

**WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC.
dba BEATRICE MAYES INSTITUTE**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED AUGUST 31, 2022

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**WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE
101-847**

(Federal Employer Identification Number: 76-0152632)

CERTIFICATE OF BOARD

August 31, 2022

We, the undersigned, certify that the attached Annual Financial and Compliance Report of Wonderland Educational Estate Association, Inc. dba Beatrice Mayes Institute was reviewed and X approved disapproved for the year ended August 31, 2022, at a meeting of the governing body of said charter school on the 26th day of January , 20 23 .

DocuSigned by:

Robert Caine

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Signature of Board Secretary

DocuSigned by:

Joseph Greenberg

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Signature of Board President

GOMEZ & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

5177 RICHMOND AVE. SUITE 1100

HOUSTON, TX 77056

TEL: (713) 666-5900

FAX: (713) 666-1049

<http://www.gomezandco.com>

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
Wonderland Education Estate, Inc.
Houston, Texas

Opinion

We have audited the financial statements of Wonderland Educational Estate Association, Inc. (WEEA, Inc.) (a non-profit Organization), which comprise the statement of financial position as of August 31, 2022, 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 WEEA, Inc. as of August 31, 2022 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 WEEA, Inc. 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, and for 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 WEEA, Inc.'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 the 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.

In performing an audit in accordance with generally accepted 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 WEEA, Inc.'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 WEEA, Inc.'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.

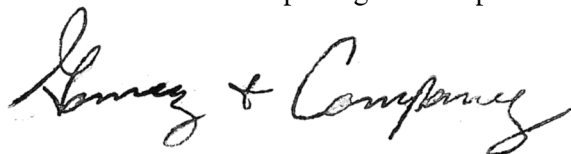
Other Matters

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* (CFR) 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 schedule of expenditures 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 January 25, 2023, on our consideration of WEEA, Inc.'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 WEEA, Inc.'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 WEEA, Inc.'s internal control over financial reporting and compliance.



Houston, TX
January 25, 2023

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2022

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 9,149,595
Investments	3,167,472
Grants Receivable	1,756,022
Other Receivables	657,645
Total Current Assets	<u>14,730,734</u>

Property & Equipment:

Land and Land Improvements	755,518
Building and Improvements	3,446,604
Furniture and Equipment	429,514
Vehicles	35,316
	<u>4,666,952</u>
Less: Accumulated Depreciation	<u>(1,512,038)</u>
	<u>3,154,914</u>

Other Assets:

Prepaid Expenses	<u>20,169</u>
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Total Assets	<u>\$ 17,905,817</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 228,621
Accrued Expenses	125,479
Accrued Wages	325,067
Interest Payable	1,505
Payroll Taxes Payable	82,243
Other Liabilities	177,393
Total Current Liabilities	<u>940,308</u>

Net Assets:

Without Donor Restrictions	11,062,141
With Donor Restrictions	5,903,368
Total Net Assets	<u>16,965,509</u>

Total Liabilities and Net Assets	<u>\$ 17,905,817</u>
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See accompanying notes to the financial statements.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Federal Program Revenues	\$	\$ 2,057,141	\$ 2,057,141
State Program Revenues		4,603,247	4,603,247
Local Support	5,866,019	-	5,866,019
Net Assets Released from Restrictions	<u>6,281,437</u>	<u>(6,281,437)</u>	<u>-</u>
Total Revenues	<u>12,147,456</u>	<u>378,951</u>	<u>12,526,407</u>
EXPENSES			
Charter School	4,152,313		4,152,313
Daycare Center	617,977		617,977
General and Administrative	<u>2,154,073</u>		<u>2,154,073</u>
Total Expenses	<u>6,924,363</u>	<u>-</u>	<u>6,924,363</u>
Unrealized Loss on Investments	<u>439,935</u>	<u>-</u>	<u>439,935</u>
CHANGE IN NET ASSETS	<u>4,783,158</u>	<u>378,951</u>	<u>5,162,109</u>
NET ASSETS, beginning of year	<u>6,278,983</u>	<u>5,524,417</u>	<u>11,803,400</u>
NET ASSETS, end of year	<u>\$ 11,062,141</u>	<u>\$ 5,903,368</u>	<u>\$ 16,965,509</u>

See accompanying notes to the financial statements.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Program Services</u>		<u>Supporting Services</u>	<u>Total</u>
	<u>Charter School</u>	<u>Daycare</u>	<u>Management and General</u>	
Expenses				
Salaries	\$ 2,789,810	\$ 195,135	\$ 509,153	\$ 3,494,098
Employee benefits	210,723	25	12,048	222,796
Payroll taxes	16,415	-	8,555	24,970
Professional fees	462,538	170,492	585,783	1,218,813
Utilities	-	16,113	154,933	171,046
Travel	8,259	5,227	952	14,438
Interest expense	-	-	24,543	24,543
Insurance	-	-	80,320	80,320
Depreciation	-	-	36,671	36,671
Supplies	328,019	3,011	12,959	343,989
Rental and maintenance of equipment	91,216	216	16,978	108,410
Miscellaneous expenses	86,261	163,481	433,274	683,016
Food	158,285	13,934	-	172,219
Repairs and Maintenance	787	50,343	277,904	329,034
Total Expenses	<u>\$ 4,152,313</u>	<u>\$ 617,977</u>	<u>\$ 2,154,073</u>	<u>\$ 6,924,363</u>

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 5,162,109
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	36,671
Unrealized (gain) loss on investments	439,935
(Increase) decrease grants receivable	(1,450,414)
(Increase) decrease other receivables	(634,024)
(Increase) decrease other assets	22,038
Increase (decrease) in accounts payable & accrued liabilities	50,417
Increase (decrease) in deferred revenue	(33,457)
Increase (decrease) in accrued salaries	191,210
Increase (decrease) in payroll taxes payable	24,215
Increase (decrease) in other liabilities	177,392
Total Adjustments	<u>(1,176,017)</u>
Net Cash Provided (Used) by Operating Activities	<u>3,986,092</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	
Cash paid for purchases of fixed assets	<u>(650,957)</u>
Net Cash Provided (Used) by Investing Activities	<u>(650,957)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of Line of Credit	<u>(385,642)</u>
Net Cash Provided (Used) by Financing Activities	<u>(385,642)</u>
NET INCREASE (DECREASE) IN CASH	<u>2,949,493</u>
CASH AT BEGINNING OF YEAR	<u>6,200,102</u>
CASH AT END OF YEAR	<u>\$ 9,149,595</u>
<u>SUPPLEMENTAL DISCLOSURES</u>	
CASH PAID DURING THE YEAR FOR:	
Interest	<u>\$ 24,543</u>

See accompanying notes to the financial statements.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2022

A. Organization:

Wonderland Educational Estate Association, Inc. (WEEA, Inc.) provides curricula for students in grades K-8. The school was incorporated in the State of Texas in September 1999 under the Texas Non-Profit Corporation Act.

Pursuant to its charter granted by the State Board of Education in accordance with Texas Education Code Section 12, Subchapter D, Open-Enrollment Charter School, the Organization operates as part of the state public school system subject to all federal and state laws and rules governing public schools. The Organization is also subject to all laws and rules pertaining to open-enrollment charter schools in section 12 of the Texas Education Code.

The charter holder, WEEA, Inc., has two programs - a private day care center and a single charter school. We have audited both the private day care center and the charter school.

B. Summary of Significant Accounting Policies:

BASIS OF PRESENTATION

WEEA, Inc. reports its financial information based on the *Financial Accounting Standards Board Accounting Standards Codification 958 Not-for-Profit Entities- 205 Presentation of Financial Statements*. Under *FASB ASC 958-205*, an organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

CLASSIFICATION OF NET ASSETS—

Net assets of WEEA, Inc. 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.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2022

B. Summary of Significant Accounting Policies: (Continued)

Restrictions may be met by the passage of time or by actions of the WEEA, Inc. 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.

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.

PROPERTY AND EQUIPMENT

Property and equipment purchased by WEEA, Inc. 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 are recorded as fixed assets. Depreciation is provided on the straight-line method based upon estimated useful lives of the asset. Gains or losses from retirement or sale of property and equipment are reflected in income for the period. The proceeds from such sales which are not legally required or expected to be reinvested in property and equipment are transferred to net assets without donor restrictions.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2022

B. Summary of Significant Accounting Policies: (Continued)

PLEDGES AND ACCOUNTS RECEIVABLE

Contributions are recognized when the donor makes a promise to give to WEEA, Inc., which is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets 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 depending on the nature of the 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.

INCOME TAXES

WEEA, Inc. 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

For purpose of the statement of cash flows, cash and cash equivalents are comprised of cash on hand and in banks.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the statement of financial position. Unrealized gains and losses are included in the change in net assets. The Academy classifies its marketable debt securities as “held to maturity” if it has the positive intent and ability to hold the securities to maturity.

All other marketable securities are classified as “available for sale.” Realized gains and losses and unrealized gains and losses, determined using the specific identification method, are included in the change in net assets.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2022

B. Summary of Significant Accounting Policies: (Continued)

FAIR VALUE MEASUREMENTS

FASB ASC 820 *Fair Value Measurements and Disclosures* establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2: Significant direct or indirect, observable inputs other than quoted prices;

Level 3: Unobservable inputs based on assumptions of the reporting entity.

The fair value measurement of assets and liabilities within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

ESTIMATES

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

C. Pension Plan Obligations:

Plan Description

The Charter School 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.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2022

C. Pension Plan Obligations: (Continued)

Plan Description (Continued)

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, 2022 provided the following information (ABO refers to the accumulated benefit obligation):

Pension Fund	Total Plan Assets 2022	ABO 2022	Percent Funded
TRS	\$ 207,621,898,000	\$ 243,553,045,455	75.62%

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 1 year, the period would be increased by such action.

State law provides for a member contribution rate of 8.0% for the 2022 fiscal period. The state’s contribution rate as a non-employer contributing entity was 7.75% in 2022. The Charter School’s employees’ contributions to the system for the year ended August 31, 2022 were \$232,066 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 7.5% totaling \$19,572 for the year ended August 31, 2022. The Charter School’s contributions into this plan do not represent more than 5% of the total contributions to the plan and the Charter School was not assessed a surcharge.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2022

D. Health Care Coverage:

During the year ended August 31, 2022, employees of WEEA, Inc. 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. 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.

F. Investments:

Investments presented below have been measured using Level 1 inputs as described in Note B. above, *Fair Value Measurements*. Cost and fair value of marketable debt and equity securities at August 31, 2022 were as follows:

Fair Value Measurements at August 31, 2022

<u>Type of Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Totals</u>
Money Market	\$ 31,222	\$	\$	\$ 31,222
Equity Units	1,153,010			1,153,010
Mutual Funds	1,983,240			1,983,340
Total Investments at Fair Value:	<u>\$ 3,167,472</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,167,472</u>

Realized gains for the year totaled \$32,856 and unrealized gains/ losses, resulted in a net loss of \$439,935.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2022

G. Liquidity and Availability of Financial Assets:

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

Financial assets at year-end			
Cash and Investments	\$	12,317,067	
Accounts Receivable		2,413,667	
Total Financial assets at year-end	\$	14,730,734	
Less those unavailable for general expenditures			
within one year, due to:			
Donor-restricted imposed restrictions as to use/time:		-0-	
Financial assets available to meet cash needs for general			
expenditure within one year	\$	14,730,734	

The Organization 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 Organization.

H. Operating Lease Commitment:

WEEA, Inc's minimum annual lease commitment is as follows:

Year months ending August 31,	Amount
2023	\$ 136,573
2024	164,233
2025	198,831
2026	242,154
2027	296,449
Total	\$ 1,038,241

Operating lease expense for the charter school and Wonderland amounted to \$108,410 for the year ended August 31, 2022.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2022

I. Commitments and Contingencies:

The charter school 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 WEEA, Inc. 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 charter school. 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.

J. Line of Credit:

WEEA, Inc.'s has a \$1,700,000 revolving line of credit, with a balance of \$-0- at August 31, 2022. Interest related to bank advances on the credit line is payable on a monthly basis and is computed using the LIBOR rate plus 3%.

K. Net Assets with Donor Restrictions:

Net assets with Donor Restrictions at August 31, 2022, are available for the following periods:

<u>Periods after August 31, 2022</u>	
Texas Education Agency-State	\$ 5,903,368
Total restricted fund	<u>\$ 5,903,368</u>

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

Federal Funds	\$ 2,057,141
State Funds	4,224,296
Total restrictions released	<u>\$ 6,281,437</u>

L. Evaluation of Subsequent Events:

The Charter School has evaluated subsequent events through January 25, 2023, the date which the financial statements were available to be issued.

GOMEZ & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

5177 RICHMOND AVE. SUITE 1100

HOUSTON, TX 77056

TEL: (713) 666-5900

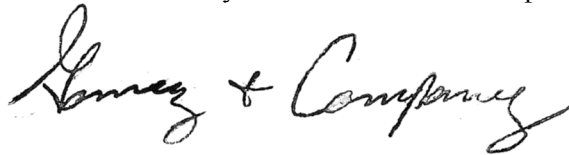
FAX: (713) 666-1049

<http://www.gomezandco.com>

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To The Board of Directors of
Wonderland Education Estate, Inc.
Houston, Texas

We have audited the financial statements of Wonderland Educational Estate Association, Inc. (WEEA, Inc.) (a non-profit Organization) as of and for the year ended August 31, 2022, and our report thereon dated January 25, 2023, 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 22 and on pages 32 to 34 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.



Houston, TX
January 25, 2023

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2022

ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,285,561
Investment	3,167,472
Grants Receivable	1,756,022
Other Receivables	378,921
Total Current Assets	<u>8,587,976</u>
Property & Equipment	
Land Improvements	41,128
Building and Improvements	1,032,035
Furniture and Equipment	292,128
Vehicles	35,316
	<u>1,400,607</u>
Less: Accumulated Depreciation	<u>(749,106)</u>
	<u>651,501</u>
Other Assets:	
Prepaid Assets	19,969
Total Assets	<u>\$ 9,259,446</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 226,404
Accrued Expenses	122,946
Accrued Wages	318,513
Payroll Taxes Payable	69,191
Other Liabilities	177,164
TOTAL CURRENT LIABILITIES	<u>914,218</u>
NET ASSETS	
Without Donor Restrictions	2,441,860
With Donor Restrictions	5,903,368
TOTAL NET ASSETS	<u>8,345,228</u>
TOTAL LIABILITIES NET ASSETS	<u>\$ 9,259,446</u>

See accompanying notes to the financial statements.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
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STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Local Support:			
5720 Local Revenues Realized as a Result of			
Services Rendered to Other Sources	\$ -	\$ -	\$ -
5740 Other Revenues from Local Sources	361,400	-	361,400
5750 Revenue from Cocurricular Activities	32,856	-	32,856
5760 Revenue From Intermediate Services	27,146	-	27,146
Total Local Support	421,402	-	421,402
State Program Revenues:			
5810 Foundation School Program Act Revenues	-	4,599,931	4,599,931
5820 State Program Revenues Distributed			
by Texas Education Agency	-	3,316	3,316
Total State Program Revenues	-	4,603,247	4,603,247
Federal Program Revenues:			
5920 Federal Revenues Distributed by			
by Texas Education Agency	-	2,057,141	2,057,141
5930 Federal Revenues Distributed by			
Other Government Agencies	-	-	-
Total Federal Program Revenues	-	2,057,141	2,057,141
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	6,281,437	(6,281,437)	-
Total Revenues	6,702,839	378,951	7,081,790
EXPENSES			
11 Instruction	3,131,575		3,131,575
12 Instructional Resources and Media Services	83,718		83,718
13 Curriculum Development and Instructional	30,109		30,109
Staff Development			
23 School Leadership	389,073		389,073
31 Guidance, Counseling and Evaluating Services	3,500		3,500
32 Social Work Services	4,586		4,586
33 Health Services	96,564		96,564
35 Food Services	382,720		382,720
36 Cocurricular/Extracurricular Activities	22,674		22,674
41 General Administration	1,270,853		1,270,853
51 Plant Maintenance and Operations	543,110		543,110
52 Security and Monitoring Services	88,908		88,908
53 Data Processing Services	123,118		123,118
61 Community Services	19,396		19,396
81 Facilities Acquisition and Construction	73,000		73,000
Total Expenses	6,262,904	-	6,262,904
Unrealized Loss on Investments	439,935	-	439,935
CHANGE IN NET ASSETS	-	378,951	378,951
NET ASSETS, beginning of year	2,441,860	5,524,417	7,966,277
NET ASSETS, end of year	\$ 2,441,860	\$ 5,903,368	\$ 8,345,228

See accompanying notes to the financial statements.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 378,951
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	6,131
Unrealized (gain) loss on investments	439,935
(Increase) decrease in grants receivable	(1,458,640)
(Increase) decrease in other receivables	(361,400)
(Increase) decrease in other assets	22,038
Increase (decrease) in account payable & accrued liabilities	180,723
Increase (decrease) in accrued salaries	191,528
Increase (decrease) in deferred revenue	(33,457)
Increase (decrease) in payroll taxes	27,218
Increase (decrease) in other liabilities	177,164
Total Adjustments	<u>(808,760)</u>
Net Cash Provided (Used) by Operating Activities	<u>(429,809)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash paid for purchase of fixed assets	<u>(650,957)</u>
Net Cash Provided (Used) by Investing Activities	<u>(650,957)</u>
NET INCREASE (DECREASE) IN CASH	<u>(1,080,766)</u>
CASH AT BEGINNING OF YEAR	<u>4,366,327</u>
CASH AT END OF YEAR	<u>\$ 3,285,561</u>

See accompanying notes to the financial statements.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
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SCHEDULE OF EXPENSES

FOR THE YEAR ENDED AUGUST 31, 2022

EXPENSES	
6100 Payroll Costs	\$ 3,566,101
6200 Professional and Contracted Services	1,604,232
6300 Supplies and Materials	511,846
6400 Other Operating Costs	580,725
6500 Debt	-
Total Expenses	<u>\$ 6,262,904</u>

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

SCHEDULE OF CAPITAL ASSETS

FOR THE YEAR ENDED AUGUST 31, 2022

Beatrice Mayes Institute

	Ownership Interest		
	Local	State	Federal
1110 Cash	\$ -	\$ 3,285,561	\$ -
1122 Investments	-	3,167,472	-
1510 Land improvements	-	41,128	-
1520 Building and Improvements	-	1,032,035	-
1531 Vehicles	35,316	-	-
1549 Furniture and Equipment	-	292,128	-
Total Capital Assets	<u>\$ 35,316</u>	<u>\$ 7,818,324</u>	<u>\$ -</u>

Wonderland Educational Estate Association, Inc.

	Ownership Interest		
	Local	State	Federal
1110 Cash	\$ 5,864,034	\$ -	\$ -
1510 Land improvements	714,390	-	-
1520 Building and Improvements	2,414,569	-	-
1531 Vehicles	-	-	-
1549 Furniture and Equipment	137,386	-	-
Total Capital Assets	<u>\$ 9,130,379</u>	<u>\$ -</u>	<u>\$ -</u>

Total Combined

	Ownership Interest		
	Local	State	Federal
1110 Cash	\$ 5,864,034	\$ 3,285,561	\$ -
1122 Investments	-	3,167,472	-
1510 Land improvements	714,390	41,128	-
1520 Building and Improvements	2,414,569	1,032,035	-
1531 Vehicles	35,316	-	-
1549 Furniture and Equipment	137,386	292,128	-
Total Capital Assets	<u>\$ 9,165,695</u>	<u>\$ 7,818,324</u>	<u>\$ -</u>

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2022

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final		
REVENUES				
Local Support:				
5740 Other Revenues from Local Sources	\$ 230,000	\$ 230,000	\$ 361,400	\$ 131,400
5750 Revenue from Cocurricular Activities	50,000	50,000	32,856	(17,144)
5760 Revenue From Intermediate Services	-	-	27,146	27,146
Total Local Support	<u>280,000</u>	<u>280,000</u>	<u>421,402</u>	<u>141,402</u>
State Program Revenues:				
5810 Foundation School Program Act Revenues	4,110,107	4,110,107	4,599,931	489,824
5820 State Program Revenues Distributed by Texas Education Agency	16,975	16,975	3,316	(13,659)
Total State Program Revenues	<u>4,127,082</u>	<u>4,127,082</u>	<u>4,603,247</u>	<u>476,165</u>
Federal Program Revenues:				
5920 Federal Revenues Distributed by by Texas Education Agency	2,331,516	2,331,516	2,057,141	(274,375)
5930 Federal Revenues Distributed by Other Government Agencies	16,008	16,008	-	(16,008)
Total Federal Program Revenues	<u>2,347,524</u>	<u>2,347,524</u>	<u>2,057,141</u>	<u>(290,383)</u>
Total Revenues	<u>6,754,606</u>	<u>6,754,606</u>	<u>7,081,790</u>	<u>327,184</u>
Expenses				
11 Instruction	3,759,902	3,759,902	3,131,575	628,327
12 Instructional Resources and Media Services	200,000	200,000	83,718	116,282
13 Curriculum Development and Instructional Staff Development	105,000	105,000	30,109	74,891
23 School Leadership	425,237	425,237	389,073	36,164
31 Guidance, Counseling and Evaluating Services	50,000	50,000	3,500	46,500
32 Social Work Services	-	-	4,586	(4,586)
33 Health Services	125,000	125,000	96,564	28,436
35 Food Services	400,000	400,000	382,720	17,280
36 Cocurricular/Extracurricular Activities	55,000	55,000	22,674	32,326
41 General Administration	269,000	269,000	1,270,853	(1,001,853)
51 Plant Maintenance and Operations	525,000	525,000	543,110	(18,110)
52 Security and Monitoring Services	100,000	100,000	88,908	11,092
53 Data Processing Services	150,000	150,000	123,118	26,882
61 Community Services	-	-	19,396	(19,396)
81 Facilities Acquisition and Construction	-	-	73,000	(73,000)
Total Expenses	<u>6,164,139</u>	<u>6,164,139</u>	<u>6,262,904</u>	<u>(98,765)</u>
Unrealized Loss on Investments	-	-	439,935	(439,935)
CHANGE IN NET ASSETS	<u>590,467</u>	<u>590,467</u>	<u>378,951</u>	<u>865,884</u>
NET ASSETS, beginning of year	<u>7,966,277</u>	<u>7,966,277</u>	<u>7,966,277</u>	<u>-</u>
NET ASSETS, end of year	<u>\$ 8,556,744</u>	<u>\$ 8,556,744</u>	<u>\$ 8,345,228</u>	<u>\$ 865,884</u>

See accompanying notes to the financial statements.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

BUDGETARY VARIANCE EXPLANATION

AUGUST 31, 2022

MATERIAL BUDGET VARIANCE EXPENDITURES

(1) The following is an explanation of the 10% variances from final budget to actual expenses reported on the Budgetary Comparison Schedule for the year ending August 31, 2022.

Function 11 - Additional grant funding was not utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 12 – Additional grant funding was not utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 13 – Additional grant funding was not utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 23 – Additional grant funding was not utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 31 – Additional grant funding was not utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 32 – Additional grant funding was utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 33 – Additional grant funding was not utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 36 – Adjustments in planned activities resulted in lower than anticipated 2021-22 expenses.

Function 41 – Additional costs were necessary during the 2021-22 fiscal year related to payroll and other costs associated with organizational goals and objectives.

Function 52 – Additional grant funding was not utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 53 – Additional grant funding was not utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 61 – Additional grant funding was utilized during the 2021-22 fiscal year as costs were reallocated to ESSER grants and other allowable grants.

Function 81 – Additional costs were necessary during the 2021-22 fiscal year to focus on the fund-raising activities of the organization.

GOMEZ & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

5177 RICHMOND AVE. SUITE 1100

HOUSTON, TX 77056

TEL: (713) 666-5900

FAX: (713) 666-1049

<http://www.gomezandco.com>

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
Wonderland Education Estate, Inc.
Houston, 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 Wonderland Educational Estate Association, Inc. (WEEA, Inc.) (a nonprofit organization), which comprise the statement of financial position as of August 31, 2022, 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 January 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered WEEA, Inc.'s internal control over financial reporting (internal control) to determine 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 WEEA, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. 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.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether WEEA, Inc.'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 black ink that reads "Ramirez & Company". The signature is written in a cursive, flowing style.

Houston, TX
January 25, 2023

GOMEZ & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

5177 RICHMOND AVE. SUITE 1100

HOUSTON, TX 77056

TEL: (713) 666-5900

FAX: (713) 666-1049

<http://www.gomezandco.com>

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
Wonderland Education Estate, Inc.
Houston, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wonderland Educational Estate Association, Inc. (WEEA, Inc.) (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of WEEA, Inc.'s major federal programs for the year ended August 31, 2022. WEEA, Inc.'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, WEEA, Inc. 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, 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 WEEA, Inc. 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 WEEA, Inc.'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 requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to WEEA, Inc.'s 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 the Agency'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 WEEA, Inc.'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 WEEA, Inc.'s compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of WEEA, Inc.'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 the WEEA, Inc.'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.

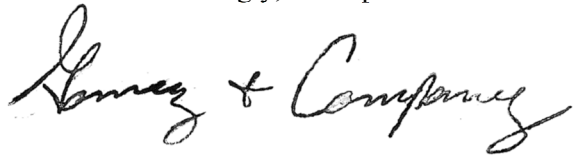
Report on Internal Control Over Compliance

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 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 Auditor's Responsibilities for the Audit Compliance section above 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 black ink that reads "Ramirez & Company". The signature is written in a cursive, flowing style.

Houston, TX
January 25, 2023

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2022

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 programs.
6. The audit did not disclose any audit findings which are 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
 - CFDA 84.425
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000
9. WEEA, Inc. does not qualify as a low-risk auditee.

<u>Current Year Findings</u>	<u>Questioned Costs</u>
No audit findings were noted as per governmental auditing standards and 2 CFR section 200.516(a).	\$ -0-

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
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SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2022

Summary Schedule of Prior Year Findings

No audit findings were noted as per governmental auditing standards for the year ended August 31, 2021.

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2022

Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Pass - Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education</u>			
Passed - Through Texas Education Agency:			
ESEA, Title I, Part A, Improving Basic Skills	84.010A	22610101101847	\$ 207,685
Title II, Part A- Supporting Effective Instruction	84.367A	20694501101847	461
Title II, Part A- Supporting Effective Instruction	84.367A	22694501101847	21,134
Idea - B Preschool	84.173A	216610011018476610	551
Idea - B Formula	84.027A	226600011018476600	85,917
Title IV, Part A, Support 1	84.424A	22680101101847	15,775
Total U.S. Department of Education, non-COVID-19 Assistance			<u>331,523</u>
COVID-19 - Coronavirus Response and Relief Supplemental Appropriations (CRRSA) - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	21521001101847	693,762
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	21528001101847	691,116
Total Department of Education, COVID-19 Assistance			<u>1,384,878</u>
Total U.S. Department of Education			<u>1,716,401</u>
<u>U.S. Department of Agriculture</u>			
Passed - Through Texas Education Agency			
Federal Food Service Reimbursement			
Breakfast	10.553	71402101	15,600
Breakfast	10.553	71402201	73,030
Lunch	10.555	71302101	29,957
Lunch	10.555	71302201	200,171
			<u>318,758</u>
Passed - Through Texas Department of Agriculture			
USDA Commodity Food Distribution	10.555		21,982
Total U.S. Department of Agriculture, non-COVID-19 Assistance			<u>21,982</u>
Total Expenditures of Federal Awards			<u>\$ 2,057,141</u>

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2022

NOTE 1- SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of federal awards (the Schedule) includes the federal grant activity of Wonderland Educational Estate Association, Inc. (WEEA, Inc.) under programs of the federal government for the year ended August 31, 2022. 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 Wonderland Educational Estate Association, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Wonderland Educational Estate Association, Inc.

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

WEEA, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Subrecipients

The organization did not provide federal awards to subrecipients.

BEATRICE MAYES INSTITUTE
SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
FOR THE YEAR ENDED AUGUST 31, 2022

<u>Description (List each parcel separately)</u>	<u>Property Address</u>	<u>Total Assessed</u>	<u>Ownership Interest-Local</u>	<u>Ownership Interest-State</u>	<u>Ownership Interest-Federal</u>
None					

BEATRICE MAYES INSTITUTE
SCHEDULE OF RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED AUGUST 31, 2022

Related Party Name	Name of Relation to the Related Party	Relationship	Types of Transactions	Description of Terms and Conditions	Source of Fund Used	Payment Frequency	Total Paid During FY	Principal Balance Due
None								

WONDERLAND EDUCATIONAL ESTATE ASSOCIATION, INC. dba
BEATRICE MAYES INSTITUTE

SPECIAL PROGRAM COMPLIANCE SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2022

<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.	\$ 508,121
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)	\$ 285,041
<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?	No
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.	N/A
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	N/A