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Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-For-Profit-Organization)
Financial Statements
And
Independent Auditors' Report
June 30, 2010

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INTRODUCTION SECTION

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-profit Organization)
Board of Directors

998 SW 1st St.
Miami, Florida 33130

Board of Directors

Mr. Antonio Roca, Esq, President and Chair
Mr. Roberto Blanch, Secretary, Treasurer, and Vice-Chair
Ms. Shannie Sadesky
Ms. Elizabeth Nuevo
Mr. Juan Garcia

School Administration

Mr. Alex Tamargo, Vice-President and Principal

Other Non-voting Corporate Officers

Mr. Alex Tamargo
Ms. Alejandra Salima Abello Jacquinet, Vice-President
Mr. Rene Roviroso, Vice-President
Ms. Judith Marty, Vice-President
Ms. Beatriz Riera, Vice-President
Ms. Lourdes Marrero, Vice-President
Ms. Cecilia Bermeosolo Telleria, Vice-President

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Independent Auditors' Report

To the Board of Directors of
Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.

We have audited the accompanying basic financial statements of Mater Academy High School of International Studies (the "School"), a charter school under Mater Academy, Inc. (a not-for-profit organization), operating as a component unit of Miami-Dade County District Schools, as listed in the table of contents, as of and for the year ended June 30, 2010. These financial statements are the responsibility of Mater Academy High School of International Studies management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits in the State of Florida. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mater Academy High School of International Studies, a charter school under Mater Academy, Inc., as of June 30, 2010 and changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report (pages 20-21) dated August 27, 2010 on our consideration of Mater Academy High School of International Studies' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with Government Auditing Standards and should be read in conjunction with the report in considering the results of our audit.

Members of:

American Institute of
Certified Public Accountants

Florida Institute of
Certified Public Accountants

National Association of
Certified Valuation Analysts

To the Board of Directors of
Mater Academy High School of International Studies

In accordance with Section 218.39(4), Florida Statutes, and Sections 10.856(2)(d) and 10.806(2)(d), Rules of the Auditor General, we have issued a Management Letter Pursuant to the Rules of the Auditor General for The State of Florida (pages 22-23) dated August 27, 2010.

Government Auditing Standards require that Management's Discussion and Analysis and the budgetary comparison information on pages 4-8 and pages 26-27, be presented to supplement the basic financial statements. Such information, 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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Mater Academy High School of International Studies, a charter school under Mater Academy, Inc., taken as a whole. The introductory section is presented for purposes of additional information and is not a required part of the basic financial statements. The introductory section (page 1) has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Ocariz, Gitlin, & Zomerfeld, LLP

August 27, 2010

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-For-Profit Organization)
Management's Discussion and Analysis (Unaudited)

August 27, 2010

Board of Directors

Mater Academy High School of International Studies,
A Charter School Under Mater Academy, Inc.

The School is located in Miami, FL serving 44 children from ninth through twelfth grade.

The corporate officers of Mater Academy, Inc. have prepared this narrative overview and analysis of Mater Academy High School of International Studies' (the School) financial activities for the fiscal year ended June 30, 2010.

Financial Highlights

1. The assets of the School exceeded its liabilities at June 30, 2010 by \$28,326 (net assets).
2. At year-end, the School had current assets on hand of \$105,704.
3. The net assets of the School increased by \$24,496 during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2010 are presented under GASB 34. 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 Assets* presents information on all of the School's assets and liabilities. The difference between the two is reported as *net assets*. Over time increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets 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 9-10 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.

Mater Academy High School of International Studies

A Charter School Under Mater Academy, Inc.

(A Not-For-Profit Organization)

Management's Discussion and Analysis (Unaudited) (Continued)

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 general fund. 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 11-14 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 15-19 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a school's financial position. In the case of the School, assets exceeded liabilities by \$28,326 at the close of the fiscal year. A summary of the School's net assets as June 30, 2010 and 2009 follows:

<u>Assets</u>	2010	2009
Current Assets		
Cash	\$ 99,754	\$ 773
Due from other agencies	5,950	2,682
Prepaid expenses		375
Total Assets	\$ 105,704	\$ 3,830
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Due to other school	\$ 70,201	
Accounts Payable	7,177	
Total current liabilities	77,378	
Net Assets		
Unrestricted	28,326	3,830
Total Net Assets	\$ 105,704	\$ 3,830

At the end of the fiscal year, the School is able to report continued positive balances in total net assets.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-For-Profit Organization)

Management's Discussion and Analysis (Unaudited) (Continued)

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2010 and 2009 follows:

	2010	2009
REVENUES		
Program Revenues		
Federal passed through local school district - Title I	\$ 16,602	\$ 24,185
State revenue - capital outlay	32,188	8,047
General Revenues		
State passed through local - FTE and other local	264,443	60,298
Local sources - interest and other contributions	819	
Total Revenues	314,052	92,530
EXPENSES		
Instruction	114,684	36,000
Board	10,303	951
School administration	68,002	22,657
Fiscal services	6,800	1,500
Central services	6,693	1,500
Operation of plant	82,955	26,092
Maintenance of plant	119	
Total Expenses	289,556	88,700
Increase in Net Assets	24,496	3,830
Net Assets at Beginning of Year	3,830	
Net Assets at End of Year	\$ 28,326	\$ 3,830

Mater Academy High School of International Studies' revenue and expenses increased in the current year as a result of an increase in student enrollment.

Accomplishments

The vision of Mater Academy High School of International Studies is to provide an innovative, challenging, multi-lingual, multi-literate, and multi-cultural curriculum, preparing students to have a global edge. The School strives to create a thirst for knowledge in all disciplines of the curriculum and enrich every student with a sense of purpose, a belief in their own efficacy, and a commitment to the common good. Mater Academy High School of International Studies is accredited by the Southern Association of Colleges and Schools.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-For-Profit Organization)
Management's Discussion and Analysis (Unaudited) (Continued)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the School's governmental fund reported a fund balance of \$28,326.

Capital Assets

The School will be receiving implementation grant funding in 2010 and will be investing in instructional equipment and technology.

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.

	General Fund		Special Revenue Fund	
	Original/Final Budget	Actual	Original/Final Budget	Actual
REVENUES				
Program Revenues				
Federal passed through local school district - Title I			\$ 17,000	\$ 16,602
State revenue - capital outlay			34,000	32,188
General Revenues				
State passed through local - FTE and other local	\$ 260,000	\$ 264,443		
Local sources - interest and other contributions		819		
Total Revenues	260,000	265,262	51,000	48,790
EXPENSES				
Instruction	100,000	98,082	17,000	16,602
Board	12,500	10,303		
School administration	70,000	68,002		
Fiscal services	7,500	6,800		
Central services	7,000	6,693		
Operation of plant	55,000	50,767	34,000	32,188
Maintenance of plant	500	119		
Total Current Expenses	252,500	240,766	\$ 51,000	\$ 48,790
Excess of revenues over expenditures	\$ 7,500	\$ 24,496		

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

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-For-Profit Organization)
Management's Discussion and Analysis (Unaudited) (Continued)

Requests for Information

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Dade, LLC, 6361 Sunset Drive, Miami, Florida, 33143.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-profit Organization)
Statement of Net Assets
June 30, 2010

Assets

Current Assets

Cash	\$ 99,754
Due from other agencies	<u>5,950</u>
Total current assets	<u><u>\$ 105,704</u></u>

Liabilities and Net Assets

Current Liabilities

Due to other school	\$ 70,201
Accounts payable and accrued expenses	<u>7,177</u>
Total current liabilities	<u>77,378</u>

Net Assets

Unrestricted	<u>28,326</u>
	<u><u>\$ 105,704</u></u>

Attention is directed to independent auditors' report and notes to financial statements.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-profit Organization)
Statement of Activities
For the Year Ended June 30, 2010

		Program Revenues		Net (Expenses)
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Governmental Activities				
Instruction	\$ 114,684	\$ 16,602		\$ (98,082)
Board	10,303			(10,303)
School administration	68,002			(68,002)
Fiscal services	6,800			(6,800)
Central services	6,693			(6,693)
Operation of plant	82,955		\$ 32,188	(50,767)
Maintenance of plant	119			(119)
Total government activities	289,556	16,602	32,188	(240,766)
General Revenues				
State passed through local - FTE				264,443
Interest and other revenue				819
				265,262
Changes in net assets				24,496
Net assets - beginning				3,830
Net assets - ending				\$ 28,326

Attention is directed to independent auditors' report and notes to financial statements.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-profit Organization)
Governmental Funds Balance Sheet
June 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Current Assets			
Cash	\$ 99,754		\$ 99,754
Due from fund		\$ 5,950	5,950
Due from other agencies	5,950		5,950
	<u>\$ 105,704</u>	<u>\$ 5,950</u>	<u>\$ 111,654</u>
 <u>Liabilities and Fund Balances</u> 			
Liabilities			
Due to other school	\$ 70,201		\$ 70,201
Accounts payable and accrued expenses	7,177		7,177
Due to fund		\$ 5,950	5,950
	<u>77,378</u>	<u>5,950</u>	<u>83,328</u>
 Fund Balances			
Unreserved	<u>28,326</u>		<u>28,326</u>
	<u>\$ 105,704</u>	<u>\$ 5,950</u>	<u>\$ 111,654</u>

Attention is directed to independent auditors' report and notes to financial statements.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-For-Profit Organization)
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2010

Total funds balance - Governmental funds balance sheet	\$ 28,326
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Total net assets - Statement of net assets	<u><u>\$ 28,326</u></u>
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Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-profit Organization)
Statement of Governmental Funds Revenues, Expenditures and Changes
in Fund Balances
For the Year Ended June 30, 2010

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
State passed through local - FTE	\$ 264,443		\$ 264,443
Federal passed through local school district - Title I		\$ 16,602	16,602
State revenue - capital outlay		32,188	32,188
Local sources - interest and other contributions	819		819
Total revenues	<u>265,262</u>	<u>48,790</u>	<u>314,052</u>
Expenditures			
Instruction	98,082	16,602	114,684
Board	10,303		10,303
School administration	68,002		68,002
Fiscal services	6,800		6,800
Central services	6,693		6,693
Operation of plant	50,767	32,188	82,955
Maintenance of plant	119		119
Total expenditures	<u>240,766</u>	<u>48,790</u>	<u>289,556</u>
Excess of revenues over expenditures	24,496		24,496
Fund balances - beginning	3,830		3,830
Fund balances - ending	<u>\$ 28,326</u>		<u>\$ 28,326</u>

Attention is directed to independent auditors' report and notes to financial statements.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-For-Profit Organization)

Reconciliation of the Statement of Governmental Funds Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2010

Net change in fund balances - Statement of Governmental funds
revenues, expenditures, and changes in fund balances \$ 24,496

Change in net assets - Statement of activities \$ 24,496

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-Profit Organization)
Notes to Financial Statements

Note A - Significant Accounting Policies

Mater Academy High School of International Studies (the School) operates as a charter school under Mater Academy, Inc.. Mater Academy, Inc. (the Organization) was incorporated as a not-for-profit organization under the laws of the State of Florida in 1998. The School operates under a charter granted by the sponsoring district, the District School Board of Miami-Dade County (the District). The current charter expires on June 30, 2018 and is renewable for an additional fifteen (15) years by mutual written agreement between the School and the District. During the term of the charter, the District may terminate the charter if good cause is shown. The School is located in Miami, FL serving children from ninth through twelfth grade.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

1. Reporting Entity

The accompanying financial statements are for Mater Academy High School of International Studies, a charter school under Mater Academy, Inc. The governing body of the School consists of five board of directors. All board members have been finger printed and processed as required by the state's school board law.

2. Basic Financial Statements

The basic financial statements include both government-wide (based on the Charter School as a whole) and fund financial statements according to Governmental Accounting Standard Board Statement No. 4 (GASB No. 34). The government-wide financial statements include a Statement of Net Assets and Statement of Activities, which measure all economic resources and are prepared using full accrual accounting. In the government-wide Statement of Net Assets, both the governmental and business-type activities are presented on a consolidated basis and are reflected, on a full accrual economic resource basis. The financial statements reflect costs using the function and object dimensions required by the publication Financial and Program Cost Accounting and Reporting for Florida Schools (the Red Book) as required by Section 1002.33(9)(i), Florida Statutes.

In the fund financial statements, financial transactions and accounts of the School are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts according to cash and/or financial resources. The School's fund financial statements include the following funds: the General and Special Revenue. These funds are used for the following purposes:

General Fund

The General Fund is used to account for the full-time equivalent (FTE) fee received from the District, unrestricted contributions, interest and other income and the expenditures incurred under the School contract with the District.

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-Profit Organization)
Notes to Financial Statements

Note A - Significant Accounting Policies (Continued)

2. Basic Financial Statements (Continued)

These funds are maintained and reported using the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period which they become measurable and available. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation schedule is prepared which reflects the adjustment necessary to reconcile the fund financial statements to the government-wide financial statements.

3. Interfund Activity

Interfund activity is reported as either loans, services, provided, reimbursements or transfers. Interfund transfers represent capital outlay fund proceeds from the State to be used for specific use. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

4. Uses of Estimates

In preparing these financial statements, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the date and for the period then ended of the financial statements. Actual results could differ from these estimates. A description of some of the estimates used is included in the following significant accounting policies.

5. Revenue Sources

General Fund

Revenues in the general fund reflect the funds received from the Miami-Dade County School District pursuant to Section 1002.33(17) of the Florida Statutes. Such revenues are determined based on the estimated number of full-time equivalent (FTE) students and related data reported by the School to the Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). The estimated FTE is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted FTE reported by the School during designated FTE survey periods. In this connection, the School reported 44 unweighted FTE and 46 weighted FTE for the 2009 – 2010 school year.

In addition, the School 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, revenues 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.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-Profit Organization)
Notes to Financial Statements

Note A - Significant Accounting Policies (Continued)

6. Cash and Cash Equivalents

The School considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. There were no such investments as of June 30, 2010.

7. Due from Other Agencies

The School considers due from other agencies to be collectible; accordingly, no allowance for doubtful accounts is required. Due from other agencies are for grants or programs under which the services have been provided by the School. When amounts are determined to be uncollectible, they are charged to operations.

8. Property and Equipment

The School records in the statement of net assets property and equipment at cost when purchased or constructed, or at market value when donated. Donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those assets must be maintained, the School reports expirations of donor imposed restrictions when the donated or acquired assets are placed in service as instructed by the donor. Expenditures for major renewals and betterment that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Depreciation is included in the statement of activities. Such depreciation is computed on the straight-line basis over the estimated useful life of the assets.

For the year ended June 30, 2010, the School's facility was shared with other schools and did not have any capital assets.

9. Income Taxes

Mater Academy, Inc. is organized as a not-for-profit entity and is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is required.

Note B - Business and Credit Concentration

Business

Federal and state or local grants substantially fund the School's services. Governmental work may be significantly impacted by budget allocations and consequently an adverse change in the budget could affect the School's operations.

Credit

It is the School's policy to maintain its cash and cash equivalents in major banks and in high grade investments. As of June 30, 2010, the School's cash balances were not in excess of the FDIC limits of \$250,000.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-Profit Organization)
Notes to Financial Statements

Note C - Employee Benefits - Profit-Sharing Plan

The School's employees are leased through ADP TotalSource Group, Inc. and 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 for a match of 50% of the employee's contribution up to 4% of the employee's compensation. The School's contribution expenses were carried by Mater Academy East High School as they shared personnel (Note E). The School does not exercise any control or fiduciary responsibility over the Plan's assets.

Note D -- Management Agreement

The School has an agreement with a management company, Academica Dade LLC, which provides management 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. The agreement provides for a fee of \$450 per full time equivalent (FTE) student per year. The agreement is for a four year period through June 30, 2012. At the conclusion of the agreement, the School will have the option to renew the agreement with Academica Dade, LLC, unless terminated by the board of directors. Management fees aggregated to \$19,800 for the year ended June 30, 2010.

Academica Dade LLC is located at 6361 Sunset Drive, Miami, Florida 33155 and its officers are:

Fernando J. Zulueta, President
Ignacio Zulueta, Vice President
Magdalena Fresen, Vice President
Collette D. Papa, Secretary

Note E -- Related Party Transaction

Related Schools

During the school year, the School received a short-term, non-interest bearing advance from Mater Academy High of International Studies in the amount of \$70,201.

The School entered into a one-year usage agreement with Mater Academy East High School, a charter school under Mater Academy, Inc., for the use of its facility and personnel based on a student cost allocation ratio. Total usage fees paid to Mater Academy East High School under this agreement approximated \$220,000 for the year ended June 30, 2010. Subsequent to year end, the usage agreement was renewed to be effective August 1, 2010 and ending June 30, 2011.

The School's lunch program was carried by Mater Academy East. As a result no revenues or expenses included are included in these financial statements as a result of such program.

District

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% of the qualifying revenues of the School. For the year ended June 30, 2010, administrative fees withheld by the School District totaled \$13,222.

Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-for-Profit Organization)
Notes to Financial Statements

Note F – Risk Management

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

COMPLIANCE REPORTS SECTION



OCARIZ, GITLIN & ZOMERFELD, LLP

Certified Public Accountants & Consultants

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Suite 1045
Coral Gables, FL 33134
Tel 305.444.8288
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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors of
Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.

We have audited the financial statements of Mater Academy High School of International Studies (the School), a charter school under Mater Academy, Inc. , (a not-for-profit organization), operating as a component unit of Miami-Dade County District Schools, as of and for the year ended June 30, 2010, and we have issued our report thereon dated August 27, 2010. We conducted our audit 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of School's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely manner.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mater Academy High School of International Studies' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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National Association of
Certified Valuation Analysts

To the Board of Directors of
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We noted certain other matters that we reported to management of Mater Academy High School of International Studies in the independent auditors' report to management (pages 24-25) dated August 27, 2010.

This report is intended solely for the information and use of the audit committee, board of directors, management, others within the organization, the Auditor General of the State of Florida, and the School Board of Miami-Dade County, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Ocariz, Gittlin, & Zomerfeld, LLP

August 27, 2010



**Management Letter Pursuant to the Rules of the
Auditor General for the State of Florida**

To the Board of Directors of
Mater Academy High School of International Studies (A Charter School Under Mater Academy,
Inc.)

We have audited the financial statements of Mater Academy High School of International Studies, a charter school under Mater Academy, Inc., (a not-for-profit organization), which is a component unit of the District School Board of Miami-Dade County as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated August 27, 2010.

We conducted our audit 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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in those reports, which are dated August 27, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.850, Rules of the Auditor General, which governs the conduct of Mater Academy High School of International Studies and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

1. 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 prior year or current year findings and recommendations to improve Mater Academy High School of International Studies's financial management, accounting procedures, and internal controls.
2. 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 any such recommendations. In connection with our audit, we issued an independent auditors' report to management (pages 24-25) dated August 27, 2010.
3. Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such violations.

Members of:

To the Board of Directors of
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4. Section 10.854(1)(e)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant. deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
5. Section 10.854(1)(e)6, Rules of the Auditor General, requires the name or official title of the school. The official title of the school is Mater Academy High School of International Studies (A Charter School Under Mater Academy, Inc.)
6. Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Mater Academy High School of International Studies did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
7. Pursuant to Sections 10.854(1)(3)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures as of June 30, 2010, end of fiscal year. It is management's responsibility to monitor Mater Academy High School of International Studies'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. We have applied such procedures and no deteriorating financial condition has been noted.

Pursuant to Chapter 119, Florida Statutes, this management letter is public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the audit committee, board of directors, management, the Auditor General of the State of Florida, others within the organization, state and federal awarding agencies, and the School board of Miami-Dade County, and is not intended to be and should not be used by anyone other than these specified parties.

Ocariz, Gitlin, & Zomerfeld, LLP

August 27, 2010



Independent Auditor's Report to Management

To the Board of Directors of
Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.

In planning and performing our audit of the financial statements of Mater Academy High School of International Studies (the School), for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

The School's administrative function is carried out by a central management office with a well designed system of internal controls to provide for the recording of financial transactions accurately and promptly and to provide a level of reliability of the financial records on which management decisions are based. We also understand that the dynamics of the day-to-day operations does not allow time for review of every transaction. However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Such matters have been presented herein as observations and recommendations. This letter does not affect our reports on pages 20-23 dated August 27, 2010.

Observation:

During the course of our audit we noted that the School maintains a separate bank account for each school. In this connection, we noted that the School's bank reconciliation as of June 30, 2010, listed checks made out to the other nested school (part of the same group) which were outstanding and had not cleared the bank as of July 2010. Further inquiry revealed that the check had also been reflected as a deposit in transit in the school receiving the funds even though the deposit had not been made as of June 30, 2010. We proposed an entry to correct the books of original entry which was accepted and made by management.

Recommendation:

We feel that the School's management should consider a centralized banking system to eliminate and facilitate fund transfers among schools under Mater Academy, Inc. Such system is now being used by large not-for-profit organizations with multiple funding sources, multiple locations and strict reporting requirements. The implementation of such system will require the implementation of new controls to secure the accuracy of the distributions to each reporting entity. In addition, the School should gain approval of the proposed internal banking accounting system from its funding sources before putting the plan in effect.

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To the Board of Directors of
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This report is intended for the information of the audit committee, board of directors, management, the school board of Miami-Dade County and Federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Ocariz, Gittlin, & Zomerfeld, LLP

August 27, 2010

**Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-For-Profit Organization)**

**Statement of Governmental Funds Revenues, Expenditures and Changes
in Fund Balances-Budget and Actual-Governmental Funds (Unaudited)
For the Year Ended June 30, 2010**

	General Fund		Special Revenue Fund		Total Governmental Funds		Variance Positive (Negative)
	Original/Final Budget (Unaudited)	Actual	Original/Final Budget (Unaudited)	Actual	Original/Final Budget (Unaudited)	Actual	
Revenues							
Federal passed through local school district - Title I			\$ 17,000	\$ 16,602	\$ 17,000	\$ 16,602	\$ (398)
State passed through local - FTE	\$ 260,000	\$ 264,450			260,000	264,450	4,450
State revenue - capital outlay			34,000	32,188	34,000	32,188	(1,812)
Local sources - other		812				812	812
Total Revenues	260,000	265,262	51,000	48,790	311,000	314,052	3,052
Expenditures							
Instruction	100,000	98,082	17,000	16,602	117,000	114,684	2,316
Board	12,500	10,303			12,500	10,303	2,197
School administration	70,000	68,002			70,000	68,002	1,998
Fiscal services	7,500	6,800			7,500	6,800	700
Central services	7,000	6,693			7,000	6,693	307
Operation of plant	55,000	50,767	34,000	32,188	89,000	82,955	6,045
Maintenance of plant	500	119			500	119	381
Total Expenditures	252,500	240,766	51,000	48,790	303,500	289,556	13,944
Excess of revenues over expenditures	7,500	24,496	7,500	24,496	7,500	24,496	16,996
Fund balances - beginning		3,830				3,830	3,830
Fund balances - ending	\$ 7,500	\$ 28,326			\$ 7,500	\$ 28,326	\$ 20,826

**Mater Academy High School of International Studies
A Charter School Under Mater Academy, Inc.
(A Not-For-Profit Organization)**

**Note to Statement of Governmental Funds Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual – Governmental Funds**

Basis of Accounting:

The Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Funds are maintained and reported using the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period that they become measureable and available. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year.