HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Mater Palms Academy
W/L# 0185

(A charter school under Mater Academy Central, Inc.
and a component unit of The School District of Osceola County)

Kissimmee, FL

Financial Statements and
Independent Auditors' Report
June 30, 2023

TABLE OF CONTENTS

General Information	1
Independent Auditors' Report	2-4
Management's Discussion and Analysis (Required Supplementary Information)	5-9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	15
Notes to the Basic Financial Statements	16-29
Required Supplementary Information:	
Budgetary Comparison Schedules	30-31
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*	32-33
Management Letter	34-35

Mater Palms Academy
(A charter school under Mater Academy Central, Inc.)
W/L# 0185

401 South Poinciana Boulevard
Kissimmee, FL 34746

2022-2023

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

School Administration

Jorge Rivas, Principal

Other Corporate Officers

Roberto Blanch, President
Kim Guilarte, Chief Operating Officer

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mater Palms Academy
Kissimmee, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mater Palms Academy (the "School"), a charter school under Mater Academy Central, Inc., which is a component unit of the School District of Osceola County, as of, and for the year ended June 30, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Mater Palms Academy as of June 30, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mater Academy Central, 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 Mater Palms Academy'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.

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 Mater Palms Academy that is attributable to the transactions of the School and is not intended to be a complete presentation of Mater Academy Central, Inc. These financial statements do not purport to, and do not, present fairly the financial position of Mater Academy Central, Inc., as of June 30, 2023 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 30 through 31 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 20, 2023, 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 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 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.



Coral Gables, Florida
September 20, 2023

CERTIFIED PUBLIC ACCOUNTANTS

Management's Discussion and Analysis
Mater Palms Academy
(A Charter School Under Mater Academy Central, Inc.)
June 30, 2023

The corporate officers of Mater Academy Central, Inc., have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2023.

Financial Highlights

1. The net position of the School at June 30, 2023, was $521,509.
2. At year-end, the School had current assets on hand of $1,105,078.
3. The School had an increase in its net position of $328,717 for the year 2023.
4. The unassigned fund balance at year end was $514,848.

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, 2023, 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 outflows of resources, liabilities and deferred inflows or 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 – 29 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, the net position was $521,509 at the close of the fiscal year. A summary of the School's net position as of June 30, 2023 and 2022 follows:

	2023	2022
Cash	$ 315,436	$ 304,447
Investments	559,000	653,000
Prepaid expenses and other current assets	171,225	81,538
Due from other agencies	59,417	256,519
Deposits	13,900	13,900
Capital and right-of-use capital assets, net	9,997,726	10,595,151
Total Assets	11,116,704	11,904,555
Deferred outflows of resources	-	-
Accounts payable	190,387	236,611
Lease liability	10,221,636	10,629,349
Salaries and wages payable	172,847	189,847
Notes payable	10,325	135,956
Due to Mater Academy, Inc.	-	520,000
Total Liabilities	10,595,195	11,711,763
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets	(234,235)	(690,154)
Unrestricted	755,744	882,946
Total Net Position	$ 521,509	$ 192,792

At the end of both fiscal years, the School is able to report positive balances in total net position. A summary and analysis of the School's revenues and expenses for the years ended June 30, 2023 and 2022 follows.

	2023	2022
REVENUES		
Program Revenues		
Operating Grants and Contributions	$ 955,902	$ 432,347
Capital Outlay Funding	814,915	673,587
Lunch Program	423,731	389,548
Charges for Services	114,375	165,435
General Revenues		
Local Sources (FTE and other non specific)	6,314,430	6,035,850
Other Revenues	48,435	66,502
Total Revenues	$ 8,671,788	$ 7,763,269
EXPENSES		
Instruction	$ 3,798,653	$ 4,061,737
Student support services	68,412	63,015
Instructional staff training	36,005	7,917
Board	106,713	41,840
School administration	801,881	607,630
Fiscal services	129,750	129,150
Food services	564,017	346,317
Central services	166,254	254,499
Student transportation	168,737	136,575
Operation of plant	1,646,900	1,435,178
Maintenance of plant	155,230	216,641
Administrative technology services	80,146	66,348
Community services	97,850	185,497
Debt service	522,523	558,828
Total Expenses	8,343,071	8,111,172
(Decrease)/Increase in Net Position	328,717	(347,903)
Net Position at Beginning of Year	192,792	540,695
Net Position at End of Year	$ 521,509	$ 192,792

The School's revenue and expenditures increased by $908,519 and $231,899, respectively. The School had an increase in its net position of $328,717 for the year.

Lease of Facility

The School leases a facility located at 401 South Poinciana Boulevard Kissimmee, FL 34746.

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.

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 an ending fund balance of $686,073 and an unassigned fund balance of $514,848. 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, 2023 amounts to $308,904 (net of accumulated depreciation) and right of use lease asset (building) of 9,688,822 (net of accumulated amortization). This investment in capital assets includes right of use lease asset (buildings), building improvements, audio visual equipment and furniture and equipment. The School has 10,231,961 in long term debt associated to capital assets.

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	$ 451,530	$ 812,039	$ 814,915
Federal sources	1,127,978	1,444,829	1,446,153
General Revenues			
FTE and other nonspecific revenues	6,488,621	6,312,092	6,314,430
Charges and other revenues	195,800	172,968	176,892
Total Revenues	$ 8,263,929	$ 8,741,928	$ 8,752,390
CURRENT EXPENDITURES			
Component Unit Activities			
Instruction	$ 3,468,788	$ 3,705,284	$ 3,702,390
Student support services	98,836	73,232	68,412
Instructional staff training	-	108,293	106,713
Board	48,344	38,209	36,005
School administration	782,147	803,058	799,923
Fiscal services	129,375	131,478	129,750
Food services	442,707	563,809	562,230
Central services	173,375	167,283	165,577
Student transportation	170,000	170,238	168,737
Operation of plant	881,445	854,283	852,252
Maintenance of plant	187,000	158,283	155,230
Administrative technology services	86,864	83,530	80,146
Community services	150,000	99,291	97,850
Total Current Expenditures	$ 6,618,881	$ 6,956,271	$ 6,925,215

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 Broward, LLC, 6340 Sunset Drive, Miami, Florida 33143.

Mater Palms Academy
(A charter school under Mater Academy Central, Inc.)

Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Current assets:	
Cash	$ 315,436
Investments	559,000
Prepaid expenses and other current assets	171,225
Due from other agencies	59,417
Total Current Assets	1,105,078
Deposits	13,900
Capital assets, non depreciable	128,768
Capital assets, depreciable	1,111,918
Less: accumulated depreciation	(931,782)
Right of use lease asset	11,072,940
Less: accumulated amortization	(1,384,118)
Total Capital Assets, net	9,997,726
Total Assets	11,116,704
Deferred Outflows of Resources	-
Liabilities	
Current liabilities:	
Accounts payable	190,387
Salaries and wages payable	172,847
Lease liability, current portion	512,310
Notes payable, current portion	10,325
Total Current Liabilities	885,869
Lease liability	9,709,326
Total Liabilities	10,595,195
Deferred Inflows of Resources	-
Net Position	
Net investment in capital assets	(234,235)
Unrestricted	755,744
Total Net Position	$ 521,509

The accompanying notes are an integral part of this financial statement.

Mater Palms Academy
(A charter school under Mater Academy Central, Inc.)

Statement of Activities
For the year ended June 30, 2023

FUNCTIONS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
Instruction	$ 3,798,653	$ -	$ 821,350	$ -	$ (2,977,303)
Student support services	68,412	-	31,281	-	(37,131)
Instructional staff training	36,005	-	-	-	(36,005)
Board	106,713	-	-	-	(106,713)
School administration	801,881	-	69,273	-	(732,608)
Fiscal services	129,750	-	-	-	(129,750)
Food services	564,017	14,082	409,649	-	(140,286)
Central services	166,254	-	-	-	(166,254)
Student transportation	168,737	-	-	-	(168,737)
Operation of plant	1,646,900	1,642	-	814,915	(830,343)
Maintenance of plant	155,230	-	2,125	-	(153,105)
Administrative technology services	80,146	-	31,873	-	(48,273)
Community services	97,850	112,733	-	-	14,883
Debt service	522,523	-	-	-	(522,523)
Total governmental activities	8,343,071	128,457	1,365,551	814,915	(6,034,148)

General revenues:	
FTE and other nonspecific revenues	6,314,430
Interest and other revenues	48,435
Change in net position	328,717
Net position, beginning	192,792
Net position, ending	$ 521,509

The accompanying notes are an integral part of this financial statement.

Mater Palms Academy
(A charter school under Mater Academy Central, Inc.)

Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash	$ 259,665	$ 55,771	$ -	$ 315,436
Investments	559,000	-	-	559,000
Due from other agencies	-	59,417	-	59,417
Due from fund	59,417	-	-	59,417
Prepaid expenses	171,225	-	-	171,225
Total Assets	1,049,307	115,188	-	1,164,495
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Accounts payable	190,387	-	-	190,387
Salaries and wages payable	172,847	-	-	172,847
Due to fund	-	59,417	-	59,417
Total Liabilities	363,234	59,417	-	422,651
Deferred Inflows of Resources	-	-	-	-
Fund Balance				
Nonspendable, not in spendable form	171,225	-	-	171,225
Assigned	-	55,771	-	55,771
Unassigned	514,848	-	-	514,848
	686,073	55,771	-	741,844
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,049,307	$ 115,188	$ -	$ 1,164,495

The accompanying notes are an integral part of this financial statement.

Mater Palms Academy
(A charter school under Mater Academy Central, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2023

Total Fund Balance - Governmental Funds		$ 741,844
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, non depreciable	128,768	
Capital assets, depreciable	1,111,918	
Less: accumulated depreciation	(931,782)	
Right-of-use lease asset	11,072,940	
Less: accumulated amortization	(1,384,118)	9,997,726
Long-term liabilities in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.		(10,231,961)
Long-term deposits in governmental activites are not financial resources and therefore are not reported in the governmental funds.		13,900
Total Net Position - Governmental Activities		$ 521,509

The accompanying notes are an integral part of this financial statement.

Mater Palms Academy
(A charter school under Mater Academy Central, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund (Non-Major)	Total Governmental Funds
Revenues:					
State passed through local	$ 6,314,430	$ -	$ -	$ -	$ 6,314,430
State capital outlay funding	-	-	814,915	-	814,915
Federal sources	-	1,446,153	-	-	1,446,153
Charges and other revenue	50,077	126,815	-	-	176,892
Total Revenues	6,364,507	1,572,968	814,915	-	8,752,390
Expenditures:					
Current					
Instruction	3,033,801	668,589	-	-	3,702,390
Student support services	37,131	31,281	-	-	68,412
Board	36,005	-	-	-	36,005
Instructional staff training	106,713	-	-	-	106,713
School administration	730,650	69,273	-	-	799,923
Fiscal services	129,750	-	-	-	129,750
Food services	-	562,230	-	-	562,230
Central services	165,577	-	-	-	165,577
Student transportation	168,737	-	-	-	168,737
Operation of plant	852,252	-	-	-	852,252
Maintenance of plant	153,105	2,125	-	-	155,230
Administrative technology services	48,273	31,873	-	-	80,146
Community services	-	97,850	-	-	97,850
Capital Outlay:					
Other capital outlay	218,246	-	-	-	218,246
Debt Service:					
Principal	-	-	487,375	125,631	613,006
Interest	-	-	519,396	3,127	522,523
Total Expenditures	5,680,240	1,463,221	1,006,771	128,758	8,278,990
Excess (Deficit) of revenues over expenditures	684,267	109,747	(191,856)	(128,758)	473,400
Other financing sources (uses)					
Transfers in (out)	(181,986)	(138,628)	191,856	128,758	-
Net change in fund balance	502,281	(28,881)	-	-	473,400
Fund Balance at beginning of year	183,792	84,652	-	-	268,444
Fund Balance at end of year	$ 686,073	$ 55,771	$ -	$ -	$ 741,844

The accompanying notes are an integral part of this financial statement.

Mater Palms Academy
(A charter school under Mater Academy Central, 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, 2023

Net Change in Fund Balance - Governmental Funds		$ 473,400
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.		
Capital Outlay	218,246	
Depreciation and amortization expense	(815,671)	(597,425)
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.		(80,602)
Increase in long-term liabilities is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position.		
Long-term liabilities issued		(79,662)
Principal payments on long-term liabilities		613,006
Change in Net Position of Governmental Activities		$ 328,717

The accompanying notes are an integral
part of this financial statement.

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Mater Palms Academy (the "School"), is a component unit of the School District of Osceola County, Florida (the "District"). The School's charter is held by Mater Academy Central, 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 Central, Inc., which is composed of five members and also governs other charter schools. Mater Academy Central, Inc. is a single member entity controlled by Mater Academy, Inc. Both entities have board of director members in common. The board of directors has determined that no component unit exists 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 District of Osceola County, Florida. The current charter expires on June 30, 2027 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 Kissimmee, Florida for students from kindergarten to eighth grade. These financial statements are for the year ended June 30, 2023, when on average 865 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 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. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

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 and student activity fees; (2) operating grants such as, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay.

Note 1 – Summary of Significant Accounting Policies (continued)

In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous 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 outflow of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds with all other non-major funds aggregated in a single column in the fund financial statements:

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.

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

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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable 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 ("duefrom/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Governments or Agencies

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

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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 costs of $1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. 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 sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the governmentwide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

The right to 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 to use assets are amortized on a straight-line basis over the life of the related lease.

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

Building and improvements	5 Years
Right of use asset (building)	16 Years
Furniture, Equipment, and Audio Visual Equipment	3-5 Years

Compensated Absences

The School grants a specific number of sick days. 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 sick days, however, employees may only cash out if they have used three days or less of their sick leave 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 sick days.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Long-Term Debt and Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations 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.

Revenue Sources

Revenues for current operations are received primarily 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 will report 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.

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 ad valorem tax revenues levied by the District.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

Net position and Fund Balance Classification

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 listed below:

a) Nonspendable – includes amounts that cannot be spent because they are either not expected to be converted to cash or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories and prepaid expenses.
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. There are no restricted fund balances at year end.
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.

Note 1 – Summary of Significant Accounting Policies (continued)

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. Assigned fund balances at year end pertain to the Student activities internal fund account.
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.

Prepaid Expenses and Other Assets
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.

Income Taxes
Mater Academy Central, 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.

New Accounting Standard Adopted
In fiscal year 2023, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The adoption had no material effect on the School's 2023 financial statements.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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 20, 2023, which is the date the financial statements were available to be issued.

Note 2 – Cash and Investments

Deposits
The School maintains its cash 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 Central, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Mater Academy Central, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2023, bank balances in potential excess of FDIC coverage were $354,559.

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, 2023, the School had $1,130,000 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, 2023, maturities of the fund's portfolio holdings are approximately 91% 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, 2023, 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 – Education Service and Support Provider

Academica Broward, LLC, an educational 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 Central, Inc., through June 30, 2028, and unless terminated by the board will have an option to renew for an additional five year period. During the year ended June 30, 2023, the School incurred $389,250 in fees related to this agreement of which $132,150 were included in accounts payable.

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, 2023:

	Balance 07/01/22	Additions	Disposals	Balance 06/30/23
Capital Assets, non depreciable				
Construction in Progress	$ -	$ 128,768	$ -	$ 128,768
Capital assets, depreciable:				
Buildings and Improvements	$ 61,484	$ 40,477	$ -	$ 101,961
Audiovisual equipment	79,347	3,575	-	82,922
Furniture and equipment	1,209,218	45,426	(327,609)	927,035
Total Capital Assets	$ 1,350,049	$ 218,246	$ (327,609)	$ 1,240,686
Less Accumulated Depreciation:				
Buildings and Improvements	$ (44,529)	$ (11,130)	$ -	$ (55,659)
Audiovisual equipment	(46,699)	(9,781)	-	(56,480)
Furniture and equipment	(1,044,551)	(102,701)	327,609	(819,643)
Total Accumulated Depreciation	$ (1,135,779)	$ (123,612)	$ 327,609	$ (931,782)
Total depreciable assets, net	$ 214,270	$ 94,634	$ -	$ 308,904
Lease Assets:				
Right of use asset (building)	$ 11,072,940	$ -	$ -	$ 11,072,940
Less accumulated amortization	(692,059)	(692,059)	-	(1,384,118)
Total Lease assets, net	$ 10,380,881	$ (692,059)	$ -	$ 9,688,822
Governmental Activities Capital Assets, net	$ 10,595,151	$ (597,425)	$ -	$ 9,997,726

For the fiscal year ended June 30, 2023, depreciation and amortization expense are allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
Instruction	$ 96,263	$ -
School administration	1,958	-
Food services	1,787	-
Central services	677	-
Operation of plant	22,927	692,059
Total Expense	$ 123,612	$ 692,059

Note 5 – Transactions with Mater Academy, Inc.

As described in Note 1, Mater Academy Central, Inc. and Mater Academy, Inc., are affiliated entities. Mater Academy Inc., charges to its affiliated schools an assessment for shared corporate costs and accreditation expenses. Mater Palms Academy paid $129,675 in connection with these charges during the year.

During June 30, 2022, the School received a $50,000 recoverable grant from Mater Academy, Inc., for working capital. The recoverable grant was recorded as a reduction of the accounts payable the School has with Mater Academy, Inc. as of year-end. Under the terms of the grant, the School would repay the corporate account of Mater Academy, Inc., in the event the School experiences a surplus of its operating budget for any period ending on June 30, following the execution of the agreement. Management determined that the school met requirements for repayment and paid the $50,000 during the year.

Note 6 – Interfund Transfer

Interfund transfers in governmental funds consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund (Non-Major)
To fund lunch program loss	$ (94,735.00)	$ 94,735	$ -	$ -
To transfer federal funds received for prior year expenditures	311,880	(311,880)	-	-
To fund federal expenditures for which revenues were not available	(78,517)	78,517	-	-
To fund debt service fund for principal and interest payments	(320,614)	-	191,856	128,758
Total Transfers, net	$ (181,986)	$ (138,628)	$ 191,856	$ 128,758

Due from / (Due to) balances consist of the following:

Due to General Fund from Capital Projects Fund for Federal Grants	$ 59,417	$ (59,417)	$ -	$ -
Total Due from/(Due to)	$ 59,417	$ (59,417)	$ -	$ -

Note 7 – Long-Term Liabilities

On July 9, 2019, the School, through Mater Academy Inc., obtained financing collateralized by equipment from a financial institution for a total amount of $475,131. The terms require the loan to be repaid in 48 monthly installments that include principal and interest at a fixed interest rate of 3.95%. As of June 30, 2023 the balance due was at $10,325.

Note 7 – Long-Term Liabilities (continued)

The following schedule provides a summary of changes in long-term debt for the year ended June 30, 2023:

	Balance 07/01/22	Advances	Repayments	Balance 06/30/23
Note payable, equipment	$ 135,956	$ -	$ (125,631)	$ 10,325
Total Notes Payable	$ 135,956	$ -	$ (125,631)	$ 10,325

Future minimum payments for long term debt are as follows:

Year	Principal	Interest
2024	$ 10,325	$ 35
	$ 10,325	$ 35

Lease

Mater Academy Central, Inc. entered into a lease agreement with Poinciana School Property, LLC., Landlord, on behalf of the School. The landlord is an affiliate of the School's education service and support provider (see Note 3). The charter school facility consists of approximately 50,578 rentable square feet. The term is through June 30, 2037, with the option to renew for two additional five-year terms. Initial fixed annual payments under this agreement are approximately $960,982 plus additional property costs including repairs, maintenance and insurance, adjusted annually based on the Consumer Price Index (CPI). Under the agreement, Mater Academy Central, Inc. must meet certain requirements and covenants including maintaining a "Lease Payment Coverage Ratio" of not less than 1.10 to 1.00.

At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The School used an average effective interest for several borrowings during FY 2021 and 2022. At the time of initial measurement, 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, 2023, interest expense totaled $519,396 as it relates to its lease agreement. For the year ended June 30, 2023, variable and other payments of $140,974 in connection with the lease agreement not previously included in the measurement of the lease liability were recorded in rent expense.

Note 7 – Long-Term Liabilities (continued)

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

Year	Principal	Interest	Total	
2024	$ 512,310	$ 494,460	$ 1,006,770	
2025	538,521	468,250	1,006,771	
2026	566,072	440,698	1,006,770	
2027	595,034	411,737	1,006,771	
2028	625,477	381,294	1,006,771	
2029-2033	3,641,419	1,392,435	5,033,854	(Total for a five year period)
2034-2037	3,643,079	384,003	4,027,082	(Total for a four year period)
	$ 10,121,912	$ 3,972,877	$ 14,094,789	

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

	Balance 07/01/22	Increase	Repayments	Balance 06/30/23
Lease liability - building	$ 10,609,287	$ -	$ (487,375)	$ 10,121,912
Lease liability - deferred rent	20,062	79,662	-	99,724
Total Long Term Debt	$ 10,629,349	$ 79,662	$ (487,375)	$ 10,221,636

Note 8 – Commitments, Contingencies and Concentrations

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 receives various forms of federal, state and local funding which are subject to financial and compliance audits.

It is the opinion of management that the amount of funding, 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 5% (or 2% if high performing) of the qualifying revenues of the School. For the year ended June 30, 2023, administrative fees withheld by the School District totaled $91,794.

Note 8 – Commitments, Contingencies and Concentrations (continued)

The School entered into a contract for the construction of a playground with a cost of approximately $256,000. As of year end, the School had recorded $128,768 in construction in progress in relation to this contract. The remaining commitment of this contract is approximately $127,000.

Note 9 – 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"), for the 2022-2023 school year the School matched 100% of the employee's contribution up to 4% of the employee's compensation. The School contributed to the Plan $31,736 for the year ended June 30, 2023. The School does not exercise any control or fiduciary responsibility over the Plan's assets, which are administered by Voya Financial.

Note 10 – Risk Management

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

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 agreements, 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. 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.

REQUIRED SUPPLEMENTARY INFORMATION

Mater Palms Academy
(A charter school under Mater Academy Central, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2023

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	$ 6,488,621	$ 6,312,092	$ 6,314,430
Charges and other revenue	45,800	48,929	50,077
Total Revenues	6,534,421	6,361,021	6,364,507
EXPENDITURES			
Current:			
Instruction	2,909,838	3,035,092	3,033,801
Student support services	76,836	39,203	37,131
Instructional staff training	-	108,293	106,713
Board	48,344	38,209	36,005
School administration	714,118	732,029	730,650
Fiscal services	129,375	131,478	129,750
Central services	173,375	167,283	165,577
Student transportation	170,000	170,238	168,737
Operation of plant	881,445	854,283	852,252
Maintenance of plant	184,800	155,778	153,105
Administrative technology services	52,772	50,501	48,273
Total Current Expenditures	5,340,903	5,482,387	5,461,994
Excess (deficit) of Revenues Over Current Expenditures	1,193,518	878,634	902,513
Capital Outlay	100,000	220,000	218,246
Total Expenditures	5,440,903	5,702,387	5,680,240
Excess (Deficit) of Revenues Over Expenditures	1,093,518	658,634	684,267
Other financing sources (uses):			
Transfers in (out)	(683,999)	(228,506)	(181,986)
Net change in fund balance	409,519	430,128	502,281
Fund Balance at beginning of year	183,792	183,792	183,792
Fund Balance at end of year	$ 593,311	$ 613,920	$ 686,073

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 Palms Academy
(A charter school under Mater Academy Central, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2023

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	$ 1,127,978	$ 1,444,829	$ 1,446,153
Charges and other revenue	150,000	124,039	126,815
Total Revenues	1,277,978	1,568,868	1,572,968
EXPENDITURES			
Current:			
Instruction	558,950	670,192	668,589
Student support services	22,000	34,029	31,281
School administration	68,029	71,029	69,273
Food services	442,707	563,809	562,230
Maintenance of plant	2,200	2,505	2,125
Administrative technology services	34,092	33,029	31,873
Community services	150,000	99,291	97,850
Total Current Expenditures	1,277,978	1,473,884	1,463,221
Excess of Revenues Over Current Expenditures	-	94,984	109,747
Total Expenditures	1,277,978	1,473,884	1,463,221
Excess (Deficit) of Revenues Over Expenditures	-	94,984	109,747
Other financing sources (uses)			
Transfers in (out)	-	(94,984)	(138,628)
Net change in fund balance	-	-	(28,881)
Fund Balance at beginning of year	84,652	84,652	84,652
Fund Balance at end of year	$ 84,652	$ 84,652	$ 55,771

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.

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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 Palms Academy
Kissimmee, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mater Palms Academy (the "School"), as of, and for the year ended June 30, 2023, 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 20, 2023.

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) as a basis for designing 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 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 20, 2023, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HLB Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 20, 2023

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

To the Board of Directors of
Mater Palms Academy
Kissimmee, Florida

Report on the Financial Statements

We have audited the financial statements of Mater Palms Academy, Kissimmee, Florida, as of and for the fiscal year ended June 30, 2023 and have issued our report thereon dated September 20, 2023.

Auditors' 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 20, 2023, 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 and recommendations made in the preceding financial audit 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 Palms Academy, 0185.

Financial Condition and Management

Section 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 Palms Academy has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Mater Palms Academy 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 Palms Academy. It is management's responsibility to monitor Mater Palms Academy 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 address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have 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 Palms Academy 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 Palms Academy 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 that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have 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 District of Osceola 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 20, 2023