

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

Annual Financial and Compliance Audit

**Year ended August 31, 2023 (with summarized
comparative totals for August 31, 2022)**

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

**Year ended August 31, 2023 (with summarized comparative totals
for August 31, 2022)**

TABLE OF CONTENTS

Certificate of Board	i
Independent Auditor’s Report	1
Financial Statements:	
Statements of Financial Position	4
Statement of Activities (with comparative totals for 2022)	5
Statement of Functional Expenses (with comparative totals for 2022)	6
Statements of Cash Flows	7
Notes to the Financial Statements	8
Supplementary Information:	
Supplemental Statement of Activities (with comparative totals for 2022)	20
Schedule of Expenses	21
Schedule of Assets	22
Schedule of Real Property Ownership Interest	23
Schedule of Related Party Transactions	24
Schedule of Related Party Compensation and Benefits	25
Budgetary Comparison Schedule	25
Use of Funds Report- Select State Allotment Programs	27
Single Audit:	
Schedule of Expenditures of Federal Awards	28
Notes to schedule of expenditures on federal awards	29
Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30
Report on Compliance for each major program and on internal control over compliance required by the Uniform Guidance and on Compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	32
Schedule of Findings and Questioned Costs	35
Summary Schedule of Prior Audit Findings	39

ECAP ENTERPRISES, INC.

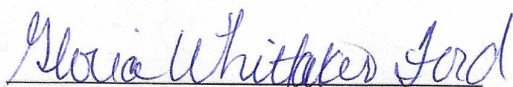
dba MEYERPARK ELEMENTARY CHARTER SCHOOL

CDN: 101855

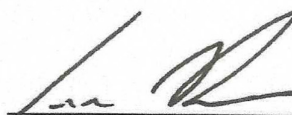
(Federal Employer Identification Number: 76-0644461)

Certificate of Board

We, the undersigned, certify that the attached Financial and Compliance Report of ECAP Enterprises, Inc. dba Meyerpark Elementary Charter School was reviewed and (check one) X approved _____ disapproved for the year ended August 31, 2023, at a meeting of the governing body of the charter holder on the 17 day of January, 2024.



Signature of Board Secretary ~~Secretary~~ **Treasurer**



Signature of Board President



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ECAP Enterprises, Inc.
dba Meyerpark Elementary Charter School

Opinion

We have audited the financial statements of ECAP Enterprises, Inc. dba Meyerpark Elementary Charter School (the "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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (US GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, 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 the Organization's ability to continue as a going concern for 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 US GAAS 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 US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's August 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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, and other supplementary information presented under table of contents are required by the Texas Education Agency and are presented 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 US GAAS. In our opinion, the schedule of expenditures of federal awards and other supplementary information presented under table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.



McConnell Jones

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024 on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

McConnell & Jones LLP

Houston, Texas
January 17, 2024

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

STATEMENTS OF FINANCIAL POSITION
August 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash	\$ 1,359,574	\$ 1,340,025
Due from governments	351,737	409,679
Total Current Assets	1,711,311	1,749,704
Noncurrent Assets:		
Property and equipment, net	1,571,764	1,529,341
Right of Use Assets - Operating	71,611	-
Total Noncurrent Assets	1,643,375	1,529,341
TOTAL ASSETS	\$ 3,354,686	\$ 3,279,045
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 132,595	\$ 105,190
Accrued wages payable	93,646	82,558
Line of credit	20,970	23,638
Other liabilities	98,031	26,857
Loan payable - current portion	33,847	1,050,434
Lease liability - current portion	24,552	-
Total Current Liabilities	403,641	1,288,677
Noncurrent Liabilities:		
Loan payable- net of current portion	976,865	-
Lease liability - net of current portion	47,059	-
Total Noncurrent Liabilities	1,023,924	-
TOTAL LIABILITIES	1,427,565	1,288,677
Net Assets:		
Without donor restrictions	95,579	69,811
With donor restrictions	1,831,542	1,920,557
TOTAL NET ASSETS	1,927,121	1,990,368
TOTAL LIABILITIES AND NET ASSETS	\$ 3,354,686	\$ 3,279,045

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

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

STATEMENT OF ACTIVITIES
For the Years Ended August 31, 2023
(With comparative totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals for August 31	
			2023	2022
REVENUES				
Local Revenue:				
Other revenues from local sources	\$ 25,768	\$ -	\$ 25,768	\$ 16,151
Total Local Revenue	25,768	-	25,768	16,151
State Program Revenue:				
Per Capita and Foundation School Program Act Revenue	-	2,685,219	2,685,219	2,569,213
State Program Revenue distributed by the TEA	-	9,227	9,227	17,191
Total State Program Revenues	-	2,694,446	2,694,446	2,586,404
Federal Program Revenues:				
ESEA Title I, Part A	-	186,659	186,659	138,241
IDEA B-Formula and Pre School	-	47,502	47,502	47,944
IDEA Part B Formula - American Rescue Plan (ARP) Act	-	-	-	12,722
IDEA Part B Preschool - American Rescue Plan (ARP) Act	-	-	-	1,631
Child Nutrition	-	284,720	284,720	249,915
ESEA, Title II, Part A	-	16,561	16,561	17,604
ESSER Grant	-	15,135	15,135	1,217
CRRSA ESSER II - Federal Revenues Distributed	-	301,967	301,967	112,888
ESSER III	-	160,271	160,271	217,789
Title IV, Part A, Subpart I	-	10,000	10,000	10,254
Total Federal Program Revenues	-	1,022,815	1,022,815	810,205
Net Assets Released from Restrictions:				
Restrictions satisfied by payments	3,806,276	(3,806,276)	-	-
Total Net Assets Released from Restrictions	3,806,276	(3,806,276)	-	-
TOTAL REVENUES	\$ 3,832,044	\$ (89,015)	\$ 3,743,029	\$ 3,412,760
EXPENSES				
Program services:				
Instruction and instructional-related services	\$ 2,211,581	\$ -	\$ 2,211,581	\$ 1,966,135
Instructional and school leadership	300,942	-	300,942	275,625
Support services:				
Support Services - Student (Pupil)	428,791	-	428,791	361,726
General Administration	285,565	-	285,565	253,342
Support Services - Non-student based	491,277	-	491,277	422,182
Community Services	28,919	-	28,919	31,018
Debt Service	59,201	-	59,201	59,341
TOTAL EXPENSES	3,806,276	-	3,806,276	3,369,369
Change in net assets	25,768	(89,015)	(63,247)	43,391
NET ASSETS, BEGINNING OF YEAR	69,811	1,920,557	1,990,368	1,946,977
NET ASSETS, END OF YEAR	\$ 95,579	\$ 1,831,542	\$ 1,927,121	\$ 1,990,368

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

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2023
(With comparative totals for 2022)

	Program Services			Supporting Services						Total Expenditures 2023	Total Expenditures 2022
	Instruction and Instructional Services	Instructional and School Leadership	Total Program Services	Support Services - Student (Pupil)	Support Services - Non- Student Based	Community Services	Debt Service	Administrative Support Services	Total Support Services		
EXPENSES:											
Teachers and other professional personnel	\$ 1,170,612	\$ 158,361	\$ 1,328,973	\$ 138,191	\$ 39,143	\$ 6,893	\$ -	\$ 119,705	\$ 303,932	\$ 1,632,905	\$ 1,528,770
Support personnel	106,154	75,082	181,236	85,831	21,919	16,816	-	45,268	169,834	351,070	380,887
Employee Benefits	206,701	32,236	238,937	26,020	3,429	5,210	-	28,740	63,399	302,336	284,808
Total Payroll Expenses	1,483,467	265,679	1,749,146	250,042	64,491	28,919	-	193,713	537,165	2,286,311	2,194,465
Professional services	26,782	-	26,782	3,092	242	-	-	7,353	10,687	37,469	50,754
Staff tuition and related fees - higher ed	-	-	-	-	-	-	-	4,740	4,740	4,740	3,760
Education Service Center Services	12,969	-	12,969	380	-	-	-	-	380	13,349	10,905
Contracted, maintenance and repair	-	-	-	8,914	37,435	-	-	-	46,349	46,349	9,318
Utilities	15,872	-	15,872	-	103,706	-	-	-	103,706	119,578	96,031
Rentals	146,425	-	146,425	166	3,744	-	-	-	3,910	150,335	125,917
Miscellaneous contracted services	237,579	17,040	254,619	10,865	148,087	-	-	58,340	217,292	471,911	395,663
Maintenance and operations	-	-	-	1,192	23,739	-	-	-	24,931	24,931	31,206
Instructional materials	23,470	-	23,470	-	-	-	-	-	-	23,470	13,229
Food service	-	-	-	134,615	-	-	-	-	134,615	134,615	109,720
Supplies and materials	215,512	6,402	221,914	12,961	7,952	-	-	6,051	26,964	248,878	121,540
Travel, subsistence, and stipends	23,327	868	24,195	-	-	-	-	3,502	3,502	27,697	5,058
Insurance and bonding costs	1,931	2,637	4,568	2,811	51,139	-	-	35	53,985	58,553	54,563
Depreciation expense	-	-	-	-	48,050	-	-	-	48,050	48,050	46,655
Miscellaneous operating costs	24,247	8,316	32,563	3,753	2,692	-	-	11,831	18,276	50,839	41,244
Other debt service expenditures	-	-	-	-	-	-	59,201	-	59,201	59,201	59,341
Total Non-payroll Expenses	728,114	35,263	763,377	178,749	426,786	-	59,201	91,852	756,588	1,519,965	1,174,904
TOTAL EXPENSES	\$ 2,211,581	\$ 300,942	\$ 2,512,523	\$ 428,791	\$ 491,277	\$ 28,919	\$ 59,201	\$ 285,565	\$ 1,293,753	\$ 3,806,276	\$ 3,369,369

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

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Foundation school program payments	\$ 2,545,357	\$ 2,554,006
Grant payments	1,220,619	536,989
Other state and local revenue payments	34,995	33,088
Payments to vendors for goods and services rendered	(1,385,309)	(1,043,662)
Payments to charter school personnel for services rendered	(2,216,107)	(2,187,529)
Interest payments	(47,143)	(59,341)
Net cash provided by/(used in) operating activities	152,412	(166,449)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(90,473)	-
Net cash used in investing activities	\$ (90,473)	\$ -
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayments) or borrowings on line of credit	(2,668)	(3,022)
Principal payments on loans	(39,722)	(38,992)
Net cash used in financing activities	(42,390)	(42,014)
NET INCREASE/(DECREASE) IN CASH	19,549	(208,463)
CASH, BEGINNING OF YEAR	1,340,025	1,548,488
CASH, END OF YEAR	\$ 1,359,574	\$ 1,340,025
RECONCILIATION OF CHANGE IN NET DEFICIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (63,247)	\$ 43,391
Adjustments to reconcile change in net assets to Net cash provided by operating activities:		
Depreciation	48,050	46,655
Changes in operating assets:		
Due from Texas Education Agency	57,942	(288,677)
Changes in operating liabilities:		
Accounts payable	27,405	28,888
Accrued wages payable	11,088	16,779
Lease liability	71,174	-
Other liabilities	-	(13,485)
Net Cash provided by/(used in) Operating Activities	\$ 152,412	\$ (166,449)

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

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of ECAP Enterprises, Inc. dba Meyerpark Elementary Charter School (the “Organization”) were prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP). The Financial Accounting Standards Board (FASB) is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

Reporting Entity

The Organization is a not-for-profit organization incorporated in the State of Texas in July 1998 and exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. The Organization is governed by a Board of Directors. The Board of Directors is selected pursuant to the bylaws of the Organization and has the authority to make decisions, appoint the administrator of the Organization, and significantly influence operations. The Board of Directors has the primary accountability for the fiscal affairs of the Organization.

Since the Organization received funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds.

Corporate Operations

The Organization was organized to provide educational services to students. The programs, services, activities, and functions are governed by the Organization’s Board of Directors. The Organization operates under an open enrollment charter granted by the State Board of Education. The Organization is part of the public school system of the State of Texas and is, therefore, entitled to distributions from the State’s available school fund. The Organization does not have the authority to impose ad valorem taxes on its district or to charge tuition.

Programs and Support Services

The Organization operates the MeyerPark Elementary Charter School (the “School”). Support services consist of general administration functions that are necessary to coordinate the Organization’s programs and plant maintenance and operations necessary to maintain its facilities.

Standard Financial Accounting System

For all federal and state programs, the School used the net asset classes and codes specified by the TEA in the Special Supplement to Financial Accounting and Reporting, Nonprofit Charter School Chart of Accounts. Temporarily restricted net asset codes are used to account for resources restricted to or designated for specific purposes by a grantor. Federal and state financial assistance is generally accounted for in temporarily restricted net asset codes.

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

Basis of Accounting and Presentation

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

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958-210, net assets, revenues, expenses, gains, and losses are classified based on the existence and nature or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of directors are reported as net assets without donor restrictions, board-designated.

Net assets with donor restrictions – Net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

In addition, the Organization is required by Financial Accounting Standards Board's (FASB) Accounting Standards Codification ("ASC") Topic 958-205, Not-for-Profit Entities-Presentation of Financial Statements, to present statements of activities and cash flows.

When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates included in the Organization's financial statements are related to the Organization's estimate of revenue and receivable for the foundation school program, depreciation expense and the functional allocation of expenses.

Contributions

The Organization accounts for contributions in accordance with FASB ASC Topic 958-605, *Accounting for Contributions Received and Contributions Made*. In accordance with FASB ASC Topic 958-605, contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions and net assets with donor restrictions in the reporting period in which the support is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Organization recognizes contributed services at their fair value if the services provide value to the Organization and require specialized skills, are provided by individuals possessing those skills, and would have been purchased if not provided by the contributors, as established by FASB ASC Topic 958-605. During the fiscal years ended August 31, 2023 and 2022, the Organization did not receive any services that would meet the criteria for recognition in the financial statements as prescribed in FASB ASC 958-605.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all highly liquid investment instruments with an original maturity of three months or less from the date of purchase to be cash equivalents. The Organization did not have any cash equivalents as of August 31, 2023 and 2022.

Revenue Recognition

Per Capita and State Foundation Aid revenues are recognized based on the reported student attendance. State and Federal grant revenues are recognized when services are rendered. Contributions and other revenues are recognized when received or unconditionally promised by a third party.

Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, vehicles, and other personal property, are reported in the financial statements. Capital assets are defined by the Organization as assets with an individual cost of more than \$5,000 and a useful life of greater than one year. Such assets are recorded at historical cost and are depreciated over the estimated useful lives of the assets, which range from three to thirty-nine years, using the straight-line method of depreciation. Expenditures for additions, major renewals and betterments are capitalized. Maintenance and repairs are charged to expense as incurred. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which in then treated as cost. The Organization had no donated capital assets as of August 31, 2023 and 2022.

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

Right-of-Use-Assets

A right-of-use asset is recognized at the present value of the lease payments at inception of the lease. Lease expense is recognized on a straight-line basis as rent expense in the statement of activities.

Federal Income Tax

The Organization is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“the Code”) and comparable State of Texas law. The Organization did not conduct any unrelated business activities in the current fiscal year. Therefore, the Organization has made no provision for federal incomes taxes in the accompanying financial statements. The Organization has also been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code. Accordingly, contributions to the Organization are tax deductible within the limitation prescribed by the Code.

The Organization applies the provisions of FASB ASC Topic 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization’s tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Liquidity and Availability of Financial Assets

The following table reflects the Organization’s financial assets, as of August 31, 2023 and 2022, that are available to meet the Organization’s cash needs within one year of the statement of financial position date.

	<u>2023</u>	<u>2022</u>
Cash	\$1,359,574	\$1,340,025
Due from governments	351,737	409,679
Total	<u>\$1,711,311</u>	<u>\$1,749,704</u>

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

As part of the Organization's liquidity management, the organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. During the majority of the year ended August 31, 2023 and 2022, the Organization did not invest the small amounts of excess cash to keep cash on hand. Cash flow is monitored through monthly reviews of operating reports of actual revenue vs. expenses as compared to the official budget.

New Accounting Pronouncements Adopted

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02 – *Leases* (Topic 842), which supersedes existing guidance on leases and amends and supersedes a number of other paragraphs throughout the FASB ASC. ASU 2016-02 changes the accounting for leases, primarily by lessees in operating leases, by requiring: (a) the recognition of (i) a lease asset (right of use) and a lease liability, initially measured at the present value of the lease payments, in the statement of financial position and (ii) a single lease cost, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis, and (b) the classification of all lease payments within the operating activities in the statement of cash flows. FASB delayed the leasing standard effective date for non-public entities to December 15, 2022. The new standard increases transparency and comparability among organizations by requiring the recognition of Right of Use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is recognizing ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

During fiscal year 2023, the Organization adopted FASB ASU 2016-02. The impact of the adoption was not material to the financial statements.

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The amendments in this update improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for NFPs, including additional disclosure requirements for recognized contributed services. The amendments will not change the recognition and measurement requirements in Subtopic 958-605 for those assets. The Organization adopted ASU 2020-07 in 2022. The adoption resulted in no impact to the financial statements.

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE 2: CASH

The Organization’s funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. These balances are partially insured by the Federal Deposit Insurance Corporation (FDIC). As of August 31, 2023 and 2022, the uninsured portion of these balances were \$1,145,141 and \$1,111,414, respectively, and such balances were secured with pledged securities held by the custodial bank. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the Organization’s and the depository bank’s agent custodial bank. The pledged securities shall be in an amount sufficient to protect the Organization’s funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of FDIC insurance.

NOTE 3: DUE FROM TEXAS EDUCATION AGENCY

The Organization has earned but not received payment for several state and federal programs. As such, a receivable has been recorded for each of the funding sources shown below:

	<u>2023</u>	<u>2022</u>
Title I, Part A	\$ 51,097	\$ 30,684
Title II, Part A	7,384	14,927
Title IV, Part A	-	1,120
ESSER Grant	-	18,239
CRRSA ESSER II - Due from Feds	63,495	73,127
ARP ESSER III - Due from Feds	14,942	172,531
IDEA-Part B, Formula - American Rescue Plan (ARP) Act - Due from Feds	-	12,722
IDEA-Part B, Preschool - American Rescue Plan (ARP) Act - Due from Feds	-	1,631
IDEA Part B, Preschool	26	822
IDEA Part B, Formula	4,413	20,497
NSLP - Due from Feds	20,465	13,326
Foundation School Program	189,915	35,389
State Funded Spec Rev Funds - Due from State	-	14,664
	<u>\$ 351,737</u>	<u>\$ 409,679</u>

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE 4: CAPITAL ASSETS

Capital assets at August 31, 2023 and 2022 were as follows:

	2023	2022
Land	\$ 752,500	\$ 752,500
Buildings and improvements	1,004,673	914,197
Computers	7,995	7,995
Vehicles and equipment	209,345	209,345
Total property and equipment	1,974,513	1,884,037
Less: Accumulated depreciation	(402,749)	(354,696)
Property and equipment, net	\$ 1,571,764	\$ 1,529,341

Depreciation expense was \$48,050 and \$46,655 for the year ended August 31, 2023 and 2022, respectively.

Capital assets acquired with public funds received by the Organization for the operation of the School constitute public property pursuant to Chapter 12 of the Texas Education Code. These assets are specifically identified on the Schedule of Assets of the School.

NOTE 5: ACCRUED SALARIES

The Organization accrued \$93,646 and \$82,558 in salaries for the years ended August 31, 2023 and 2022, respectively.

NOTE 6: LINE OF CREDIT

The line of credit was opened on October 1, 2012 with an extended line of \$75,000 and a stated rate of interest of 15.25% and 12.25% as of August 31, 2023 and 2022, respectively. The Organization has the balance of \$20,970 and \$23,638 in line of credit as of August 31, 2023 and 2022, respectively.

NOTE 7: LONG-TERM DEBT

The Organization has taken a loan from Unity Bank, for \$1,224,000. During 2023, the Organization extended the loan maturity date to July 2028 with an interest rate of 8.75%.

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

Loans payable activity for the years ended August 31, 2023 and 2022 were as follows:

2023							
Description	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Loans payable to:							
Unity Bank	8.75%	1,224,000	7/30/2028	1,050,434	-	39,722	1,010,712
Total				\$ 1,050,434	-	\$ 39,722	\$ 1,010,712

2022							
Description	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Loans payable to:							
Unity Bank	5.25%	1,224,000	7/30/2023	1,089,426	-	38,992	1,050,434
				-	-	-	-
Total				\$ 1,089,426	-	\$ 38,992	\$ 1,050,434

Annual debt service requirements to maturity of the loan payable is as follows:

August 31,	Principal	Interest	Total
2024	33,847	88,553	122,400
2025	37,228	85,172	122,400
2026	40,669	81,731	122,400
2027	44,427	77,973	122,400
2028	854,541	67,974	922,515
	\$ 1,010,712	\$ 401,403	\$ 1,412,115

NOTE 8: LEASE

The Organization entered into a non-cancellable lease agreement for the rent of a building as follows:

Date of Lease	Maturity Date	Duration	Monthly Payment
7/31/2023	7/31/2026	36	\$ 2,396

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

Reconciliation of the undiscounted cash flows related to operating lease to the discounted amount reported in the statement of financial position as of August 31, 2023:

Year ending August 31,	Amount
2024	\$ 28,759
2025	28,759
2026	26,363
Total	83,881
Less present value discount	(12,270)
PV of lease liabilities	\$ 71,611

The Organization’s lease expense for the new building for the years ended August 31, 2023 totaled \$2,396.

NOTE 9: PENSION PLAN OBLIGATIONS

Plan Description

The Organization contributes to the Teacher Retirement System of Texas (the “System” or “TRS”), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the School, but are the liability of the State of Texas. The System administers retirement and disability annuities, and death and survivor benefits to plan members and beneficiaries. The System operates under the authority of provisions contained primarily in the Texas Government Code, Title 8, Public Retirement Systems, Subtitle C, Teacher Retirement System of Texas, which is subject to amendment by the Texas legislature. The System 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 System’s Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the System’s Communications Department at 1-800-223-8778, or by downloading the report from the System’s Internet website, www.trs.state.tx.us, under the TRS Publications Heading.

The risk of participating in this multiemployer defined benefit pension plan is different from a single-employer plan because: (a) the Organization is a legally separate entity from the State of Texas, (b) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (c) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (d) if an entity chooses to stop participating in the multiemployer plan, there is no withdrawal liability to the plan. The Organization has no plans to withdraw from its multiemployer plan.

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

The following present information about the Organization's multiemployer pension plan as of and for the years ended August 31, 2023 and 2022:

Name of Pension Fund	EIN and Plan Number	Total Plan Assets		Accumulated Benefit Obligations		% Funded	
		2023	2022	2023	2022	2023	2022
TRS	N/A	\$213,472,526	\$207,621,898	\$255,860,887	\$243,553,045	73.15%	75.62%

The following presents information about the Organization's involvement in multiemployer pension plan for the years ended August 31, 2023 and 2022:

2023				
<u>Collective Bargaining Agreement</u>	<u>School's Contributions</u>	<u>More than 5% of Total Contributions</u>	<u>FIP/RP Status</u>	<u>Surcharge Imposed</u>
N/A	\$12,403	No	N/A	No
2022				
<u>Collective Bargaining Agreement</u>	<u>School's Contributions</u>	<u>More than 5% of Total Contributions</u>	<u>FIP/RP Status</u>	<u>Surcharge Imposed</u>
N/A	\$11,706	No	N/A	No

Funding Policy

Under provisions in State law, the System's plan members are required to contribute 8% of their annual covered salary for TRS Retirement for August 31, 2023 and 2022, and 0.65% of their annual covered salary to TRS Care for August 31, 2023 and 2022. The State of Texas contributes an amount equal to 8% of the covered payroll of the participating employees compensated with State funds for TRS Retirement for TRS Care. The Organization employees contributed \$164,939 and \$155,780 to TRS Retirement and \$12,403 and \$11,706 to TRS Care for the fiscal years ended August 31, 2023 and 2022, respectively.

NOTE 10: HEALTH CARE COVERAGE

During the years ended August 31, 2023 and 2022, employees of the Organization were covered by a Health Insurance Plan (the Plan). The Organization contributed \$560 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers.

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE 11: NET ASSETS WITH DONOR RESTRICTIONS

At August 31, 2023 and 2022, net assets with donor restrictions of the Organization consisted of the following:

	2023	2022
Restricted for Food Program	\$ 208,335	\$ 161,523
Restricted for State Foundation School Program	1,623,207	1,759,034
Total Restricted Funds	\$ 1,831,542	\$1,920,557

NOTE 12: CONTINGENCIES

The Organization 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 adjustments 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.

NOTE 13: STATE AID

Charter schools in the State of Texas participate in the State foundation program. Under this program, each charter school is entitled to receive these revenues based upon student enrollment and average daily attendance. Each charter school is required to file enrollment and attendance reports at the close of each six weeks reporting period, and at the close of the year, actual attendance is calculated by the TEA and the attendance reports are subject to audit by the TEA and final State foundation program earnings may be adjusted as a result of any such audit. During the years ended August 31, 2023 and 2022, the Charter Holder earned \$2,685,219 and \$2,569,213, respectively, of Per Capita and State Foundation Aid (before any possible TEA enrollment and attendance audit).

NOTE 14: ECONOMIC DEPENDENCY

During the years ended August 31, 2023 and 2022, the Organization earned revenue of \$3,717,261 and \$3,396,609, respectively, from the Texas Education Agency (TEA), including grants passed through the TEA. This amount constitutes approximately 99% of total revenues earned for the year ended August 31, 2023 and 2022. Any unforeseen loss of the charter agreement with TEA or changes in legislative funding could have a material effect on the ability of the charter school to continue to provide the current level of services to its students.

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE 15: CHARTER HOLDER OPERATIONS

The charter holder operated only a single charter school (i.e., MeyerPark Elementary Charter School) in fiscal years 2023 and 2022 and did not conduct any other charter or non-charter activities.

NOTE 16: RELATED PARTY TRANSACTIONS

A non-administrative School employee is related to a member of the Organization's board of directors. In addition, a non-administrative School employee is related to members of the Organization's management. The related employees received \$419,119 and \$420,537 in compensation from the Organization during the years ended August 31, 2023 and 2022, respectively.

NOTE 17: BUDGET AMENDMENTS AND VARIANCES

Prior to the beginning of each school year, the Organization prepares and submits its annual budget for the next fiscal year. However, due to the significant inflows and outflows of students from the program, the budget must be amended on a regular basis. This has resulted in the variances between the original adopted budget and final amended budget presented on the Budgetary Comparison Schedule.

NOTE 18: MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 17, 2024, the date which the financial statements were available to be issued. No change to the financial statements for the fiscal year ended August 31, 2023 is deemed necessary as a result of this evaluation.

SUPPLEMENTAL INFORMATION

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

SUPPLEMENTAL STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2023

(With comparative totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals for August 31	
			2023	2022
REVENUES				
Local Revenue:				
5740 Other revenues from local sources	\$ 25,768	\$ -	\$ 25,768	\$ 16,151
Total Local Revenue	<u>25,768</u>	<u>-</u>	<u>25,768</u>	<u>16,151</u>
State Program Revenue:				
5810 Per Capita and Foundation School Program Act Revenue	-	2,685,219	2,685,219	2,569,213
5820 State Program Revenue distributed by the TEA	-	9,227	9,227	17,191
Total State Program Revenues	<u>-</u>	<u>2,694,446</u>	<u>2,694,446</u>	<u>2,586,404</u>
Federal Program Revenues:				
5929 ESEA Title I, Part A	-	186,659	186,659	138,241
5929 IDEA B-Formula and Pre School	-	47,502	47,502	47,944
IDEA Part B Formula - American Rescue Plan (ARP) Act	-	-	-	12,722
IDEA Part B Preschool - American Rescue Plan (ARP) Act	-	-	-	1,631
5929 Child Nutrition	-	284,720	284,720	249,915
5929 ESEA, Title II, Part A	-	16,561	16,561	17,604
5929 ESSER Grant	-	15,135	15,135	1,217
5929 CRRSA ESSER II - Federal Revenues Distributed	-	301,967	301,967	112,888
5929 ESSER III Grant	-	160,271	160,271	217,789
5929 Title IV, Part A, Subpart 1	-	10,000	10,000	10,254
Total Federal Program Revenues	<u>-</u>	<u>1,022,815</u>	<u>1,022,815</u>	<u>810,205</u>
Net Assets Released from Restrictions:				
Restrictions satisfied by payments	3,806,276	(3,806,276)	-	-
Total Net Assets Released from Restrictions	<u>3,806,276</u>	<u>(3,806,276)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>\$ 3,832,044</u>	<u>\$ (89,015)</u>	<u>\$ 3,743,029</u>	<u>\$ 3,412,760</u>
EXPENSES				
Program services:				
11 Instruction	\$ 2,093,814	\$ -	\$ 2,093,814	\$ 1,916,035
12 Instructional resources and media services	2,115	-	2,115	-
13 Curriculum and instructional staff development	115,652	-	115,652	50,100
21 Instructional leadership	13,213	-	13,213	2,258
23 School leadership	287,729	-	287,729	273,367
31 Guidance, counseling & evaluation services	27,571	-	27,571	31,869
33 Health services	11,101	-	11,101	9,746
34 Student (Pupil) transportation	79,408	-	79,408	86,440
35 Food service	239,212	-	239,212	209,995
36 Extracurricular activities	71,499	-	71,499	23,676
41 General administration	285,565	-	285,565	253,342
51 Facilities maintenance and operations	438,061	-	438,061	359,640
52 Security and monitoring services	46,121	-	46,121	53,696
53 Data processing services	7,095	-	7,095	8,846
61 Community services	28,919	-	28,919	31,018
71 Debt services	59,201	-	59,201	59,341
TOTAL EXPENSES	<u>3,806,276</u>	<u>-</u>	<u>3,806,276</u>	<u>3,369,369</u>
Change in net assets	25,768	(89,015)	(63,247)	43,391
NET ASSETS, BEGINNING OF YEAR	<u>69,811</u>	<u>1,920,557</u>	<u>1,990,368</u>	<u>1,946,977</u>
NET ASSETS, END OF YEAR	<u>\$ 95,579</u>	<u>\$ 1,831,542</u>	<u>\$ 1,927,121</u>	<u>\$ 1,990,368</u>

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

SCHEDULES OF EXPENSES
For the Years Ended August 31, 2023 and 2022

Expenses:	<u>2023</u>	<u>2022</u>
6100 Payroll costs	\$ 2,286,311	\$ 2,194,465
6200 Professional and contracted services	843,731	692,348
6300 Supplies and materials	431,894	275,695
6400 Other operating costs	185,139	147,520
6500 Debt service	59,201	59,341
	<u><u>\$ 3,806,276</u></u>	<u><u>\$ 3,369,369</u></u>

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

SCHEDULE OF ASSETS
For the Years ended August 31, 2023 and 2022

2023				
Ownership Interest				
	Local	State	Federal	Total
1110 Cash	\$ -	\$ 1,359,574	\$ -	\$ 1,359,574
1510 Land and improvements	736,721	15,779	-	752,500
1520 Buildings and improvements	957,148	22,838	-	979,986
1521 Buildings (CIP)	24,687	-	-	24,687
1531 Vehicles	-	79,934	-	79,934
1535 Computers	-	-	7,995	7,995
1539 Furniture and equipment	16,624	100,188	12,600	129,411
1551 Right of Use Asset - Buildings	71,611	-	-	71,611
Schedule of Cash and Capital Assets	\$ 1,806,791	\$ 1,578,313	\$ 20,595	\$ 3,405,698

2022				
Ownership Interest				
	Local	State	Federal	Total
1110 Cash	\$ -	\$ 1,340,025	\$ -	\$ 1,340,025
1510 Land and improvements	736,721	15,779	-	752,500
1520 Buildings and improvements	891,359	22,838	-	914,197
1531 Vehicles	-	79,934	-	79,934
1535 Computers	-	-	7,995	7,995
1539 Furniture and equipment	16,623	100,188	12,600	129,411
Schedule of Cash and Capital Assets	\$ 1,644,703	\$ 1,558,764	\$ 20,595	\$ 3,224,062

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST
For the Years ended August 31, 2023

<u>Description</u>	<u>Property Address</u>	<u>Total Assessed Value</u>	<u>Ownership Interest - Local</u>	<u>Ownership Interest - State</u>	<u>Ownership Interest - Federal</u>
Reserve B Lot Block 2 Southwest Crossing Section 5	13663 Main Street Houston, TX 77085	\$ 1,788,479	\$ 1,633,619	\$ 154,860	-

**ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)**

**SCHEDULE OF RELATED PARTY TRANSACTIONS
For the Year ended August 31, 2023**

Related Party Name	Name of Relation of 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
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS
For the Year ended August 31, 2023

Related Party Name	Name of Relation of the Related Party	Relationship	Compensation or Benefit	Payment Frequency	Description	Source of Funds Used	Total Paid During FY
Curtis Whittaker	Gloria Whittaker Ford	Mother/Son	Compensation	Semi-Monthly	Payroll	State and Federal	\$ 57,339
Roy Pace	Sheretta Hernandez & Julia Wright	Father & Daughters	Compensation	Semi-Monthly	Payroll	State	\$ 73,288
Sheretta Hernandez	Julia Wright & Roy Pace	Sister & Father	Compensation	Semi-Monthly	Payroll	State and Federal	\$ 123,699
Julia Wright	Sheretta Hernandez & Roy Pace	Sister & Father	Compensation	Semi-Monthly	Payroll	State and Federal	\$ 137,893
Julia Wright	Sheretta Hernandez & Roy Pace	Sister & Father	Benefit	Semi-Monthly	Payroll	State	\$ 26,900

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Actual Compared to Final Budgeted Amounts</u>		<u>Explanation (See references)</u>	<u>Final Compared to Original Budgeted Amounts</u>		<u>Explanation (See references)</u>	
	<u>Original</u>	<u>Final</u>		<u>\$ Variance</u>	<u>% Variance</u>		<u>Unaudited</u>	<u>\$ Variance</u>		<u>% Variance</u>
REVENUES										
Local Revenue:										
5700	Local and intermediate sources	\$ -	\$ -	\$ 25,768	\$ 25,768	100%	{a}	-	0.00%	
State Program Revenue:										
5810	Per Capita and Foundation School Program Act Revenue	2,510,668	2,563,668	2,685,219	121,551	5%		(53,000)	-2.11%	
5820	State Program Revenues Distributed by Texas Education Agency	-	-	9,227	9,227	100%	{b}	-	0.00%	
Federal Program Revenues:										
5929	Federal Revenues Distributed by the Texas Education Agency	760,437	982,581	1,022,815	40,234	4%		(222,144)	-29.21%	{c}
	TOTAL REVENUES	<u>\$ 3,271,105</u>	<u>\$ 3,546,249</u>	<u>\$ 3,743,029</u>	<u>\$ 196,780</u>	<u>208.84%</u>		<u>(275,144)</u>	<u>-31.32%</u>	
EXPENSES										
Program services:										
11	Instruction	1,687,931	2,166,006	2,093,814	72,192	3%		(478,075)	-28%	{d}
12	Instructional resources and media services	9,203	9,203	\$2,115	7,088	77%	{o}	-	0%	
13	Curriculum development and instructional staff development	55,885	110,885	115,652	(4,767)	-4%		(55,000)	-98%	{e}
21	Instructional leadership	6,249	18,747	13,213	5,534	30%	{p}	(12,498)	-200%	{f}
23	School leadership	281,702	313,602	287,729	25,873	8%		(31,900)	-11%	{g}
31	Guidance, Counseling and Evaluation Services	45,780	35,780	27,571	8,209	23%	{q}	10,000	22%	{h}
33	Health services	14,500	14,500	11,101	3,399	23%	{r}	-	0%	
34	Student (Pupil) transportation	98,453	98,454	79,408	19,046	19%	{s}	(1)	0%	
35	Food services	212,011	237,453	239,212	(1,759)	-1%		(25,442)	-12%	{i}
36	Cocurricular/Extracurricular activities	58,474	75,000	71,499	3,501	5%		(16,526)	-28%	{j}
41	General administration	239,897	272,897	285,565	(12,668)	-5%		(33,000)	-14%	{k}
51	Facilities maintenance and operations	353,154	406,154	438,061	(31,907)	-8%		(53,000)	-15%	{l}
52	Security and monitoring services	41,000	47,150	46,121	1,029	2%		(6,150)	-15%	{m}
53	Data processing services	30,000	24,000	7,095	16,905	70%	{t}	6,000	20%	{n}
61	Community Services	30,980	30,980	28,919	2,061	7%		-	0%	
71	Debt Service	67,600	67,600	59,201	8,399	12%	{u}	-	0%	
81	Fundraising	1,201	1,200	-	1,200	100%	{v}	1	0%	
	TOTAL EXPENSES	<u>\$ 3,232,819</u>	<u>\$ 3,928,411</u>	<u>\$ 3,806,276</u>	<u>\$ 122,135</u>	<u>3.11%</u>		<u>(695,592)</u>	<u>-21.52%</u>	
	Change in net assets			(63,247)						
	NET ASSETS, BEGINNING OF YEAR			<u>1,990,368</u>						
	NET ASSETS, END OF YEAR			<u>\$ 1,927,121</u>						

Variance Explanation:

- {a} Did not budget in for local revenue in current year.
- {b} Did not budget in for State Program revenue distributed by TEA in current year.
- {c} Increased to address learning loss and mitigation of COVID-19
- {d} Implementation of instructional program(s) to address learning loss.
- {e} Implementation of curriculum and instructional staff learning experiences.
- {f} Increased to support instructional staff.
- {g} Increased to prepare for additional grade level offerings.
- {h} Reduced request for services related guidance and counseling.
- {i} Increased student participation and increased food costs.
- {j} Additional programs offered to students.
- {k} Increased to prepare for additional grade level offerings.
- {l} Increased to prepare for additional grade level offerings.
- {m} Increased expenditures due to increasing safety of staff and students.

- {n} Anticipated services not implemented until next academic year.
- {o} Reduced request for services.
- {p} One program of support delayed until next year.
- {q} Reduced request for services related guidance and counseling.
- {r} Decreased need for medical supplies.
- {s} Anticipated increase for mechanical repairs.
- {t} Decrease due to change to new student account system did not occur.
- {u} Anticipated need for resources not used.
- {v} Fundraising activity delayed until next year.

**ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)**

**USE OF FUNDS – SELECT STATE OF ALLOTMENT PROGRAMS
For the Year Ended August 31, 2023**

Data Codes

Responses

Section A: Compensatory Education Programs

Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, 48.104.		
AP1	Did your School expend any state compensatory education program state allotment funds during the district’s fiscal year?	Yes
AP2	Does the School 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 school’s fiscal year.	\$332,556
AP4	List the actual direct program expenditures for state compensatory education programs during the School’s fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$257,515

Section B: Bilingual Education Programs

Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, 48.105.		
AP5	Did your School expend any bilingual education program state allotment funds during the School’s fiscal year?	Yes
AP6	Does the School 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 School’s fiscal year.	\$1,793
AP8	List the actual direct program expenditures for bilingual education programs during the School’s fiscal year. (PICs 25, 35)	\$988

SINGLE AUDIT SECTION

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
For the Years ended August 31, 2023 and 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Pass-through programs from:			
Texas Education Agency			
ESEA Title I, Part A--Improving Basic Programs	84.010A	S010A220043	\$ 186,659
Title II, Part A--Teacher and Principal Training and Recruiting	84.367A	S367A210041	16,561
IDEA B--Formula	84.027A	H027A220008	46,692
IDEA B--PreSchool	84.173A	H173A210004	810
Title IV, Part A, Subpart 1	84.424A	S424A220045	10,000
ESSER Grant	84.425D	S425D200042	15,135
CRRSA ESSER II	84.425D	S425D210042	301,967
ARP ESSER III	84.425U	S425U210042	160,271
			477,373
Total Passed Through Texas Education Agency			738,095
Total U.S. Department of Education			738,095
U.S. DEPARTMENT OF AGRICULTURE			
Pass-through programs from:			
Texas Education Agency			
School Breakfast Program	10.553	202222N109946	70,663
National School Lunch Program	10.555	202222N109946	186,424
Supply Chain Assistance	10.555		10,515
Total Passed Through Texas Education Agency			267,602
Pass-through programs from:			
Texas Department of Agriculture			
Commodity Supplemental Food Program			16,490
Pandemic Electronic Benefit Transfer			628
Total Passed Through Texas Department of Agriculture			17,118
Total U.S. Department of Agriculture			284,720
Total Federal Awards			1,022,815
Total federal program revenues			\$ 1,022,815

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)

NOTES TO SCHEDULE OF EXPENDITURE ON FEDERAL AWARDS
For the Years ended August 31, 2023 and 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes federal grant activities of the school under programs of the federal government for the year ended August 31, 2023. The information in the 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 present only a selected portion of the operation of the Organization, they are not intended to and do not present the financial position, changes in net assets, and cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures on the schedule are reported on the accrual basis of accounting. such expenditures are recognized following the cost principles contained in subpart e of the uniform guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. RELATIONSHIP TO FINANCIAL REPORT SUBMITTED TO GRANTOR AGENCIES

Amounts reflected in the financial reports filed with grantor agencies for the programs and the supplementary schedules may not agree because of accruals which will be included in the next report filed with the agencies, matching requirements not included in the schedules and different program year ends.

4. ELECTION TO USE 10% DE MINIMIS INDIRECT COST RATE

The School has elected not to use the 10% de minimis indirect cost rate allowed under uniform guidance.

5. COMMITMENTS AND CONTINGENCIES

Federal grants received by the school are subject to review and audit by grantor agencies. the school’s management believes that the results of such audits will not have a material effect on the schedule.



**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***

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ECAP Enterprises, Inc.
dba Meyerpark Elementary Charter School

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 ECAP Enterprises, Inc. dba MeyerPark Elementary Charter School (the "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 January 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 determination of financial statement amounts. 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.

McConnell & Jones LLP

Houston, Texas
January 17, 2024



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ECAP Enterprises, Inc.
dba Meyerpark Elementary Charter School

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited ECAP Enterprises, Inc. dba MeyerPark Elementary Charter School (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended August 31, 2023, The School'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, the Organization 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 (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the Organization 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 the Organization'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 the Organization'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 Organization'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 U.S. GAAS, *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 the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization'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 Organization'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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

McConnell & Jones LLP

Houston, Texas
January 17, 2024

**ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year ended August 31, 2023**

PART I – SUMMARY OF AUDITOR’S RESULTS

Financial Statement Section

- | | |
|--|------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a) Material weaknesses identified? | No |
| b) Significant deficiencies identified, which were not considered to be material weaknesses? | No |
| c) Noncompliance material to financial statements noted? | No |

Federal Awards Section

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a) Material weaknesses identified? | No |
| b) Significant deficiencies identified which are not considered to be material weaknesses? | No |
| 2. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed, which are required to be reported in accordance with 2 CFR section 200.6.516(a)? | No |
| 4. Identification of major programs: | |

Federal - CFDA Number	Name of Federal Program/Cluster
84.425D	ESSER Grant, CRRSA ESSER II
84.425U	ESSER III

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B federal programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee under 2 CFR section 200.520? | No |

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year ended August 31, 2023

PART II: FINDINGS – FINANCIAL STATEMENT AUDIT

This section identifies the significant deficiencies, material weaknesses, and instances of fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards require reporting under 2 CFR Section 200.515(d)(2).

NONE NOTED

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year ended August 31, 2023

PART III: STATE COMPLIANCE AND REPORTING REQUIREMENT

NONE NOTED

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year ended August 31, 2023

PART IV: FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARDS

NONE NOTED

ECAP ENTERPRISES, INC.
dba MEYERPARK ELEMENTARY CHARTER SCHOOL
(A Texas Nonprofit Organization)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year ended August 31, 2023

PART V: STATUS OF PRIOR YEAR FINDINGS

NOT APPLICABLE