

**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, 2022 and 2021

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, 2022 and 2021

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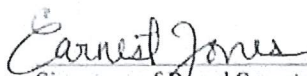
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ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)

Federal Employer Identification Number: 74-1914638

Certificate of Board

We, the undersigned, certify that the attached Financial and Compliance Report of the above-named charter holder was reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2022, at a meeting of the Board of Trustees of such charter holder on the 14 day of November, 2022.


Signature of Board Secretary


Signature of Board President

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

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 statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities (with comparative totals for 2021), functional expenses (with comparative totals for 2021), and cash flows for the years 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, 2022 and 2021, and the changes in their net assets and their cash flows for the years 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. 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. 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. 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 14, 2022 on pages 37-38 on our consideration of Roy Maas' Youth Alternatives, Inc. 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. 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. and its affiliates' internal control over financial reporting and compliance.

Randy Walker & Co.

San Antonio, Texas
November 14, 2022

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,655,681	\$ 2,717,691
Due from State	362,510	326,673
Accounts Receivable	575,718	931,069
Grants Receivable	407,700	578,881
Prepaid Expenses	80,498	243,950
Total Current Assets	<u>4,082,107</u>	<u>4,798,264</u>
LONG-TERM ASSETS		
Investments	1,525,656	1,829,796
Fixed Assets - net	6,540,378	6,285,481
Total Long-Term Assets	<u>8,066,034</u>	<u>8,115,277</u>
TOTAL ASSETS	<u><u>\$ 12,148,141</u></u>	<u><u>\$ 12,913,541</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 288,263	\$ 434,231
Accrued Expenses	529,199	591,452
Deferred Revenue	-	2,035
Other Liabilities	684	684
TOTAL LIABILITIES	<u>818,146</u>	<u>1,028,402</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	9,017,453	10,255,803
Designated	254,928	254,928
Total Without Donor Restrictions	<u>9,272,381</u>	<u>10,510,731</u>
With Donor Restrictions:		
Time/Purpose Restricted	2,057,614	1,374,408
Total With Donor Restrictions	<u>2,057,614</u>	<u>1,374,408</u>
TOTAL NET ASSETS	<u>11,329,995</u>	<u>11,885,139</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 12,148,141</u></u>	<u><u>\$ 12,913,541</u></u>

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

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022
(with comparative totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>OPERATING SUPPORT AND REVENUE</u>				
Government Fee-for-Service Contracts	\$ 4,970,237	\$ -	\$ 4,970,237	\$ 6,751,587
Government Grants	1,066,281	2,702,554	3,768,835	3,143,435
Grants and Contributions - General	750,510	932,200	1,682,710	1,587,145
Contributed Goods	563,919	-	563,919	340,168
Special Event Income (net of direct expenses of \$130,946 and \$62,150, respectively)	520,379	-	520,379	126,310
United Way	79	320,754	320,833	229,410
Sales - Thrift Shop	170,901	-	170,901	126,141
Contributed Services	30,419	-	30,419	58,961
Other Income	18,743	-	18,743	16,000
Self Referral and Other Program Fees	13,794	-	13,794	35,253
Net Assets Released from Restriction	3,272,302	(3,272,302)	-	-
TOTAL OPERATING SUPPORT AND REVENUE	11,377,564	683,206	12,060,770	12,414,410
<u>OPERATING EXPENSES</u>				
Program Services	10,761,240	-	10,761,240	10,561,851
Supporting Services	1,525,089	-	1,525,089	2,037,472
Thrift Shop	358,839	-	358,839	276,700
TOTAL OPERATING EXPENSES	12,645,168	-	12,645,168	12,876,023
CHANGE IN NET ASSETS BEFORE NON- OPERATING ACTIVITY	(1,267,604)	683,206	(584,398)	(461,613)
<u>NON-OPERATING ACTIVITY</u>				
Insurance Proceeds	165,320	-	165,320	272,290
PPP Revenue	-	-	-	1,585,700
(Loss) Gain on Sale of Assets	(6,382)	-	(6,382)	700
Investment (Loss) Income - net	(129,684)	-	(129,684)	307,026
TOTAL NON-OPERATING ACTIVITY	29,254	-	29,254	2,165,716
CHANGE IN NET ASSETS AFTER NON- OPERATING ACTIVITY	(1,238,350)	683,206	(555,144)	1,704,103
NET ASSETS, Beginning of Year	10,510,731	1,374,408	11,885,139	10,181,036
NET ASSETS, End of Year	\$ 9,272,381	\$ 2,057,614	\$11,329,995	\$11,885,139

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, 2022
(with comparative totals for 2021)

	Program Services										Supporting Services					Other		2022 Total	2021 Total
	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		
<u>OPERATING EXPENSES</u>																			
Salaries	\$ 484,510	\$ 336,092	\$ 417,396	\$ 916,064	\$ 1,765,951	\$ 347,407	\$ 466,290	\$ 1,687,893	\$ -	\$ 6,421,603	\$ 780,333	\$ -	\$ -	\$ 238,726	\$ -	\$ 1,019,059	\$ 110,117	\$ 7,550,779	\$ 8,028,395
Employee Benefits	33,743	30,991	37,169	12,293	212,066	30,918	44,094	206,612	-	607,886	71,117	-	-	18,222	-	89,339	17,969	715,194	608,332
Payroll Taxes	42,057	25,603	31,983	75,070	147,739	27,924	39,990	23,065	-	413,431	70,400	-	-	18,836	-	89,236	9,128	511,795	554,523
Total Payroll Expenses	560,310	392,686	486,548	1,003,427	2,125,756	406,249	550,374	1,917,570	-	7,442,920	921,850	-	-	275,784	-	1,197,634	137,214	8,777,768	9,191,250
Professional Fees	61,524	88,865	6,325	24,446	59,548	3,717	134,646	170,248	-	549,319	50,185	399	4,147	28,867	-	83,598	2,859	635,776	674,747
Contributed Goods/Equipment	14,852	1,440	-	63,789	126,478	60,757	158,012	-	-	425,328	1,425	1,140	-	11,540	-	14,105	131,240	570,673	343,053
Occupancy	28,074	17,436	84	133,270	209,181	30,939	41,167	52,101	(9,604)	502,648	2,080	3,500	-	61	-	5,641	19,801	528,090	495,886
Depreciation	66,941	5,552	750	59,173	96,449	30,250	65,131	14,625	-	338,871	5,869	-	-	628	-	6,497	12,539	357,907	355,587
Insurance	30,693	10,712	3,784	40,921	77,719	16,474	22,407	14,982	-	217,692	15,977	28,194	5,262	6,169	-	55,602	20,840	294,134	275,242
Heating, Cooling and Water	11,931	3,267	-	57,751	86,627	23,280	10,130	56,763	-	249,749	1,864	-	-	-	-	1,864	17,317	268,930	265,809
Food Services	21,524	531	90	52,871	82,706	4,472	4,923	-	-	167,117	5,714	47	-	1,444	-	7,205	371	174,693	235,345
Miscellaneous	570	719	75	2,004	4,874	541	933	59,899	-	69,615	17,265	576	46,803	2,722	-	67,366	3,472	140,453	88,005
Computer Services and Equipment	22,380	7,046	9,324	15,218	21,880	24,363	12,644	-	-	112,855	14,012	790	-	6,980	-	21,782	1,380	136,017	134,660
Conferences and Workshops	3,114	44,461	18,978	7,631	11,920	7,594	23,253	-	-	116,951	5,678	188	-	261	-	6,127	216	123,294	23,699
Children's Personal Expenses	11,913	4,211	-	23,863	37,731	35,102	1,564	-	-	114,384	34	-	-	-	-	34	31	114,449	164,703
Office Supplies, Printing and Postage	1,510	1,492	279	3,593	5,781	430	1,738	90,071	-	104,894	6,058	26	-	2,145	-	8,229	840	113,963	108,296
Telephone	12,318	10,696	-	8,196	13,981	3,823	8,760	-	-	57,774	10,371	-	-	498	-	10,869	4,297	72,940	86,873
Contract Labor	2,467	5,745	-	14,345	24,125	18,105	705	-	-	65,492	-	-	-	-	-	-	245	65,737	42,249
Supplies - Housekeeping	6,693	794	49	15,426	22,837	4,875	1,468	-	-	52,142	1,691	272	-	-	-	1,963	460	54,565	54,563
Travel and Mileage	2,983	80	-	8,471	9,941	5,127	1,259	10,068	-	37,929	2,466	-	-	-	-	2,466	1,527	41,922	48,675
Employee Recruitment and Other	4,077	1,994	1,254	4,463	8,602	573	371	-	-	21,334	17,562	-	-	1,290	-	18,852	26	40,212	28,279
Automotive Expenses	2,134	26	-	10,433	12,752	1,366	2,173	-	-	28,884	2	-	-	-	-	2	3,718	32,604	48,419
Contributed Services	-	30,419	-	-	-	-	-	-	-	30,419	-	-	-	-	-	-	-	30,419	58,961
Membership Dues	2,355	456	246	1,009	1,747	610	1,151	1,087	-	8,661	10,555	-	-	3,864	-	14,419	70	23,150	25,258
PPE Supplies	2,134	2,023	-	4,631	6,977	2,589	2,023	-	-	20,377	297	-	-	-	-	297	237	20,911	70,224
Recreational Equipment	9,705	-	-	378	576	-	535	-	-	11,194	-	-	-	-	-	-	-	11,194	8,534
USDA Commodities	-	-	-	3,810	5,715	-	-	-	-	9,525	-	-	-	-	-	-	-	9,525	5,324
Personnel Supplies	454	134	156	420	488	112	3,402	-	-	5,166	361	-	-	173	-	534	139	5,839	21,516
Rent	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	3	-	3	19,553
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,313
Contribution to RMYA	-	-	-	-	-	-	-	-	-	-	-	-	417,264	-	(417,264)	-	-	-	-
Funds Returned to Grantor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	\$ 880,656	\$ 630,785	\$ 527,942	\$ 1,559,539	\$ 3,054,391	\$ 681,348	\$ 1,048,769	\$ 2,387,414	\$ (9,604)	\$ 10,761,240	\$ 1,091,319	\$ 35,132	\$ 473,476	\$ 342,426	\$ (417,264)	\$ 1,525,089	\$ 358,839	\$ 12,645,168	\$ 12,876,023

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
(Decrease) Increase in Net Assets	\$ (555,144)	\$ 1,704,103
Adjustments to Reconcile Net Change to Net Cash		
Provided by Operations:		
Depreciation	357,907	355,587
Realized/Unrealized Losses (Gains) on Investments	186,097	(274,088)
Loss (Gain) on Sale of Assets	6,382	(700)
(Increase) Decrease in Assets:		
Due from State	(35,837)	244,048
Accounts Receivable	355,351	(145,992)
Grants Receivable	171,181	(122,104)
Prepaid Expenses	163,452	(17,860)
(Decrease) Increase in Liabilities:		
Accounts Payable	(145,968)	22,888
Accrued Expenses	(62,253)	115,740
Deferred Revenue	(2,035)	535
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>439,133</u>	<u>1,882,157</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of Property and Equipment	(619,186)	(287,636)
Sale (Purchase) of Investments - net	118,043	(415,886)
NET CASH USED BY INVESTING ACTIVITIES	<u>(501,143)</u>	<u>(703,522)</u>
NET (DECREASE) INCREASE IN CASH FLOWS	(62,010)	1,178,635
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>2,717,691</u>	<u>1,539,056</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 2,655,681</u>	<u>\$ 2,717,691</u>
<u>SUPPLEMENTAL DISCLOSURES</u>		
Interest Paid	<u>\$ -</u>	<u>\$ 1,313</u>

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

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021

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 \$14,043 and \$11,395 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021

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.

Functional Allocation of Expenses

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

Income Taxes

Roy Maas' Youth Alternatives, Inc., Roy Maas' Youth Alternatives Foundation, and Meadowland Charter District are all exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2022, the tax years that remain subject to examination by taxing authorities begin with 2019.

New Accounting Pronouncements

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

Recently Adopted Accounting Pronouncements

In 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. The pronouncement did not have a material impact on the consolidated financial statements. The Company and its affiliates have updated disclosures as necessary (see Note 7).

In 2018, the FASB issued ASU 2018-13, *Changes to the Disclosure Requirements for Fair Value Measurement*, effective for periods beginning after December 15, 2019. This pronouncement improves the effectiveness of fair value measurement disclosures in the notes to the financial statements. The Company and its affiliates adopted this pronouncement effective July 1, 2020.

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Pronouncements (continued)

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This pronouncement provides guidance regarding revenue recognition effective for reporting periods beginning after December 15, 2019. The pronouncement affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets. The core principle of this update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. The Company and its affiliates adopted this pronouncement effective July 1, 2020.

Revenue - Exchange Transactions

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

The Company also receives revenue through various other exchange transactions, including counseling revenue, thrift shop sales and special events. The amount of consideration received from these transactions is variable. Revenue from these transactions is recorded as an increase in net assets without donor restrictions to the extent that the earnings process is complete. Performance obligations are satisfied at a point in time when the service is performed, the sale is made or the event is held.

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, 2022 and 2021.

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, 2022 and 2021.

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

	2022	2021
Beginning of Year	\$ 931,069	\$ 785,077
End of Year	\$ 575,718	\$ 931,069

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
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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 (the FDIC) insures the cash balances up to \$250,000 per bank. At June 30, 2022 and 2021, the District's uninsured cash and investment balances totaled \$962,740 and \$699,388, 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, 2022 and 2021, the Company's uninsured cash and investment balances totaled \$1,738,363 and \$2,373,328, respectively, without regard to reconciling items.

NOTE 3 - FIXED ASSETS

Fixed assets consisted of the following at June 30:

	2022	2021
Land	\$ 485,546	\$ 485,546
Construction in Progress	-	11,870
Buildings	11,397,731	10,505,133
Building Improvements	2,019	426,723
Transportation Equipment	646,789	646,789
Furniture and Equipment	600,056	600,056
Software	146,225	146,225
Vehicles	87,789	87,789
	13,366,155	12,910,131
Less: Accumulated Depreciation	(6,825,777)	(6,624,650)
Total Fixed Assets, net	\$ 6,540,378	\$ 6,285,481

Depreciation expense for the years ended June 30, 2022 and 2021 was \$357,907 and \$355,587, respectively.

NOTE 4 - INVESTMENTS

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

	2022	2021
Equity Securities	\$ 719,286	\$ 771,866
Corporate Bonds	554,998	685,375
Money Market	114,595	169,912
Exchange-Traded Funds	96,392	104,185
Equity Mutual Funds	40,385	98,458
Total Investments	\$ 1,525,656	\$ 1,829,796

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 4 - INVESTMENTS (continued)

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

	<u>2022</u>	<u>2021</u>
Interest and Dividends	\$ 70,456	\$ 44,333
Realized/Unrealized (Losses) Gains	(186,097)	274,088
Investment Fees	(14,043)	(11,395)
Total Investment (Loss) Income - net	<u>\$ (129,684)</u>	<u>\$ 307,026</u>

NOTE 5 - DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

During the years ended June 30, 2022 and 2021, 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 6 - 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, 2022 and 2021, 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, 2022 and 2021, total expense for these leases was \$3.

The Company had a receivable of \$19,544 and \$10,889 from the District for miscellaneous expenses as of June 30, 2022 and 2021, respectively. The Company also had a receivable of \$3,516 and \$-0- from the Foundation for miscellaneous expenses as of June 30, 2022 and 2021, respectively. Additionally, the Foundation received \$9,600 in payments from the Company for pre-emptive maintenance, interest and miscellaneous expenses for the years ended June 30, 2022 and 2021.

The Foundation made a contribution in the amount of \$150,000 and \$-0- to the Company for building improvements during the years ended June 30, 2022 and 2021, respectively. The Foundation also contributed rent in the form of facility use to the Company for its programs. The contributed rent was valued at \$273,557 and \$257,483 for the years ended June 30, 2022 and 2021, respectively. Furthermore, the Company transferred buildings and improvements to the Foundation at the net book value of \$558,448 and \$272,350 during the years ended June 30, 2022 and 2021, respectively.

NOTE 7 - CONTRIBUTED GOODS AND SERVICES

The Company receives various forms of contributed goods and services, including supplies, food, clothing, other personal items, furnishings, equipment, 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.

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 7 - CONTRIBUTED GOODS AND SERVICES (continued)

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

	<u>2022</u>	<u>2021</u>
Contributed Goods:		
Clothing and Household	\$ 371,591	\$ 208,885
Food	57,909	58,988
Recreation	50,716	6,109
Supplies	36,692	24,983
Furniture	23,666	22,750
Gift Cards/Discounts	16,766	4,633
Equipment	6,579	6,938
Health and Fitness	-	6,882
	<u>563,919</u>	<u>340,168</u>
Contributed Services:		
Medical and Other	<u>30,419</u>	<u>58,961</u>
Total Contributed Goods and Services	<u>\$ 594,338</u>	<u>\$ 399,129</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, 2022 and 2021.

For the years ended June 30, 2022 and 2021, total volunteer hours logged by professionals who contributed their services amounted to 3,512 and 2,607, 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, 2022 and 2021 amounted to 4,594 and 2,468, respectively.

NOTE 8 - OPERATING LEASES

The Company leases copiers and computer servers under operating leases with varying expiration dates from 2022 to 2025.

The District leases a copier under an operating lease that expires in July 2026.

Total lease expense related to all agreements for the years ended June 30, 2022 and 2021 was \$76,314 and \$59,278, respectively.

Future lease payments under existing agreements are as follows:

Years Ending June 30,	
<u>2023</u>	\$ 48,963
2024	40,923
2025	29,072
2026	10,728
2027	<u>894</u>
Total	<u>\$ 130,580</u>

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Meadowland Charter District	\$ 1,275,963	\$ 1,132,596
Meadowland Program/Admin/Clinical	539,465	-
Emergency Food and Shelter Program	51,716	-
Michael Gibbons Fund: Children's Special Activities	45,321	50,321
Capital Campaign	43,356	57,175
Burdick Center Upgrades	25,000	25,000
IT Infrastructure	25,000	15,000
Turning Point	23,153	-
SA Counseling Center	14,922	-
TANF School Allowance (Clothing and School Supplies)	6,500	-
National School Lunch Program	5,000	-
Clothing	2,218	1,718
United Way Grants (Food, Supplies and Operations)	-	66,407
Gala	-	11,845
Meadowland Furniture	-	10,160
Medical Supplies	-	4,186
	<hr/>	<hr/>
Total Net Assets With Donor Restrictions	<u>\$ 2,057,614</u>	<u>\$ 1,374,408</u>

NOTE 10 - 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 - \$223,172,755,000
Accumulated Benefit Obligations - \$218,037,583,497
The plan is 79.1% funded.

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 10 - PENSION PLAN OBLIGATIONS (continued)

There are no collective-bargaining agreements.

Funding Policy

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 7.75% of the District's covered payroll.

The District's contributions to TRS for the years ended June 30, 2022 and 2021 were \$105,892 and \$74,070, respectively, which included \$22,098 and \$17,881 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 11 - PAYCHECK PROTECTION PROGRAM LOAN

During the year ended June 30, 2021, the Company received a Paycheck Protection Program (PPP) loan of \$1,585,700 from the Small Business Administration (SBA) as part of the CARES Act passed during the year to assist small businesses and non-profits affected by measures instituted in response to the COVID-19 pandemic. As of June 30, 2021, the loan was fully expended, and it was reasonably certain the full amount of the loan would be forgiven. Therefore, it was recognized as revenue in the consolidated statement of activities for the year ended June 30, 2021. The loan was forgiven in March 2022.

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

The fair values of investments are based on quoted market prices for those or similar investments (Note 4).

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 13 - FUNDING FROM GOVERNMENT SOURCES

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

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

Unit Rate Contract Funding:	<u>2022</u>	<u>2021</u>
Bexar County Juvenile Probation	\$ 135,000	\$ 135,000
Other County Juvenile Probation	111,102	58,516
U.S. Department of Health and Human Services	167,893	144,030
Texas Department of State Health Services	320,917	467,530
Texas Department of Family and Protective Services	4,235,065	5,945,871
Other	260	640
	<u>4,970,237</u>	<u>6,751,587</u>
 Grant Funding		
U.S. Department of Agriculture	61,081	150,727
U.S. Department of Agriculture Commodities	8,945	5,253
U.S. Department of Health and Human Services	197,789	240,500
U.S. Department of Veteran Affairs	270,171	264,165
U.S. Department of Justice	220,394	297,252
U.S. Department of Housing and Urban Development	163,268	52,560
U.S. Department of Homeland Security	77,160	-
Texas Education Agency	2,620,394	1,974,439
City of San Antonio	149,633	158,539
	<u>3,768,835</u>	<u>3,143,435</u>
 Total Government Support	<u>\$ 8,739,072</u>	<u>\$ 9,895,022</u>

NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

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

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 2,655,681	\$ 2,717,691
Investments	1,525,656	1,829,796
Due from State	362,510	326,673
Accounts Receivable	575,718	931,069
Grants Receivable	407,700	578,881
Total Financial Assets	<u>5,527,265</u>	<u>6,384,110</u>
 Donor Restrictions	(2,057,614)	(1,374,408)
Board Designations	<u>(254,928)</u>	<u>(254,928)</u>
Financial Assets Available to Meet Cash		
Needs for Expenditures Within One Year	<u>\$ 3,214,723</u>	<u>\$ 4,754,774</u>

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

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 15 - SPECIAL EVENTS

The Company holds special events each year. As discussed in Note 1, these special events are considered exchange transactions. For the year ended June 30, 2022, the exchange portion of special events income was \$95,580, and is included in special events income in the consolidated statement of activities. The amount in excess of this exchange portion is considered contribution income. For the year ended June 30, 2021, substantially all special event income consisted of contributions (non-exchange), which are recognized as revenue when received and are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions.

NOTE 16 - PRIOR YEAR RECLASSIFICATIONS

Reclassifications were made between certain revenue and expense accounts, as previously reported in the June 30, 2021 financial statements, in order to conform to the June 30, 2022 presentation. These reclassifications had no effect on the total net assets or change in net assets for the year ended June 30, 2021.

NOTE 17 - SUBSEQUENT EVENTS

The Company and its affiliates have evaluated subsequent events through November 14, 2022, which is the date the 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, 2022
(with comparative totals for 2021)

	2022					2021
	Roy Maas' Youth Alternatives, Inc.	Roy Maas' Youth Alternatives Foundation	Meadowland Charter District	Eliminating Entries	Total	Total
<u>ASSETS</u>						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 1,503,472	\$ 36,444	\$ 1,115,765	\$ -	\$ 2,655,681	\$ 2,717,691
Due from State	-	-	362,510	-	362,510	326,673
Accounts Receivable	598,778	-	-	(23,060)	575,718	931,069
Grants Receivable	407,700	-	-	-	407,700	578,881
Prepaid Expenses	62,810	-	17,688	-	80,498	243,950
Total Current Assets	2,572,760	36,444	1,495,963	(23,060)	4,082,107	4,798,264
LONG-TERM ASSETS						
Investments	-	1,525,656	-	-	1,525,656	1,829,796
Fixed Assets - net	323,508	6,055,043	161,827	-	6,540,378	6,285,481
Total Long-Term Assets	323,508	7,580,699	161,827	-	8,066,034	8,115,277
TOTAL ASSETS	\$ 2,896,268	\$ 7,617,143	\$ 1,657,790	\$ (23,060)	\$ 12,148,141	\$ 12,913,541
<u>LIABILITIES AND NET ASSETS</u>						
CURRENT LIABILITIES						
Accounts Payable	\$ 302,856	\$ 3,516	\$ 4,951	\$ (23,060)	\$ 288,263	\$ 434,231
Accrued Expenses	415,626	-	113,573	-	529,199	591,452
Deferred Revenue	-	-	-	-	-	2,035
Other Liabilities	-	-	684	-	684	684
TOTAL LIABILITIES	718,482	3,516	119,208	(23,060)	818,146	1,028,402
NET ASSETS						
Without Donor Restrictions:						
Undesignated	1,184,563	7,570,271	262,619	-	9,017,453	10,255,803
Designated	254,928	-	-	-	254,928	254,928
Total Without Donor Restrictions	1,439,491	7,570,271	262,619	-	9,272,381	10,510,731
With Donor Restrictions:						
Time/Purpose Restricted	738,295	43,356	1,275,963	-	2,057,614	1,374,408
Total With Donor Restrictions	738,295	43,356	1,275,963	-	2,057,614	1,374,408
TOTAL NET ASSETS	2,177,786	7,613,627	1,538,582	-	11,329,995	11,885,139
TOTAL LIABILITIES AND NET ASSETS	\$ 2,896,268	\$ 7,617,143	\$ 1,657,790	\$ (23,060)	\$ 12,148,141	\$ 12,913,541

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, 2022
(with comparative totals for 2021)

	2022					2021
	Roy Maas' Youth Alternatives, Inc.	Roy Maas' Youth Alternatives Foundation	Meadowland Charter District	Eliminating Entries	Total	Total
<u>OPERATING SUPPORT AND REVENUE</u>						
Government Fee-for-Service Contracts	\$ 4,970,237	\$ -	\$ -	\$ -	\$ 4,970,237	\$ 6,751,587
Government Grants	1,148,441	-	2,620,394	-	3,768,835	3,143,435
Grants and Contributions - General	1,791,689	-	34,728	(143,707)	1,682,710	1,587,145
Contributed Goods	563,919	-	-	-	563,919	340,168
Special Event Income (net of direct expenses of \$130,946 and \$62,150, respectively)	520,379	-	-	-	520,379	126,310
United Way	320,833	-	-	-	320,833	229,410
Sales - Thrift Shop	170,901	-	-	-	170,901	126,141
Contributed Services	30,419	-	-	-	30,419	58,961
Other Income	18,743	-	-	-	18,743	16,000
Self Referral and Other Program Fees	13,794	-	-	-	13,794	35,253
Rental Income	-	9,604	-	(9,604)	-	-
Contributed Rent	273,557	-	-	(273,557)	-	-
TOTAL OPERATING SUPPORT AND REVENUE	9,822,912	9,604	2,655,122	(426,868)	12,060,770	12,414,410
<u>OPERATING EXPENSES</u>						
Program Services	8,383,430	-	2,387,414	(9,604)	10,761,240	10,561,851
Supporting Services	1,468,877	473,476	-	(417,264)	1,525,089	2,037,472
Thrift Shop	358,839	-	-	-	358,839	276,700
TOTAL OPERATING EXPENSES	10,211,146	473,476	2,387,414	(426,868)	12,645,168	12,876,023
CHANGE IN NET ASSETS BEFORE NON- OPERATING ACTIVITY	(388,234)	(463,872)	267,708	-	(584,398)	(461,613)
<u>NON-OPERATING ACTIVITY</u>						
Insurance Proceeds	165,320	-	-	-	165,320	272,290
PPP Revenue	-	-	-	-	-	1,585,700
Transfer of Land, Buildings, and Improvements	(558,448)	558,448	-	-	-	-
(Loss) Gain on Sale of Assets	-	(6,382)	-	-	(6,382)	700
Investment (Loss) Income - net	24,493	(154,177)	-	-	(129,684)	307,026
TOTAL NON-OPERATING ACTIVITY	(368,635)	397,889	-	-	29,254	2,165,716
CHANGE IN NET ASSETS AFTER NON- OPERATING ACTIVITY	(756,869)	(65,983)	267,708	-	(555,144)	1,704,103
NET ASSETS, Beginning of Year	2,934,655	7,679,610	1,270,874	-	11,885,139	10,181,036
NET ASSETS, End of Year	\$ 2,177,786	\$ 7,613,627	\$ 1,538,582	\$ -	\$ 11,329,995	\$ 11,885,139

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, 2022
(with comparative totals for 2021)

	2022				2021
	Roy Maas' Youth Alternatives, Inc.	Roy Maas' Youth Alternatives Foundation	Meadowland Charter District	Total	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
(Decrease) Increase in Net Assets	\$ (756,869)	\$ (65,983)	\$ 267,708	\$ (555,144)	\$ 1,704,103
Adjustments to Reconcile Net Change to Net (Used) Cash					
Provided by Operations:					
Depreciation	343,282	-	14,625	357,907	355,587
Contributed Rent	(273,557)	273,557	-	-	-
Realized/Unrealized Losses (Gains) on Investments	-	186,097	-	186,097	(274,088)
Loss (Gain) on Sale of Assets	-	6,382	-	6,382	(700)
(Increase) Decrease in Assets:					
Due from State	-	-	(35,837)	(35,837)	244,048
Accounts Receivable	355,351	-	-	355,351	(145,992)
Grants Receivable	171,181	-	-	171,181	(122,104)
Prepaid Expenses	156,534	-	6,918	163,452	(17,860)
(Decrease) Increase in Liabilities:					
Accounts Payable	(137,458)	-	(8,510)	(145,968)	22,888
Accrued Expenses	(73,575)	-	11,322	(62,253)	115,740
Deferred Revenue	(2,035)	-	-	(2,035)	535
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(217,146)	400,053	256,226	439,133	1,882,157
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchases of Property and Equipment	(2,517)	(521,950)	(94,719)	(619,186)	(287,636)
Sale (Purchase) of Investments - net	-	118,043	-	118,043	(415,886)
NET CASH USED BY INVESTING ACTIVITIES	(2,517)	(403,907)	(94,719)	(501,143)	(703,522)
NET (DECREASE) INCREASE IN CASH FLOWS	(219,663)	(3,854)	161,507	(62,010)	1,178,635
CASH AND CASH EQUIVALENTS, Beginning of Year	1,723,135	40,298	954,258	2,717,691	1,539,056
CASH AND CASH EQUIVALENTS, End of Year	\$ 1,503,472	\$ 36,444	\$ 1,115,765	\$ 2,655,681	\$ 2,717,691
<u>SUPPLEMENTAL DISCLOSURES</u>					
Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ 1,313

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUES:		
Sales Revenue	\$ 170,901	\$ 126,141
Contributed Goods/Equipment	<u>131,240</u>	<u>73,312</u>
TOTAL REVENUES	<u>302,141</u>	<u>199,453</u>
EXPENSES:		
Salaries	110,117	122,788
Employee Benefits	17,969	18,256
Payroll Taxes	<u>9,128</u>	<u>9,609</u>
	137,214	150,653
Contributed Goods/Equipment	131,240	73,312
Insurance	20,840	7,130
Occupancy	19,801	7,494
Heating, Cooling and Water	17,317	16,157
Telephone	4,297	4,070
Automotive Expenses	3,718	2,543
Miscellaneous	3,472	2,615
Professional Fees	2,859	3,209
Depreciation Expense	12,539	1,705
Travel and Mileage	1,527	1,090
Computer Services and Equipment	1,380	1,060
Office Supplies, Printing and Postage	840	137
Supplies - Housekeeping	460	190
Food Services	371	36
Contract Labor	245	326
PPE Supplies	237	3,827
Conferences and Workshops	216	275
Personnel Supplies	139	453
Membership Dues	70	142
Children's Personal Expenses	31	-
Employee Recruitment and Other	26	253
Contributed Services	<u>-</u>	<u>23</u>
TOTAL EXPENSES	<u>358,839</u>	<u>276,700</u>
NET LOSS	<u><u>\$ (56,698)</u></u>	<u><u>\$ (77,247)</u></u>

See independent auditor's report.

SPECIFIC-PURPOSE FINANCIAL STATEMENTS

MEADOWLAND CHARTER DISTRICT
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,115,765	\$ 954,258
Due from State	362,510	326,673
Prepaid Expenses	17,688	24,606
Total Current Assets	<u>1,495,963</u>	<u>1,305,537</u>
LONG-TERM ASSETS		
Property and Equipment, net	<u>161,827</u>	<u>81,733</u>
Total Long-Term Assets	<u>161,827</u>	<u>81,733</u>
TOTAL ASSETS	<u><u>\$ 1,657,790</u></u>	<u><u>\$ 1,387,270</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 4,951	\$ 13,461
Accrued Expenses	113,573	102,251
Other Liabilities	684	684
TOTAL LIABILITIES	<u>119,208</u>	<u>116,396</u>
NET ASSETS		
Without Donor Restrictions	262,619	138,278
With Donor Restrictions	<u>1,275,963</u>	<u>1,132,596</u>
TOTAL NET ASSETS	<u>1,538,582</u>	<u>1,270,874</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,657,790</u></u>	<u><u>\$ 1,387,270</u></u>

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022
(with comparative totals for 2021)

		2022		
		Without Donor Restrictions	With Donor Restrictions	Total
				2021 Total
<u>OPERATING REVENUES AND OTHER SUPPORT</u>				
Local Support:				
5740	Other Revenues from Local Sources	\$ 24,728	\$ 10,000	\$ 34,728
	Total Local Support	24,728	10,000	26,365
State Program Revenues:				
5810	Foundation School Program Act Revenues	-	1,253,847	1,253,847
5811	Per Capita Apportionment	-	43,351	43,351
5820	State Program Revenues Distributed by TEA	-	-	-
	Total State Program Revenues	-	1,297,198	1,297,198
Federal Program Revenues:				
5920	Federal Revenues Distributed by TEA	-	1,179,860	1,179,860
5931	School Health and Related Services	-	143,336	143,336
	Total Federal Program Revenues	-	1,323,196	1,323,196
Net Assets Released From Restrictions				
	Restrictions Satisfied By Payments	2,487,027	(2,487,027)	-
TOTAL OPERATING REVENUES AND OTHER SUPPORT		2,511,755	143,367	2,655,122
<u>OPERATING EXPENSES</u>				
11	Instruction	1,348,370	-	1,348,370
13	Curriculum Development and Instructional Staff Development	39	-	39
21	Instructional Leadership	99	-	99
23	School Leadership	507,346	-	507,346
31	Guidance, Counseling, and Evaluation Services	78,992	-	78,992
32	Social Work Services	79,398	-	79,398
33	Health Services	1,580	-	1,580
34	Transportation	10,962	-	10,962
36	Extracurricular Activities	8,594	-	8,594
41	General Administration	163,389	-	163,389
51	Plant Maintenance and Operations	159,446	-	159,446
53	Data Processing Services	27,835	-	27,835
61	Community Services	1,364	-	1,364
	TOTAL OPERATING EXPENSES	2,387,414	-	2,387,414
	CHANGE IN NET ASSETS	124,341	143,367	267,708
NET ASSETS, Beginning of Year		138,278	1,132,596	1,270,874
NET ASSETS, End of Year		\$ 262,619	\$ 1,275,963	\$ 1,538,582

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Foundation School Program and Per Capita Apportionment Payments	\$ 1,247,716	\$ 1,323,557
Grant Payments	1,336,841	916,632
Miscellaneous Sources	34,728	4,663
Payments to Vendors for Goods and Services Rendered	(454,080)	(338,708)
Payments to Charter School Personnel for Services Rendered	<u>(1,906,248)</u>	<u>(1,580,423)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>258,957</u>	<u>325,721</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of Property and Equipment	<u>(97,450)</u>	<u>(5,464)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(97,450)</u>	<u>(5,464)</u>
NET INCREASE IN CASH FLOWS	161,507	320,257
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>954,258</u>	<u>634,001</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 1,115,765</u></u>	<u><u>\$ 954,258</u></u>
Reconciliation of Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Change in Net Assets	\$ 267,708	\$ 89,944
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	14,625	22,354
Loss on Disposal of Assets	2,731	-
(Increase) Decrease in Assets:		
Due from State	(35,837)	244,048
Prepaid Expenses	6,918	(11,810)
(Decrease) Increase in Liabilities:		
Accounts Payable	(8,510)	7,539
Accrued Expenses	<u>11,322</u>	<u>(26,354)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 258,957</u></u>	<u><u>\$ 325,721</u></u>

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
SCHEDULE OF EXPENSES
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>OPERATING EXPENSES</u>		
6100 Payroll Costs	\$ 1,917,570	\$ 1,554,069
6200 Professional and Contracted Services	260,838	176,308
6300 Supplies and Materials	110,571	84,874
6400 Other Operating Costs	98,435	95,609
TOTAL OPERATING EXPENSES	<u>\$ 2,387,414</u>	<u>\$ 1,910,860</u>

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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

	Ownership Interest		
	<u>Local</u>	<u>State</u>	<u>Federal</u>
1110 Cash	\$ 262,619	\$ 853,146	\$ -
1520 Buildings and Improvements	-	207,540	-
1530 Furniture, Equipment, and Vehicles	-	96,394	-
Total Capital Assets	<u><u>\$ 262,619</u></u>	<u><u>\$ 1,157,080</u></u>	<u><u>\$ -</u></u>

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

Per Schedule of Capital Assets:

1520 Buildings and Improvements	\$ 207,540
1531 Vehicles	87,789
1539 Furniture and Equipment	8,605

Less Accumulated Depreciation:

(142,107)

Total Property and Equipment per Statements of Financial Position:

\$ 161,827

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Variance</u>		
	<u>Original</u>	<u>Final</u>	<u>From Original to Final Budget</u>	<u>Actual Amounts</u>	<u>Variance From Final Budget to Actual</u>
<u>OPERATING REVENUES AND OTHER SUPPORT</u>					
Local Support:					
5740 Other Revenues from Local Sources	\$ 22,000	\$ 1,725	\$ (20,275) [1]	\$ 34,728	\$ 33,003
Total Local Support	22,000	1,725	(20,275)	34,728	33,003
State Program Revenues:					
5810 Foundation School Program Act Revenues	1,335,421	1,293,301	(42,120)	1,253,847	(39,454)
5811 Per Capita Apportionment	28,445	39,787	11,342 [2]	43,351	3,564
Total State Program Revenues	1,363,866	1,333,088	(30,778)	1,297,198	(35,890)
Federal Program Revenues:					
5920 Federal Revenues Distributed by TEA	2,537,723	2,537,723	-	1,179,860	(1,357,863) [5]
5931 School Health and Related Services	55,000	105,000	50,000 [3]	143,336	38,336
Total Federal Program Revenues	2,592,723	2,642,723	50,000	1,323,196	(1,319,527)
TOTAL OPERATING REVENUES AND OTHER SUPPORT	3,978,589	3,977,536	(1,053)	2,655,122	(1,322,414)
<u>OPERATING EXPENSES</u>					
11 Instruction	2,361,061	2,371,283	(10,222)	1,348,370	1,022,913
13 Curriculum Development and Instructional Staff Development	6,000	6,000	-	-	6,000
	-	-	-	39	(39) [6]
21 Instructional Leadership	-	-	-	99	(99) [6]
23 School Leadership	691,879	695,879	(4,000)	507,346	188,533
31 Guidance, Counseling, and Evaluation Services	168,918	148,643	20,275 [4]	78,992	69,651
32 Social Work Services	128,227	133,227	(5,000)	79,398	53,829
33 Health Services	3,000	3,000	-	1,580	1,420
34 Transportation	15,700	15,700	-	10,962	4,738
36 Extracurricular Activities	18,000	18,000	-	8,594	9,406
41 General Administration	319,467	319,467	-	163,389	156,078
51 Plant Maintenance and Operations	209,045	209,045	-	159,446	49,599
53 Data Processing Services	55,042	55,042	-	27,835	27,207
61 Community Services	2,250	2,250	-	1,364	886
TOTAL OPERATING EXPENSES	3,978,589	3,977,536	1,053	2,387,414	1,590,122
CHANGE IN NET ASSETS	-	-	-	267,708	267,708
NET ASSETS, Beginning of Year	1,270,874	1,270,874	-	1,270,874	-
NET ASSETS, End of Year	\$ 1,270,874	\$ 1,270,874	\$ -	\$ 1,538,582	\$ 267,708

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

- [1] Variance from original budgeted amount is due to reclassing SHARS revenue to account 5931.
- [2] Variance is due to higher Average Daily Attendance (ADA) than initially budgeted, which increased the Per Capita allotment.
- [3] Variance from original budget is due to SHARS revenue being higher than anticipated as more students qualified for billable services.
- [4] Variance is due to unexpected decrease in student enrollment resulting in lower costs associated with guidance, counseling and evaluation services.
- [5] Variance is due to ESSER funds not being fully spent in the current year as anticipated.
- [6] Variance is due to minor instructional expenses that were not anticipated.

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
For the Year Ended June 30, 2022

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

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
For the Year Ended June 30, 2022

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.	\$	117,424
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)	\$	197,111

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.	\$	251
AP8	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25, 35)	\$	-

See independent auditor's report.

MEADOWLAND CHARTER DISTRICT
SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year Ended June 30, 2022

<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, 2022

<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, 2022

Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
U.S. Department of Health and Human Services:			
Basic Center Grant	93.623	90CY7106-02/90CY7106-03	\$ 86,758
Transitional Living for Homeless Youth	93.550	90CX7400-01	81,135
Medical Assistance Program	93.778	0801037-01	197,789
<i>Total U.S. Department of Health and Human Services</i>			<u>365,682</u>
U.S. Department of Homeland Security:			
Emergency Food and Shelter National Board Program (EFSNP Phase 39)	97.024	788600-047	9,432
Emergency Food and Shelter National Board Program (ARPA-R)	97.024	788600-047	16,013
<i>Total U.S. Department of Homeland Security</i>			<u>25,445</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	61,081
USDA Commodities - Noncash Award	10.555	01310	8,945
<i>Total U.S. Department of Agriculture</i>			<u>70,026</u>
U.S. Department of Education:			
Passed-Through Texas Education Agency:			
Title I Grants to Local Educational Agencies	84.010A	20610101130801/22610101130801	208,102
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	20694501130801/22694501130801	4,577
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	21521001130801	304,195
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	21528001130801	648,447
Special Education Grants to States	84.027A	226600010158076000	22,164
Student Support and Academic Enrichment Program	84.424A	20680101130801/22680101130801	19,924
<i>Total U.S. Department of Education</i>			<u>1,207,409</u>
U.S. Department of Justice:			
Crime Victim Assistance	16.575	3952401/3952402	326,648
Crime Victim Assistance	16.575	3952301	111,402
Crime Victim Assistance	16.575	3746201/3746202	453,661
<i>Total U.S. Department of Justice</i>			<u>891,711</u>
U.S. Department of Housing and Urban Development:			
Youth Homelessness Demonstration Program	14.276	TX0579Y6J001899	163,267
<i>Total U.S. Department of Housing and Urban Development</i>			<u>163,267</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,723,540</u></u>

See accompanying notes to schedule of expenditures of federal awards.

ROY MAAS' YOUTH ALTERNATIVES, INC. AND AFFILIATES
(ROY MAAS' YOUTH ALTERNATIVES FOUNDATION AND MEADOWLAND CHARTER DISTRICT)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

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 2021-2022 fiscal year. Commodities are valued at fair value, which was determined at the time of donation to be \$8,945.

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, 2022.

**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, 2022, 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 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Roy Maas' Youth Alternatives, Inc.'s and its affiliates' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roy Maas' Youth Alternatives, Inc.'s and its affiliates' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Randy Walker & Co.

San Antonio, Texas
November 14, 2022

**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, 2022. 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, 2022.

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 14, 2022

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, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Major Programs

Federal

16.575	Crime Victim Assistance	
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund	
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	
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, 2022

I. PRIOR YEAR FINDINGS – FINANCIAL STATEMENTS AUDIT

None

II. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None