	-	109	418	67	16	-	-	655	-	-	-	21,647	-	21,647	54	22,356	65,737
PPE Supplies	139	139	56	1,029	1,923	139	139	6,710	-	10,274	-	-	-	-	-	-	-	10,274	20,911
USDA Commodities	-	-	-	-	5,912	-	-	-	-	5,912	-	-	-	-	-	-	-	5,912	9,525
Interest	531	1,006	-	400	575	-	209	1,438	-	4,159	650	-	-	-	-	650	-	4,809	-
Recreational Equipment	145	35	39	461	1,759	73	79	-	-	2,591	51	-	-	3	-	54	3	2,648	11,194
Personnel Supplies	5	34	5	10	-	3	3	-	-	60	1	-	-	2	-	3	2	65	5,839
Rent	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	3	-	3	3
Contribution to RMYA	-	-	-	-	-	-	-	-	-	-	-	410,158	-	(410,158)	-	-	-	-	-
TOTAL OPERATING EXPENSES	\$ 1,055,541	\$ 763,875	\$ 534,272	\$ 1,213,512	\$ 3,572,280	\$ 658,798	\$ 585,044	\$ 2,217,037	\$ (4)	\$ 10,600,355	\$ 312,958	\$ 72,220	\$ 418,307	\$ 452,603	\$ (410,158)	\$ 845,930	\$ 660,507	\$ 12,106,792	\$ 12,773,348

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, 2023 and 2022

	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets	\$ 274,420	\$ (555,144)
Adjustments to Reconcile Net Change to Net Cash (Used)		
Provided by Operations:		
Depreciation	411,132	357,907
Lease Amortization	45,280	-
Realized/Unrealized (Gains) Losses on Investments	(23,973)	186,097
(Gain) Loss on Sale of Assets	(50,924)	6,382
Decrease (Increase) in Assets:		
Due from State	14,402	(35,837)
Accounts Receivable	(77,134)	355,351
Grants Receivable	(640,411)	171,181
Prepaid Expenses	(91,058)	163,452
Increase (Decrease) in Liabilities:		
Accounts Payable	25,358	(145,968)
Accrued Expenses	(102,124)	(62,253)
Deferred Revenue	-	(2,035)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(215,032)	439,133
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of Property and Equipment	(682,621)	(619,186)
Proceeds from Sale of Property	137,243	-
Sale of Investments - net	215,401	118,043
NET CASH USED BY INVESTING ACTIVITIES	(329,977)	(501,143)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on Finance Lease Obligations	(44,804)	-
NET CASH USED BY FINANCING ACTIVITIES	(44,804)	-
NET DECREASE IN CASH FLOWS	(589,813)	(62,010)
CASH AND CASH EQUIVALENTS, Beginning of Year	2,655,681	2,717,691
CASH AND CASH EQUIVALENTS, End of Year	\$ 2,065,868	\$ 2,655,681
<u>SUPPLEMENTAL DISCLOSURES</u>		
Interest Paid	\$ 4,809	\$ -

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, 2023 and 2022

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 consolidated 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), a 501(c)(3) non-profit organization, 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, 2023 and 2022, 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 consolidated financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the consolidated 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, 2023 and 2022

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

Grants and Contributions

The Company and its affiliates record grants and contributions in accordance with 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*. Grants and 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.

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 \$12,069 and \$14,043 for the years ended June 30, 2023 and 2022, respectively. All dividends and interest are included in investment income - net in the accompanying consolidated statement of activities.

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Commitments and Contingencies

The Company and its affiliates receive funds through state and federal programs that are governed by various statutes and regulations. State program funding received by the District 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 Company and its affiliates have complex compliance requirements, and, should state or federal auditors discover areas of noncompliance, funds may be subject to refund if so determined by the grantor agency.

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, 2023, the tax years that remain subject to examination by taxing authorities begin with 2020.

Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Non-for-Profit Entities for Contributed Nonfinancial Assets*. This pronouncement requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The pronouncement includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new pronouncement, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Company and its affiliates adopted this new pronouncement effective July 1, 2021. See Note 6 for required disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This pronouncement provides new guidance regarding lease accounting for reporting periods beginning after December 15, 2021, whereby a lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with lease terms of more than twelve months. The Company and its affiliates adopted this new pronouncement using the effective date method on July 1, 2022. The change had a cumulative effect of \$4,469 as of this date and was included in miscellaneous expense in the consolidated statement of functional expenses for the year ended June 30, 2023.

Leases

The Company and its affiliates may have lease agreements that contain both lease and non-lease components as defined by ASC 842. The Company and its affiliates have elected the practical expedient, by class of underlying asset, to account for the lease and non-lease components as a single lease component. The underlying assets include multiple copiers and computer servers recognized as right-of-use assets in the consolidated statements of financial position.

As the Company's and its affiliates' leases do not provide an implicit rate, a risk-free rate is used based on the information available at commencement date in determining the present value of lease payments. The risk-free rate is the rate of a zero-coupon U.S. Treasury instrument for the same period of time as the lease term.

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NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Revenue - Exchange Transactions

The Company recognizes revenue related to exchange transactions in accordance with ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Disaggregation of revenue is presented on the face of the consolidated statement of activities. 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.

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, 2023 and 2022.

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, 2023 and 2022.

Accounts receivable includes billings due for residential services provided. Amounts are reported net of adjustments for time period and rate level corrections. Accounts receivable balances related to these exchange transactions were as follows for the years ended June 30:

	2023	2022
Beginning of Year	\$ 575,718	\$ 931,069
End of Year	\$ 454,139	\$ 575,718

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.

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NOTE 2 - 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 insures the cash balances up to \$250,000 per bank. At June 30, 2023 and 2022, the District's uninsured cash balances totaled \$982,127 and \$962,740, 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, 2023 and 2022, the Company's uninsured cash and investment balances totaled \$1,310,642 and \$1,738,363, respectively, without regard to reconciling items.

NOTE 3 - FIXED ASSETS

Fixed assets consisted of the following at June 30:

	2023	2022
Land	\$ 485,546	\$ 485,546
Construction in Progress	138,842	-
Buildings	11,668,074	11,397,731
Building Improvements	3,517	2,019
Transportation Equipment	576,063	646,789
Furniture and Equipment	794,805	600,056
Software	146,225	146,225
Vehicles	87,789	87,789
	13,900,861	13,366,155
Less: Accumulated Depreciation	(7,168,225)	(6,825,777)
Total Fixed Assets - net	\$ 6,732,636	\$ 6,540,378

Depreciation expense for the years ended June 30, 2023 and 2022 was \$411,132 and \$357,907, respectively.

NOTE 4 - DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

During the years ended June 30, 2023 and 2022, 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.

NOTE 5 - 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, 2023 and 2022, 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, 2023 and 2022, total expense for these leases was \$3.

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
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NOTE 5 - RELATED PARTY TRANSACTIONS (continued)

The Company had a receivable of \$22,529 and \$19,544 from the District for miscellaneous expenses as of June 30, 2023 and 2022, respectively. The Company also had a receivable of \$-0- and \$3,516 from the Foundation for miscellaneous expenses as of June 30, 2023 and 2022, respectively. Additionally, the Foundation received \$-0- and \$9,600 in payments from the Company for pre-emptive maintenance, interest, and miscellaneous expenses for the years ended June 30, 2023 and 2022, respectively.

The Foundation made a contribution in the amount of \$137,243 and \$143,707 to the Company for building improvements and other needs during the years ended June 30, 2023 and 2022, respectively. The Foundation made a loan to the Company of \$250,000 during the year ended June 30, 2023, which was forgiven during the year. The Foundation also contributed rent in the form of facility use to the Company for its programs. The contributed rent was valued at \$272,915 and \$273,557 for the years ended June 30, 2023 and 2022, respectively. Furthermore, the Company transferred buildings and improvements to the Foundation at the net book value of \$344,639 and \$558,448 during the years ended June 30, 2023 and 2022, respectively.

NOTE 6 - CONTRIBUTED GOODS AND SERVICES

The Company receives various forms of contributed goods and services, including supplies, food, clothing, other personal items, furnishings, equipment, event auction items, and 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. Contributed goods and services are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. The value for donated services is based on conservative hourly rates determined by management from current market rates in relation to the type of service received. Contributed goods are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor.

Contributed goods and services were as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Contributed Goods:		
Clothing and Household	\$ 481,263	\$ 371,591
Food	11,983	57,909
Recreation	41,566	50,716
Supplies	2,773	36,692
Furniture	9,548	23,666
Gift Cards/Discounts	350	16,766
Equipment	4,899	6,579
Event Auction Items	61,621	128,180
	<u>614,003</u>	<u>692,099</u>
Contributed Services:		
Clinical	113,355	30,419
Media	323,405	-
	<u>436,760</u>	<u>30,419</u>
Total Contributed Goods and Services	<u>\$ 1,050,763</u>	<u>\$ 722,518</u>

Contributed goods and services are reflected in total in the consolidated statement of activities and did not have donor restrictions for the years ended June 30, 2023 and 2022.

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
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NOTE 6 - CONTRIBUTED GOODS AND SERVICES (continued)

For the years ended June 30, 2023 and 2022, total volunteer hours logged by professionals who contributed their services amounted to 3,565 and 3,512, respectively.

Other in-kind services received by the Company are from non-professional volunteers and are not reflected on these consolidated financial statements. Total hours logged by these individuals for the years ended June 30, 2023 and 2022 amounted to 5,807 and 4,594, respectively.

NOTE 7 - 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.

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

Total Plan Assets - \$207,621,898,000
Accumulated Benefit Obligations - \$228,246,679,763
The plan is 79.0% funded.

There are no collective-bargaining agreements.

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Under provisions in state law, plan members are required to contribute 8% of their annual covered salary, and the state of Texas contributes an amount equal to 8% of the District's covered payroll.

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NOTE 7 - PENSION PLAN OBLIGATIONS (continued)

The District employees' contributions to the TRS for the years ended June 30, 2023 and 2022 were \$92,467 and \$104,399, respectively, equal to the required contributions for each year.

Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the years ended June 30, 2023 and 2022 were \$37,098 and \$35,610, respectively, equal to the required contributions for each year.

The District's contributions to TRS for the years ended June 30, 2023 and 2022 were \$92,572 and \$105,892, respectively, which included \$20,570 and \$22,098 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 8 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Meadowland Charter District	\$ 1,226,202	\$ 1,275,963
Meadowland Program/Admin/Clinical	145,099	539,465
Gala	126,012	-
IT Infrastructure	103,533	25,000
Cabins and Driveway	50,000	-
Capital Campaign	43,356	43,356
Michael Gibbons Fund: Children's Special Activities	43,202	45,321
Emergency Food and Shelter Program	31,559	51,716
Turning Point	30,032	23,153
Burdick Center Upgrades	25,000	25,000
SA Counseling Center	7,915	14,922
National School Lunch Program	5,000	5,000
Clothing	468	2,218
TANF School Allowance (Clothing and School Supplies)	-	6,500
	<u>\$ 1,837,378</u>	<u>\$ 2,057,614</u>
Total Net Assets With Donor Restrictions		

NOTE 9 - 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:

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
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June 30, 2023 and 2022

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

- 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 current 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 Company's and its affiliates' financial instruments also include investments. The fair values of investments are based on quoted market prices for those or similar investments.

The following table represents assets measured at fair value on a recurring basis as reported in the consolidated statement of financial position at June 30, 2023 by level within the fair value measurement hierarchy:

	Total Fair Value Measurement	Level 1	Level 2	Level 3
Financial Assets:				
Equity Securities	\$ 716,923	\$ 716,923	\$ -	\$ -
Corporate Bonds	501,656	-	501,656	-
Money Market	35,760	35,760	-	-
Exchange-Traded Funds	47,012	47,012	-	-
Equity Mutual Funds	32,877	32,877	-	-
Total	\$ 1,334,228	\$ 832,572	\$ 501,656	\$ -

The following table represents assets measured at fair value on a recurring basis as reported in the consolidated statement of financial position at June 30, 2022 by level within the fair value measurement hierarchy:

	Total Fair Value Measurement	Level 1	Level 2	Level 3
Financial Assets:				
Equity Securities	\$ 719,286	\$ 719,286	\$ -	\$ -
Corporate Bonds	554,998	-	554,998	-
Money Market	114,595	114,595	-	-
Exchange-Traded Funds	96,392	96,392	-	-
Equity Mutual Funds	40,385	40,385	-	-
Total	\$ 1,525,656	\$ 970,658	\$ 554,998	\$ -

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 10 - RIGHT-OF-USE FINANCE LEASES

The Company and its affiliates lease copiers and computer servers under finance leases with varying monthly rates and expiration dates. The Company and its affiliates have adopted ASU 2016-02, *Leases*, as described in Note 1. Therefore, the right-of-use leased equipment is carried at cost of \$219,246 less accumulated amortization of \$143,195 at June 30, 2023. The balance of the lease payables was \$80,099 at June 30, 2023. Interest expense related to these leases was \$4,159 for the year ended June 30, 2023.

The related future minimum lease payments under these right-of-use finance leases are as follows:

Years Ending June 30,	
2024	\$ 40,923
2025	31,311
2026	10,728
2027	894
	<u>83,856</u>
Less: Interest (3.98%)	<u>(3,757)</u>
Present Value of Minimum Lease Payments	<u>\$ 80,099</u>

NOTE 11 - 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:

	<u>2023</u>	<u>2022</u>
Unit Rate Contract Funding:		
Bexar County Juvenile Probation	\$ 163,882	\$ 135,000
Other County Juvenile Probation	70,727	111,102
U.S. Department of Health and Human Services	305,123	167,893
Texas Department of State Health Services	387,128	320,917
Texas Department of Family and Protective Services	2,290,365	3,767,558
Other	-	260
	<u>3,217,225</u>	<u>4,502,730</u>
Grant Funding		
U.S. Department of Agriculture	38,601	61,081
U.S. Department of Agriculture Commodities	6,547	8,945
U.S. Department of Health and Human Services	122,863	197,789
U.S. Department of Justice	474,192	958,072
U.S. Department of Housing and Urban Development	155,064	163,268
U.S. Department of Homeland Security	20,000	77,160
Texas Education Agency	2,177,257	2,620,394
Bexar County	75,000	-
City of San Antonio	920,579	149,633
	<u>3,990,103</u>	<u>4,236,342</u>
Total Government Support	<u>\$ 7,207,328</u>	<u>\$ 8,739,072</u>

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE 12 - 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.

	2023	2022
Cash and Cash Equivalents	\$ 2,065,868	\$ 2,655,681
Investments	1,334,228	1,525,656
Due from State	348,108	362,510
Accounts Receivable	653,383	575,718
Grants Receivable	1,048,111	407,700
Total Financial Assets	5,449,698	5,527,265
Donor Restrictions	(1,837,378)	(2,057,614)
Board Designations	(254,928)	(254,928)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 3,357,392	\$ 3,214,723

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.

NOTE 13 - SPECIAL EVENTS

The Company holds special events each year. As discussed in Note 1, these special events are considered exchange transactions. For the years ended June 30, 2023 and 2022, the exchange portion of special events income was \$96,327 and \$95,580, respectively, and is included in special event income in the consolidated statement of activities. The amount in excess of this exchange portion is considered contribution income.

NOTE 14 - SUBSEQUENT EVENTS

The Company and its affiliates have evaluated subsequent events through November 13, 2023, which is the date the consolidated financial statements were available to be issued.

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, 2023
(summarized for 2022)

	2023					2022 Total
	Roy Maas' Youth Alternatives, Inc.	Roy Maas' Youth Alternatives Foundation	Meadowland Charter District	Eliminating Entries	Total	
<u>ASSETS</u>						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 850,728	\$ 23,416	\$ 1,191,724	\$ -	\$ 2,065,868	\$ 2,655,681
Due from State	-	-	348,108	-	348,108	362,510
Accounts Receivable	675,912	-	-	(22,529)	653,383	575,718
Grants Receivable	1,048,111	-	-	-	1,048,111	407,700
Prepaid Expenses	171,556	-	-	-	171,556	80,498
Total Current Assets	<u>2,746,307</u>	<u>23,416</u>	<u>1,539,832</u>	<u>(22,529)</u>	<u>4,287,026</u>	<u>4,082,107</u>
LONG-TERM ASSETS						
Investments	-	1,334,228	-	-	1,334,228	1,525,656
Fixed Assets - net	567,285	6,043,989	121,362	-	6,732,636	6,540,378
Finance Lease Right-of-Use Assets - net	46,245	-	29,806	-	76,051	-
Total Long-Term Assets	<u>613,530</u>	<u>7,378,217</u>	<u>151,168</u>	<u>-</u>	<u>8,142,915</u>	<u>8,066,034</u>
TOTAL ASSETS	<u>\$ 3,359,837</u>	<u>\$ 7,401,633</u>	<u>\$ 1,691,000</u>	<u>\$ (22,529)</u>	<u>\$ 12,429,941</u>	<u>\$ 12,148,141</u>
<u>LIABILITIES AND NET ASSETS</u>						
CURRENT LIABILITIES						
Accounts Payable	\$ 299,315	\$ -	\$ 40,882	\$ (22,529)	\$ 317,668	\$ 288,263
Accrued Expenses	322,801	-	104,274	-	427,075	529,199
Other Liabilities	-	-	684	-	684	684
Finance Lease Payables - current portion	28,847	-	9,666	-	38,513	-
Total Current Liabilities	<u>650,963</u>	<u>-</u>	<u>155,506</u>	<u>(22,529)</u>	<u>783,940</u>	<u>818,146</u>
LONG-TERM LIABILITIES						
Finance Lease Payables - long-term portion	20,172	-	21,414	-	41,586	-
Total Long-Term Liabilities	<u>20,172</u>	<u>-</u>	<u>21,414</u>	<u>-</u>	<u>41,586</u>	<u>-</u>
TOTAL LIABILITIES	<u>671,135</u>	<u>-</u>	<u>176,920</u>	<u>(22,529)</u>	<u>825,526</u>	<u>818,146</u>
NET ASSETS						
Without Donor Restrictions:						
Undesignated	1,865,954	7,358,277	287,878	-	9,512,109	9,017,453
Designated	254,928	-	-	-	254,928	254,928
Total Without Donor Restrictions	<u>2,120,882</u>	<u>7,358,277</u>	<u>287,878</u>	<u>-</u>	<u>9,767,037</u>	<u>9,272,381</u>
With Donor Restrictions:						
Time/Purpose Restricted	567,820	43,356	1,226,202	-	1,837,378	2,057,614
Total With Donor Restrictions	<u>567,820</u>	<u>43,356</u>	<u>1,226,202</u>	<u>-</u>	<u>1,837,378</u>	<u>2,057,614</u>
TOTAL NET ASSETS	<u>2,688,702</u>	<u>7,401,633</u>	<u>1,514,080</u>	<u>-</u>	<u>11,604,415</u>	<u>11,329,995</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,359,837</u>	<u>\$ 7,401,633</u>	<u>\$ 1,691,000</u>	<u>\$ (22,529)</u>	<u>\$ 12,429,941</u>	<u>\$ 12,148,141</u>

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, 2023
(summarized for 2022)

	2023					2022 Total
	Roy Maas' Youth Alternatives, Inc.	Roy Maas' Youth Alternatives Foundation	Meadowland Charter District	Eliminating Entries	Total	
<u>OPERATING SUPPORT AND REVENUE</u>						
Government Fee-for-Service Contracts	\$ 4,262,003	\$ -	\$ -	\$ -	\$ 4,262,003	\$ 4,970,237
Government Grants	768,068	-	2,177,257	-	2,945,325	3,768,835
Grants and Contributions - General	2,415,903	-	15,278	(137,243)	2,293,938	1,682,710
Special Event Income (net of direct expenses of \$241,270 and \$130,946, respectively)	1,116,587	-	-	-	1,116,587	520,379
Contributed Goods	614,003	-	-	-	614,003	692,099
Contributed Services	436,760	-	-	-	436,760	30,419
United Way	320,775	-	-	-	320,775	320,833
Sales - Thrift Shop	211,730	-	-	-	211,730	170,901
Other Income	42,450	2	-	-	42,452	18,743
Self Referral and Other Program Fees	19,943	-	-	-	19,943	13,794
Rental Income	-	4	-	(4)	-	-
Contributed Rent	272,915	-	-	(272,915)	-	-
TOTAL OPERATING SUPPORT AND REVENUE	10,481,137	6	2,192,535	(410,162)	12,263,516	12,188,950
<u>OPERATING EXPENSES</u>						
Program Services	8,383,322	-	2,217,037	(4)	10,600,355	10,761,240
Supporting Services	837,781	418,307	-	(410,158)	845,930	1,653,269
Thrift Shop	660,507	-	-	-	660,507	358,839
TOTAL OPERATING EXPENSES	9,881,610	418,307	2,217,037	(410,162)	12,106,792	12,773,348
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	599,527	(418,301)	(24,502)	-	156,724	(584,398)
<u>NON-OPERATING ACTIVITY</u>						
Interest and Investment Income (Loss) - net	7,073	58,701	-	-	65,774	(129,684)
(Loss) Gain on Sale of Assets	(1,045)	52,967	-	-	51,922	(6,382)
Insurance Proceeds	-	-	-	-	-	165,320
Forgiveness of Debt	250,000	(250,000)	-	-	-	-
Transfer of Fixed Assets	(344,639)	344,639	-	-	-	-
TOTAL NON-OPERATING ACTIVITY	(88,611)	206,307	-	-	117,696	29,254
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	510,916	(211,994)	(24,502)	-	274,420	(555,144)
NET ASSETS, Beginning of Year	2,177,786	7,613,627	1,538,582	-	11,329,995	11,885,139
NET ASSETS, End of Year	\$ 2,688,702	\$ 7,401,633	\$ 1,514,080	\$ -	\$ 11,604,415	\$ 11,329,995

See independent auditor's report.

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023
(summarized for 2022)

2023

	Roy Maas' Youth Alternatives, Inc.	Roy Maas' Youth Alternatives Foundation	Meadowland Charter District	Total	2022 Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Increase (Decrease) in Net Assets	\$ 510,916	\$ (211,994)	\$ (24,502)	\$ 274,420	\$ (555,144)
Adjustments to Reconcile Net Change to Net Cash (Used)					
Provided by Operations:					
Depreciation	360,686	-	50,446	411,132	357,907
Lease Amortization	34,716	-	10,564	45,280	-
Transfer of Assets from RMYA to Foundation	344,639	(344,639)	-	-	-
Contributed Rent	(272,915)	272,915	-	-	-
Realized/Unrealized (Gains) Losses on Investments	-	(23,973)	-	(23,973)	186,097
Loss (Gain) on Sale of Assets	2,043	(52,967)	-	(50,924)	6,382
Decrease (Increase) in Assets:					
Due from State	-	-	14,402	14,402	(35,837)
Accounts Receivable	(77,134)	-	-	(77,134)	355,351
Grants Receivable	(640,411)	-	-	(640,411)	171,181
Prepaid Expenses	(108,746)	-	17,688	(91,058)	163,452
(Decrease) Increase in Liabilities:					
Accounts Payable	(7,057)	(3,516)	35,931	25,358	(145,968)
Accrued Expenses	(92,825)	-	(9,299)	(102,124)	(62,253)
Deferred Revenue	-	-	-	-	(2,035)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	53,912	(364,174)	95,230	(215,032)	439,133
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchases of Property and Equipment	(671,142)	(1,498)	(9,980)	(682,620)	(619,186)
Proceeds from Sale of Property	-	137,243	-	137,243	-
Sale of Investments - net	-	215,401	-	215,401	118,043
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(671,142)	351,146	(9,980)	(329,976)	(501,143)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Payments on Finance Lease Obligations	(35,514)	-	(9,290)	(44,804)	-
NET CASH USED BY FINANCING ACTIVITIES	(35,514)	-	(9,290)	(44,804)	-
NET (DECREASE) INCREASE IN CASH FLOWS	(652,744)	(13,028)	75,959	(589,813)	(62,010)
CASH AND CASH EQUIVALENTS, Beginning of Year	1,503,472	36,444	1,115,765	2,655,681	2,717,691
CASH AND CASH EQUIVALENTS, End of Year	\$ 850,728	\$ 23,416	\$ 1,191,724	\$ 2,065,868	\$ 2,655,681
<u>SUPPLEMENTAL DISCLOSURES</u>					
Interest Paid	\$ 3,371	\$ -	\$ 1,438	\$ 4,809	\$ -

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, 2023 and 2022

	2023	2022
REVENUES:		
Contributed Goods/Equipment	\$ 313,888	\$ 131,240
Sales Revenue	211,730	170,901
TOTAL REVENUES	525,618	302,141
 EXPENSES:		
Salaries	196,476	110,117
Employee Benefits	28,054	17,969
Payroll Taxes	15,934	9,128
	240,464	137,214
Contributed Goods/Equipment	313,888	131,240
Insurance	24,705	20,840
Heating, Cooling and Water	19,051	17,317
Occupancy	12,282	19,801
Professional Fees	10,016	2,859
Depreciation Expense	9,449	12,539
Telephone	6,229	4,297
Automotive Expenses	5,716	3,718
Computer Services and Equipment	1,507	1,380
Miscellaneous	1,435	3,472
Conferences and Workshops	1,158	216
Office Supplies, Printing and Postage	1,143	840
Membership Dues	652	70
Food Services	615	371
Children's Personal Expenses	593	31
Employee Recruitment and Other	432	26
Travel and Mileage	169	1,527
Supplies - Housekeeping	78	460
Contract Labor	54	245
Recreational Equipment	3	-
Personnel Supplies	2	139
PPE Supplies	-	237
TOTAL EXPENSES	649,641	358,839
NET LOSS	\$ (124,023)	\$ (56,698)

See independent auditor's report.

SPECIFIC-PURPOSE FINANCIAL STATEMENTS

MEADOWLAND CHARTER DISTRICT
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,191,724	\$ 1,115,765
Due from State	348,108	362,510
Prepaid Expenses	-	17,688
Total Current Assets	1,539,832	1,495,963
LONG-TERM ASSETS		
Property and Equipment, net	121,362	161,827
Finance Lease Right-of-Use Asset - net	29,806	-
Total Long-Term Assets	151,168	161,827
TOTAL ASSETS	\$ 1,691,000	\$ 1,657,790
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 40,882	\$ 4,951
Accrued Expenses	104,274	113,573
Other Liabilities	684	684
Finance Lease Payable - current portion	9,666	-
Total Current Liabilities	155,506	119,208
LONG-TERM LIABILITIES		
Finance Lease Payable - long-term portion	21,414	-
Total Long-Term Liabilities	21,414	-
TOTAL LIABILITIES	176,920	119,208
NET ASSETS		
Without Donor Restrictions	287,878	262,619
With Donor Restrictions	1,226,202	1,275,963
TOTAL NET ASSETS	1,514,080	1,538,582
TOTAL LIABILITIES AND NET ASSETS	\$ 1,691,000	\$ 1,657,790

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023
(summarized for 2022)

	2023		2022 Total
	Without Donor Restrictions	With Donor Restrictions	
<u>OPERATING REVENUES AND OTHER SUPPORT</u>			
Local Support:			
5740 Other Revenues from Local Sources	\$ 15,278	\$ -	\$ 15,278
Total Local Support	15,278	-	15,278
State Program Revenues:			
5810 Foundation School Program Act Revenues	-	1,066,433	1,066,433
5811 Per Capita Apportionment	-	44,337	44,337
Total State Program Revenues	-	1,110,770	1,110,770
Federal Program Revenues:			
5920 Federal Revenues Distributed by TEA	-	965,566	965,566
5931 School Health and Related Services	-	100,921	100,921
Total Federal Program Revenues	-	1,066,487	1,066,487
Net Assets Released From Restrictions			
Restrictions Satisfied By Payments	2,227,018	(2,227,018)	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT	2,242,296	(49,761)	2,192,535
<u>OPERATING EXPENSES</u>			
11 Instruction	1,255,392	-	1,255,392
13 Curriculum Development and Instructional Staff Development	935	-	935
21 Instructional Leadership	104	-	104
23 School Leadership	420,166	-	420,166
31 Guidance, Counseling, and Evaluation Services	70,525	-	70,525
32 Social Work Services	69,585	-	69,585
33 Health Services	81	-	81
34 Transportation	8,803	-	8,803
35 Food Services	4,407	-	4,407
36 Extracurricular Activities	643	-	643
41 General Administration	158,714	-	158,714
51 Plant Maintenance and Operations	177,419	-	177,419
52 Security and Monitoring	1,700	-	1,700
53 Data Processing Services	36,186	-	36,186
61 Community Services	375	-	375
71 Debt Service	12,002	-	12,002
TOTAL OPERATING EXPENSES	2,217,037	-	2,217,037
CHANGE IN NET ASSETS	25,259	(49,761)	(24,502)
NET ASSETS, Beginning of Year	262,619	1,275,963	1,538,582
NET ASSETS, End of Year	\$ 287,878	\$ 1,226,202	\$ 1,514,080

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Foundation School Program and Per Capita Apportionment Payments	\$ 1,171,942	\$ 1,247,716
Grant Payments	1,019,717	1,336,841
Miscellaneous Sources	15,278	34,728
Payments to Vendors for Goods and Services Rendered	(359,738)	(454,080)
Payments to Charter School Personnel for Services Rendered	(1,750,532)	(1,906,248)
Interest Payments	(1,438)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	95,229	258,957
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of Property and Equipment	(9,980)	(97,450)
NET CASH USED BY INVESTING ACTIVITIES	(9,980)	(97,450)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on Finance Lease Obligations	(9,290)	-
NET CASH USED BY FINANCING ACTIVITIES	(9,290)	-
NET INCREASE IN CASH FLOWS	75,959	161,507
CASH AND CASH EQUIVALENTS, Beginning of Year	1,115,765	954,258
CASH AND CASH EQUIVALENTS, End of Year	\$ 1,191,724	\$ 1,115,765
 Reconciliation of Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Change in Net Assets	\$ (24,502)	\$ 267,708
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	50,445	14,625
Amortization	10,564	-
Loss on Disposal of Assets	-	2,731
Decrease (Increase) in Assets:		
Due from State	14,402	(35,837)
Prepaid Expenses	17,688	6,918
Increase (Decrease) in Liabilities:		
Accounts Payable	35,931	(8,510)
Accrued Expenses	(9,299)	11,322
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 95,229	\$ 258,957

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
SCHEDULE OF EXPENSES
For the Years Ended June 30, 2023 and 2022

	2023	2022
<u>OPERATING EXPENSES</u>		
6100 Payroll Costs	\$ 1,741,233	\$ 1,917,570
6200 Professional and Contracted Services	238,659	260,838
6300 Supplies and Materials	94,472	110,571
6400 Other Operating Costs	141,235	98,435
6500 Debt	1,438	-
TOTAL OPERATING EXPENSES	\$ 2,217,037	\$ 2,387,414

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
SCHEDULE OF CAPITAL ASSETS
June 30, 2023

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

	Ownership Interest		
	Local	State	Federal
1110 Cash	\$ 287,878	\$ 903,846	\$ -
1520 Buildings and Improvements	-	217,520	-
1530 Furniture, Equipment, and Vehicles	-	96,394	-
Total Capital Assets	\$ 287,878	\$ 1,217,760	\$ -

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

Per Schedule of Capital Assets:

1520 Buildings and Improvements	\$ 217,520
1531 Vehicles	87,789
1539 Furniture and Equipment	8,605
<i>Less Accumulated Depreciation:</i>	(192,552)
Total Property and Equipment per Statements of Financial Position:	\$ 121,362

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Variance From Original to Final Budget</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget to Actual</u>
	<u>Original</u>	<u>Final</u>			
<u>OPERATING REVENUES AND OTHER SUPPORT</u>					
Local Support:					
5740 Other Revenues from Local Sources	\$ 22,000	\$ 35,600	\$ 13,600 [1]	\$ 15,278	\$ (20,322) [15]
Total Local Support	22,000	35,600	13,600	15,278	(20,322)
State Program Revenues:					
5810 Foundation School Program Act Revenues	1,253,045	1,066,185	(186,860) [2]	1,066,433	248
5811 Per Capita Apportionment	28,445	44,338	15,893 [3]	44,337	(1)
Total State Program Revenues	1,281,490	1,110,523	(170,967)	1,110,770	247
Federal Program Revenues:					
5920 Federal Revenues Distributed by TEA	2,537,723	1,013,353	(1,524,370) [4]	965,566	(47,787)
5931 School Health and Related Services	75,000	105,000	30,000 [5]	100,921	(4,079)
Total Federal Program Revenues	2,612,723	1,118,353	(1,494,370)	1,066,487	(51,866)
TOTAL OPERATING REVENUES AND OTHER SUPPORT	3,916,213	2,264,476	(1,651,737)	2,192,535	(71,941)
<u>OPERATING EXPENSES</u>					
11 Instruction	1,275,343	1,282,654	(7,311)	1,255,392	27,262
13 Curriculum Development and Instructional Staff Development	3,500	1,563	1,937 [6]	935	628
21 Instructional Leadership	-	106	(106) [7]	104	2
23 School Leadership	519,548	458,700	60,848 [8]	420,166	38,534
31 Guidance, Counseling, and Evaluation Services	64,527	74,111	(9,584) [7]	70,525	3,586
32 Social Work Services	79,541	79,541	-	69,585	9,956
33 Health Services	2,300	300	2,000 [9]	81	219
34 Transportation	8,000	8,000	-	8,803	(803) [16]
35 Food Services	-	4,300	(4,300) [10]	4,407	(107)
36 Extracurricular Activities	27,500	2,500	25,000 [11]	643	1,857
41 General Administration	149,454	169,454	(20,000) [12]	158,714	10,740
51 Plant Maintenance and Operations	193,754	143,758	49,996 [13]	177,419	(33,661) [16]
52 Security and Monitoring	-	2,628	(2,628) [12]	1,700	928
53 Data Processing Services	40,827	36,861	3,966 [13]	36,186	675
61 Community Services	3,250	-	3,250 [14]	375	(375) [17]
71 Debt Service	-	-	-	12,002	(12,002) [18]
TOTAL OPERATING EXPENSES	2,367,544	2,264,476	103,068	2,217,037	47,439
CHANGE IN NET ASSETS	1,548,669	-	(1,548,669)	(24,502)	(24,502)
NET ASSETS, Beginning of Year	1,538,582	1,538,582	-	1,538,582	-
NET ASSETS, End of Year	\$ 3,087,251	\$ 1,538,582	\$ (1,548,669)	\$ 1,514,080	\$ (24,502)

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2023

- [1] Increase in final budget is due to additional e-rate funds expected during the year.
- [2] Decrease in final budget is due to less than anticipated enrollment during the fiscal year. The majority of students come from the RMYA residential facility, and, due to less census at facility, there were fewer students enrolled at the charter school.
- [3] Increase in final budget is due to updating final amount to actual. Original budget consisted of prior years' ASF funding.
- [4] Decrease in final budget is due to less ESSER funds available than in the prior year.
- [5] Increase in final budget is due to increased SHARS eligible services provided and billed for.
- [6] Decrease in final budget is due to canceling staff development training that was accounted for in original budget.
- [7] Increase in final budget is due to higher than expected IDEA B coop share allocation.
- [8] Decrease in final budget is due to a reduction in Title 2 and ESSER budgeted amounts in order to use funds in the upcoming fiscal year.
- [9] Decrease in final budget is due to less need to replenish health-related supplies.
- [10] Increase in final budget is due to original budget not accounting for reimbursement of meals served.
- [11] Decrease in final budget is due to less participation in extracurricular activities during the year.
- [12] Increase in final budget is due to more than expected expenditures in this function code.
- [13] Decrease in final budget is due to less than expected expenses incurred in this function code.
- [14] Decrease in final budget is due to not utilizing the community services in the same manner as in previous year.
- [15] Actual revenue is lower than budgeted due to expected additional e-rate funding that was not received.
- [16] Actual expense was higher than budgeted due to underestimating depreciation expense during budget process.
- [17] Increase in actual expense is due to IDEA B coop share of allocation for community services not being provided until final budget amendment. Allocation was more than expected.
- [18] Increase in actual expense was due to implementation of new lease pronouncement, which included recording of amortization and interest expense for copier lease. Lease expense was budgeted in another function.

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
For the Year Ended June 30, 2023

Related Party Name	Name of Relation to the Related Party	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds Used	Total Paid During FY
Rosa Belcher	Annette Ellenwood	Sister-in-law	Compensation	Monthly	Student Service Clerk	State	\$ 29,007
Rosa Belcher	Annette Ellenwood	Sister-in-law	Compensation	Monthly	Student Service Clerk	Federal	\$ 4,000

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
For the Year Ended June 30, 2023

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.	\$ 95,863
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)	\$ 1,951

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?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the district's fiscal year.	\$ 63
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	\$ 21

See independent auditor's report.

**MEADOWLAND CHARTER DISTRICT
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended June 30, 2023**

<u>Related Party Name</u>	<u>Name of Relation to the Related Party</u>	<u>Relationship</u>	<u>Type of Transaction</u>	<u>Description of Terms and Conditions</u>	<u>Source of Funds Used</u>	<u>Payment Frequency</u>	<u>Total Paid during FY</u>	<u>Principal Balance Due</u>
Meadowland Charter District	Roy Maas' Youth Alternatives Foundation	Affiliated Company	Financial	Lease	State	Annually	\$ 1	N/A

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
June 30, 2023

<u>Description</u>	<u>Property Address</u>	<u>Total Assessed Value</u>	<u>Ownership Interest Local</u>	<u>Ownership Interest State</u>	<u>Ownership Interest Federal</u>
N/A	N/A	N/A	N/A	N/A	N/A

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, 2023

<u>Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Health and Human Services:			
Basic Center Grant	93.623	90CY7106-03/90CY748201	\$ 150,854
Transitional Living for Homeless Youth	93.550	90CX7400-01/90CX7400-02	154,269
Medical Assistance Program	93.778	0801037-01	122,862
<i>Total U.S. Department of Health and Human Services</i>			<u>427,985</u>
U.S. Department of Homeland Security:			
Emergency Food and Shelter National Board Program (EFSNP Phase 39)	97.024	788600-047	15,672
Emergency Food and Shelter National Board Program (ARPA-R)	97.024	788600-047	24,525
<i>Total U.S. Department of Homeland Security</i>			<u>40,197</u>
U.S. Department of Agriculture:			
Passed-Through Texas Department of Agriculture:			
School Breakfast Program and National School Lunch Program	10.553-10.555	01310	38,601
USDA Commodities - Noncash Award	10.555	01310	6,547
<i>Total U.S. Department of Agriculture</i>			<u>45,148</u>
U.S. Department of Education:			
Passed-Through Texas Education Agency:			
Title I Grants to Local Educational Agencies	84.010A	22610101130801/23610101130801	198,662
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	22694501130801/23694501130801	276
COVID-19 Education Stabilization Fund	84.425D	21521001130801	318,107
COVID-19 Education Stabilization Fund	84.425U	21528001130801	418,162
			<u>736,269</u>
Special Education Grants to States	84.027A	236600010158076000	20,147
Student Support and Academic Enrichment Program	84.424A	22680101130801/23680101130801	10,211
<i>Total U.S. Department of Education</i>			<u>965,565</u>
U.S. Department of Justice:			
Crime Victim Assistance	16.575	3952402/3952403	299,227
Crime Victim Assistance	16.575	3746202/3746203	168,591
<i>Total U.S. Department of Justice</i>			<u>467,818</u>
U.S. Department of Housing and Urban Development:			
Youth Homelessness Demonstration Program	14.276	TX0579Y6J001899	157,314
<i>Total U.S. Department of Housing and Urban Development</i>			<u>157,314</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,104,027</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, 2023

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 2022-2023 fiscal year. Commodities are valued at fair value, which was determined at the time of donation to be \$6,547.

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, 2023.

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, 2023, 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 13, 2023.

Report on 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.

Report on 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 13, 2023

**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

Opinion on 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 Roy Maas' Youth Alternatives, Inc.'s and its affiliates' major federal programs for the year ended June 30, 2023. 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.

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 its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Roy Maas' Youth Alternatives, Inc.'s and its affiliates' federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (continued)

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

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

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

Randy Walker & Co.

San Antonio, Texas
November 13, 2023

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, 2023

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

84.425 Education Stabilization Fund	
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, 2023

I. PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT

None

II. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

November 13, 2023

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 year ended June 30, 2023, 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 13, 2023

November 13, 2023

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 year ended June 30, 2023, and have issued our report thereon dated November 13, 2023. 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 June 19, 2023. 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 leases by adopting the following Financial Accounting Standards Board Accounting Standards Update (ASU) in 2023: ASU 2016-13, *Leases*. 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.

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 13, 2023.

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.

We would like to express our appreciation for the courtesy and cooperation extended to us by Blair Thompson, 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.

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

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

Sincerely,

Randy Walker & Co.