



Mater Academy Lakes Middle School
WL# 6033

(A Charter School under Mater Academy, Inc.)

Miami, Florida

Financial Statements And
Independent Auditors' Report

June 30, 2024

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Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)
WL# 6033

17300 NW 87th Ave
Miami, FL 33015

2023-2024

Board of Directors

Cesar Christian Crousillat, Board Chair, Director
Idalia Suarez, Secretary, Director
Shannie Sadesky, Vice Chair, Director
Maria Beatriz Nuñez, Director
Maurene Sotero Balmaseda, Director, Student Alumni Representative
Yasmeen Hasan, Director

School Administration

Rene Rovirosa, Principal

Other Non-Voting Corporate Officers

Robert Blanch, President
Kim Guilarte, Chief Operating Officer



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mater Academy Lakes Middle School
Miami, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Mater Academy Lakes Middle School (the "School"), a charter school under Mater Academy, Inc. as of, and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mater Academy, 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' 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 opinions. 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 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 School'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 School'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.

Emphasis of a Matter – Presentation

As described in Note 1, the accompanying financial statements referred to above present only the financial position and change in financial position of the School that is attributable to the transactions of the School and is not intended to be a complete presentation of Mater Academy, Inc. These financial statements do not purport to, and do not, present fairly the financial position of Mater Academy, Inc. as of June 30, 2024 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 9 and 32 through 33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2024 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 School's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 12, 2024

Management's Discussion and Analysis
Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)
June 30, 2024

The corporate officers of Mater Academy, Inc. have prepared this narrative overview and analysis of the school's financial activities for the fiscal year ended June 30, 2024.

Financial Highlights

1. The net position at June 30, 2024 was \$9,462,655.
2. At year-end, the School had current assets on hand of \$8,366,822.
3. The net position of the School increased by \$4,092,668 during the year.
4. The unassigned fund balance at year end was \$7,544,274.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2024 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets, deferred outflow of resources, liabilities and deferred inflow of resources. The difference between the four is reported as *net position*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10 - 11 of this report.

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16 - 31 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, net position was \$9,462,655 at the close of the fiscal year. A summary of the School's net position as of June 30, 2024 and 2023 follows:

	2024	2023
Cash	\$ 51,071	\$ 85,433
Investments	5,460,000	4,000,000
Prepaid expenses	-	57,834
Due from other agencies	2,855,751	1,508,785
Due from other agencies, long term	1,254,985	-
Due from other divisions of Mater Academy, Inc., long term	630,000	630,000
Capital assets and right of use asset, net	11,723,651	12,825,434
Total Assets	21,975,458	19,107,486
Deferred outflows of resources	-	-
Accounts payable and accrued liabilities	481,790	912,995
Deferred rent	109,128	109,128
Lease liability	11,921,885	12,715,376
Total Liabilities	12,512,803	13,737,499
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets	(307,362)	930
Restricted	340,758	11,714
Unrestricted	9,429,259	5,357,343
Total Net Position	\$ 9,462,655	\$ 5,369,987

At the end of the fiscal year, the School can report positive balances in net position with a net increase for the year. The same situation held true for the prior fiscal year.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2024 and 2023 follows:

	<u>2024</u>	<u>2023</u>
REVENUES		
Program Revenues		
Operating grants and contributions	\$ 1,426,174	\$ 1,715,154
Capital grants and contributions	718,673	589,986
Lunch program	363,800	387,772
General Revenues		
Interest and other revenues	659,011	145,671
State and local sources	10,877,338	7,017,338
Total Revenues	<u>\$ 14,044,996</u>	<u>\$ 9,855,921</u>
EXPENSES		
Instruction	\$ 4,394,696	\$ 4,848,014
Student support services	181,851	103,313
Instructional staff training	45,982	38,401
Board	43,136	57,381
General administration	37,925	-
School administration	847,388	857,492
Facilities acquisition and construction	21,602	21,850
Fiscal services	140,758	134,250
Food services	378,629	376,418
Central services	167,416	165,089
Student transportation services	-	2,351
Operation of plant	2,892,961	2,342,254
Maintenance of plant	144,221	131,089
Administrative technology services	38,014	41,187
Community services	-	1,257
Debt service	617,749	656,371
Total Expenses	<u>9,952,328</u>	<u>9,776,717</u>
Increase (Decrease) in Net Position	4,092,668	79,204
Net Position at Beginning of Year	5,369,987	5,290,783
Net Position at End of Year	<u>\$ 9,462,655</u>	<u>\$ 5,369,987</u>

The School's revenues and expenses increased by \$4,189,075 and \$175,611, respectively. The School had an increase in its net position of \$4,092,668 during the year.

Lease of Facility

The School leases a facility located at 17300 NW 87th Ave Miami, Florida 33015

Capital Improvements Requirements

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the School's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$7,885,032. The fund balance unassigned and available for spending at the School's discretion is \$7,544,274. These funds will be available for the School's future ongoing operations.

Capital Assets

The School's investment in capital assets as of June 30, 2024 amounts to \$575,640 (net of accumulated depreciation) and right of use lease asset (building) \$11,148,011 (net of accumulated amortization). This investment in capital assets includes right of use lease asset (building), improvements, audio visual and furniture, fixtures, and equipment. As of June 30, 2024, the School had long-term liabilities of \$12,031,013 associated to its capital assets.

The lease asset is amortized using the straight-line method over the term of the lease and the lease liability amortizes based on the effective interest method resulting in a higher liability and expense during the early years of the lease.

Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for the governmental fund to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
Capital grants and contributions	\$ 709,116	\$ 717,860	\$ 718,673
Federal sources	1,982,634	2,361,286	2,527,956
Lunch program	252,300	305,900	363,800
General Revenues			
Interest and other revenues	323,325	504,850	659,011
State and local sources	8,801,224	9,389,792	9,622,353
Total Revenues	<u>\$12,068,599</u>	<u>\$13,279,688</u>	<u>\$13,891,793</u>
CURRENT EXPENDITURES			
Instruction	\$ 5,289,068	\$ 4,795,049	\$ 4,346,271
Student support services	276,053	245,197	181,851
Instructional staff training	55,741	47,777	45,982
Board	62,850	55,338	43,136
General administration	41,440	41,250	37,925
School administration	893,051	850,864	846,275
Fiscal services	143,700	140,758	140,758
Food services	333,485	353,242	378,629
Central services	176,700	178,758	167,064
Operation of plant	1,934,336	1,852,919	1,839,147
Maintenance of plant	160,733	154,000	143,733
Administrative technology services	61,316	55,586	38,014
Total Current Expenditures	<u>\$ 9,428,473</u>	<u>\$ 8,770,738</u>	<u>\$ 8,208,785</u>

Most variances occurred as a result of the budget adopted being more conservative than actual results for the year.

Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Dade, LLC, 6340 Sunset Drive, Miami, Florida, 33143.

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)

Statement of Net Position
June 30, 2024

	Primary Government Governmental Activities
<u>Assets</u>	
Current assets:	
Cash	\$ 51,071
Investments	5,460,000
Due from other agencies	2,855,751
Total Current Assets	8,366,822
Capital assets, non-depreciable	
Capital assets, depreciable	1,546,430
Less: accumulated depreciation	(970,790)
Right of use lease asset	14,188,377
Less: accumulated amortization	(3,040,366)
	11,723,651
Due from other agencies, long term	1,254,985
Due from Mater Academy, Inc.	630,000
Total Assets	21,975,458
<u>Deferred Outflows of Resources</u>	-
<u>Liabilities</u>	
Current liabilities:	
Salaries and wages payable	405,704
Accounts payable and accrued liabilities	76,086
Lease liability, current	834,088
Total Current Liabilities	1,315,878
Deferred rent	109,128
Lease liability	11,087,797
Total Liabilities	12,512,803
<u>Deferred Inflows of Resources</u>	-
<u>Net Position</u>	
Net investment in capital assets	(307,362)
Restricted	340,758
Unrestricted	9,429,259
Total Net Position	\$ 9,462,655

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

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)

Statement of Activities

For the year ended June 30, 2024

Primary Government FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 4,394,696	\$ -	\$ 990,076	\$ -	\$ (3,404,620)
Student support services	181,851	-	111,309	-	(70,542)
Instructional staff training	45,982	-	42,834	-	(3,148)
Board	43,136	-	-	-	(43,136)
General administration	37,925	-	-	-	(37,925)
School administration	847,388	-	2,049	-	(845,339)
Facilities acquisition and construction	21,602	-	-	-	(21,602)
Fiscal services	140,758	-	-	-	(140,758)
Food services	378,629	46,591	317,209	-	(14,829)
Central services	167,416	-	1,500	-	(165,916)
Operation of plant	2,892,961	-	218,411	718,673	(1,955,877)
Maintenance of plant	144,221	-	33,905	-	(110,316)
Administrative technology services	38,014	-	26,090	-	(11,924)
Debt service	617,749	-	-	-	(617,749)
Total governmental activities	9,952,328	46,591	1,743,383	718,673	(7,443,681)
General revenues:					
State and local sources					10,877,338
Investment earnings and other revenues					659,011
Change in net position					4,092,668
Net position, beginning					5,369,987
Net position, ending					\$ 9,462,655

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

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)

Balance Sheet - Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 51,071	\$ -	\$ -	\$ 51,071
Investments	5,460,000	-	-	5,460,000
Due from other agencies	1,195,225	1,614,674	45,852	2,855,751
Due from fund	1,660,526	-	-	1,660,526
Total Assets	8,366,822	1,614,674	45,852	10,027,348
<u>Deferred Outflows of Resources</u>	-	-	-	-
<u>Liabilities</u>				
Salaries and wages payable	405,704	-	-	405,704
Accounts payable and accrued liabilities	76,086	-	-	76,086
Due to fund	-	1,614,674	45,852	1,660,526
Total Liabilities	481,790	1,614,674	45,852	2,142,316
<u>Deferred Inflows of Resources</u>	-	-	-	-
<u>Fund balance</u>				
Restricted	340,758	-	-	340,758
Unassigned	7,544,274	-	-	7,544,274
	7,885,032	-	-	7,885,032
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 8,366,822	\$ 1,614,674	\$ 45,852	\$ 10,027,348

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

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balance - Governmental Funds \$ 7,885,032

Amounts reported for governmental activities in the statement of net position are different because:

Depreciable and non-depreciable capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets, depreciable	1,546,430	
Less: accumulated depreciation	(970,790)	
Right of use lease asset	14,188,377	
Less: accumulated amortization	<u>(3,040,366)</u>	11,723,651

Long term receivables in governmental activities are not financial resources and therefore are not reported in the governmental funds. 1,884,985

Long term debt in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds. (12,031,013)

Total Net Position - Governmental Activities \$ 9,462,655

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

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Capital grants and contributions	\$ -	\$ -	\$ 718,673	\$ 718,673
State and local sources	9,622,353	-	-	9,622,353
Federal sources	-	2,527,956	-	2,527,956
Lunch program	-	363,800	-	363,800
Other revenues	659,011	-	-	659,011
Total Revenues	10,281,364	2,891,756	718,673	13,891,793
Expenditures:				
Current				
Instruction	3,218,738	1,127,533	-	4,346,271
Student support services	70,542	111,309	-	181,851
Instructional staff training	3,148	42,834	-	45,982
Board	43,136	-	-	43,136
General administration	35,876	2,049	-	37,925
School administration	846,275	-	-	846,275
Fiscal services	140,758	-	-	140,758
Food services	-	378,629	-	378,629
Central services	167,064	-	-	167,064
Operation of plant	1,620,736	218,411	-	1,839,147
Maintenance of plant	109,828	33,905	-	143,733
Administrative technology services	11,924	26,090	-	38,014
Capital Outlay:				
Other capital outlay	24,011	-	-	24,011
Debt Service:				
Redemption of Principal	-	-	793,491	793,491
Interest	-	-	617,749	617,749
Total Expenditures	6,292,036	1,940,760	1,411,240	9,644,036
Excess (deficit) of revenues over expenditures	3,989,328	950,996	(692,567)	4,247,757
Other financing sources (uses)				
Transfers in (out)	270,143	(962,710)	692,567	-
Net change in fund balance	4,259,471	(11,714)	-	4,247,757
Fund Balance at beginning of year	3,625,561	11,714	-	3,637,275
Fund Balance at end of year	\$ 7,885,032	\$ -	\$ -	\$ 7,885,032

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

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities

For the year ended June 30, 2024

Net Change in Fund Balance - Governmental Funds	\$ 4,247,757
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. These amounts during the year were as follows:

Capital outlay	24,011	
Depreciation and amortization expense	<u>(1,125,794)</u>	(1,101,783)

Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds. These revenues did not meet the recognition criteria during the current year and, therefore, were not reported in the governmental funds.

153,203

Increase in long term debt is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position.

Principal payments on long-term debt	<u>793,491</u>	<u>793,491</u>
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Change in Net Position of Governmental Activities	<u>\$ 4,092,668</u>
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The accompanying notes are an integral part of these financial statements.

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Mater Academy Lakes Middle School (the "School"), is a charter school sponsored by the School Board of Miami-Dade County, Florida (the "District"). The Schools' charter is held by Mater Academy, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of Mater Academy, Inc., which is composed of six members and also governs other charter schools. The board of directors has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2031 and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Miami, Florida serving children from sixth through eighth grades and is funded by the District. These financial statements are for the year ended June 30, 2024, when on average 889 students were enrolled for the school year.

Basis of presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements also do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, such as food service and student activity fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues, and other state and local sources.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds:

General Fund - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Special Revenue Fund – accounts for specific revenues, such as federal funding, federal lunch program, and COVID-19 emergency relief funding that are legally restricted to expenditures for particular purposes. Also, accounts for resources of the School's Internal Fund, which is used to administer monies collected in connection with school, student athletics, class, and club activities.

Capital Outlay Fund – accounts for state and other local capital outlay as authorized by Charter School Capital Outlay, Section 1013.62.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*. The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Note 1 – Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, nonmarketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

The School has not adopted a formal deposit and investment policy that limits the School's allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund.

The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application*, and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

Inter-fund Transfers

Inter-fund receivables/payables ("due from/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund (See Note 10).

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Prepaid Expenses

Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized.

Note 1 – Summary of Significant Accounting Policies (continued)

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations as proceeds received.

The right of use assets are initially measure at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

Estimated useful lives, in years, for depreciable assets are as follows:

Building and Improvements	10-15 Years
Furniture, equipment, motor vehicles, audio visual and software	3-5 Years
Right of use asset (building)	15 Years

Compensated Absences

The School grants a specific number of personal time off. Full time instructional employees are eligible to receive one day per month up to ten days of active work during the ten-month period (a “benefit year”). In the event that available time is not used by the end of the benefit year, employees may “rollover” all unused days for use in future benefit years. Employees may “cash out” unused days for personal time off, however, employees may only cash out if they have used three days or less in that benefit year. Employees may not cash out more than ten days per school year and are required to maintain a minimum of twenty-one unused days in order to cash out. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused days. Non-exempt and office salaried employees are not eligible to “cash out” unused personal time off days.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated absences available to be used in future benefits years.

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue Sources

Revenues for current operations are received from the State through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made. In addition, the School receives a portion of the local operating millage revenues levied by the District (Secure our Future Referendum).

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Note 1 – Summary of Significant Accounting Policies (continued)

Net position and Fund balance classifications

Government-wide financial statements

Equity is classified as net position and displayed in three components:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for a specific purpose, it is the School's policy to use restricted resources first, until exhausted, before using unrestricted resources.

Fund financial statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

- a) Nonspendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses. All nonspendable fund balances relate to assets not in spendable form.
- b) Restricted – this classification includes fund balance category amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted fund balances at year end pertains to unspent Secure our Future referendum revenues.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification that is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.

Note 1 – Summary of Significant Accounting Policies (continued)

- e) Unassigned – portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Long-Term Debt and Liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Income Taxes

Mater Academy, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standard Adopted

In fiscal year 2024, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: GASB Statement No. 100, Accounting Changes and Error Corrections. The adoption had no material effect on the School's 2024 financial statements.

Note 1 – Summary of Significant Accounting Policies (continued)

Pronouncements Issued But Not Yet Effective

GASB has issued GASB Statement No. 101, Compensating Absences. This Statement provides guidance on the accounting and financial reporting for certain types of compensated absences including parental leave, military leave, and injury duty leave. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 12, 2024, which is the date the financial statements were available to be issued.

Note 2 – Cash and Investments

Deposits

The School maintains its cash and cash equivalents in two financial institutions. Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Mater Academy, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Mater Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2024, bank balances in potential excess of FDIC coverage was approximately \$4,100.

Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

At June 30, 2024, the School had \$5,460,000 invested in a governmental money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The governmental money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2024, maturities of the fund's portfolio holdings are approximately 86% within 30 days.

Note 2 – Cash and Investments (continued)

Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2024, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

Note 3 –Due from Other Agencies

The following is due from other agencies as of June 30, 2024:

<u>Funding Source</u>	<u>Governmental Fund</u>	<u>Balance</u>
Due from Miami-Dade County Public Schools, referendum	General Fund	\$1,195,225
ESSER III	Special Revenue Fund	1,603,777
ESSER II	Special Revenue Fund	10,897
Capital Outlay	Capital Projects Fund	45,852
Total due from other agencies, current		<u>\$2,855,751</u>
Due from Miami-Dade County Public Schools, referendum, long-term portion		1,254,985
Total Due from Other Agencies		<u><u>\$4,110,736</u></u>

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)
Notes to Financial Statements
June 30, 2024

Note 4 –Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2024:

	Balance 07/01/23	Additions	Retirements/ Reclassifications	Balance 06/30/24
Capital Assets:				
Buildings and improvements	\$ 1,095,610	\$ -	\$ -	\$ 1,095,610
Audio visual materials	178,911	-	(8,940)	169,971
Motor vehicles	10,260	-	-	10,260
Furniture, fixtures and equipment	327,497	24,011	(80,919)	270,589
Total Capital Assets	\$ 1,612,278	\$ 24,011	\$ (89,859)	\$ 1,546,430
Less Accumulated Depreciation:				
Buildings and improvements	\$ (563,901)	\$ (57,970)	\$ -	\$ (621,871)
Audio visual materials	(110,522)	(32,497)	8,940	(134,079)
Motor vehicles	(10,260)	-	-	(10,260)
Furniture, fixtures and equipment	(263,627)	(21,872)	80,919	(204,580)
Total Accumulated Depreciation	\$ (948,310)	\$ (112,339)	\$ 89,859	\$ (970,790)
Capital Assets, net	\$ 663,968	\$ (88,328)	\$ -	\$ 575,640
Lease Assets:				
Right of use leased asset (building)	\$14,188,377	\$ -	\$ -	\$14,188,377
Less accumulated amortization:	(2,026,911)	(1,013,455)	-	(3,040,366)
Total Lease Assets being amortized, net	12,161,466	(1,013,455)	-	11,148,011
Governmental Activities Capital Assets, net	\$12,825,434	\$ (1,101,783)	\$ -	\$11,723,651

For the fiscal year ended June 30, 2024, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
Instruction	\$ 48,425	\$ -
School administration	1,113	-
Facilities acquisition	21,602	-
Central services	352	-
Operation of plant	40,359	1,013,455
Maintenance of plant	488	-
Total Expense	\$ 112,339	\$1,013,455

Note 5 – Education Service and Support Provider

Academica Dade, LLC, an education service and support provider, offers administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting, financial reporting and virtual education services. The agreement calls for a fee on a per student basis.

The agreement is with Mater Academy, Inc. through June 30, 2028, and unless terminated by the board will have the option to renew for an additional five-year period. During the year ended June 30, 2024, the School incurred \$422,275 in fees.

Note 6 – Transactions with other divisions of Mater Academy, Inc.

The School’s facility is shared with Mater Academy Lakes High School (a charter school under Mater Academy, Inc.). Management allocates a proportionate share of leases, salaries, lunch receipts, food and supplies, and other expenses to each school individually based on student enrollment and usage of facilities and staff.

Mater Academy, Inc. charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. The School paid Mater Academy, Inc. \$133,350 in connection with these charges during the year.

The School made long term, non-interest bearing advances to Mater Academy, Inc. for site development. The following schedule provides a summary of changes in long-term receivables for the year ended June 30, 2024:

	Balance 07/01/23	Additions	Deletions	Balance 06/30/24
Due from Mater Academy, Inc.	\$ 630,000	\$ -	\$ -	\$ 630,000
Total Long Term Receivables	\$ 630,000	\$ -	\$ -	\$ 630,000

Note 7 – Long Term Liabilities

On October 9, 2009, the School entered into a lease and security agreement, as amended, with Galloway Lake, LLC. The agreement is based on 55,731 square feet facility including all ancillary facilities, outdoor areas, and other improvements. The landlord is an affiliate of the School’s education service and support provider (See Note 5). This facility is shared with Mater Academy Lakes High School (a charter school under Mater Academy, Inc.).

Note 7 – Long Term Liabilities (Continued)

Initial fixed annual payments under this agreement were approximately \$1,444,218. The agreement continues through June 30, 2035 with an option to renew for two additional five-year terms. Under the agreement, the School must meet certain covenants and requirements, including a “Lease Payment Coverage Ratio” of not less than 1.10 to 1.00.

On March 22, 2013, Mater Academy, Inc. entered into phase III of the lease with Galloway Lake II, LLC as landlord. This lease is for a new building facility totaling 42,209 square feet and is shared by Mater Lakes Middle school and Mater Lakes High School. Initial fixed rent under this agreement was approximately \$995,621. In addition, construction of the gym facility was completed during 2021 which resulted in an additional annual charge of approximately \$603,000. The initial fixed rent shall be adjusted annually based on the Consumer Price Index (CPI) plus additional property costs including repairs, maintenance, and insurance.

At the time of the initial measurement, the lease right of use asset and liability were allocated between School and Mater Academy Lakes High School based on enrollment and usage of facility. The allocation used was approximately 56% for Mate Lakes High and 44% for the School and there was no interest rate specified in the original lease agreement. The School has used an average effective interest for several borrowings during fiscal year 2021 and 2022. The average borrowing rate was 5% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability.

For the year ended June 30, 2024, interest expense totaled \$617,749, as it relates to its lease agreements. During the year, the School incurred variable and other payments related to the lease of \$225,055.

Annual requirements to amortize the lease liability and related interest are as follows:

Year	Principal	Interest	Total	
2025	\$ 834,088	\$ 577,152	\$ 1,411,240	
2026	876,761	534,478	1,411,239	
2027	921,618	489,622	1,411,240	
2028	968,770	442,470	1,411,240	
2029	1,018,334	392,906	1,411,240	
2030-2034	5,928,565	1,127,633	7,056,198	Total for a five year period
2035	1,373,749	37,489	1,411,238	
	<u>\$11,921,885</u>	<u>\$3,601,750</u>	<u>\$15,523,635</u>	

Note 7 – Long Term Liabilities (Continued)

Changes in long term lease liabilities during the year are as follows:

	Balance 07/01/23	Additions	Deletions	Balance 06/30/24
Lease liability	\$ 12,715,376	\$ -	\$(793,491)	\$11,921,885
Deferred rent CPI	109,128	-	-	109,128
	<u>\$ 12,824,504</u>	<u>\$ -</u>	<u>\$(793,491)</u>	<u>\$12,031,013</u>

Note 8 – Contingencies and Concentrations

The School receives substantially all of its funding from the State through the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs.

The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2024, administrative fees withheld by the School District totaled \$37,925.

Note 9 – Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the three prior years.

The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as “Professional Employer Organization” (PEO). Under a co-employment agreement, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management.

Note 9 – Risk Management (Continued)

Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

Note 10 - Interfund Transfers and Balances

Interfund transfers are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund
To fund lunch deficit	\$ (3,115)	\$ 3,115	\$ -
To reimburse general fund for prior period federal expenditures	965,825	(965,825)	-
To fund debt service payments	(692,567)	-	692,567
Total Transfers, net	<u>\$ 270,143</u>	<u>\$ (962,710)</u>	<u>\$ 692,567</u>

Due from/(Due to) fund balances are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund
Due to General Fund from capital projects fund for capital outlay	\$ 45,852	\$ -	\$ (45,852)
Due to general fund from special revenue fund for federal funds	1,614,674	(1,614,674)	-
Total Due from/(Due to)	<u>\$ 1,660,526</u>	<u>\$ (1,614,674)</u>	<u>\$ (45,852)</u>

Note 11 - Defined Contribution Retirement Plan

The School's personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the "Plan"), the School matches 100% of the employee's contribution up to 4% of the employee's compensation. The School contributed to the Plan \$89,905 for the year ended June 30, 2024. The School does not exercise any control or fiduciary responsibility over the Plans' assets, which are administered by Voya.

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)
Notes to Financial Statements
June 30, 2024

Note 12 – Referendum

On November 6, 2018, and November 8, 2022, the voters of Miami-Dade approved and renewed, respectively, the Secure Our Future Referendum to raise/maintain teacher compensation and improve school safety and security. The Miami-Dade County School District shares a portion with charter schools. The District entered into a settlement agreement with the School for the 2018 Referendum funds not received for the 2019-2020; 2020-2021; 2021-2022 school years. The District agreed to pay these funds totaling \$2,450,209 (including interest) to the School in two installments in August 2024 and July 2025.

	<u>2022-2023</u>
Funds Allocation	\$ 828,283
Less: Actual Expenditures	<u>(416,361)</u>
Rollover revenues as of June 30, 2023	<u>\$ 411,922</u>
 Funds Re-Allocated from charter holder based on actual expenditures	 154,428
Less: Actual Expenditures	<u>(566,350)</u>
Restricted 2022-2023 Referendum as of June 30, 2024	<u>\$ -</u>
	 <u>2023-2024</u>
Actual Allocation	\$ 1,296,825
Less: 2023-2024 Contingency	<u>(64,841)</u>
2023-2024 Referendum Funds, net of contingency	1,231,984
Less: Actual Expenditures	<u>(891,226)</u>
Restricted 2023-2024 Referendum as of June 30, 2024	<u>\$ 340,758</u>
 Total Referendum Revenue Recognized for Allowable Expenditures:	
2022-2023 Referendum Funds	\$ 566,350
2023-2024 Referendum Funds, net of contingency	1,231,984
2018 Referendum Settlement Agreement, excluding interest of \$410,630	<u>2,039,579</u>
Total per Government-Wide Statement of Activities	<u>3,837,913</u>
 Less: Due from Miami-Dade County Public Schools, referendum, long-term portion	 <u>(1,254,985)</u>
Total per Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 2,582,928</u>

REQUIRED SUPPLEMENTARY INFORMATION

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2024

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State and local sources	\$ 8,801,224	\$ 9,389,792	\$ 9,622,353
Other local sources	323,325	504,850	659,011
Total Revenues	9,124,549	9,894,642	10,281,364
EXPENDITURES			
Current:			
Instruction	3,558,734	3,390,763	3,218,738
Student support services	160,853	132,697	70,542
Instructional staff training	5,000	5,000	3,148
Board	62,850	55,338	43,136
General administration	36,440	36,250	35,876
School administration	893,051	850,864	846,275
Fiscal services	143,700	140,758	140,758
Central services	176,700	178,758	167,064
Operation of plant	1,710,210	1,632,022	1,620,736
Maintenance of plant	125,733	119,000	109,828
Administrative technology services	31,018	25,288	11,924
Total Current Expenditures	6,904,289	6,566,738	6,268,025
Excess of Revenues			
Over Current Expenditures	2,220,260	3,327,904	4,013,339
Capital Outlay	24,500	24,500	24,011
Total Expenditures	6,928,789	6,591,238	6,292,036
Excess (Deficit) of Revenues Over Expenditures	2,195,760	3,303,404	3,989,328
Other financing sources (uses):			
Transfers in (out)	(991,374)	(230,194)	270,143
Net change in fund balance	1,204,386	3,073,210	4,259,471
Fund Balance at beginning of year	3,625,561	3,625,561	3,625,561
Fund Balance at end of year	\$ 4,829,947	\$ 6,698,771	\$ 7,885,032

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Mater Academy Lakes Middle School
(A charter school under Mater Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2024

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 1,982,634	\$ 2,361,286	\$ 2,527,956
Lunch program	252,300	305,900	363,800
Total Revenues	2,234,934	2,667,186	2,891,756
EXPENDITURES			
Current:			
Instruction	1,730,334	1,404,286	1,127,533
Student support services	115,200	112,500	111,309
Instructional staff training	50,741	42,777	42,834
General administration	5,000	5,000	2,049
Food services	333,485	353,242	378,629
Operation of plant	224,126	220,897	218,411
Maintenance of plant	35,000	35,000	33,905
Administrative technology services	30,298	30,298	26,090
Total Current Expenditures	2,524,184	2,204,000	1,940,760
Excess (Deficit) of Revenues Over Current Expenditures	(289,250)	463,186	950,996
Capital Outlay	-	-	-
Total Expenditures	2,524,184	2,204,000	1,940,760
Excess (Deficit) of Revenues Over Expenditures	(289,250)	463,186	950,996
Other financing sources (uses)			
Transfers in (out)	289,250	(463,186)	(962,710)
Net change in fund balance	-	-	(11,714)
Fund Balance at beginning of year	11,714	11,714	11,714
Fund Balance at end of year	\$ 11,714	\$ 11,714	\$ -

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



INDEPENDENT AUDITORS' 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
Mater Academy Lakes Middle School
Miami, Florida

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 the governmental activities and each major fund of Mater Academy Lakes Middle School (the "School") as of, and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 School'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 were not identified

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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*.

We issued a separate management letter dated September 12, 2024 pursuant to Chapter 10.850, Rules of the Auditor General.

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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 12, 2024



MANAGEMENT LETTER

To the Board of Directors of
Mater Academy Lakes Middle School
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Mater Academy Lakes Middle School, Florida, as of and for the fiscal year ended June 30, 2024 and have issued our report thereon dated September 12, 2024.

Auditor's Responsibility

We conducted our audit 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 Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 12, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings in the preceding annual financial report.

Official Title

Section 10.854.(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Mater Academy Lakes Middle School, 6033.

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Financial Condition and Management

Sections 10.854(1)(e)2 and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Mater Academy Lakes Middle School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Mater Academy Lakes Middle School did not meet any of the conditions described in Section 218.503(1), Florida Statutes

Pursuant to Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for Mater Academy Lakes Middle School. It is management's responsibility to monitor Mater Academy Lakes Middle School financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendation to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether Mater Academy Lakes Middle School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Mater Academy Lakes Middle School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, fraud, waste or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, School Board of Miami Dade County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 12, 2024