

**MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED AUGUST 31, 2023




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**MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY**
057-850
(Federal Employer Identification Number: 46-5137310)

CERTIFICATE OF BOARD
August 31, 2023

We, the undersigned, certify that the attached Annual Financial and Compliance Report of Meadow Oaks Education Foundation dba Pioneer Technology & Arts Academy was reviewed and approved disapproved for the year ended August 31, 2023, at a meeting of the governing body of said charter school on the 8th day of February, 2024.


Brian Hogan (Feb 8, 2024 15:38 CST)

Signature of Board Secretary

Arthur Brent Parrott
Arthur Brent Parrott (Feb 8, 2024 14:00 CST)

Signature of Board President

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Meadow Oaks Education Foundation dba Pioneer Technology & Arts Academy
Mesquite, Texas

Opinion

We have audited the accompanying financial statements of Meadow Oaks Education Foundation ("MOEF") dba Pioneer Technology & Arts Academy (a nonprofit organization), which comprise the statement of financial position as of August 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MOEF as of August 31, 2023, and the changes in its net assets and its 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 MOEF 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

LOUISIANA • TEXAS

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 February 8, 2024, on our consideration of MOEF's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MOEF's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MOEF's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Houston, TX
February 8, 2024

MEADOW OAKS EDUCATION FOUNDATION
 DBA PIONEER TECHNOLOGY & ARTS ACADEMY
 STATEMENT OF FINANCIAL POSITION
 AUGUST 31, 2023

ASSETS	
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 1,221,328
Grants Receivable	2,955,188
Other Receivables	7,391
TOTAL CURRENT ASSETS	<u>4,183,907</u>
PROPERTY AND EQUIPMENT	
Leasehold Improvements	1,761,164
Furniture and Equipment	2,544,342
Vehicles	246,415
	<u>4,551,921</u>
Less: Accumulated Depreciation	<u>(2,147,821)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>2,404,100</u>
OTHER ASSETS	
Employee Retention Credit Receivable	4,232,943
Operating Lease Right-of-Use Assets	127,127,743
	<u>131,360,686</u>
TOTAL ASSETS	<u>\$ 137,948,693</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 1,203,843
Accrued Payroll Liabilities	1,423,523
Other Liabilities	203,978
Current Portion of Operating Lease Liabilities	294,032
Current Portion of Notes Payable	45,902
TOTAL CURRENT LIABILITIES	<u>3,171,278</u>
NONCURRENT LIABILITIES	
Operating Lease Liabilities - Net of Current Portion	<u>128,633,467</u>
TOTAL NONCURRENT LIABILITIES	<u>128,633,467</u>
TOTAL LIABILITIES	<u>131,804,745</u>
NET ASSETS	
Without Donor Restrictions	1,640,433
With Donor Restrictions	4,503,515
TOTAL NET ASSETS	<u>6,143,948</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 137,948,693</u>

See accompanying notes to the financial statements.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Local Support:			
Revenues from local sources	\$ 489,737	\$ 183,696	\$ 673,433
	<u>489,737</u>	<u>183,696</u>	<u>673,433</u>
State Program Revenues	-	24,205,926	24,205,926
Total State Program Revenues	<u>-</u>	<u>24,205,926</u>	<u>24,205,926</u>
Federal Program Revenues	5,192,993	2,346,010	7,539,003
Total Federal Program Revenues	<u>5,192,993</u>	<u>2,346,010</u>	<u>7,539,003</u>
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	24,722,891	(24,722,891)	-
Total Revenues	<u>30,405,621</u>	<u>2,012,741</u>	<u>32,418,362</u>
EXPENSES			
Program Services			
Instruction and Instructional-Related Services	16,506,494	-	16,506,494
Instructional and School Leadership	1,043,866	-	1,043,866
Ancillary Services	5,975	-	5,975
Support Services- Student (Pupil)	1,370,335	-	1,370,335
Total Program Services	<u>18,926,670</u>	<u>-</u>	<u>18,926,670</u>
Support Services			
Administrative Support Services	657,625	-	657,625
Support Services- Non-Student Based	10,815,388	-	10,815,388
Debt Service	5,938	-	5,938
Total Support Services	<u>11,478,951</u>	<u>-</u>	<u>11,478,951</u>
Total Expenses	<u>30,405,621</u>	<u>-</u>	<u>30,405,621</u>
CHANGE IN NET ASSETS	<u>-</u>	<u>2,012,741</u>	<u>2,012,741</u>
NET ASSETS, beginning of year as originally reported	<u>1,640,433</u>	<u>2,755,846</u>	<u>4,396,279</u>
RESTATEMENT (Note K)	<u>-</u>	<u>(265,072)</u>	<u>(265,072)</u>
NET ASSETS, beginning of year as restated	<u>1,640,433</u>	<u>2,490,774</u>	<u>4,131,207</u>
NET ASSETS, end of year	<u>\$ 1,640,433</u>	<u>\$ 4,503,515</u>	<u>\$ 6,143,948</u>

See accompanying notes to the financial statements.

MEADOW OAKS EDUCATION FOUNDATION
 DBA PIONEER TECHNOLOGY & ARTS ACADEMY
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2023

	Program Expense	Management and General	Total
EXPENSES			
Salaries	\$ 12,305,311	\$ 576,658	\$ 12,881,969
Employee benefits	883,289	10,889	894,178
Payroll taxes	221,081	9,847	230,928
Professional fees	2,157,156	1,443,779	3,600,935
Utilities	-	1,009,226	1,009,226
Occupancy	1,799,756	6,163,669	7,963,425
Travel	8,888	8,591	17,479
Interest expense	-	5,938	5,938
Insurance	-	417,438	417,438
Depreciation and amortization	-	739,824	739,824
Supplies	1,244,285	544,727	1,789,012
Miscellaneous expenses	305,176	208,668	513,844
Repairs and Maintenance	1,728	339,697	341,425
TOTAL EXPENSES	<u>\$ 18,926,670</u>	<u>\$ 11,478,951</u>	<u>\$ 30,405,621</u>

See accompanying notes to the financial statements.

MEADOW OAKS EDUCATION FOUNDATION
 DBA PIONEER TECHNOLOGY & ARTS ACADEMY
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED AUGUST 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 2,012,741
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation Expense	739,824
Amortization of Right-of-Use Assets	1,447,581
(Increase) Decrease in Grants Receivable	(444,145)
(Increase) Decrease in Other Receivables	(7,391)
(Increase) Decrease in Employee Retention Credit Receivable	(4,232,943)
Increase (Decrease) in Accounts Payable	980,364
Increase (decrease) in Accrued Payroll Liabilities	47,286
Increase (decrease) in Other Liabilities	185,838
Increase (decrease) in Operating Lease Liabilities	352,175
Total Adjustments	<u>(931,411)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,081,330</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash paid for purchases of fixed assets	<u>(251,999)</u>
Net Cash Provided (Used) by Investing Activities	<u>(251,999)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on notes payable	<u>(240,514)</u>
Net Cash Provided (Used) by Investing Activities	<u>(240,514)</u>
NET INCREASE (DECREASE) IN CASH	588,817
CASH AT BEGINNING OF YEAR	<u>632,511</u>
CASH AT END OF YEAR	<u><u>\$ 1,221,328</u></u>
<u>CASH PAID DURING THE YEAR FOR:</u>	
INTEREST	<u><u>\$ 5,938</u></u>

SUPPLEMENTAL DISCLOSURES

RIGHT OF USE ASSETS OBTAINED IN EXCHANGE
 FOR NEW OPERATING LEASE LIABILITIES (128,575,324)

EMPLOYEE RETENTION CREDIT RECEIVABLE (5,192,993)

See accompanying notes to the financial statements.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

A. Organization:

Meadow Oaks Education Foundation dba Pioneer Technology & Arts Academy (“MOEF”) is a nonprofit organization incorporated in the State of Texas on March 18, 2014 and exempt from federal income taxes pursuant to Section 501 (c)(3) of the Internal Revenue Code. In 2015, the State Board of Education of the State of Texas granted the corporation an open-enrollment charter pursuant to Chapter 12 of the Texas Education Code.

Pursuant to the program described in the charter application approved by the State Board of Education and the terms of the applicable Contract for Charter, MOEF was opened in the fall of 2016. The charter school was organized to empower and engage students to reach their full potential as global leaders who will enhance their communities and the world through creativity, collaboration and innovation. MOEF’s programs, services, activities and functions are governed by the corporation’s board of directors.

The charter holder MOEF only operates a charter school and does not conduct any other charter or non-charter activities.

B. Summary of Significant Accounting Policies:

BASIS OF PRESENTATION

The accompanying general-purpose financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

CLASSIFICATION OF NET ASSETS

Net assets of MOEF are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of MOEF. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

On occasion, the governing board may designate a portion of net assets without donor restrictions for a specific purpose. Designated net assets are not governed by donor-imposed restrictions and may be reversed by the governing board at any time.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

B. Summary of Significant Accounting Policies: (Continued)

SUPPORT AND REVENUE

Support and revenue are recorded based on the accrual method.

CASH DONATIONS AND DONATED SERVICES

Cash donations are considered to be available for unrestricted use unless specifically restricted by the donor. No amounts have been reflected in the financial statements for donated services since no objective basis is available to measure the value of such donations. Nevertheless, a substantial number of volunteers have donated their time in connection with the program service and administration of the organization.

CONTRIBUTIONS

In accordance with *Financial Accounting Standards Board Accounting Standards Codification 958 Not-for-Profit Entities- 605 Revenue Recognition*, contributions received are recorded as with donor restrictions and without donor restrictions support depending on the existence or nature of any donor restrictions. MOEF's policy is to report donor-restricted support that is satisfied in the year of receipt as donor-restricted and then fully released in the same year.

PROPERTY AND EQUIPMENT

Property and equipment purchased by MOEF are recorded at cost. Donations of property and equipment are recorded at their fair value at the date of the gift. All assets acquired with a value in excess of \$5,000 or acquired under budgeted capital asset line items within grant applications are recorded as fixed assets. Depreciation is provided on the straight-line method based upon estimated useful lives of the assets. Gains or losses from retirement or sale of property and equipment are reflected in income for the period. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which is then treated as cost.

PLEDGES AND ACCOUNTS RECEIVABLE

Contributions are recognized when the donor makes a promise to give to MOEF, which is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. No provision has been made for uncollectible promises to give and accounts receivable as of the statement of financial position date, given that none have been identified.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires MOEF's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

B. Summary of Significant Accounting Policies: (Continued)

FUNCTIONAL EXPENSES

Expenses are charged to each program based on direct expenditures incurred. Functional expenses which cannot readily be related to a specific program are charged to the various programs based upon hours worked, square footage, number of program staff, or other reasonable methods for allocating the organization's multiple function expenditures.

INCOME TAXES

MOEF qualifies as a tax-exempt organization under section 501 (c) (3) of the Internal Revenue Code and, therefore, has no provision for income taxes.

CASH AND CASH EQUIVALENTS

MOEF considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash is held in non-interest-bearing demand accounts at national financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 per account. The bank accounts, at times, exceeded federally insured limits. Investments in debt securities have been pledged by a banking institution to mitigate the risk of loss for balances exceeding FDIC insurance thresholds. As of August 31, 2023, MOEF has not incurred any losses on amounts held in depository accounts in excess of federally insured limits.

FUNCTIONAL EXPENSES

Expenses are charged to each program based on direct expenditures incurred. Functional expenses which cannot readily be related to a specific program are charged to the various programs based upon hours worked, square footage, number of program staff, or other reasonable methods for allocating the charter school's multiple functional expenditures.

NEW ACCOUNTING STANDARD AFFECTING LEASE ACCOUNTING

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (topic 815), and Leases (topic 842): Effective Dates*; ASU 2020-02, *Financial Instruments – Credit Losses (Topic 326) and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842)*; and ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

MEADOW OAKS EDUCATION FOUNDATION
 DBA PIONEER TECHNOLOGY & ARTS ACADEMY
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2023

B. Summary of Significant Accounting Policies: (Continued)

MOEF, Inc. elected to adopt these ASUs using the modified retrospective approach required by the standards and implementing the standards using the effective date method, which established September 1, 2022 as both the effective date and date of initial application. MOEF elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed MOEF to carry forward the historical lease classification. In addition, MOEF made the following elections: to use hindsight in determining the lease term for existing leases; to apply the short-term lease exception to all leases with a term of one year or less; and to use a risk-free discount rate for all operating leases, determined using a period comparable with that of the lease term. The impact of implementing the new lease standard as of September 1, 2022 was in the amount of \$128,575,324 in new operating lease liabilities and right-of-use assets.

C. Pension Plan Obligations:

Plan Description

MOEF contributes to the Teacher Retirement System of Texas (“TRS”), a cost sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the charter school but are the liability of the State of Texas. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public-school systems of Texas.

The plan operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805 respectively. The Texas State legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications Heading.

Charter schools are legally separate entities from the State and each other. Assets contributed by one charter or independent school district (“ISD”) may be used for the benefit of an employee of another ISD or charter. The risk of participating in multi-employer pension plans is different from single-employer plans. Assets contributed to a multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. There is no withdrawal penalty for leaving the TRS system. There is no collective-bargaining agreement. The latest TRS Comprehensive Annual Financial Report available dated August 31, 2023 provided the following information:

Pension Fund	Total Plan Assets 2023	Total Pension Liability 2023	Percent Funded
TRS	\$ 213,472,526,000	\$ 255,860,886,500	73.15%

MEADOW OAKS EDUCATION FOUNDATION
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 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2023

C. Pension Plan Obligations: (Continued)

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% 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. State law provides for a member contribution rate of 8.0% for fiscal year 2023. The state's contribution rate as a non-employer contributing entity was 8.0% for fiscal year 2023. The charter school's employee contributions to the system for the year ended August 31, 2023 were \$1,027,566 equal to the required contributions for the year.

Other contributions made from federal and private grants and from the charter school for salaries above the statutory minimum were contributed at a rate of 8.0% totaling \$34,042 for the year ended August 31, 2023. The charter school's contributions into this plan do not represent more than 5% of the total contributions to the plan. MOEF's surcharge contribution was \$35,673.

D. Health Care Coverage:

During the year ended August 31, 2023, employees of MOEF were covered by a health insurance plan. The school contributed up to \$225 per month per employee (depending upon coverage selected) to the plan and employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer.

E. Liquidity and Availability of Financial Assets:

The following reflects MOEF's financial assets as of statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,221,328
Grants and other receivables	2,962,579
Total financial assets	4,183,907
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions as to time or use	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,183,907

MOEF manages its liquid assets conservatively within standard depository bank accounts at national banks. Cash is managed to provide sufficient funds for meeting program expenditures of the charter school. Excess cash is invested in short-term investments such as certificates of deposit that have maturity dates of less than three months.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

F. Budget:

The official school budget is prepared for adoption for required Governmental Fund Types. The annual budget is adopted on a basis consistent with generally accepted accounting principles and is formally adopted by the Board of Directors.

G. Note Payable:

MOEF's obligations under notes payable consist of the following:

Note payable to equipment finance organization. The note is dated August 20, 2021. The note payable carries a rate of interest of 6.65% and is payable in 36 equal monthly installments of \$942 beginning September 20, 2021. The date of maturity is August 20, 2024.	\$ 10,908
Note payable to equipment finance organization. The note is dated August 20, 2021. The note payable carries a rate of interest of 6.65% and is payable in 36 equal monthly installments of \$1,007 beginning September 20, 2021. The date of maturity is August 20, 2024.	11,664
Note payable to equipment finance organization. The note is dated August 20, 2021. The note payable carries a rate of interest of 6.65% and is payable in 36 equal monthly installments of \$2,015 beginning September 20, 2021. The date of maturity is August 20, 2024.	23,330
	\$ 45,902
The balance at August 31, 2023 is	\$ 45,902

Future maturities of notes payable over the next five years are as follows:

Year Ending August 31,	Principal	Interest	Total
2024	\$ 45,902	\$ 1,648	\$ 47,550
Total	\$ 45,902	\$ 1,648	\$ 47,550

H. Operating Lease Commitment:

MOEF leases facilities under non-cancelable operating leases. The minimum annual lease commitment is as follows:

Twelve months ending August 31,	Amount
2024	\$ 8,222,338
2025	9,170,921
2026	9,681,646
2027	9,680,025
2028	9,681,801
Thereafter	241,193,578
	287,630,309
Less present value discount	(158,702,810)
Total	\$ 128,927,499

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

H. Operating Lease Commitment: (Continued)

Right-of-use assets under operating leases were as follows:

Operating Lease Right-of-Use Assets Beginning Balance	\$	128,575,324
Less current year amortization		(1,447,581)
Operating Lease Right-of-Use Assets – Ending Balance	\$	127,127,743

As of August 31, 2023, the weighted average remaining lease term for MOEF’s finance lease was 28.82 years. The weighted average discount rate associated with its finance lease was 6.18%. Operating lease costs were \$7,963,425 for the year ended August 31, 2023.

I. Commitments and Contingencies:

MOEF receives funds through state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the Texas Education Agency and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by the charter school have complex compliance requirements and should state or federal auditors discover areas of noncompliance, charter school funds may be subject to refund if so determined by the Texas Education Agency or the grantor agency. MOEF is economically dependent on these charter school funds.

J. Net Assets with Donor Restrictions:

Net assets with donor restrictions at August 31, 2023 are restricted as follows:
Subject to expenditure for specified purposes:

State-financed general charter school activities	\$	4,227,100
Local-financed general charter school activities		183,696
Federally-financed general charter school activities		92,719
Total restricted funds	\$	4,503,515

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

Texas Education Agency-Federal	\$	2,308,810
Texas Department of Agriculture - Federal		34,503
Texas Education Agency-State		22,379,578
Total restrictions released	\$	24,722,891

K. Prior Period Adjustment:

During the year ended August 31, 2023, MOEF recorded an adjustment resulting in a decrease to opening net assets as previously stated at August 31, 2022. The adjustment is due to a reversal of a receivable recorded by error in the amount of \$265,072 during fiscal year ended August 31, 2022.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

L. Related Parties:

MOEF currently leases various educational facilities from SSS Education Foundation (“SSS”), under open-ended agreements that require that MOEF reimburse SSS for the debt service used to finance such facilities. SSS is a non-profit corporation organized in the state of Texas for purposes of supporting educational organizations in the acquisition of affordable educational facilities. MOEF’s Superintendent sits on the board of SSS. A second member of MOEF’s board also sits on the three member board of SSS. MOEF paid SSS \$7,555,368 during the fiscal year and has a balance due of \$128,927,499 in operating lease liabilities to be paid through the fiscal year ended 2052.

M. Employee Retention Credit:

The Employee Retention Credit (ERC) was originally introduced under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), but was later extended and expanded under Consolidated Appropriations Act. The ERC is a refundable tax credit against certain employment taxes related to qualified wages, including certain health care costs, an eligible employer paid to employees after March 12, 2020 and before October 1, 2021. MOEF has determined that it qualifies for the ERC program and is eligible for the credit. MOEF has applied for the ERC and has filed amended payroll tax returns for 2020 and 2021. As such, in accordance with FASB ASC 958-605, MOEF has initially recognized the ERC award as a receivable in the amount of \$5,192,993 in the accompanying statement of financial position and as revenue in the accompanying statements of activities. In lieu of receiving a check, MOEF has requested a credit balance be held by the IRS which may be applied against payroll taxes owed by MOEF on future payroll tax returns. During the fiscal year, MOEF has applied an amount of \$960,050 in payroll taxes against the ERC receivable. The ERC receivable balance is \$4,232,943 as of August 31, 2023. The ERC receivable is presented as an other long-term asset and is estimated to be utilized through the fiscal year ended 2028.

N. Evaluation of Subsequent Events:

MOEF has evaluated subsequent events through February 8, 2024, the date which the financial statements were available to be issued.

INDEPENDENT AUDITOR’S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
Meadow Oaks Education Foundation dba Pioneer Technology & Arts Academy
Mesquite, Texas

We have audited the financial statements of Meadow Oaks Education Foundation dba Pioneer Technology & Arts Academy (“MOEF”) as of and for the year ended August 31, 2023, and our report thereon dated February 8, 2024, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules for Individual Charter School are presented on pages 16 to 19 and on pages 29 to 31 for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



A Professional Accounting Corporation

Houston, TX
February 8, 2024

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Local Support:			
5740 Other Revenues from Local Sources	\$ 489,737	\$ -	\$ 489,737
5750 Revenue from Cocurricular Activities	-	183,696	183,696
Total Local Support	<u>489,737</u>	<u>183,696</u>	<u>673,433</u>
State Program Revenues:			
5810 Foundation School Program Act Revenues	-	23,686,006	23,686,006
5820 State Program Revenues Distributed by Texas Education Agency	-	519,920	519,920
Total State Program Revenues	<u>-</u>	<u>24,205,926</u>	<u>24,205,926</u>
Federal Program Revenues:			
5920 Federal Revenues Distributed by Texas Education Agency	-	2,236,797	2,236,797
5920 Federal Revenues Distributed by US Department of Agriculture	-	33,153	33,153
5930 Federal Revenues Distributed by Other Government Agencies	-	76,060	76,060
5940 Federal Revenues Distributed Directly from Federal Government	5,192,993	-	5,192,993
Total Federal Program Revenues	<u>5,192,993</u>	<u>2,346,010</u>	<u>7,539,003</u>
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	24,722,891	(24,722,891)	-
Total Revenues	<u>30,405,621</u>	<u>2,012,741</u>	<u>32,418,362</u>
EXPENSES			
11 Instruction	15,698,452	-	15,698,452
13 Curriculum Development and Instructional Staff Development	808,042	-	808,042
21 Instructional Leadership	103,304	-	103,304
23 School Leadership	940,562	-	940,562
31 Guidance, Counseling and Evaluating Services	470,829	-	470,829
33 Health Services	2,762	-	2,762
34 Student (Pupil) Transportation	-	-	-
35 Food Services	740,305	-	740,305
36 Cocurricular/Extracurricular Activities	156,439	-	156,439
41 General Administration	657,625	-	657,625
51 Plant Maintenance and Operations	10,405,805	-	10,405,805
52 Security and Monitoring Services	186,055	-	186,055
53 Data Processing Services	223,528	-	223,528
61 Community Services	5,975	-	5,975
71 Debt Service	5,938	-	5,938
Total Expenses	<u>30,405,621</u>	<u>-</u>	<u>30,405,621</u>
CHANGE IN NET ASSETS	<u>-</u>	<u>2,012,741</u>	<u>2,012,741</u>
NET ASSETS, beginning of year as originally reported	<u>1,640,433</u>	<u>2,755,846</u>	<u>4,396,279</u>
RESTATEMENT (Note K)	<u>-</u>	<u>(265,072)</u>	<u>(265,072)</u>
NET ASSETS, beginning of year as restated	<u>1,640,433</u>	<u>2,490,774</u>	<u>4,131,207</u>
NET ASSETS, end of year	<u>\$ 1,640,433</u>	<u>\$ 4,503,515</u>	<u>\$ 6,143,948</u>

See independent auditor's report on supplementary information.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2023

EXPENSES	
6100 Payroll Costs	\$ 14,007,075
6200 Professional and Contracted Services	12,915,011
6300 Supplies and Materials	1,789,012
6400 Other Operating Costs	1,688,585
6500 Debt	5,938
Total Expenses	<u>\$ 30,405,621</u>

See independent auditor's report on supplementary information.

MEADOW OAKS EDUCATION FOUNDATION
 DBA PIONEER TECHNOLOGY & ARTS ACADEMY
 SCHEDULE OF CAPITAL ASSETS
 FOR THE YEAR ENDED AUGUST 31, 2023

	Ownership Interest		
	Local	State	Federal
1110 Cash	\$ -	\$ 1,221,328	\$ -
1520 Building and Improvements	-	1,761,164	-
1531 Vehicles	-	246,415	-
1539 Furniture and Equipment	-	2,544,342	-
1559 Right-of-Use Assets: Operating Leases for Buildings	-	127,127,743	-
Total Capital Assets	\$ -	\$ 132,900,992	\$ -

See independent auditor's report on supplementary information.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Local Support:				
5740 Other Revenues from Local Sources	\$ 15,806	\$ 489,737	\$ 489,737	\$ -
5750 Revenue from Cocurricular Activities	-	183,696	183,696	-
Total Local Support	<u>15,806</u>	<u>673,433</u>	<u>673,433</u>	<u>-</u>
State Program Revenues:				
5810 Foundation School Program Act Revenues	26,600,000	23,686,006	23,686,006	-
5820 State Program Revenues Distributed by Texas Education Agency	-	519,920	519,920	-
Total State Program Revenues	<u>26,600,000</u>	<u>24,205,926</u>	<u>24,205,926</u>	<u>-</u>
Federal Program Revenues:				
5920 Federal Revenues Distributed by Texas Department of Education	850,000	2,236,797	2,236,797	-
5920 Federal Revenues Distributed by Texas Department of Agriculture	-	33,153	33,153	-
5930 Federal Revenues Distributed by Other Government Agencies	-	76,060	76,060	-
5940 Federal Revenues Distributed Directly from Federal Government	-	5,192,993	5,192,993	-
Total Federal Program Revenues	<u>850,000</u>	<u>7,539,003</u>	<u>7,539,003</u>	<u>-</u>
Total Revenues	<u>27,465,806</u>	<u>32,418,362</u>	<u>32,418,362</u>	<u>-</u>
EXPENSES				
11 Instruction	13,300,000	15,698,452	15,698,452	-
13 Curriculum Development and Instructional Staff Development	686,645	808,042	808,042	-
21 Instructional Leadership	714,111	103,304	103,304	-
23 School Leadership	659,179	940,562	940,562	-
31 Guidance, Counseling and Evaluating Services	274,658	470,829	470,829	-
32 Social Work Services	247,192	-	-	-
33 Health Services	109,863	2,762	2,762	-
34 Student (Pupil) Transportation	52,000	-	-	-
35 Food Services	81,301	740,305	740,305	-
36 Cocurricular/Extracurricular Activities	192,890	156,438	156,438	-
41 General Administration	1,037,825	657,625	657,625	-
51 Plant Maintenance and Operations	8,997,148	10,405,806	10,405,806	-
52 Security and Monitoring Services	360,000	186,055	186,055	-
53 Data Processing Services	513,770	223,528	223,528	-
61 Community Services	181,474	5,975	5,975	-
71 Debt Service	-	5,938	5,938	-
Total Expenses	<u>27,408,057</u>	<u>30,405,621</u>	<u>30,405,621</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>57,750</u>	<u>2,012,741</u>	<u>2,012,741</u>	<u>-</u>
NET ASSETS, beginning of year as restated	<u>4,131,207</u>	<u>4,131,207</u>	<u>4,131,207</u>	<u>-</u>
NET ASSETS, end of year	<u>\$ 4,188,957</u>	<u>\$ 6,143,948</u>	<u>\$ 6,143,948</u>	<u>\$ -</u>

See independent auditor's report on supplementary information.

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 of
Meadow Oaks Education Foundation dba Pioneer Technology & Arts Academy
Mesquite, 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 financial statements of Meadow Oaks Education Foundation dba Pioneer Technology & Arts Academy ("MOEF") (a nonprofit organization), which comprise the statement of financial position as of August 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 8, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered MOEF's internal control over financial reporting (internal control) as a basis for designing the 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 MOEF's internal control. Accordingly, we do not express an opinion on the effectiveness of MOEF's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MOEF's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Houston, TX
February 8, 2024

**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 of
Meadow Oaks Education Foundation dba Pioneer Technology & Arts Academy
Mesquite, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meadow Oaks Education Foundation (“MOEF”) dba Pioneer Technology & Arts Academy (a nonprofit organization), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of MOEF’s major federal programs for the year ended August 31, 2023. MOEF’s 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, MOEF complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 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 MOEF 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 MOEF’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

LOUISIANA • TEXAS

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

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

- Exercise professional judgement 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 including examining, on a test basis, evidence regarding MOEF's compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of MOEF's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MOEF's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in cursive script that reads "LaForte".

A Professional Accountitng Corporation

Houston, TX
February 8, 2024

MEADOW OAKS EDUCATION FOUNDATION
 DBA PIONEER TECHNOLOGY & ARTS ACADEMY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2023

Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses on internal control over financial statements.
3. No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses on internal control over major federal award programs.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose any audit findings which is required to be reported in accordance with 2 CFR section 200.516(a).
7. Major programs:
 - U.S. Department of Education
 - Passed – Through Texas Education Agency
 - Education Stabilization Fund
 - ALN 84.425 U
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. Meadow Oaks Education Foundation qualifies as a low-risk auditee.

<u>Current Year Findings</u>	Questioned	<u>Cost</u>
No audit findings were noted as per <i>governmental auditing standards</i> and 2 CFR section 200.516(a) for the year ended August 31, 2023.		<u>\$ -0-</u>

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2023

Summary Schedule of Prior Year Findings

No audit findings were noted as per *governmental auditing standards* and 2 CFR section 200.516(a) for the year ended August 31, 2022.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2023

Federal Grantor/ Pass - Through Grantor/ Program Title	Federal Assistance Listing Number	Pass - Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education</u>			
Passed - Through Texas Education Agency			
Special Education Cluster			
IDEA - B Formula	84.027A	236600010578506000	\$ 305,756
IDEA - B Formula-ARP Carryover - COVID 19	84.027X	225350020578505000	<u>73,372</u>
Total Special Education Cluster:			<u>379,128</u>
Title I, Part A, Improving Basic Program	84.010A	23610101057850	432,239
Title II, Part A, Supporting Effective Instruction State Grants	84.367A	23694501057850	57,211
Title III, Part A, English Language Acquisitions and Language Enhancement	84.365A	23671001057850	64,879
Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program	84.424A	23680101057850	<u>16,889</u>
Total U.S. Department of Education, non-COVID-19 Assistance			<u>950,346</u>
COVID 19 - Education Stabilization Fund (ARP-ESSER III)	84.425U	21528001057850	534,213
COVID 19 - Education Stabilization Fund (TCLAS High-Quality After-School))	84.425U	215280587110111	228,308
COVID 19 - Education Stabilization Fund (TCLAS-ESSER III)	84.425U	21528042057850	<u>90,075</u>
Total U.S. Department of Education, COVID-19 Assistance			<u>852,596</u>
Total U.S. Department of Education			<u><u>1,802,942</u></u>
<u>U.S. Department of Agriculture</u>			
Child Nutrition Cluster			
Passed - Through Texas Education Agency			
Federal Food Service Reimbursement			
School Breakfast Program	10.553	71402201	6,014
School Breakfast Program	10.553	71402301	64,589
National School Lunch Program	10.555	71302201	28,633
National School Lunch Program	10.555	71302301	<u>334,619</u>
			<u>433,855</u>
Passed - Through Texas Department of Agriculture:			
USDA Commodity Food Distribution	10.555		33,153
USDA Commodity Reimbursement	10.555		<u>722</u>
Total Child Nutrition Cluster			<u>467,730</u>
Total U.S. Department of Agriculture, non-COVID-19 Assistance			<u>467,730</u>
Passed - Through Texas Department of Agriculture			
COVID-19 - P-EBT Grant	10.649		628
Total U.S. Department of Agriculture, COVID-19 Assistance			<u>628</u>
Total U.S. Department of Agriculture			<u><u>468,358</u></u>
<u>U.S. Department of Health and Human Services</u>			
Passed - Through Texas Education Agency			
COVID-19 - School Health Support Grant (ELC)	93.323	223935027110072	<u>62,642</u>
Total U.S. Department of Health and Human Services, COVID-19 Assistance			<u>62,642</u>
Total U.S. Department of Health and Human Services			<u><u>62,642</u></u>
<u>U.S. Department of Labor</u>			
Passed - Through Texas Education Agency			
2021-2023 P-Tech Planning and Implementation	17.258	213933017110004	<u>9,371</u>
Total U.S. Department of Labor			<u><u>9,371</u></u>
Total Expenditures of Federal Awards			<u><u>\$ 2,343,313</u></u>

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal award activity of Meadow Oaks Education Foundation dba Pioneer Technology & Arts Academy (“MOEF”) under programs of the federal government for the year ended August 31, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operation of MOEF, it is not intended to and does not present the financial position, changes in net assets, or cash flows of MOEF.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available.

Indirect Cost Rate

MOEF has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Subrecipients

MOEF did not provide federal awards to subrecipients.

NOTE 2 – OTHER SOURCES OF FEDERAL REVENUES

Other sources of federal revenues are \$5,192,993 in employee retention credit not includible in the current Schedule of Expenditures of Federal Awards (SEFA).

Reconciliation of Federal Revenues and (SEFA):

Total expenditure of federal awards per the SEFA:	\$ 2,343,313
Employee Retention Credit	5,192,993
Federal funds not expended on School Health Grant	<u>2,697</u>
Total federal revenues per statement of activities	<u>\$ 7,539,003</u>

MEADOW OAKS EDUCATION FOUNDATION
 SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
 FOR THE YEAR ENDED AUGUST 31, 2023

Description	Property Address	Total Assessed	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
None		\$ -	\$ -	\$ -	\$ -

See independent auditor's report on supplementary information.

MEADOW OAKS EDUCATION FOUNDATION
 DBA PIONEER TECHNOLOGY & ARTS ACADEMY
 SCHEDULE OF RELATED PARTY TRANSACTIONS
 FOR THE YEAR ENDED AUGUST 31, 2023

Related Party Name	Name of Relation to the Related Party	Relationship	Type of Transaction	Description of Terms and Conditions	Source of Funds Used	Payment Frequency	Total Paid During FY	Principal Balance Due
SSS Foundation, Inc.	Shubham Pandey	Board Member/Officer	Landlord	Rental leases	State	Monthly	\$ 7,555,368	\$ 128,927,499

See independent auditor's report on supplementary information.

MEADOW OAKS EDUCATION FOUNDATION
DBA PIONEER TECHNOLOGY & ARTS ACADEMY

SPECIAL PROGRAM COMPLIANCE SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2023

<u>Data Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Program</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 1,470,278
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 1,087,202
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 231,077
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 127,492