

Archimedean Academy

A Department of Archimedean Academy, Inc.
(A Component Unit of the School Board
of Miami-Dade County, Florida)

Basic Financial Statements
and Additional Information
For the Year Ended June 30, 2016

Archimedean Academy

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Archimedean Academy
A Department of Archimedean Academy, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Archimedean Academy (the "School") a department of Archimedean Academy, Inc. and a component unit of the School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and change in financial position of only that portion of the governmental activities and each major fund of Archimedean Academy, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Archimedean Academy, Inc. as of June 30, 2016, and the changes in its financial position or budgetary comparisons, where applicable, for the year ended June 30, 2016 in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the statements of revenues and expenditures – budget and actual – general fund and special revenue fund on pages 3 through 7 and 23 through 24 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2016, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
August 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Archimedean Academy (the "School"), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2016.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audit which consists of the basic financial statements and other supplementary information which immediately follow this discussion.

Financial Highlights

Our basic financial statements provide these insights into the results of this year's operations.

- As of June 30, 2016, the School had a net position of \$ 851,051.
- As of June 30, 2016, the School's fund balances were \$ 872,350.

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 are comprised of three components: 1) government-wide basic financial statements, 2) fund basic financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide basic financial statements: The government-wide basic financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the School's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, 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 basic financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

The government-wide basic financial statements can be found on pages 8 and 9 of this report.

Fund basic financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: 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 basic financial statements. However, unlike the government-wide basic financial statements, governmental basic fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide basic financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide basic financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance. The General Fund, Special Revenue Fund and Capital Project Fund are considered to be the School's major funds.

The School Board adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund.

The governmental funds financial statements can be found on pages 10 through 13 of this report.

Notes to basic financial statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 22 of this report.

Government-Wide Financial Analysis

The School has been in operation since 2002; therefore, comparative government-wide data is presented. The School's net position was \$ 851,051 at June 30, 2016. Of this amount, \$ 279,784 represented unrestricted net position and \$ 571,267 represented the net investment in capital assets.

**Archimedean Academy
Management's Discussion and Analysis
June 30, 2016**

Our analysis in the table below focuses on the net position of the School's governmental activities:

Archimedean Academy Net Position		
	<u>2016</u>	<u>2015</u>
Assets:		
Current assets	\$ 820,282	\$ 821,557
Investment	1,000,000	450,000
Capital assets, net of depreciation	<u>744,008</u>	<u>836,397</u>
Total assets	<u>2,564,290</u>	<u>2,107,954</u>
Liabilities:		
Liabilities, excluding long-term liabilities	1,174,405	1,117,337
Long-term liabilities	<u>538,834</u>	<u>419,685</u>
Total liabilities	<u>1,713,239</u>	<u>1,537,022</u>
Net Position:		
Net investment in capital assets	571,267	420,902
Unrestricted	<u>279,784</u>	<u>150,030</u>
Total net position	<u>\$ 851,051</u>	<u>\$ 570,932</u>

Governmental activities: The results of this year's operations for the School as a whole are reported in the statement of activities on page 9. The table below provides a condensed presentation of the School's revenues and expenses for the years ended June 30, 2016 and 2015:

Archimedean Academy Changes in Net Position		
	<u>2016</u>	<u>2015</u>
Revenues:		
Grants and entitlements	\$ 4,214,675	\$ 3,982,499
Program revenues	1,140,267	1,118,981
Contributions and other revenues	<u>631,849</u>	<u>545,171</u>
Total revenues	<u>5,986,791</u>	<u>5,646,651</u>

**Archimedean Academy
Management's Discussion and Analysis
June 30, 2016**

	<u>2016</u>	<u>2015</u>
Functions/Program Expenses/Other:		
Instruction	2,795,579	2,368,981
Instructional support services	1,371,068	1,690,382
Operation of noninstructional services	799,486	765,559
Community services	702,493	639,534
Interest	<u>38,046</u>	<u>22,684</u>
Total expenses	<u>5,706,672</u>	<u>5,487,140</u>
Change in net position	\$ <u>280,119</u>	\$ <u>159,511</u>

Governmental Funds Expenditures

In the table below, we have presented the cost of the largest functions/programs as a percentage of total governmental expenditures:

<u>Functions/Programs</u>	<u>2016</u>		<u>2015</u>	
	<u>Expenditures</u>	<u>Percent</u>	<u>Expenditures</u>	<u>Percent</u>
Governmental expenditures:				
Instructional expenditures	\$ 2,803,699	46.6%	\$ 2,561,022	43.5%
Administrative services	348,612	5.8%	374,212	6.3%
Plant operations and maintenance	1,051,920	17.5%	1,163,085	19.7%
All other functions/programs	<u>1,812,118</u>	<u>30.1%</u>	<u>1,795,146</u>	<u>30.5%</u>
Total governmental expenditures	\$ <u>6,016,349</u>	<u>100.0%</u>	\$ <u>5,893,465</u>	<u>100.0%</u>

General Fund Budgetary Highlights

Actual revenues were approximately 0.6% lower than budgeted amounts. Actual expenditures were approximately 8.4% higher than budgeted amounts principally due to the same reasoning regarding unbudgeted in-kind expenses from professional teaching supplied by the Greek Government as well as unbudgeted principal payments on debt.

Capital Assets and Debt Administration

Capital assets: At June 30, 2016, the School had capital assets of \$ 744,008, net of accumulated depreciation, invested in computer equipment, furniture, equipment and textbooks, improvements and audio visual materials, as compared to \$ 836,397 at June 30, 2015.

Debt: At June 30, 2016, the School had outstanding debt of \$ 765,043 as compared to \$ 615,839 at June 30, 2015. This was a result of \$ 550,000 new debt issued in the current year and \$ 400,796 of principal payments made during the year, including forgiven debt of approximately \$ 189,000.

Economic Factors

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School for fiscal year 2015-2016 include:

- The School continues to be a High Performing Charter School, which it has been since its inception.
- The School has also been recognized as a Blue Ribbon School since 2011 from the U.S. Department of Education.
- The School obtained "Advanced Ed" accreditation as a school and school district in 2016.

Requests for Information

If you have any questions about this report or need additional information, please write to Mr. Dimitrios Bardoutsos at Archimedean Academy; 12425 SW 72nd Street (Sunset Drive); Miami, Florida 33183.

BASIC FINANCIAL STATEMENTS

Archimedean Academy
Statement of Net Position
June 30, 2016

	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 518,351
Due from other governments	76,147
Accounts receivable	109,063
Prepaid expenses	88,641
Deposits	<u>28,080</u>
Total current assets	<u>820,282</u>
Noncurrent Assets:	
Investment	1,000,000
Capital assets, net of accumulated depreciation	<u>744,008</u>
Total noncurrent assets	<u>1,744,008</u>
Total assets	<u>2,564,290</u>
Current Liabilities:	
Accounts payable	33,243
Accrued expenses	371,945
Due to other schools	542,744
Accrued interest payable	264
Notes payable - due within one year	<u>226,209</u>
Total current liabilities	<u>1,174,405</u>
Noncurrent Liabilities:	
Notes payable - due in more than one year	<u>538,834</u>
Total noncurrent liabilities	<u>538,834</u>
Total liabilities	<u>1,713,239</u>
Net Position:	
Net investment in capital assets	571,267
Unrestricted	<u>279,784</u>
Total net position	<u>\$ 851,051</u>

The accompanying notes to financial statements are an integral part of these statements.

**Archimedean Academy
Statement of Activities
For the Year Ended June 30, 2016**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities Net Revenue (Expense) and Change in Net Position</u>
Functions/Programs:					
Instruction:					
Regular instruction	\$ 2,795,579	\$ -	\$ -	\$ -	\$ (2,795,579)
Instructional support services:					
Pupil personnel services	66,250	-	-	-	(66,250)
Instructional and curriculum services	143	-	-	-	(143)
Instructional staff training services	1,490	-	-	-	(1,490)
Instructional-related technology	9,344	-	-	-	(9,344)
Administrative services	140,869	-	-	-	(140,869)
Operation of plant	878,278	-	-	194,434	(683,844)
Maintenance of plant	274,694	-	-	-	(274,694)
Operation of non-instructional services:					
General administration	238,445	-	-	-	(238,445)
Board services	12,470	-	-	-	(12,470)
Fiscal services	69,654	-	-	-	(69,654)
Central services	60,143	-	-	-	(60,143)
Community services	702,493	512,218	-	-	(190,275)
Food services	418,774	164,728	268,887	-	14,841
Interest expense	38,046	-	-	-	(38,046)
Total governmental activities	\$ <u>5,706,672</u>	\$ <u>676,946</u>	\$ <u>268,887</u>	\$ <u>194,434</u>	<u>(4,566,405)</u>
General revenues:					
Grants and entitlements					4,214,675
Contributions and other					631,849
Total general revenues					<u>4,846,524</u>
Change in net position					280,119
Net position, July 1, 2015					<u>570,932</u>
Net position, June 30, 2016					\$ <u><u>851,051</u></u>

The accompanying notes to financial statements are an integral part of these statements.

Archimedean Academy
Balance Sheet - Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 518,351	\$ -	\$ -	\$ 518,351
Due from other governments	60,036	-	16,111	76,147
Due from capital project fund	16,111	-	-	16,111
Accounts receivable	109,063	-	-	109,063
Investment	1,000,000	-	-	1,000,000
Prepaid expenditures	88,641	-	-	88,641
Deposits	28,080	-	-	28,080
	<u>1,820,282</u>	<u>-</u>	<u>16,111</u>	<u>1,836,393</u>
Total assets	\$ <u>1,820,282</u>	\$ <u>-</u>	\$ <u>16,111</u>	\$ <u>1,836,393</u>
Liabilities:				
Accounts payable	\$ 33,243	\$ -	\$ -	\$ 33,243
Accrued expenses	371,945	-	-	371,945
Due to other schools	542,744	-	-	542,744
Due to general fund	-	-	16,111	16,111
	<u>947,932</u>	<u>-</u>	<u>16,111</u>	<u>964,043</u>
Total liabilities	947,932	-	16,111	964,043
Fund Balances:				
Nonspendable for investment, prepaid expenditures, and deposits	1,116,721	-	-	1,116,721
Unassigned (deficit)	(244,371)	-	-	(244,371)
	<u>872,350</u>	<u>-</u>	<u>-</u>	<u>872,350</u>
Total fund balances	872,350	-	-	872,350
Total liabilities and fund balances	\$ <u>1,820,282</u>	\$ <u>-</u>	\$ <u>16,111</u>	\$ <u>1,836,393</u>

The accompanying notes to financial statements are an integral part of these statements.

**Archimedean Academy
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 June 30, 2016**

**Amounts Reported for Governmental Activities in the
 Statement of Net Position are Different Because:**

Total fund balances - governmental funds \$ 872,350

The cost of capital assets acquired is reported as an expenditure in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, among the assets of the School as a whole.

Cost of capital assets	\$ 1,583,338	
Accumulated depreciation	<u>(839,330)</u>	744,008

Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the governmental-wide statements.

Notes payable	(765,043)	
Accrued interest payable	<u>(264)</u>	<u>(765,307)</u>

Net Position of Governmental Activities \$ 851,051

The accompanying notes to financial statements are an integral part of these statements.

**Archimedean Academy
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
Revenues:				
Federal through state	\$ -	\$ 268,887	\$ -	\$ 268,887
State sources	4,214,675	-	194,434	4,409,109
Local sources	1,308,795	-	-	1,308,795
	<u>5,523,470</u>	<u>268,887</u>	<u>194,434</u>	<u>5,986,791</u>
Expenditures:				
Current:				
Regular instruction	2,726,472	-	-	2,726,472
Instructional services:				
Pupil personnel services	66,250	-	-	66,250
Instructional and curriculum services	143	-	-	143
Instructional staff training services	1,490	-	-	1,490
Instructional-related technology	9,344	-	-	9,344
Administrative services	125,518	-	-	125,518
Operation of plant	878,278	-	85,962	964,240
Maintenance of plant	87,680	-	-	87,680
Operation of noninstructional services:				
General administration	223,094	-	-	223,094
Board services	12,470	-	-	12,470
Fiscal services	69,654	-	-	69,654
Central services	60,143	-	-	60,143
Community services	702,493	-	-	702,493
Food services	149,887	268,887	-	418,774
Capital outlay:				
Equipment and improvements	-	-	108,472	108,472
Debt service:				
Principal	400,796	-	-	400,796
Interest	39,316	-	-	39,316
	<u>5,553,028</u>	<u>268,887</u>	<u>194,434</u>	<u>6,016,349</u>
Change in fund balances before other sources	(29,558)	-	-	(29,558)
Other Financing Sources:				
Proceeds from debt	550,000	-	-	550,000
	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>550,000</u>
Net change in fund balances	520,442	-	-	520,442
Fund Balances, July 1, 2015	<u>351,908</u>	<u>-</u>	<u>-</u>	<u>351,908</u>
Fund Balances, June 30, 2016	<u>\$ 872,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 872,350</u>

The accompanying notes to financial statements are an integral part of these statements.

**Archimedean Academy
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016**

**Amounts Reported for Governmental Activities in the
Statement of Activities are Difference Because:**

Change in fund balances, governmental funds \$ 520,442

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 108,472	
Provision for depreciation	<u>(200,861)</u>	(92,389)

Issuance of debt is reported as revenue in the governmental funds, but the issuance is reported as a long-term liability in the statement of net position.

Issuance of debt (550,000)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Repayment of debt principal, including \$ 189,244 of forgiven debt		400,796
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Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in accrued interest payable		<u>1,270</u>
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Change in Net Position of Governmental Activities		\$ <u><u>280,119</u></u>
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The accompanying notes to financial statements are an integral part of these statements.

Note 1 - Organization and Operations

Archimedean Academy (the "School") a department of Archimedean Academy, Inc. and a component unit of the School Board of Miami-Dade County, Florida, is established as a charter school for children from kindergarten through fifth grade. As of June 30, 2016, approximately 600 students were enrolled in the School. The School is funded primarily through the School Board of Miami-Dade County, Florida.

In April 2005, Archimedean Academy, Inc. was granted an additional charter from the School Board of Miami-Dade County, Florida to operate a public middle school within the school district. This school, Archimedean Middle Conservatory (the "Middle"), has separate financial statements and is not part of the School's basic financial statements.

In March 2008, Archimedean Academy, Inc. was granted an additional charter from the School Board of Miami-Dade County, Florida to operate a public high school within the school district. This school, Archimedean Upper Conservatory (the "Upper"), has separate financial statements and is not part of the School's basic financial statements.

The financial statements of the School present only the balances, activity, and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of Archimedean Academy, Inc. as of June 30, 2016 and its change in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring School Board, the School Board of Miami-Dade County, Florida. The current charter is effective until June 30, 2023, and may be renewed for an additional fifteen years by mutual written agreement between the School and the Sponsor. At the end of the term of the charter, the Board may choose not to renew the charter under grounds specified in the charter, in which case the Board is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the Board may also terminate the charter if good cause is shown. Archimedean Academy is considered a component unit of the School Board of Miami-Dade County, Florida.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable, which would require inclusion in the School's basic financial statements.

Basis of presentation: Based on the guidance presented in the American Institute of Certified Public Accountants Audit and Accounting Guide – Not-for-Profit Organizations and provisions of Section 228.056(9), Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

Note 2 - Summary of Significant Accounting Policies (continued)

Government-wide basic financial statements: The School's basic financial statements include both government-wide (reporting the School as a whole) and fund basic financial statements (reporting the School's individual funds). Both the government-wide and fund basic financial statements categorize primary activities as either governmental or business-type. All of the School's activities are classified as governmental activities.

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full accrual economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations.

Fund financial statements: The accounts of the School are organized on the basis of funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The School reports the following major funds:

General Fund – This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.

Special Revenue Fund – This fund is used to account for federal grants that are legally restricted to expenditures for particular purposes.

Capital Project Fund – This fund is used to account for state capital outlay funding that is legally restricted to expenditures for particular purposes.

Measurement focus and basis of accounting: Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the governmental-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide basic financial statements is presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund basic financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Cash and cash equivalents: Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

Note 2 - Summary of Significant Accounting Policies (continued)

Due from other governments: Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Due to/from other funds: Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Allowance for doubtful accounts: Management of the School reviews and provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. At June 30, 2016, management's estimate is based on historical collection experience and a review of the current status of accounts receivable. At June 30, 2016, management considered the accounts receivable balance to be fully collectible within the current accounting period and no allowance for doubtful accounts was considered necessary.

Prepaid expenses/expenditures: Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets: Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost of \$ 500 and useful life of over one year. Donated property and equipment assets are valued at the estimated fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related fixed assets. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the estimated useful lives as follows:

Improvements	10 years
Furniture, equipment, and textbooks	5 - 10 years
Computer equipment	5 years
Audiovisual materials	5 years

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

Unearned revenue: Unearned revenue arises when the School receives resources before it has a legal claim to them.

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted – consists of net position with constraints placed on their use either by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - indicates that portion of net position that can be used for future operations.

Fund balance: The School has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance classifications to report on the nature and extent to which the School is bound to have constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

- Nonspendable – amounts that are not in spendable form (such as prepaid items and deposits) or are legally or contractually required to be maintained intact.
- Restricted – amounts constrained to specific purposes by external providers (such as grantors) or imposed by law through constitutional provisions, or by enabling legislation.
- Committed – amounts constrained to specific purposes by formal action of the School itself, using its highest level of decision making authority (i.e., the School Board) through Resolution. To be reported as committed, amounts cannot be used for any other purpose unless the School Board takes the same highest level action (i.e., Resolution) to remove or change the constraint.
- Assigned – amounts the School intends to use for a specific purpose but are neither restricted nor committed. Assignments can be made by the Executive Committee or by an official or body which the School Board delegated the authority at their direction.
- Unassigned – amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund.

Note 2 - Summary of Significant Accounting Policies (continued)

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the School Board or its delegated official or body has provided otherwise in its commitment or assignment actions.

Revenue sources: Revenues for operations are received primarily from the Miami-Dade County District School Board pursuant to the funding provisions included in the School's charter. Funding for the School's student population is adjusted during the year to reflect the revised calculations by the Florida Department of Education under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of school facilities.

Donated goods and services: The School receives donated teaching services from the Greek government, as well as donated goods, which are Greek textbooks. These donated services are recorded as contributions and a corresponding expense account at their estimated fair value, while the donated goods are recorded as contributions and their estimated fair value is capitalized. For the year ended June 30, 2016, the School received \$ 135,946 in donated teachers' salaries. In addition the School also recorded an in-kind contribution on the government wide financial statements in the form of forgiven debt in the amount of \$ 189,244 (Note 8).

Income taxes: The School is a department of a nonprofit corporation whose revenue is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these basic financial statements.

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

Date of management review: Subsequent events are evaluated by management through August 30, 2016, which is the date the financial statements were available for issuance.

Note 3 - Deposits

At June 30, 2016, the carrying amount of the School's deposits and cash on hand totaled \$ 518,351 with a bank balance of \$ 561,761.

State statutes require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds.

Note 3 – Deposits (continued)

The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School’s deposits are held in a qualified public depository. They are covered by the collateral pool, as the School has identified itself as a public entity at June 30, 2016.

Note 4 - Due From Other Governments

Due from other governments is comprised of amounts due from the Miami-Dade School Board and other as follows:

School recognition award	\$	54,764
Capital outlay		16,111
USAC E-Rate		<u>5,272</u>
	\$	<u><u>76,147</u></u>

Note 5 – Investment

During 2016, the School acquired an additional 9% equity interest in addition to the 8% previously purchased for \$ 550,000 (Notes 7, 8 and 10). The School previously purchased an interest in Archimedean Properties, LLC which is the entity that owns the property the School’s primary campus occupies and leases. The investment is accounted for using the cost method. The School believes this investment will assist with further expansion of the School. At June 30, 2016, the school has an approximate 17% equity interest with a cost basis of the investment of \$ 1,000,000.

Note 6 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2016 are as follows:

	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2016</u>
Capital assets, being depreciated:				
Improvements	\$ 1,110,872	\$ 6,073	\$ (61,084)	\$ 1,055,861
Furniture, equipment and textbooks	261,375	96,703	(14,417)	343,661
Computer equipment	178,172	5,696	(8,525)	175,343
Audiovisual materials	<u>8,473</u>	<u>-</u>	<u>-</u>	<u>8,473</u>
Total capital assets, being depreciated	<u>1,558,892</u>	<u>108,472</u>	<u>(84,026)</u>	<u>1,583,338</u>

Archimedean Academy
Notes to Basic Financial Statements
June 30, 2016

Note 6 - Capital Assets (continued)

	Balance at July 1, 2015	Additions	Retirements	Balance at June 30, 2016
Accumulated depreciation:				
Improvements	(504,570)	(101,052)	61,084	(544,538)
Furniture, equipment and textbooks	(127,768)	(50,351)	14,417	(163,702)
Computer equipment	(84,048)	(47,764)	8,525	(123,287)
Audiovisual materials	<u>(6,109)</u>	<u>(1,694)</u>	<u>-</u>	<u>(7,803)</u>
Total accumulated depreciation	<u>(722,495)</u>	<u>(200,861)</u>	<u>84,026</u>	<u>(839,330)</u>
Net capital assets	\$ <u>836,397</u>	\$ <u>(92,389)</u>	\$ <u>-</u>	\$ <u>744,008</u>

Provision for depreciation was charged to governmental activities as follows:

Instructional support services - maintenance of plant	\$ 101,052
Instruction - regular	69,107
Operation of noninstructional services - general administration	15,351
Instructional support services - administrative services	<u>15,351</u>
Total	<u>\$ 200,861</u>

Note 7 – Related Parties

As mentioned in Note 1 to the financial statements, the School is a department of Archimedean Academy, Inc. (the "Corporation") and is affiliated with the Middle and the Upper, other departments of the Corporation. The three schools share various costs inherent with operating out of the same facility. In addition, the schools may also advance monies on an interim basis to one another. As a result of these transactions, there remains a net payable to the Middle of \$ 349,360 and a net payable to the Upper of \$ 193,384 as of June 30, 2016. This amount is shown as due to other schools in the amount of \$ 542,744 in the accompanying financial statements.

The Academy holds an equity interest in Archimedean Properties, LLC., the School's landlord. During the year ended June 30 2016, the School increased its interest from 8% to 17% in Archimedean Properties, LLC (Note 5).

Note 8 – Notes Payable

In 2016, the School entered into an agreement to borrow money with Regions Bank in the amount of \$ 550,000. The note requires monthly principal and interest payments of \$ 7,493 through July, 2020 where all principal and accrued interest is due. Interest on the note accrues at 3.9% annually. The note matures on July 17, 2020. At June 30, 2016, the balance outstanding was \$ 486,563. In addition, this agreement includes certain financial covenants, which have been met at June 30, 2016.

Archimedean Academy
Notes to Basic Financial Statements
June 30, 2016

Note 8 – Notes Payable (continued)

In 2014, the School entered into an agreement to borrow money with Regions Bank in the amount of \$ 282,000. The note requires monthly principal and interest payments of \$ 5,264 through May, 2019 at which time all principal and accrued interest is due. Interest on the note accrues at 4.55% annually. The note is unsecured and matures on May 30, 2019. At June 30, 2016, the balance outstanding was \$ 172,741. In addition, this agreement includes certain financial covenants, which have been met at June 30, 2016.

In 2011, an agreement was entered into on the balance owed for past management services to the former management company. Under the terms of the agreement, the School would finance the amount payable through a note. Monthly principal and interest payments of \$ 8,277 are due through July, 2017. Interest on the note accrues at 3.00% annually. The note is unsecured and matures on July 1, 2017. At June 30, 2016, the balance outstanding was \$ 105,739.

In 2011, the School agreed to pay for certain past services through a note to Archimedean Properties, LLC (Notes 5 and 7). The note is due in monthly payments of \$ 4,118, including interest at 1.10%, through June 1, 2019. This note is unsecured. The note was forgiven during the current fiscal year.

The activity for notes payable for the year ended June 30, 2016 is as follows:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Amount Due Within One Year
Regions Bank Commercial Loan	\$ -	\$ 550,000	\$ (63,437)	\$ 486,563	\$ 72,230
Regions Bank	226,251	-	(53,510)	172,741	56,496
Academica Corporation	200,344	-	(94,605)	105,739	97,483
Archimedean Properties LLC (Note 7)	<u>189,244</u>	<u>-</u>	<u>(189,244)</u>	<u>-</u>	<u>-</u>
	<u>\$ 615,839</u>	<u>\$ 550,000</u>	<u>\$ (400,796)</u>	<u>\$ 765,043</u>	<u>\$ 226,209</u>

Approximate future payments on the debt are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 226,000	\$ 26,000	\$ 252,000
2018	143,000	19,000	162,000
2019	135,000	13,000	148,000
2020	81,000	9,000	90,000
2021	180,000	1,000	181,000
Thereafter	NONE	NONE	NONE
Total	<u>\$ 765,000</u>	<u>\$ 68,000</u>	<u>\$ 833,000</u>

Note 9 - Contingencies

Grants and awards: The School received financial assistance from federal and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the Florida Single Audit Act, the School is not required to conduct “single audits” since the required threshold for federal awards and state financial assistance is currently \$ 750,000 and \$ 500,000, respectively and the School did not exceed either threshold.

Donated goods and services: The School receives a significant in-kind contribution in the form of teachers and textbooks from the Greek government. These contributions are relied upon by the School to help maintain their operational effectiveness. A reduction in donated goods and services could have a significant impact on the operations of the School.

Post-retirement benefits: The School does not provide post-retirement benefits to retired employees.

Note 10 - Leases

The School leases its campus from Archimedean Properties, LLC, a related party, (Notes 5, 7 and 8) which is to expire in June 2035. The School shares its facilities with the Middle and Upper and lease payments are allocated 50% to the School, 25% to the Middle, and 25% to the Upper (Notes 1 and 6). Monthly lease payments for the School are approximately \$ 23,400 and increase to approximately \$ 44,760 beginning July 2016 through the expiration of the lease. The School is also responsible to pay the owners’ taxes and insurance costs.

In addition, the School also leases an additional space for their Kindergarten classes. Monthly lease payments are \$ 7,875 through June 30, 2016 and \$ 7,500 through June 2020.

Total rent expense for the year ended June 30, 2016 was approximately \$ 382,000. Future minimum payments required under the operating leases are approximately as follows:

<u>Year Ending June 30,</u>	<u>School Premises Leases</u>
2017	\$ 627,100
2018	\$ 627,100
2019	\$ 627,100
2020	\$ 627,100
2021	\$ 537,100
2022-2026	\$ 2,685,700
2027-2031	\$ 2,685,700
2032-2035	\$ 1,979,800

Note 11 - Risk Financing

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School places all insurance risk, less nominal deductibles, in the hands of commercial carriers. At the present time, management believes that any claims the School may have are insured and that any expense associated with them will not materially affect the financial position of the School.

REQUIRED SUPPLEMENTARY
INFORMATION

**Archimedean Academy
Statement of Revenues and Expenditures -
Budget and Actual - General Fund
For the Year Ended June 30, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State sources	\$ 4,339,254	\$ 4,214,675	\$ (124,579)
Local sources	<u>1,219,431</u>	<u>1,308,795</u>	<u>89,364</u>
Total revenues	<u>5,558,685</u>	<u>5,523,470</u>	<u>(35,215)</u>
Expenditures:			
Current:			
Regular instruction	2,699,264	2,726,472	(27,208)
Instructional services:			
Pupil personnel services	47,938	66,250	(18,312)
Instruction and curriculum services	7,998	143	7,855
Instructional staff training services	1,705	1,490	215
Instructional-related technology	10,982	9,344	1,638
Administrative services	175,203	125,518	49,685
Operation of plant	730,081	878,278	(148,197)
Maintenance of plant	160,064	87,680	72,384
Operation of noninstructional services:			
General administration	179,462	223,094	(43,632)
Board services	23,334	12,470	10,864
Fiscal services	67,070	69,654	(2,584)
Central services	51,948	60,143	(8,195)
Community services	728,762	702,493	26,269
Food services	228,984	149,887	79,097
Debt service:			
Principal	-	400,796	(400,796)
Interest	<u>11,418</u>	<u>39,316</u>	<u>(27,898)</u>
Total expenditures	<u>5,124,213</u>	<u>5,553,028</u>	<u>(428,815)</u>
Net change in fund balance	<u>\$ 434,472</u>	<u>\$ (29,558)</u>	<u>\$ (464,030)</u>

**Archimedean Academy
Statement of Revenues and Expenditures -
Budget and Actual - Special Revenue Fund
For the Year Ended June 30, 2015**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources:			
National School Lunch Program	\$ <u>203,061</u>	\$ <u>268,887</u>	\$ <u>65,826</u>
Total revenues	<u>203,061</u>	<u>268,887</u>	<u>65,826</u>
Expenditures:			
Food services	<u>203,061</u>	<u>268,887</u>	<u>(65,826)</u>
Total expenditures	<u>203,061</u>	<u>268,887</u>	<u>(65,826)</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

**OTHER INDEPENDENT
AUDITOR'S REPORTS**

INDEPENDENT AUDITOR'S 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
Archimedean Academy
A Department of Archimedean Academy, Inc.
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Archimedean Academy (the "School"), a department of Archimedean Academy, Inc. and a component unit of the School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 30, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
August 30, 2016

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors
Archimedean Academy
A Department of Archimedean Academy, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Archimedean Academy (the "School"), a department of Archimedean Academy, Inc. and a component unit of the School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2016, and have issued our report thereon dated August 30, 2016.

Auditor's Responsibility

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; and Chapter 10.850, Rules of the Auditor General.

Other Report

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated August 30, 2016, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Archimedean Academy.

Financial Condition

Section 10.854(1)(e)2., Rules of the Auditor General, require that we report the results of our determination 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 School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, require that we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

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.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
August 30, 2016