



iMater Preparatory Academy High School
(A charter school under
Mater Academy, Inc.)
W/L# 7090

Hialeah, Florida

Financial Statements and
Independent Auditors' Report
June 30, 2025

TABLE OF CONTENTS

General Information	1
Independent Auditors' Report.	2-4
Management's Discussion and Analysis (Required Supplementary Information)	5-9
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	10
Statement of Activities.	11
<i>Fund Financial Statements:</i>	
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 <i>Government Auditing Standards</i>	
Management Letter	32-33 34-35

iMater Preparatory Academy High School
(A charter school under Mater Academy, Inc.)
W/L# 7090

651 West 20th Street
Hialeah, Florida 33010

2024-2025

Board of Directors

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

School Administration

Teresa Santalo, Principal

Other Non-voting Corporate Officers

Roberto Blanch, President
Kim Guilarte, Chief Operating Officer



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
iMater Preparatory Academy High School
Hialeah, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of iMater Preparatory Academy High School (the "School"), a charter school under Mater Academy, Inc., as of and for the year ended June 30, 2025, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of iMater Preparatory Academy High School as of June 30, 2025, 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, 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 iMater Preparatory Academy High 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.

4000 Ponce de Leon Blvd., Suite 610, Coral Gables, FL 33146 • Tel: 305.446.3022 • Fax: 305.446.6319
www.hlbgravier.com

HLB Gravier, LLP is a member of  International. A world-wide organization of accounting firms and business advisers.

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 iMater Preparatory Academy High 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, 2025, 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.

Emphasis of a Matter – Change in Accounting Principle

As described in Note 12 to the financial statements, effective July 1, 2024, the School adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. 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 to 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 15, 2025, 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.



Coral Gables, Florida
September 15, 2025

CERTIFIED PUBLIC ACCOUNTANTS

Management's Discussion and Analysis
iMater Preparatory Academy High School
(A Charter School Under Mater Academy, Inc.)
June 30, 2025

The corporate officers of Mater Academy Inc., have prepared this narrative overview and analysis of the iMater Preparatory Academy High School's financial activities for the fiscal year ended June 30, 2025.

Financial Highlights

1. The net position of the School at June 30, 2025 was \$12,341,914.
2. At year-end, the School had current assets on hand of \$11,829,955.
3. The net position of the School increased by \$1,163,014 during the year.
4. The unassigned fund balance at year end was \$10,083,665.

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, 2025, 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 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 – 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, assets exceeded liabilities by \$12,341,914 at the close of the fiscal year. A summary of the School's net position as of June 30, 2025 and 2024 is as follows:

	2025	(As restated) 2024
Cash	\$ 968,067	\$ 908,636
Investments	9,403,000	6,105,000
Prepaid expenses and other current assets	51,725	95,237
Due from other agencies	1,407,163	4,236,661
Due from other divisions of Mater Academy, Inc.	2,944,447	1,650,000
Capital and right-of-use capital assets, net	21,387,919	22,095,519
Total Assets	36,162,321	35,091,053
Deferred outflows of resources	-	-
Salaries and wages payable	476,241	436,015
Accounts payable and accrued liabilities	124,176	89,126
Compensated absences	709,861	580,478
Lease liability	22,510,129	22,806,534
Total Liabilities	23,820,407	23,912,153
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets	(1,122,210)	(711,015)
Restricted	897,705	1,221,725
Unrestricted	12,566,419	10,668,190
Total Net Position	\$ 12,341,914	\$ 11,178,900

At the end of the fiscal year, 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, 2025 and 2024 is as follows:

	2025	(As restated) 2024
REVENUES		
Program Revenues		
Operating Grants and Contributions	\$ 712,723	\$ 2,500,628
Capital Outlay Funding	1,124,581	805,309
Lunch Program		
Charges for Services and Other Revenues	958,944	894,881
General Revenues		
State and Local Sources	10,139,519	12,175,478
Charges for Services and Other Revenues	369,836	747,909
Total Revenues	\$ 13,305,603	\$ 17,124,205
EXPENSES		
Instruction	\$ 5,737,260	\$ 6,108,381
Student support services	167,366	197,264
Instructional staff training services	75,890	71,701
School Board	85,796	74,814
General administration	-	38,898
School administration	993,824	1,099,390
Fiscal services	155,483	160,550
Food services	341,439	264,704
Central services	195,921	179,066
Pupil transportation	-	29,665
Operation of plant	2,065,042	2,010,898
Maintenance of plant	236,212	244,576
Administrative technology services	30,406	42,673
Community services	924,355	804,200
Debt Service	1,133,595	1,148,022
Total Expenses	12,142,589	12,474,802
Change in Net Position	1,163,014	4,649,403
Net Position at Beginning of Year, as restated	11,178,900	6,529,497
Net Position at End of Year	\$ 12,341,914	\$ 11,178,900

The School's revenue and expenditures decreased by \$3,818,602 and \$332,213, respectively. The School had an increase in its net position of \$1,163,014 for the year.

School Location

During the fiscal year, the School continued to operate from its facilities located at 651 W 20th Street, and 701 W 20th Street in Hialeah, Florida.

Capital Improvement 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 ending fund balance of \$10,401,158. The fund balance unassigned and available for spending at the School's discretion is \$10,083,665. 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, 2025 amounts to \$723,531 (net of accumulated depreciation) and right of use lease asset (building) of \$20,664,388 (net of accumulated amortization). This investment in capital assets includes right of use lease asset (building), improvements, furniture, fixtures and equipment. As of June 30, 2025, the School had long-term liabilities of \$22,510,129 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 School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
Capital grants and contributions	\$ 1,196,162	\$ 1,124,590	\$ 1,124,581
Federal sources	694,375	704,194	712,723
Charges for services and other revenues	827,440	952,440	958,944
General Revenues			
State and local sources	10,018,621	11,286,521	11,463,834
Charges and other revenues	-	305,449	404,690
Total Revenues	<u>\$12,736,598</u>	<u>\$ 14,373,194</u>	<u>\$ 14,664,772</u>
CURRENT EXPENDITURES			
Instruction	\$ 5,961,327	\$ 5,689,535	\$ 5,546,642
Student support services	256,963	190,004	165,858
Instructional staff training services	103,150	98,380	75,890
School Board	200,472	95,552	85,796
School administration	1,047,020	985,377	966,708
Fiscal services	163,875	155,483	155,483
Food services	276,330	335,135	326,606
Central services	211,810	208,983	195,921
Operation of plant	1,499,206	1,371,706	1,333,112
Maintenance of plant	326,925	277,667	236,212
Administrative technology services	26,223	44,100	30,406
Community services	831,410	932,615	924,355
Total Current Expenditures	<u>\$10,904,711</u>	<u>\$ 10,384,537</u>	<u>\$ 10,042,989</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.

iMater Preparatory Academy High School
(A charter school under Mater Academy, Inc.)

Statement of Net Position
June 30, 2025

	Primary Government
	Governmental Activities
<u>Assets</u>	
Current assets:	
Cash	\$ 968,067
Investments	9,403,000
Prepaid expenses and other current assets	51,725
Due from other agencies	1,407,163
Total Current Assets	11,829,955
Due from other divisions of Mater Academy, Inc.	2,944,447
Capital assets, net:	
Capital assets, non depreciable	116,974
Capital assets, depreciable	1,162,877
Less: accumulated depreciation	(556,320)
Right-of-use lease asset	23,775,157
Less: accumulated amortization	(3,110,769)
Total Capital Assets, net	21,387,919
Total Assets	36,162,321
<u>Deferred Outflows of Resources</u>	-
<u>Liabilities</u>	
Current liabilities:	
Salaries and wages payable	476,241
Accounts payable and accrued expenses	124,176
Compensated absences, current	425,917
Lease liability, current portion	311,569
	1,337,903
Compensated absences	283,944
Lease liability	22,198,560
Total Liabilities	23,820,407
<u>Deferred Inflows of Resources</u>	-
<u>Net Position</u>	
Net investment in capital assets	(1,122,210)
Restricted	
Lunch program	631,937
Miami-Dade Referendum	265,768
Unrestricted	12,566,419
Total Net Position	\$ 12,341,914

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

iMater Preparatory Academy High School
(A charter school under Mater Academy, Inc.)

Statement of Activities

For the year ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government	Expenses				
Governmental activities:					
Instruction	\$ 5,737,260	\$ -	\$ 330,150	\$ -	\$ (5,407,110)
Student support services	167,366	-	-	-	(167,366)
Instructional staff training services	75,890	-	37,205	-	(38,685)
School Board	85,796	-	-	-	(85,796)
School administration	993,824	-	-	-	(993,824)
Fiscal services	155,483	-	-	-	(155,483)
Food services	341,439	36,768	345,109	-	40,438
Central services	195,921	-	-	-	(195,921)
Operation of plant	2,065,042	-	259	1,124,581	(940,202)
Maintenance of plant	236,212	-	-	-	(236,212)
Administrative technology services	30,406	-	-	-	(30,406)
Community services	924,355	922,176	-	-	(2,179)
Debt Service	1,133,595	-	-	-	(1,133,595)
Total governmental activities	\$ 12,142,589	\$ 958,944	\$ 712,723	\$ 1,124,581	\$ (9,346,341)
General revenues:					
State and local sources					10,139,519
Investment earnings					<u>369,836</u>
Change in net position					1,163,014
Net position, beginning as restated					<u>11,178,900</u>
Net position, ending					<u>\$ 12,341,914</u>

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

iMater Preparatory Academy High School
(A charter school under Mater Academy, Inc.)

Balance Sheet - Governmental Funds
June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 139,687	\$ 828,380	\$ -	\$ 968,067
Investments	9,403,000	-	-	9,403,000
Due from other agencies	1,359,170	-	47,993	1,407,163
Due from fund	47,993	-	-	47,993
Prepaid expenses	51,725	-	-	51,725
Total Assets	11,001,575	828,380	47,993	11,877,948
<u>Deferred Outflows of Resources</u>	-	-	-	-
<u>Liabilities</u>				
Salaries and wages payable	476,241	-	-	476,241
Accounts payable and accrued expenses	124,176	-	-	124,176
Due to fund	-	-	47,993	47,993
Total Liabilities	600,417	-	47,993	648,410
<u>Deferred Inflows of Resources</u>	-	-	-	-
<u>Fund balance</u>				
Nonspendable, not in spendable form	51,725	-	-	51,725
Assigned	-	196,443	-	196,443
Restricted	265,768	631,937	-	897,705
Unassigned	10,083,665	-	-	10,083,665
	10,401,158	828,380	-	11,229,538
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 11,001,575	\$ 828,380	\$ 47,993	\$ 11,877,948

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

iMater Preparatory Academy High School
(A charter school under Mater Academy, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balance - Governmental Funds	\$ 11,229,538
---	---------------

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	116,974	
Capital assets, depreciable	1,162,877	
Less: accumulated depreciation	(556,320)	
Right-of-use lease asset	23,775,157	
Less: accumulated amortization	<u>(3,110,769)</u>	21,387,919

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Lease liability	(22,510,129)	
Compensated absences	<u>(709,861)</u>	(23,219,990)

Long term receivables in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	<u>2,944,447</u>
---	------------------

Total Net Position - Governmental Activities	<u>\$ 12,341,914</u>
--	----------------------

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

iMater Preparatory Academy High 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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
State capital outlay funding	\$ -	\$ -	\$ 641,487	\$ 641,487
State passed through local	8,436,756	-	-	8,436,756
Local sources	3,027,078	-	483,094	3,510,172
Federal sources	-	712,723	-	712,723
Charges for services	369,836	958,944	-	1,328,780
Other revenues	34,854	-	-	34,854
Total Revenues	11,868,524	1,671,667	1,124,581	14,664,772
Expenditures:				
Current				
Instruction	5,241,472	305,170	-	5,546,642
Student support services	165,858	-	-	165,858
Instructional staff training services	38,685	37,205	-	75,890
School Board	85,796	-	-	85,796
School administration	966,708	-	-	966,708
Fiscal services	155,483	-	-	155,483
Food services	-	326,606	-	326,606
Central services	195,921	-	-	195,921
Pupil transportation	-	-	-	-
Operation of plant	1,332,853	259	-	1,333,112
Maintenance of plant	236,212	-	-	236,212
Administrative technology services	30,406	-	-	30,406
Community services	-	924,355	-	924,355
Capital Outlay:				
Other capital outlay	129,022	-	-	129,022
Debt Service:				
Principal	296,405	-	-	296,405
Interest	9,014	-	1,124,581	1,133,595
Total Expenditures	8,883,835	1,593,595	1,124,581	11,602,011
Excess (deficit) of revenues over expenditures	2,984,689	78,072	-	3,062,761
Transfers in (out)	24,980	(24,980)	-	-
Advances to other divisions of Mater Academy, Inc.	(1,294,447)	-	-	(1,294,447)
Net change in fund balance	1,715,222	53,092	-	1,768,314
Fund Balance at beginning of year, as restated	8,685,936	775,288	-	9,461,224
Fund Balance at end of year	\$ 10,401,158	\$ 828,380	\$ -	\$ 11,229,538

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

iMater Preparatory Academy High 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, 2025

Net Change in Fund Balance - Governmental Funds \$ 1,768,314

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 expense. This is the amount by which capital outlays differed depreciation and amortization expense.

Capital outlay	129,022	
Depreciation and amortization expense	<u>(836,622)</u>	(707,600)

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. This is the difference between the revenues from prior year that is now available to pay current liabilities to the revenues from the current year that is not available to pay current liabilities. In the current period, these amounts are:

Prior year revenues available in current year	(1,359,169)
---	-------------

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.

Increases in long-term liabilities	(129,383)	
Principal payments on long-term liabilities	<u>296,405</u>	167,022

Increase in long term assets is an expenditure in the governmental funds, but a recovery of such assets reduces long-term assets in the statement of net position. This is the amount by which increase in long term receivables of \$1,294,447 exceeded recoveries in the current period.

1,294,447

Change in Net Position of Governmental Activities	<u>\$ 1,163,014</u>
---	---------------------

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

iMater Preparatory Academy High School (the "School"), is a charter school sponsored by the School Board of Miami-Dade County, Florida (the "District"). The School's 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 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 Board of Miami-Dade County, Florida. The current charter expires on June 30, 2032 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 Hialeah, Florida for students from ninth through twelfth grade. These financial statements are for the year ended June 30, 2025, when on average 982 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 inter-fund 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.

Note 1 – Summary of Significant Accounting Policies (continued)

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 with all non-major funds aggregated in a single column:

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 and federal lunch program, 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 Projects Funds – accounts for state and other local capital funds as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes.

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.

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 principal and interest on long-term debt and compensated absences, which are reported as expenditures when due. General capital asset acquisitions are reported as expenditures in governmental funds.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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)

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. 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:

Improvements	5-20 Years
Furniture, fixtures and equipment	5-7 Years
Right-of-use asset (building)	30 Years

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. No allowance for uncollectible accounts is deemed necessary.

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.

Compensated Absences

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability that has not been used, generally using an employee's pay rate as of the date of the financial statements.

Note 1 – Summary of Significant Accounting Policies (continued)

School grants a specific number of personal time off days. Full time teachers and 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.

The compensated absences liability includes an accrual for the cash out days and personal time off for services already rendered.

Revenue Sources

Revenues for current operations are received primarily from 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. 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. 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 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. The restricted balance at year end pertains to the National School Lunch Program and unspent local referendum funds.
- 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. Assigned fund balances at year end pertain to the School's Internal Student Activities 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.

Note 1 – Summary of Significant Accounting Policies (continued)

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. No allowance for uncollectible accounts is deemed necessary.

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, 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

Effective July 1, 2024, the School adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement was applied retroactively. See Note 12.

Effective July 1, 2024, the School adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide financial statement users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this statement did not have a material impact on the School's financial statements. This statement was applied prospectively.

Pronouncements Issued But Not Yet Effective

The GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

The School is currently evaluating the effect that implementation of the new standards will have on its financial statements.

Note 1 – Summary of Significant Accounting Policies (continued)

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 15, 2025, which is the date the financial statements were available to be issued.

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.

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, 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, 2025, bank balances in potential excess of FDIC coverage was \$1,005,338.

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, 2025, the School had \$9,790,000 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, 2025, maturities of the fund's portfolio holdings are approximately 67% within 30 days.

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.

Note 2 – Cash and Investments (continued)

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, 2025, 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, 2025:

Funding Source	Governmental Fund	Balance
Due from Miami-Dade County Public Schools, referendum	General Fund	\$ 1,359,170
Capital Outlay	Capital Projects Fund	47,993
Total Due from Other Agencies		<u>\$ 1,407,163</u>

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, 2025:

	Balance 07/01/24	Additions	Reclassifications/ Retirements	Balance 06/30/25
Capital assets, non-depreciable:				
Building improvements under construction	\$ -	\$ 116,974	\$ -	\$ 116,974
Capital assets, depreciable:				
Improvements	\$ 238,935	\$ 10,948	\$ -	\$ 249,883
Furniture and equipment	1,025,342	1,100	(113,448)	912,994
Total Capital Assets	<u>\$ 1,264,277</u>	<u>\$ 129,022</u>	<u>\$ (113,448)</u>	<u>\$ 1,279,851</u>
Less Accumulated Depreciation:				
Improvements	(74,521)	(35,201)	-	(109,722)
Furniture and equipment	(425,219)	(134,827)	113,448	(446,598)
Total Accumulated Depreciation	<u>\$ (499,740)</u>	<u>\$ (170,028)</u>	<u>\$ 113,448</u>	<u>\$ (556,320)</u>
Total depreciable capital assets, net	<u>\$ 764,537</u>	<u>\$ (41,006)</u>	<u>\$ -</u>	<u>\$ 723,531</u>
Lease assets:				
Right-to-use lease asset (building)	23,775,157	\$ -	\$ -	\$ 23,775,157
Accumulated amortization	(2,444,175)	(666,594)	-	(3,110,769)
Total amortized lease assets, net	<u>21,330,982</u>	<u>(666,594)</u>	<u>-</u>	<u>20,664,388</u>
Governmental Activities Capital Assets, net	<u>\$ 22,095,519</u>	<u>\$ (707,600)</u>	<u>\$ -</u>	<u>\$ 21,387,919</u>

Note 4 – Capital Assets (continued)

For the fiscal year ended June 30, 2025, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
Instruction	\$ 90,988	\$ -
Food services	14,530	-
Operation of plant	64,510	666,594
Total Expense	<u>\$ 170,028</u>	<u>\$ 666,594</u>

Note 5 –Education Service and Support Provider

Academica Dade, 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, 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, 2025, the School incurred \$466,449 in fees related to this agreement.

Note 6 –Transactions With Other Divisions of Mater Academy, Inc.

For 2025, the School’s facility was shared with iMater Academy Middle 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 to these schools.

Mater Academy, Inc., charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. iMater Preparatory Academy High School paid Mater Academy, Inc., \$196,400 in connection with these charges during the year.

The School has made long term, non-interest bearing advances to other divisions of Mater Academy, Inc. Changes in long term receivables during the year are as follow:

	Balance 07/01/24	Increases	Decreases	Balance 06/30/25
Mater Academy Inc. - Corporate account	\$ 1,650,000	\$ 1,294,447	\$ -	\$ 2,944,447
Total Long Term Receivable	<u>\$ 1,650,000</u>	<u>\$ 1,294,447</u>	<u>\$ -</u>	<u>\$ 2,944,447</u>

Note 7 – Long-Term Liabilities with Related Party

On October 20, 2020, Mater Academy, Inc. entered into a lease and security agreement with Mater Academy Foundation Inc. through June 30, 2056, with two options to renew of five additional years each. This agreement calls for rent at a rate of \$1,250 per full-time student equivalent with a minimum enrollment of 2,080 students per year. Annual payments under this agreement are adjusted annually based on the Consumer Price Index (CPI) plus additional property costs including repairs, maintenance, and insurance. Mater Academy Foundation, Inc. is a not-for-profit supporting organization of Mater Academy, Inc. under Section 509(a)(3) of the Internal Revenue Code. All of the School’s revenues (except for revenues restricted or assigned for specific programs) are pledged to the lease and security agreement for the outstanding principal and interest balance until maturity. The revenues pledged during the school year ended June 30, 2025, exceeded the required principal and interest for that period.

Under the agreement, Mater Academy, Inc., must meet certain requirements and covenants including maintaining a “Fixed Charges Coverage Ratio” of not less than 1.10 to 1.00 and in addition, it grants a valid first lien on pledge revenues, which includes all funds related to the School.

At the time of initial measurement, the lease right of use asset and liability were allocated between the schools at this facility based on enrollment and usage of facility. The allocation used was approximately 55% for the School and 45% for iMater Academy Middle School. 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. 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 2025, interest expense totaled \$1,133,595 as it relates to this agreement. For 2025, variable and other payments of \$142,943 in connection with the lease agreement not previously included in the measurement of the lease liability were recorded in rent expense.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2026	\$ 311,569	\$ 1,118,431	\$ 1,430,000	
2027	327,510	1,102,490	1,430,000	
2028	344,266	1,085,734	1,430,000	
2029	361,879	1,068,121	1,430,000	
2030	380,394	1,049,606	1,430,000	
2031-2035	2,214,587	4,935,413	7,150,000	(Total for a five year period.)
2036-2040	2,842,109	4,307,891	7,150,000	(Total for a five year period.)
2041-2045	3,647,445	3,502,555	7,150,000	(Total for a five year period.)
2046-2050	4,680,981	2,469,019	7,150,000	(Total for a five year period.)
2051-2055	6,007,377	1,142,623	7,150,000	(Total for a five year period.)
2056	1,392,012	37,987	1,430,000	
	<u>\$ 22,510,129</u>	<u>\$ 21,819,871</u>	<u>\$ 44,330,000</u>	

Note 7 – Long-Term Liabilities with Related Party (continued)

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

	Balance 07/01/24	Increases	Decreases	Balance 06/30/25
Lease liability	\$22,806,534	\$ -	\$ (296,405)	\$ 22,510,129
	<u>\$22,806,534</u>	<u>\$ -</u>	<u>\$ (296,405)</u>	<u>\$ 22,510,129</u>

Note 8 – Commitments, Contingencies, and Concentrations

Contingencies and Concentrations

The School receives the majority of its funding from the State through the District under the Florida Education Finance Program (FEFP) and various other state and local funding. The FEFP 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 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.

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 current renewal is set to expire on June 30, 2027. For the year ended June 30, 2025, the Schools total referendum revenues were approximately \$1,668,000 or 13% of total revenues.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% (2% for high performing schools) of the qualifying revenues of the School. For the year ended June 30, 2025, administrative fees withheld by the School District totaled \$40,742.

On April 17, 2025, Mater Academy, Inc. entered into a construction contract for the construction of a new bus parking lot in the facilities described in Note 7 with an estimated cost of approximately \$513,000 to be shared with iMater Academy Middle School. As of June 30, 2025, remaining commitment was approximately \$325,000 including retainage. As of June 30, 2025, there are approximately \$117,000 recorded in accounts payable and accrued expenses related to this agreement which represents an allocation of 57% for the School.

Note 9 – Inter-fund Transfer

Inter-fund transfers in governmental funds as of June 30, 2025 consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund
To transfer to general fund for federal prior period expenditures	\$ 24,980	\$ (24,980)	\$ -
Total Transfers, net	<u>\$ 24,980</u>	<u>\$ (24,980)</u>	<u>\$ -</u>
Due to general fund from capital projects fund for capital outlay	\$ 47,993	\$ -	\$ (47,993)
Total Due from/(Due to)	<u>\$ 47,993</u>	<u>\$ -</u>	<u>\$ (47,993)</u>

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 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 Group, 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.

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 \$92,443 for the year ended June 30, 2025. The School does not exercise any control or fiduciary responsibility over the Plan’s assets, which are administered by Voya Financial.

Note 12 – Restatements of Beginning Balances and Compensated Absences

For the year ended June 30, 2025, the School implemented GASB Statement No. 101, *Compensated Absences*. Compensated absences payable consists of leave benefits, paid time off, that employees earned based on services already rendered. Compensated absences are recognized as a liability when the leave accumulates, is attributable to past service, and it is more likely than not that the leave will be used or paid.

For the implementation, the beginning net position has been restated, as follows:

	Fiscal Year June 30, 2024 Original	GASB Statement No. 101	Fiscal June 30, 2024 (Restated)
Net position (deficit), beginning	\$ 6,529,497		\$ 6,529,497
Change in net position	5,229,881	(580,478)	4,649,403
Net position (deficit), ending	<u>\$ 11,759,378</u>		<u>\$ 11,178,900</u>

Changes in compensated absence liabilities during the year are as follows:

	7/1/2024	Increases *	Decreases	6/30/2025	Due within One Year
Compensated absences	\$ 580,478	\$ 129,383	\$ -	\$ 709,861	\$ 425,917
	<u>\$ 580,478</u>	<u>\$ 129,383</u>	<u>\$ -</u>	<u>\$ 709,861</u>	<u>\$ 425,917</u>

* The change in compensated absence balances is presented as a net change.

REQUIRED SUPPLEMENTARY INFORMATION

iMater Preparatory Academy High School
(A charter school under Mater Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2025

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 8,405,405	\$ 8,291,175	\$ 8,436,756
Local sources	1,613,216	2,995,346	3,027,078
Charges for services	-	272,192	369,836
Other revenues	-	33,257	34,854
Total Revenues	10,018,621	11,591,970	11,868,524
EXPENDITURES			
Current:			
Instruction	5,595,327	5,346,341	5,241,472
Student support services	256,963	190,004	165,858
Instructional staff training services	56,575	54,190	38,685
School Board	200,472	95,552	85,796
School administration	1,047,020	985,377	966,708
Fiscal services	163,875	155,483	155,483
Central services	211,810	207,483	195,921
Operation of plant	1,497,706	1,371,706	1,332,853
Maintenance of plant	326,925	277,667	236,212
Administrative technology services	26,223	44,100	30,406
Total Current Expenditures	9,382,896	8,727,903	8,449,394
Excess of Revenues			
Over Current Expenditures	635,725	2,864,067	3,419,130
Debt Service:			
Principal	296,405	296,405	296,405
Interest	9,014	9,014	9,014
Capital Outlay	166,852	130,457	129,022
Total Capital Outlay and			
Debt Service Expenditures	472,271	435,876	434,441
Total Expenditures	9,855,167	9,163,779	8,883,835
Excess of Revenues Over Expenditures	163,454	2,428,191	2,984,689
Other financing sources (uses):			
Transfers in (out)	-	-	24,980
Advances to other divisions of Mater Academy, Inc.	-	(1,294,447)	(1,294,447)
Net change in fund balance	163,454	1,133,744	1,715,222
Fund Balance at beginning of year	8,685,936	8,685,936	8,685,936
Fund Balance at end of year	\$ 8,849,390	\$ 9,819,680	\$ 10,401,158

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.

iMater Preparatory Academy High School
(A charter school under Mater Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2025

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 694,375	704,194	\$ 712,723
Charges for services	827,440	952,440	958,944
Total Revenues	1,521,815	1,656,634	1,671,667
EXPENDITURES			
Current:			
Instruction	366,000	343,194	305,170
Instructional staff training services	46,575	44,190	37,205
Food services	276,330	335,135	326,606
Operation of plant	1,500	1,500	259
Community services	831,410	932,615	924,355
Total Current Expenditures	1,521,815	1,656,634	1,593,595
(Deficit)/Excess of Revenues Over Current Expenditures	-	-	78,072
Capital Outlay	-	-	-
Total Expenditures	1,521,815	1,656,634	1,593,595
Excess (deficit) of Revenues Over Expenditures	-	-	78,072
Other financing sources (uses)			
Transfers in (out)	-	-	(24,980)
Net change in fund balance	-	-	53,092
Fund Balance at beginning of year	775,288	775,288	775,288
Fund Balance at end of year	\$ 775,288	\$ 775,288	\$ 828,380

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
iMater Preparatory Academy High School
Hialeah, 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 and each major fund of iMater Preparatory Academy High School (the "School"), as of, and for the year ended June 30, 2025, 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 15, 2025.

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 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 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.

4000 Ponce de Leon Blvd., Suite 610, Coral Gables, FL 33146 • Tel: 305.446.3022 • Fax: 305.446.6319
www.hlbgravier.com

HLB Gravier, LLP is a member of  International. A world-wide organization of accounting firms and business advisers.

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 15, 2025, 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 15, 2025



MANAGEMENT LETTER

Board of Directors of
iMater Preparatory Academy High School
Hialeah, Florida

Report on the Financial Statements

We have audited the financial statements of iMater Preparatory Academy High School as of and for the year ended June 30, 2025 and have issued our report thereon dated September 15, 2025.

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.

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 15, 2025, 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 or recommendations made in the preceding annual 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 iMater Preparatory Academy High School, (W/L# 7090).

4000 Ponce de Leon Blvd., Suite 610, Coral Gables, FL 33146 • Tel: 305.446.3022 • Fax: 305.446.6319
www.hlbgravier.com

HLB Gravier, LLP is a member of  International. A world-wide organization of accounting firms and business advisers.

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 iMater Preparatory Academy High 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 iMater Preparatory Academy High 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 iMater Preparatory Academy High School. It is management's responsibility to monitor iMater Preparatory Academy High School's 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 iMater Preparatory Academy High 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 iMater Preparatory Academy High 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, require us to communicate noncompliance with provisions of contracts or grant agreements, or 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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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.

A handwritten signature in blue ink that reads "HLB Gravier, CPA". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 15, 2025