HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Mater Brickell Academy Middle
W/L# 5412

(A charter school under
Mater Academy, Inc.)

Miami, Florida

Financial Statements and
Independent Auditors' Report
June 30, 2025

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Mater Brickell Academy Middle
(A charter school under Mater Academy, Inc.)
W/L# 5412

230 SW 17th Road
Miami, FL 33129

2024-2025

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mater Brickell Academy Middle
Miami, Florida

Opinions
We have audited the accompanying financial statements of the governmental activities and each major fund of Mater Brickell Academy Middle (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 Mater Brickell Academy Middle 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 Mater Brickell Academy Middle'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 Brickell Academy Middle 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 13 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 31 to 32 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.

HLB Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 15, 2025

Management's Discussion and Analysis
Mater Brickell Academy Middle
(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 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 $2,366,785.
2. At year-end, the School had current assets on hand of $3,427,769.
3. The net position of the School increased by $306,123 during the year.
4. The unassigned fund balance at year end was $2,931,434.

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 general fund to demonstrate compliance with the School's budget.

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

<u>*Notes to Financial Statements*</u>

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 – 30 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 $2,366,785 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	$ 2,069,456	$ 1,070,127
Investments	-	650,000
Prepaid expenses and other assets	97,770	254,976
Due from other agencies	1,180,083	740,135
Due from other divisions of Mater Academy, Inc.	80,460	57,266
Capital assets and right-of-use capital assets, net	15,508,516	16,456,982
Total Assets	18,936,285	19,229,486
Deferred outflows of resources	-	-
Accounts payable and accrued liabilities	10,602	37,359
Salaries and wages payable	299,158	75,050
Due to other divisions of Mater Academy, Inc.	-	3,023
Compensated absences	146,074	125,308
Lease liability	12,162,836	12,322,992
Note payable	3,500,830	3,605,092
Due to Mater Academy, Inc.	450,000	1,000,000
Total Liabilities	16,569,500	17,168,824
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets	(155,150)	528,898
Restricted	20,182	315,069
Unrestricted	2,501,753	1,216,695
Total Net Position	$ 2,366,785	$ 2,060,662

At the end of each 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 year ended June 30, 2025 and 2024 is as follows:

	2025	*(As restated)* 2024
REVENUES		
Program Revenues		
Operating Grants and Contributions	$ 663,966	$ 688,263
Capital Grants and Contributions	582,158	340,761
Charges for Services and Other Revenues	555,998	329,429
General Revenues		
State and Local Sources	7,929,842	7,541,982
Other Revenues	115,099	94,916
Total Revenues	$ 9,847,063	$ 8,995,351
EXPENSES		
Instruction	$ 4,039,955	$ 4,241,001
Student support services	88,239	44,791
Instructional staff training services	41,665	44,622
School Board	72,572	54,078
General administration	-	39,288
School administration	862,818	880,229
Fiscal services	82,492	67,925
Food services	258,636	220,770
Central services	115,488	109,460
Pupil transportation services	-	24,230
Operation of plant	2,183,416	2,279,902
Maintenance of plant	645,398	455,938
Administrative technology services	43,417	22,768
Community services	445,882	305,777
Debt Service	660,962	651,872
Total Expenses	9,540,940	9,442,651
(Decrease) Increase in Net Position	306,123	(447,300)
Net Position at Beginning of Year, as restated	2,060,662	2,507,962
Net Position at End of Year	$ 2,366,785	$ 2,060,662

The School's revenues and expenses increased by $851,712 and $98,289, respectively. The School had an increase in its net position of $306,123 for the current year.

Continuous Capital Improvements

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

Lease of Facility

The School leases a facility located at 230 SW 17th Road, Miami, FL 33129.

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 $3,049,386. The fund balance unassigned and available for spending at the School's discretion was of $2,931,434. These funds will be available for the School's future ongoing operations.

Capital Assets

The School's investment in capital assets (including right of use assets) as of June 30, 2025, amounts to $15,508,516 (net of accumulated depreciation and amortization). This investment in capital assets includes improvements and furniture, fixtures and equipment. The School has outstanding debt of $15,663,666 associated to its capital assets and working capital.

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 Funds		
REVENUES	Original Budget	Final Budget	Actual
Program Revenues			
Capital grants and contributions	$ 586,668	$ 582,158	$ 582,158
Federal sources	613,162	655,145	663,966
Charges for services and other revenues	308,000	535,772	555,998
General Revenues			
State and local sources	7,685,967	7,736,234	7,929,842
Other revenues	105,000	106,938	115,099
Total Revenues	$ 9,298,797	$ 9,616,247	$ 9,847,063
CURRENT EXPENDITURES			
Instruction	$ 3,234,824	$ 3,600,092	$ 3,383,220
Student support services	114,041	97,312	87,710
Instructional staff training services	64,000	65,568	41,665
School Board	133,045	105,579	72,572
School administration	507,605	888,563	844,253
Fiscal services	95,000	82,492	82,492
Food services	243,453	240,059	230,121
Central services	170,000	122,412	115,488
Operation of plant	1,131,018	1,642,498	1,632,104
Maintenance of plant	664,224	671,224	640,520
Administrative technology services	34,491	44,672	43,066
Community services	308,000	450,000	445,882
Total Current Expenditures	$ 6,699,701	$ 8,010,471	$ 7,619,093

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

Requests for Information

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

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

Statement of Net Position
June 30, 2025

	Primary Government
Assets	Governmental Activities
Current assets:	
Cash	$ 2,069,456
Prepaid expenses and other assets	97,770
Due from other agencies	1,180,083
Due from other divisions of Mater Academy, Inc.	80,460
Total Current Assets	3,427,769
Capital assets, net:	
Capital assets, depreciable	6,885,713
Less: accumulated depreciation	(2,269,950)
Right-of-use lease asset	11,917,608
Less: accumulated amortization	(1,024,855)
Total Capital Assets, net	15,508,516
Total Assets	18,936,285
Deferred Outflows of Resources	-
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilties	10,602
Salaries and wages payable	299,158
Compensated absences, current	87,644
Lease liability, current	168,349
Note payable, current	105,686
Total Current Liabilities	671,439
Compensated absences	58,430
Lease liability	11,994,487
Note payable	3,395,144
Due to Mater Academy, Inc.	450,000
Total Liabilities	16,569,500
Deferred Inflows of Resources	-
Net Position	
Net investment in capital assets	(155,150)
Restricted	20,182
Unrestricted	2,501,753
Total Net Position	$ 2,366,785

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

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

Statement of Activities
For the year ended June 30, 2025

		Program Revenues			
Primary Government	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue and Changes in Net Position**
Instruction	$4,039,955	$ -	$ 246,323	$ -	$ (3,793,632)
Student support services	88,239	-	-	-	(88,239)
Instructional staff training services	41,665	-	31,675	-	(9,990)
School Board	72,572	-	-	-	(72,572)
School administration	862,818	-	-	-	(862,818)
Fiscal services	82,492	-	-	-	(82,492)
Food services	258,636	61,493	192,081	-	(5,062)
Central services	115,488	-	-	-	(115,488)
Operation of plant	2,183,416	-	-	582,158	(1,601,258)
Maintenance of plant	645,398	-	193,887	-	(451,511)
Administrative technology services	43,417	-	-	-	(43,417)
Community services	445,882	494,505	-	-	48,623
Debt Service	660,962	-	-	-	(660,962)
Total governmental activities	9,540,940	555,998	663,966	582,158	(7,738,818)

General revenues:	
State and local sources	7,929,842
Investment earnings	48,112
Other income	66,987
Change in net position	306,123
Net position, beginning as restated	2,060,662
Net position, ending	$ 2,366,785

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

Mater Brickell Academy Middle
(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
Assets				
Cash	$ 2,000,833	$ 68,623	$ -	$ 2,069,456
Prepaid expenses and other assets	97,770	-	-	97,770
Due from other divisions of Mater Academy, Inc.	80,460	-	-	80,460
Due from other government agencies	937,783	210,959	31,341	1,180,083
Due from fund	242,300	-	-	242,300
Total Assets	3,359,146	279,582	31,341	3,670,069
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Accounts payable and accrued liabilties	10,602	-	-	10,602
Salaries and wages payable	299,158	-	-	299,158
Due to fund	-	210,959	31,341	242,300
Total Liabilities	309,760	210,959	31,341	552,060
Deferred Inflows of Resources	-	-	-	-
Fund balance				
Nonspendable, not in spendable form	97,770	-	-	97,770
Restricted	20,182	-	-	20,182
Assigned	-	68,623	-	68,623
Unassigned	2,931,434	-	-	2,931,434
	3,049,386	68,623	-	3,118,009
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 3,359,146	$ 279,582	$ 31,341	$ 3,670,069

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

Mater Brickell Academy Middle
(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		$ 3,118,009
Amounts reported for governmental activities in the statement of net position are different because:		
Depreciable and non-depreciable capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.		
Capital assets, depreciable	6,885,713	
Less: accumulated depreciation	(2,269,950)	
Right-of-use lease asset	11,917,608	
Less: accumulated amortization	(1,024,855)	15,508,516
Long-term liabilities in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.		(16,259,740)
Total Net Position - Governmental Activities		$ 2,366,785

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

Mater Brickell Academy Middle
(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	$ -	$ -	$ 325,822	$ 325,822
State passed through local	7,052,280	-	-	7,052,280
Local sources	877,562	-	256,336	1,133,898
Federal sources	-	663,966	-	663,966
Charges for services	-	555,998	-	555,998
Other revenues	115,099	-	-	115,099
Total Revenues	8,044,941	1,219,964	582,158	9,847,063
Expenditures:				
Current				
Instruction	3,135,050	248,170	-	3,383,220
Student support services	87,710	-	-	87,710
Instructional staff training services	9,990	31,675	-	41,665
School Board	72,572	-	-	72,572
School administration	844,253	-	-	844,253
Fiscal services	82,492	-	-	82,492
Food services	-	230,121	-	230,121
Central services	115,488	-	-	115,488
Operation of plant	1,632,104	-	-	1,632,104
Maintenance of plant	446,633	193,887	-	640,520
Administrative technology services	43,066	-	-	43,066
Community services	-	445,882	-	445,882
Capital Outlay:				
Other capital outlay	291,653	-	-	291,653
Debt Service:				
Redemption of principal	-	-	264,418	264,418
Interest expense	343,222	-	317,740	660,962
Total Expenditures	7,104,233	1,149,735	582,158	8,836,126
Excess (deficit) of revenues over expenditures	940,708	70,229	-	1,010,937
Other financing sources (uses)				
Transfers in (out)	21,606	(21,606)	-	-
Change in due to Mater Academy, Inc.	(550,000)	-	-	(550,000)
Net change in fund balance	412,314	48,623	-	460,937
Fund Balance at beginning of year	2,637,072	20,000	-	2,657,072
Fund Balance at end of year	$ 3,049,386	$ 68,623	$ -	$ 3,118,009

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

Mater Brickell Academy Middle
(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 end June 30, 2025

Net Change in Fund Balance - Governmental Funds		$ 460,937
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.		
Capital Outlay	291,653	
Depreciation and amortization expense	(1,240,119)	(948,466)
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.		
Increase in long-term liabilities issued	(20,766)	
Decrease in long-term liabilities	814,418	793,652
Change in Net Position of Governmental Activities		$ 306,123

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity
Mater Brickell Academy Middle (the "School"), is a charter school in Miami-Dade county. 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 units exists that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.333, Florida Statutes. The School obtained approval from the School Board of Miami-Dade County for its School of Hope Performance Base Agreement which designates the School as a School of Hope under Mater Academy Inc., (Hope Operator). The School of Hope Performance Base Agreement is designed to assist schools in serving students from one or more persistently low-performing schools located in opportunity zones. Mater Academy Inc., was awarded a Replication Grant from the United States Department of Education in 2020, which made it eligible to be a Hope Operator. The current agreement expires on June 30, 2027, and it can be renewed in accordance with law. The agreement can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.333 of the Florida Statutes

The School is located in Miami, Florida for students from six through eight grade. These financial statements are from inception through June 30, 2025, when on average 521 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.

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements 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 ad program revenues are shown ad general revenues, which include Florida Education Finance Program (FEFP) revenues, and other state and local sources.

Fund Financial Statements

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

> *General Fund* - is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.
>
> *Special Revenue Fund* - accounts for specific revenues, such as federal funding 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 Fund* - accounts for state and other local capital funds as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes.

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*.

Note 1 – Summary of Significant Accounting Policies (continued)

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available.

Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable.

When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for 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, nonmarketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

Note 1 – Summary of Significant Accounting Policies (continued)

The School has not adopted a formal deposit and investment policy that limits the School's allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application,* and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

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

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

Capital Assets
The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with 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 disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

Furniture, fixtures and equipment	5 Years
Improvements	20 Years
Right of use asset (building)	33 Years

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.

The School grants a specific number of personal time off. Full time teachers and instructional employees are eligible to one day per month to 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 for personal time off, the 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 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.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

The School also receives School of Hope awards directly from the Florida Department of Education, pursuant to Section 1002.333(6) of the Florida Statutes.

Finally, the School also receives Federal awards for the enhancement of various educational programs. The School is its own local education agency (LEA) for the purpose of receiving federal funds. 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 and amortization 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.

Note 1 – Summary of Significant Accounting Policies (continued)

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 in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses. All nonspendable fund balances at year end pertain to not in spendable form assets.
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 fund balance pertains to the School's 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.

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

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

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.

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 13.

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 2 – Cash and Investments

Deposits

The School maintains its cash and cash equivalents in two financial institutions.

Deposits at FDIC-insured institutions are insured up to $250,000 per depositor, per financial institution. The School is a charter school under Mater Academy, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Mater Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2025, bank balances in potential excess of FDIC coverage was approximately $110,000.

Note 2 – Cash and Investments (continued)

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 no investments 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.

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
School of Hope	General Fund	$ 937,783
CMO Replication Grant	Special Revenue	205,720
Title II	Special Revenue	5,239
Capital Outlay	Capital Projects Fund	31,341
Total Due from Other Agencies		$ 1,180,083

Note 4 – Capital Assets

The following schedule provides a summary of changes in capital assets as of year end June 30, 2025:

	Balance 07/01/24	Additions	Retirements / Reclassifications	Balance 06/30/25
Capital Assets, depreciable:				
Building and improvements	$ 3,193,185	$ 17,930	$ -	$ 3,211,115
Furniture and equipment	3,400,875	273,723	-	3,674,598
Total Capital Assets	$ 6,594,060	$ 291,653	$ -	$ 6,885,713
Less Accumulated Depreciation:				
Buildings and improvements	$ (391,696)	$ (147,987)	$ -	$ (539,683)
Furniture and equipment	(989,513)	(740,754)	-	(1,730,267)
Total Accumulated Depreciation	(1,381,209)	(888,741)	-	(2,269,950)
Total Capital Assets, being depreciated, net	$ 5,212,851	$ (597,088)	$ -	$ 4,615,763
Lease Assets:				
Right-of-use lease asset (building)	$ 11,917,608	$ -	$ -	11,917,608
Less accumulated amortization	(673,477)	(351,378)	-	(1,024,855)
Total Lease Assets being amortized, net	11,244,131	(351,378)	-	10,892,753
Governmental Activities Capital Assets, net	$ 16,456,982	$ (948,466)	$ -	$15,508,516

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	$ 644,682	$ -
School administration	11,327	-
Food services	28,366	-
Maintenance of plant	4,878	-
Operation of plant	199,488	351,378
Total Expense	$ 888,741	$ 351,378

Note 5 – Education Service and Support Provider

Academica Dade, LLC, an education service and support provider, offers and 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 and financial reporting and virtual education services. The agreement calls for a fee on 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 $247,476 in fees.

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

The School's facility was shared with Mater Brickell Academy High (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. At year end, the School had $80,460 due from Mater Brickell Academy High School in connection with these allocations. The School paid $277,420 in rent on behalf of Mater Brickell High.

The School received long-term, non-interest bearing advances from the corporate account of Mater Academy, Inc. The following schedule provides a summary of changes in long-term payables for the year:

	Balance 07/01/24	Increases	Decreases	Balance 06/30/25
Mater Academy, Inc.	$ 1,000,000	$ -	$ (550,000)	$ 450,000
Total Due To	$ 1,000,000	$ -	$ (550,000)	$ 450,000

Program Fees

Mater Academy, Inc., charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. The School paid Mater Academy, Inc., $78,076 in connection with these charges during the year.

Note 7 – Commitments, 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.

Note 7 – Commitments, Contingencies and Concentrations (continued)

It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

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 \$878,000 or 9% of total revenues.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee up to 2% of the qualifying revenues of the School. For the year ended June 30, 2025, administrative fees withheld by the School District totaled \$39,371.

All of the School's revenues (except for revenues restricted or assigned for specific programs) are pledged to the lease and loan security agreement for the outstanding principal and interest balances until maturity. The revenues pledge during the school year ended June 30, 2025, exceeded the required principal and interest for that period. The revenues pledged to the note payable is subordinate to the pledged revenues for the lease agreement.

Note 8 – Long-Term Liabilities to Related Party

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. Mater Academy Inc., entered into a lease agreement with Mater Academy Foundation, Inc., (a related supporting organization of Mater Academy, Inc.) through June 30, 2056, with two options to renew for five additional years each. The agreement calls for rent at a rate of \$1,287.78 per full-time student equivalent with a certain minimum enrollment. The annual fixed rent per square foot is adjusted annually based on the Consumer Price Index (CPI) plus additional property costs including repairs, maintenance and insurance.

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 the initial measurement, there was no interest rate specified in the original lease agreement. The School has used an average effective interest for several borrowings of Mater Academy, Inc. 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. The right of use asset and liability were allocated between the School and Mater Brickell Academy High based on enrollment and usage of facility. The allocation used was 60% for Mater Brickell Academy High and 40% for the School.

Note 8 – Long-Term Liabilities to Related Party (continued)

For the year ended June 30, 2025, interest expense totaled $612,512 as it relates to its lease agreements. For the year ended June 30, 2025, variable and other payments of $335,809 in connection with the lease agreement not previously included in the measurement of the lease liability were recorded in rent expense.

The following schedule provides a summary of changes in lease liability during the year:

	Balance 07/01/24	Increases	Decreases	Balance 06/30/25
Lease liability	$ 12,322,992	$ -	$ (160,156)	$12,162,836
	$ 12,322,992	$ -	$ (160,156)	$12,162,836

Annual requirements to amortize the lease liability and related interest, to be shared by the two schools, are as follows:

Year	Principal	Interest	Total	
2026	$ 168,349	$ 604,319	$ 772,668	
2027	176,963	595,705	772,668	
2028	186,016	586,652	772,668	
2029	195,533	577,135	772,668	
2030	205,537	567,131	772,668	
2031-2035	1,196,602	2,666,738	3,863,340	Total for a five year period
2036-2040	1,535,669	2,327,671	3,863,340	Total for a five year period
2041-2045	1,970,814	1,892,526	3,863,340	Total for a five year period
2046-2050	2,529,261	1,334,079	3,863,340	Total for a five year period
2051-2055	3,245,950	617,390	3,863,340	Total for a five year period
2056	752,142	20,526	772,668	
	$ 12,162,836	$ 11,789,872	$ 23,952,708	

Note 9 – Note Payable

On December 1, 2022, Mater Academy, Inc., issued a note payable to the Florida Department of Education in the amount of $9,418,258 for the purpose of acquiring, constructing, equipping, and financing of certain improvements for the School and Mater Brickell Academy High. The note calls for quarterly payments of principal and interest with a remaining lump sum payment for the outstanding principal and interest balances on December 1, 2029, its maturity date. Interest rate on the note payable is fixed at 1.34%.

The note payable was allocated between Mater Brickell Academy High and the School following the same allocation of the lease agreement in Note 8.

For the year ended June 30, 2025, interest expense totaled $48,450 as it related to the note payable agreement.

Note 9 – Note Payable (continued)

The following schedule provides a summary of changes in the note payable during the year:

	Balance 07/01/24	Increases	Decreases	Balance 06/30/25
Note Payable	$ 3,605,092	$ -	$ (104,262)	$ 3,500,830
Total Notes Payable	$ 3,605,092	$ -	$ (104,262)	$ 3,500,830

Annual requirements in relation to the above note payable allocated to this School, are as follows:

Year	Principal	Interest	Total
2026	$ 105,686	$ 47,026	$ 152,712
2027	107,128	45,584	152,712
2028	108,471	44,241	152,712
2029	110,073	42,639	152,712
2030	3,069,472	20,815	3,090,287
	$ 3,500,830	$ 200,305	$ 3,701,136

Note 10 - Interfund Transfers and Balances

Interfund transfers in governmental funds as of June 30, 2025, consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund
To reimburse general fund for funding prior periods lunch loss	$ 23,453	$ (23,453)	$ -
To fund federal expenditures for which revenues were not available	(4,349)	4,349	-
To reimburse general fund for prior year's expenditures	2,502	(2,502)	-
Total Transfers, net	$ 21,606	$ (21,606)	$ -
Due from/(Due to) fund balances are as follows:			
Due to General Fund from Capital Projects Fund for capital outlay	$ 31,341	$ -	$ (31,341)
Due to General Fund from Special Revenue Fund for Federal Funds	210,959	(210,959)	-
Total Due from/(Due to)	$ 242,300	$ (210,959)	$ (31,341)

Note 11 – 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 did not exceed insurance coverage in the past 3 fiscal years. In addition, there were no reductions in insurance coverage from these in the prior year.

Note 11 – Risk Management (continued)

The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as "Professional Employer Organization" (PEO). Under a co-employment agreement, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. 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 12 – 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 provides a contribution up to 4% of the employee's compensation. The School contributed to the Plan $59,537 for the year ended June 30, 2025. The School does not exercise any control or fiduciary responsibility over the Plans' assets, which are administered by Voya Financial.

Note 13 – 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	$ 2,507,962		$ 2,507,962
Change in net position	(321,992)	(125,308)	(447,300)
Net position (deficit), ending	$ 2,185,970		$ 2,060,662

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	$ 125,308	$ 20,766	$ -	$ 146,074	$ 87,644
	$ 125,308	$ 20,766	$ -	$ 146,074	$ 87,644

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

REQUIRED SUPPLEMENTARY INFORMATION

Mater Brickell Academy Middle
(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	$ 6,816,567	$ 6,866,209	$ 7,052,280
Local sources	869,400	870,025	877,562
Other revenues	105,000	106,938	115,099
Total Revenues	7,790,967	7,843,172	8,044,941
EXPENDITURES			
Current:			
Instruction	2,941,462	3,322,374	3,135,050
Student support services	114,041	97,312	87,710
Instructional staff training services	37,000	32,784	9,990
School Board	133,045	105,579	72,572
School administration	507,605	888,563	844,253
Fiscal services	95,000	82,492	82,492
Central services	170,000	122,412	115,488
Operation of plant	1,131,018	1,642,498	1,632,104
Maintenance of plant	463,000	470,000	446,633
Administrative technology services	34,491	44,672	43,066
Total Current Expenditures	5,626,662	6,808,686	6,469,358
Excess of Revenues Over Current Expenditures	2,164,305	1,034,486	1,575,583
Debt Service:			
Interest expense	59,801	60,231	343,222
Capital Outlay			
Other Capital Outlay	-	298,213	291,653
Total Capital Outlay	-	298,213	291,653
Total Expenditures	5,626,662	7,106,899	7,104,233
Excess of Revenues Over Expenditures	2,164,305	736,273	940,708
Other financing sources (uses):			
Transfers in (out)	(151,887)	(10,868)	21,606
Change in due to Mater Academy, Inc.	-	(550,000)	(550,000)
Net change in fund balance	2,012,418	175,405	412,314
Fund Balance at beginning of year	2,637,072	2,637,072	2,637,072
Fund Balance at end of year	$ 4,649,490	$ 2,812,477	$ 3,049,386

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 Brickell Academy Middle
(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	$ 613,162	$ 655,145	$ 663,966
Charges for services	308,000	535,772	555,998
Total Revenues	921,162	1,190,917	1,219,964
EXPENDITURES			
Current:			
Instruction	293,362	277,718	248,170
Instructional staff training services	27,000	32,784	31,675
Food services	243,453	240,059	230,121
Maintenance of plant	201,224	201,224	193,887
Community services	308,000	450,000	445,882
Total Current Expenditures	1,073,039	1,201,785	1,149,735
Deficit of Revenues Over Current Expenditures	(151,877)	(10,868)	70,229
Capital Outlay			
Other Capital Outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures	1,073,039	1,201,785	1,149,735
Deficit of Revenues Over Expenditures	(151,877)	(10,868)	70,229
Other financing sources (uses)			
Transfers in (out)	151,877	10,868	(21,606)
Net change in fund balance	-	-	48,623
Fund Balance at beginning of year	-	-	20,000
Fund Balance at end of year	$ -	$ -	$ 68,623

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*

Board of Directors of
Mater Brickell Academy Middle
Miami, 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 Mater Brickell Academy Middle (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.

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 pursuant to Chapter 10.850, Rules of the Auditor General dated September 15, 2025.

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.

HLB Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 15, 2025

MANAGEMENT LETTER

Board of Directors of
Mater Brickell Academy Middle
Miami, Florida

Report on the Financial Statements
We have audited the financial statements of Mater Brickell Academy Middle as of and for the fiscal 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; 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 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 in the preceding 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 Brickell Academy Middle, 5412.

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Financial Condition and Management

Sections 10.854(1)(e)2 and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Mater Brickell Academy Middle has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Mater Brickell Academy Middle 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 Brickell Academy Middle. It is management's responsibility to monitor Mater Brickell Academy Middle financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Transparency

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

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, School Board of 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.

HLB Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 15, 2025