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**Mater Academy 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

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

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**795 NW 32 Street  
Miami, Florida 33127**

**Board of Directors**

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

**School Administration**

Ms. Alejandra Salima Abello Jacquinet, Principal

**Other Non-voting Corporate Officers**

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

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## Independent Auditors' Report

To the Board of Directors of  
Mater Academy of International Studies

We have audited the accompanying basic financial statements of Mater Academy of International Studies (the "School"), a charter school under Mater Academy, Inc. (a not-for-profit organization), operating as a component unit of the District School Board of Miami-Dade County, as listed in the table of contents, as of and for the year ended June 30, 2010. These financial statements are the responsibility of the school's 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 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 23-24) dated August 27, 2010 on our consideration of Mater Academy of International Studies internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

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 25-26) dated August 27, 2010.

**Members of:**

To the Board of Directors of  
Mater Academy of International Studies

Government Auditing Standards require that Management's Discussion and Analysis and the budgetary comparison information on pages 4-9 and pages 28-29, 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 of International Studies, a charter school under Mater Academy, Inc., taken as a whole. The introductory section on page 1 is presented for purposes of additional information and is not a required part of the basic financial statements. The introductory section 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 of International Studies**  
**A Charter School Under Mater Academy, Inc.**  
**(A Not-For-Profit Organization)**  
**Management's Discussion and Analysis (Unaudited)**

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August 27, 2010

Board of Directors

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

The School is located in Miami, FL serving 219 children from kindergarten through fifth grade.

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

Because the information contained in the Management Discussion and Analysis (MD&A) is intended to highlight significant transactions, event and conditions, it should be considered in conjunction with the basic financial statements found on pages 10-11.

### **Financial Highlights**

- The assets of the School exceeded its liabilities at June 30, 2010 by \$180,290 (net assets).
- At year-end, the School had current assets on hand of \$305,849.
- The net assets of the School increased by \$152,602 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 basic financial statements for the year ended June 30, 2010 are presented under GASB 34. The basic 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 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 as soon as 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.

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

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

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**Fund financial statements.** A fund is a collection of related accounts grouped together 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 demonstrate compliance with finance-related legal requirements.

All of the School's funds 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 entire operations. Budgetary comparison schedules have been provided for the general fund and each major fund to demonstrate compliance with the School's budget.

The governmental fund financial statements can be found on pages 12-16 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 17-22 of this report.

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

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

**Government-Wide Financial Analysis**

As noted previously, net assets may serve over time as a useful indicator of a charter school's financial position. In this connection, assets exceeded liabilities by \$180,290 at the close of the fiscal year. A summary of the School's asset as of June 30, 2010 follows:

| <u>Assets</u>                                   | <u>2010</u>              | <u>2009</u>             |
|---|--------------------------|-------------------------|
| Cash  | \$ 230,933               | \$ 5,106                |
| Accounts receivable                             | 45,280                   |                         |
| Due from other school                           | 20,000                   | 18,256                  |
| Prepaid and other expenses                      | 1,982                    | 675                     |
| Deposits  | <u>7,654</u>             | <u>25,000</u>           |
| <b>Total current assets</b>                     | <b>305,849</b>           | <b>49,037</b>           |
| <br><b>Property and equipment, net</b>          | <br><b>319,397</b>       | <br><b>26,988</b>       |
| <br><b>Deposit</b>                              | <br><u>25,000</u>        | <br><u>          </u>   |
|   | <u><b>\$ 650,246</b></u> | <u><b>\$ 76,025</b></u> |
| <br><u>Liabilities and Net Assets</u>           |                          |                         |
| <b>Current Liabilities</b>                      |                          |                         |
| Accounts payable and accrued expenses           | \$ 259,574               | \$ 11,483               |
| <b>Due to other schools</b>                     | <u>210,382</u>           | <u>36,854</u>           |
| <b>Total liabilities</b>                        | <b>469,956</b>           | <b>48,337</b>           |
| <b>Net Assets</b>                               |                          |                         |
| Invested in capital assets, net of related debt | 109,015                  | 26,988                  |
| Unrestricted                                    | <u>71,275</u>            | <u>700</u>              |
| <b>Total net assets</b>                         | <b>180,290</b>           | <b>27,688</b>           |
|   | <u><b>\$ 650,246</b></u> | <u><b>\$ 76,025</b></u> |

**Mater Academy 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 year ended June 30, 2010 and 2009 follows:

|  | <u>2010</u>       | <u>2009</u>      |
|--|-------------------|------------------|
| <b>Revenues</b>  |                   |                  |
| <b>Program revenues</b>                                |                   |                  |
| Federal passed through state school district - Title I | \$ 240,524        | \$ 33,672        |
| State revenue - capital outlay                         | 16,487            |                  |
| <b>General revenues</b>                                |                   |                  |
| State passed through local school district - FTE       | 1,890,817         | 111,126          |
| Student lunches  | 162,854           |                  |
| Aftercare  | 72,847            |                  |
| Local services - other contributions                   | 3,027             | 15,000           |
| <b>Total revenues</b>                                  | <u>2,386,556</u>  | <u>159,798</u>   |
| <b>Expenses</b>  |                   |                  |
| Instruction  | 996,823           | 75,913           |
| Instructional staff training                           | 4,893             | 2,180            |
| Board  | 27,724            | 1,071            |
| School administration                                  | 434,485           | 5,569            |
| Facility acquisition and construction                  | 994               | 497              |
| Fiscal services  | 43,700            | 2,700            |
| Food services  | 150,981           | 745              |
| Central services                                       | 43,646            | 3,200            |
| Operation of plant                                     | 394,707           | 33,187           |
| Maintenance of plant                                   | 80,201            | 7,048            |
| Community service                                      | 55,800            |                  |
| <b>Total expenses</b>                                  | <u>2,233,954</u>  | <u>132,110</u>   |
| <b>Excess of revenues over expenditures</b>            | <u>\$ 152,602</u> | <u>\$ 27,688</u> |

During the fiscal year 2009-2010, Mater Academy of International Studies moved into their permanent location and had a significant growth in student enrollment. As a result, revenues and expenses had a large increase in comparison to fiscal year 2008-2009.

**Lease of Facility**

Mater Academy, Inc. (the Organization) entered into a lease agreement with the Archdiocese of Miami, Inc. for its educational facility located at 795 NW 32<sup>nd</sup> Street Miami, Florida 33127 and has assigned the lease to Mater Academy of International Studies.

**Accomplishments**

In the fall of 2010, Mater Academy Elementary School of International Studies opened in its new, permanent facility to 300 students in grades K-5. In only its 2<sup>nd</sup> year of operation, the school earned a letter grade of "B", ranking among the top-performing public schools in the area. Most impressively, Mater Academy attained certification from the Southern Association of Colleges and Schools (SACS), and became a Red Ribbon Certified School.

Mater students were recognized for their achievements in the Miami Herald Spelling Bee, the Dade County Youth Fair Exhibition, and the United Way Student Campaign. Students and parents contributed greatly to successful fundraisers, such as the Book Fair, where more than 500 books were sold.

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

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

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**Accomplishments (continued)**

The vision of Mater Academy Elementary 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.

**Financial Analysis of the Government's Funds**

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

At the end of the fiscal year, the School's general fund reported an unreserved fund balance of \$71,275.

**Capital Assets**

The School's investment in capital assets for its governmental activities as of June 30, 2010 amounted to \$319,397 (net of accumulated depreciation of \$38,701). This investment in capital assets includes buildings improvements, furniture, fixtures, equipment, educational materials, and audio visual materials.

**General Fund Budget Analysis and Highlights**

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

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

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

|   | General Fund             |                  | Special Revenue Fund     |                |
|---|--------------------------|------------------|--------------------------|----------------|
|   | Original/Final<br>Budget | Actual           | Original/Final<br>Budget | Actual         |
|   | <b>Revenues</b>          |                  |                          |                |
| State passed through local school district - FTE                | \$ 1,890,000             | \$ 1,890,817     |                          |                |
| Federal passed through state school district - Title I          |                          |                  | \$ 240,000               | \$ 240,524     |
| State revenue - capital outlay                                  |                          |                  | 16,487                   | 16,487         |
| Student lunches   |                          |                  | 162,000                  | 162,854        |
| After school  | 70,000                   | 72,847           |                          |                |
| Local services - other contributions                            | 3,000                    | 3,027            |                          |                |
| <b>Total revenues</b>   | <b>1,963,000</b>         | <b>1,966,691</b> | <b>418,487</b>           | <b>419,865</b> |
| <b>Expenditures</b>   |                          |                  |                          |                |
| Instruction   | 995,000                  | 991,635          | 240,000                  | 240,524        |
| Board   | 28,000                   | 27,724           |                          |                |
| School administration   | 340,500                  | 340,058          | 162,000                  |                |
| Fiscal services   | 22,000                   | 20,846           |                          | 40,000         |
| Food services   | 17,500                   | 16,605           |                          | 122,854        |
| Central services  | 45,000                   | 43,646           |                          |                |
| Operation of plant  | 510,000                  | 509,909          | 16,487                   | 16,487         |
| Maintenance of plant  | 100,500                  | 100,274          |                          |                |
| Community services  | 58,000                   | 55,801           |                          |                |
| <b>Total expenditures</b>                                       | <b>2,116,500</b>         | <b>2,106,498</b> | <b>418,487</b>           | <b>419,865</b> |
| Deficiency of revenues over expenditures                        | (153,500)                | (139,807)        |                          |                |
| Other financing use, net - long term advance from other schools | 215,000                  | 210,382          |                          |                |
| <b>Net change in fund balance</b>                               | <b>\$ 61,500</b>         | <b>\$ 70,575</b> |                          |                |

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

**Request 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 of International Studies**  
**A Charter School Under Mater Academy, Inc.**  
**(A Not-For-Profit Organization)**  
**Statement of Net Assets**  
**June 30, 2010**

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Assets

**Current Assets**

|                             |                |
|-----------------------------|----------------|
| Cash                        | \$ 230,933     |
| Accounts receivable         | 45,280         |
| Due from other school       | 20,000         |
| Prepaid expenses and other  | 9,636          |
| <b>Total current assets</b> | <u>305,849</u> |

**Property and equipment, net** 319,397

**Deposit** 25,000

\$ 650,246

Liabilities and Net Assets

**Current Liabilities**

Accounts payable and accrued expenses \$ 259,574

**Due to other schools** 210,382

**Total liabilities** 469,956

**Net Assets**

Invested in capital assets, net of related debt 109,015

Unrestricted 71,275

**Total net assets** 180,290

\$ 650,246

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

**Mater Academy of International Studies**  
**A Charter School Under Mater Academy, Inc.**  
**(A Not-For-Profit Organization)**  
**Statements of Activities**  
**For the Year Ended June 30, 2010**

|  | Expenses         | Program Revenues        |  | Net (Expenses) Revenue<br>and Changes in Net Assets<br>Government |
|--|------------------|-------------------------|--|---|
|  |                  | Charges for<br>Services | Operating<br>Grants and<br>Contributions |   |
| <b>Governmental Activities</b>                   |                  |                         |  |   |
| Instruction                                      | \$ 996,823       |                         | \$ 240,524                               | \$ (756,299)  |
| Instructional staff training                     | 4,893            |                         |  | (4,893)   |
| Board  | 27,724           |                         |  | (27,724)  |
| School administration                            | 434,485          |                         |  | (434,485)   |
| Facility acquisition and construction            | 994              |                         |  | (994)   |
| Fiscal services                                  | 43,700           | \$ 40,000               |  | (3,700)   |
| Food services                                    | 150,981          | 122,854                 |  | (28,127)  |
| Central services                                 | 43,646           |                         |  | (43,646)  |
| Operation of plant                               | 394,707          |                         | \$ 16,487                                | (378,220)   |
| Maintenance of plant                             | 80,201           |                         |  | (80,201)  |
| Community service                                | 55,800           |                         |  | (55,800)  |
| <b>Total government activities</b>               | <b>2,233,954</b> | <b>162,854</b>          | <b>240,524</b>                           | <b>16,487</b>   |
|  |                  |                         |  | <b>(1,814,089)</b>  |
| <b>General Revenues</b>                          |                  |                         |  |   |
| State passed through local school district - FTE |                  |                         |  | 1,890,817   |
| Interest and other revenue                       |                  |                         |  | 75,874  |
| Changes in net assets                            |                  |                         |  | 152,602   |
| <b>Net assets - beginning</b>                    |                  |                         |  | 27,688  |
| <b>Net assets - ending</b>                       |                  |                         |  | <b>\$ 180,290</b>   |

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



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

|   | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Combined<br/>Totals<br/>Governmental<br/>Funds</u> |
|---|-------------------------|-------------------------------------|---|
| <b><u>Assets</u></b>                        |                         |                                     |   |
| <b>Current Assets</b>                       |                         |                                     |   |
| Cash  | \$ 230,933              |                                     | \$ 230,933  |
| Accounts receivable                         | 45,280                  |                                     | 45,280  |
| Due from other school                       | 20,000                  |                                     | 20,000  |
| Prepaid expenses and other                  | 9,636                   |                                     | 9,636   |
| <b>Total current assets</b>                 | <u>305,849</u>          |                                     | <u>305,849</u>  |
| <b>Deposit</b>                              | 25,000                  |                                     | 25,000  |
|   | <u>\$ 330,849</u>       |                                     | <u>\$ 330,849</u>                                     |
| <b><u>Liabilities and Fund Balances</u></b> |                         |                                     |   |
| <b>Current Liabilities</b>                  |                         |                                     |   |
| Accounts payable and accrued expenses       | \$ 259,574              |                                     | \$ 259,574  |
| <b>Fund Balances</b>                        |                         |                                     |   |
| Unreserved                                  | 71,275                  |                                     | 71,275  |
|   | <u>\$ 330,849</u>       |                                     | <u>\$ 330,849</u>                                     |

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

**Mater Academy 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**

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**Total funds balance - Governmental funds balance sheet** \$ 71,275

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$358,098 and the accumulated depreciation is \$38,701. 319,397

Long-term payables to other charter schools in governmental activities are not financial resources and therefore are not in the governmental funds. (210,382)

**Total net assets - Statement of net assets** \$ 180,290

**Mater Academy 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<br>Fund  | Special<br>Revenue<br>Fund | Combined<br>Totals<br>Governmental<br>Funds |
|--|------------------|----------------------------|---|
| <b>Revenues</b>  |                  |                            |   |
| State passed through local school district - FTE                       | \$ 1,890,817     |                            | \$ 1,890,817                                |
| Federal passed through state school district - Title I                 |                  | \$ 240,524                 | 240,524                                     |
| State revenue - capital outlay   |                  | 16,487                     | 16,487                                      |
| Student lunches  |                  | 162,854                    | 162,854                                     |
| After school   | 72,847           |                            | 72,847                                      |
| Local services - other contributions                                   | 3,027            |                            | 3,027                                       |
| <b>Total revenues</b>  | <u>1,966,691</u> | <u>419,865</u>             | <u>2,386,556</u>                            |
| <b>Expenditures</b>  |                  |                            |   |
| Instruction  | 986,742          | 240,524                    | 1,227,266                                   |
| Instructional staff training services                                  | 4,893            |                            | 4,893                                       |
| Board  | 27,724           |                            | 27,724                                      |
| School administration  | 434,483          |                            | 434,483                                     |
| Fiscal services  | 3,700            | 40,000                     | 43,700                                      |
| Food services  | 33,751           | 122,854                    | 156,605                                     |
| Central services   | 43,646           |                            | 43,646                                      |
| Operation of plant   | 415,516          | 16,487                     | 432,003                                     |
| Maintenance of plant   | 100,243          |                            | 100,243                                     |
| Community services   | 55,800           |                            | 55,800                                      |
| <b>Total expenditures</b>  | <u>2,106,498</u> | <u>419,865</u>             | <u>2,526,363</u>                            |
| <b>Deficiency of revenues over expenditures</b>                        | (139,807)        |                            | (139,807)                                   |
| <b>Other financing use, net - long term advance from other schools</b> | 210,382          |                            | 210,382                                     |
| <b>Net change in fund balance</b>                                      | <u>70,575</u>    |                            | <u>70,575</u>                               |
| Fund balances - beginning  | 700              |                            | 700   |
| <b>Fund balances - ending</b>  | <u>\$ 71,275</u> |                            | <u>\$ 71,275</u>                            |

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

**Mater Academy 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**

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|  |                   |
|--|-------------------|
| <b>Net change in fund balances - Statement of governmental funds<br/>revenues, expenditures, and changes in fund balances</b>                    | \$ 70,575         |
| <b>Amounts reported for governmental activities in the<br/>statement of net assets are different because:</b>                                    |                   |
| Capital assets used in governmental activities are not<br>financial resources and therefore are not reported as assets<br>in governmental funds. | (210,382)         |
| Expenditures for capital assets  | 330,614           |
| Less: current year depreciation expense  | (38,205)          |
| <b>Change in net assets - Statement of activities</b>  | <u>\$ 152,602</u> |

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

**Mater Academy of International Studies**  
**A Charter School Under Mater Academy, Inc.**  
**(A Not-For-Profit Organization)**  
**Statement of Net Assets - Fiduciary Fund**  
**June 30, 2010**

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Assets

**Current Assets**

|      |           |
|------|-----------|
| Cash | \$ 17,664 |
|------|-----------|

**Total Assets**

|                  |
|------------------|
| <u>\$ 17,664</u> |
|------------------|

Liabilities and Net Assets

**Current Liabilities**

|                           |           |
|---------------------------|-----------|
| Due to students and clubs | \$ 17,664 |
|---------------------------|-----------|

Net assets

|                             |
|-----------------------------|
| <u>                    </u> |
| <u>                    </u> |

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

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**Note A - Significant Accounting Policies**

Mater Academy, Inc. (the Organization) was incorporated as a not-for-profit organization under the laws of the State of Florida in 1998. Mater Academy of International Studies (the Charter School) operates as a charter school under Mater Academy, Inc. The School operates under a charter granted by the sponsor, 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 kindergarten through fifth 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 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, Special Revenue and Fiduciary (Agency) Fund. 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.

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

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**Note A - Significant Accounting Policies (continued)**

**2. Basic Financial Statements (continued)**

**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.

**Fiduciary (Agency) Fund**

The Fiduciary fund is used to account for amounts held by the School as an agent in connection with student athletics, class and club activities. Agency funds are custodial in nature and do not present result of operations or have a measurement focus.

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 that they become measurable and available.

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. 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.

**4. 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 290 un-weighted FTE and 313 weighted FTE for the 2009-2010 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

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

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**Note A - Significant Accounting Policies (continued)**

**4. Revenue Sources (continued)**

General Fund (continued)

on incurring eligible expenditures, revenues are 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.

**5. 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.

**6. Accounts Receivable/Due From Other Schools**

The School considers accounts receivable and due from other schools to be collectible; accordingly, no allowance for doubtful accounts is required. When amounts are determined to be uncollectible, they are charged to operations.

**7. 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.

Long-lived assets are reviewed for impairment when circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying value is impaired, the long lived assets will be written down to their fair market value with a corresponding charge to earnings. No such impairment was recorded for the year ended June 30, 2010.

**8. Depreciation**

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

|                         |         |
|-------------------------|---------|
| Improvements            | 5 Years |
| Furniture and equipment | 5 Years |
| Textbooks               | 3 Years |
| Computer equipment      | 5 Years |



**Mater Academy 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)**

**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 - Property and Equipment**

Property and equipment consist of the following at June 30, 2010:

|                                 | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|---------------------------------|------------------------------|-------------------|------------------|---------------------------|
| <u>Cost</u>                     |                              |                   |                  |                           |
| Improvements                    | \$ 19,887                    | \$ 962            |                  | \$ 20,849                 |
| Furniture and equipment         | 2,847                        | 111,237           |                  | 114,084                   |
| Textbooks                       |                              | 88,098            |                  | 88,098                    |
| Computer equipment              | 4,750                        | 130,317           |                  | 135,067                   |
|                                 | <u>27,484</u>                | <u>330,614</u>    |                  | <u>358,098</u>            |
| <u>Accumulated depreciation</u> |                              |                   |                  |                           |
| Improvements                    | 496                          | 2,077             |                  | 2,573                     |
| Furniture and equipment         |                              | 10,872            |                  | 10,872                    |
| Textbooks                       |                              | 12,225            |                  | 12,225                    |
| Computer equipment              |                              | 13,031            |                  | 13,031                    |
|                                 | <u>496</u>                   | <u>38,205</u>     |                  | <u>38,701</u>             |
| Property and Equipment, net     | <u>\$ 26,988</u>             | <u>\$ 292,409</u> |                  | <u>\$ 319,397</u>         |

Depreciation expense for the year ended June 30, 2010 amounted to \$38,205 and is allocated in the Statement of Activities to instruction, facility acquisition and construction, food services and maintenance of plant.

**Note C - Commitment and Contingency**

**Commitment**

Mater Academy, Inc. (the Organization) entered into a lease agreement with Archdiocese of Miami, Inc. for its educational facility and has assigned the lease to Mater Academy of International Studies. The lease commenced on August 16, 2009 and expires on August 16, 2014 with an automatic renewal for two additional five-year terms.

The amount of rent for the first year is \$350,000 and shall be \$350,000 plus \$700 per student per annum for every student above 499 that is enrolled at the School for the remaining term of the agreement. The lease payments are currently allocated 80% to the School and 20% to Mater Academy Middle of International Studies and are based on enrollment and usage of the facility. The School's rent expense is \$241,303 for the year ended June 30, 2010.

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

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**Note C – Commitment and Contingency (continued)**

The future minimum payments under this lease are as follows:

| For the Year Ending<br>June 30, |                     |
|---------------------------------|---------------------|
| 2011                            | \$ 280,000          |
| 2012                            | 280,000             |
| 2013                            | 280,000             |
| 2014                            | 280,000             |
|                                 | <u>\$ 1,120,000</u> |

Subsequent to year end, the lease agreement was renewed to be effective August 16, 2010 and ending August 15, 2015. The amount of the rent for the first year shall be \$391,765 plus \$700 per student per annum for every student above 499 that is enrolled at the School.

**Contingency**

The School is subject to Federal, state and local government audits. These audits could result in the questioning of expenditures relating to certain grants under various technical compliance provisions of the individual grants. No expenditures are being questioned as of June 30, 2010.

**Note D - 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 expenses aggregated to \$8,297 for the year ended June 30, 2010. The School does not exercise any control or fiduciary responsibility over the Plan's assets.

**Note E - 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 Risk**

The Bank participates in the Federal Deposit Insurance Corporation (FDIC) Transaction Account Guarantee Program. Under this program, through December 31, 2013, all non-interest bearing transaction accounts (demand deposit accounts) are fully guaranteed by the FDIC for the entire amount in the account. Coverage under this program is in addition to and separate from the coverage available under the FDIC's basic deposit insurance rules. Balances in other account types, including interest bearing accounts, are insured up to \$250,000 until December 31, 2013. Thereafter, only balances up to \$100,000 will be insured. At June 30, 2010, all of the School's cash balances were in non-interest bearing accounts and thus were fully insured.

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

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**Note F – 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, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. Management fees aggregated to \$130,500 for the year ended June 30, 2010.

Academica Dade LLC is located at 6361 Sunset Drive, Miami, Florida 33143 and its officers are:

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

**Note G - Related Party Transactions**

Related Schools

During the school year, the School made one short-term, non-interest bearing advance to Mater Academy for working capital purposes. In addition, the School also received long-term, non-interest bearing advances from various schools for working capital purposes. The following consists of the due to and due from other schools as of June 30, 2010:

|   |                   |
|---|-------------------|
| <u>Due to other schools</u>                                 |                   |
| Due to Mater Academy East Charter School                    | \$ 26,400         |
| Due to Mater Academy  | 110,000           |
| Due to Mater High School                                    | 9,500             |
| Due to Mater Academy Middle School of International Studies | 64,482            |
|   | <u>\$ 210,382</u> |
| <br><u>Due from other school</u>                            |                   |
| Due from Mater Academy                                      | <u>\$ 20,000</u>  |

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 \$94,393.

**Note H – 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**

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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**

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

We have audited the financial statements of Mater Academy of International Studies (the "School"), a charter school under Mater Academy, Inc., (a not-for-profit organization), a component unit of the District School Board of Miami-Dade County, as of and for the 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Mater Academy of International Studies' 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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.

**Members of:**

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mater Academy 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.

This report is intended for the information of the audit committee, board of directors, management, the school board of Miami-Dade County, 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, Gitlin, & 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 of International Studies (A Charter School Under Mater Academy, Inc.)

We have audited the financial statements of Mater Academy 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 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 current year findings and recommendations to improve Mater Academy of International Studies' financial management, accounting procedures, and internal controls. There was a prior year finding and a corrective actions were taken to address such finding (See page 27).
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.
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  
Mater Academy of International Studies (A Charter School Under Mater Academy, Inc.)

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 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 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 the Mater Academy 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.

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



**Mater Academy of International Studies  
A Charter School Under Mater Academy, Inc.  
(A Not-For-Profit Organization)  
Prior Year's Schedule of Finding**

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09-1 Cutoff procedures

Criteria

The accrual basis of accounting requires that all revenues be recorded when earned and all expenses be recorded in the period in which they are incurred.

Condition

During the search for unrecorded liabilities test for our audit we noted material invoices that should have been recorded as liability of the School at June 30, 2009.

Effect

The School's liabilities had to be materially adjusted to reconcile these errors by approximately \$11,000.

Prior Auditors' recommendation

We recommend that the School accrue all expenses in the period in which they are incurred. In addition, we also recommend that the School implement procedures for reviewing these accrual accounts to ensure amounts are recorded in the correct period.

Management Response

Management adopted auditors' recommendations and condition has been corrected.

## SUPPLEMENTARY INFORMATION

**Mater Academy of International Studies**  
**A Charter School Under Mater Academy, Inc.**  
**(A Not-For-Profit Organization)**  
**Statements 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           |                              |
| <b>Revenues</b>  |                                   |                  |                                   |                |                                   |                  |                              |
| State passed through local school district - FTE                       | \$ 1,890,000                      | \$ 1,890,817     |                                   |                | \$ 1,890,000                      | \$ 1,890,817     | \$ 817                       |
| Federal passed through state school district - Title I                 |                                   |                  | \$ 240,000                        | \$ 240,524     | 240,000                           | 240,524          | 524                          |
| State revenue - capital outlay   |                                   |                  | 16,487                            | 16,487         | 16,487                            | 16,487           |                              |
| Student lunches  |                                   |                  | 162,000                           | 162,854        | 162,000                           | 162,854          | 854                          |
| After school   | 70,000                            | 72,847           |                                   |                | 70,000                            | 72,847           | 2,847                        |
| Local services - other contributions                                   | 3,000                             | 3,027            |                                   |                | 3,000                             | 3,027            | 27                           |
| <b>Total revenues</b>  | <b>1,963,000</b>                  | <b>1,966,691</b> | <b>418,487</b>                    | <b>419,865</b> | <b>2,381,487</b>                  | <b>2,386,556</b> | <b>5,069</b>                 |
| <b>Expenditures</b>  |                                   |                  |                                   |                |                                   |                  |                              |
| Instruction  | 995,000                           | 991,635          | 240,000                           | 240,524        | 1,235,000                         | 1,232,159        | 2,841                        |
| Board  | 28,000                            | 27,724           |                                   |                | 28,000                            | 27,724           | 276                          |
| School administration  | 340,500                           | 434,483          |                                   |                | 340,500                           | 434,483          | (93,983)                     |
| Fiscal services  | 22,000                            | 3,700            | 40,000                            | 40,000         | 62,000                            | 43,700           | 18,300                       |
| Food services  | 17,500                            | 33,751           | 122,000                           | 122,854        | 139,500                           | 156,605          | (17,105)                     |
| Central services   | 45,000                            | 43,646           |                                   |                | 45,000                            | 43,646           | 1,354                        |
| Operation of plant   | 510,000                           | 415,516          | 16,487                            | 16,487         | 526,487                           | 432,003          | 94,484                       |
| Maintenance of plant   | 100,500                           | 100,243          |                                   |                | 100,500                           | 100,243          | 257                          |
| Community services   | 58,000                            | 55,800           |                                   |                | 58,000                            | 55,800           | 2,200                        |
| <b>Total expenditures</b>  | <b>2,116,500</b>                  | <b>2,106,498</b> | <b>418,487</b>                    | <b>419,865</b> | <b>2,534,987</b>                  | <b>2,526,363</b> | <b>8,624</b>                 |
| <b>Deficiency of revenues over expenditures</b>                        | <b>(153,500)</b>                  | <b>(139,807)</b> |                                   |                | <b>(153,500)</b>                  | <b>(139,807)</b> | <b>13,693</b>                |
| <b>Other financing use, net - long term advance from other schools</b> | <b>215,000</b>                    | <b>210,382</b>   |                                   |                | <b>215,000</b>                    | <b>210,382</b>   | <b>(4,618)</b>               |
| <b>Net change in fund balances</b>                                     | <b>61,500</b>                     | <b>70,575</b>    |                                   |                | <b>61,500</b>                     | <b>70,575</b>    | <b>9,075</b>                 |
| <b>Fund balances - beginning</b>                                       |                                   | <b>700</b>       |                                   |                |                                   | <b>700</b>       | <b>700</b>                   |
| <b>Fund balances - ending</b>  | <b>\$ 61,500</b>                  | <b>\$ 71,275</b> |                                   |                | <b>\$ 61,500</b>                  | <b>\$ 71,275</b> | <b>\$ 9,775</b>              |

Attention is directed to independent auditors' report and note to the Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Funds.

**Mater Academy 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  
(Unaudited)**

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**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 measurable and available. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year.