

# Archimedean Upper Conservatory

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, 2020

Keefe  
McCullough  
CPA's + Trusted Advisors

# Archimedean Upper Conservatory

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Archimedean Upper Conservatory,  
A Department of Archimedean Academy, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Archimedean Upper Conservatory (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, 2020, 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, 2020, 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, 2020, and its changes in financial position or budgetary comparisons, where applicable, for the year ended June 30, 2020, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## 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 on pages 3 through 7 and 22 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 September 16, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's 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  
September 16, 2020

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**Keefe  
McCullough**  
CPA's + Trusted Advisors

As management of Archimedean Upper Conservatory (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, 2020 with certain comparative information for 2019.

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, 2020, the School had a net position of \$ 965,880.
- As of June 30, 2020, the School's fund balances were \$ 1,360,033.

### **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 position. 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 assets 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 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 fund basic 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 and Capital Project Fund are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and can be found on page 22 of this report.

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 21 of this report.

### **Government-Wide Financial Analysis**

The School has been in operation since 2008; therefore, comparative government-wide data is presented. The School's net position was \$ 965,880 at June 30, 2020. Of this amount, \$ 914,967 represented unrestricted net position and \$ 50,913 represented the net investment in capital assets.

**Archimedean Upper Conservatory  
Management's Discussion and Analysis  
June 30, 2020**

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

Archimedean Upper Conservatory Net Position		
	<u>2020</u>	<u>2019</u>
<b>Assets:</b>		
Current assets	\$ 1,506,259	\$ 989,967
Capital assets, net of depreciation	<u>50,913</u>	<u>76,679</u>
Total assets	<u>1,557,172</u>	<u>1,066,646</u>
<b>Liabilities:</b>		
Liabilities, excluding long-term liabilities	146,226	139,779
Long-term liabilities	<u>445,066</u>	<u>-</u>
Total liabilities	<u>591,292</u>	<u>139,779</u>
<b>Net Position:</b>		
Net investment in capital assets	50,913	76,679
Unrestricted	<u>914,967</u>	<u>850,188</u>
Total net position	<u>\$ 965,880</u>	<u>\$ 926,867</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, 2020 and 2019:

Archimedean Upper Conservatory Changes in Net Position		
	<u>2020</u>	<u>2019</u>
<b>Revenues:</b>		
Grants and entitlements	\$ 2,562,186	\$ 2,467,450
Program revenues	153,681	154,266
Other revenues	<u>236,475</u>	<u>282,049</u>
Total revenues	<u>2,952,342</u>	<u>2,903,765</u>
<b>Functions/Program Expenses:</b>		
Instruction	1,586,237	1,332,994
Instructional support services	1,068,910	1,127,414
Operation of noninstructional services	<u>258,182</u>	<u>314,746</u>
Total expenses	<u>2,913,329</u>	<u>2,775,154</u>
Change in net position	<u>\$ 39,013</u>	<u>\$ 128,611</u>



**Governmental Fund 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>2020</u>		<u>2019</u>	
	<u>Expenditures</u>	<u>Percent</u>	<u>Expenditures</u>	<u>Percent</u>
Governmental expenditures:				
Regular instruction	\$ 1,571,744	54.4%	\$ 1,311,065	47.7%
Instructional services	322,277	11.2%	257,280	9.3%
Administrative services	339,580	11.8%	337,242	12.2%
Plant operations and maintenance	530,841	18.4%	630,328	22.9%
All other functions/programs	123,121	4.3%	218,254	7.9%
Total governmental expenditures	\$ 2,887,563	100.0%	\$ 2,754,169	100.0%

**General Fund Budgetary Highlights**

Actual revenues were approximately 9.0% higher than budgeted amounts for the General Fund. Total expenditures were approximately 3.0% higher than budgeted amounts principally due to higher expenditures for instruction as well as operation of plant.

**Capital Assets and Debt Administration**

**Capital assets:** At June 30, 2020, the School had capital assets of \$ 50,913, net of accumulated depreciation, invested in furniture, equipment and textbooks, computer equipment and leasehold improvements, as compared to \$ 76,679 at June 30, 2019.

**Debt:** At June 30, 2020, the School had outstanding debt of \$ 445,066 and none at June 30, 2019.

**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 2020-2021 include:

- Total funding for capital outlay is expected to increase by approximately 7% in the next year, in addition to increases in regular FFEP revenues by approximately 5%.
- Student counts remain consistent, the overall effect will be a moderate increase in revenues.
- Expenses are expected to be reduced by 4%.
- The School executed a promissory note for \$ 903,878 under the Paycheck Protection Program (“PPP”) authorized by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The School expects most, if not all of this loan, to be forgiven under the loan terms thereby adding to the financial position of the School next fiscal year.

**Requests for Information**

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

# BASIC FINANCIAL STATEMENTS

**Keefe  
McCullough**  
CPA's + Trusted Advisors

**Archimedean Upper Conservatory**  
**Statement of Net Position**  
**June 30, 2020**

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	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 78,852
Due from other governments	433,099
Due from other schools	982,834
Accounts receivable	9,738
Prepays	195
Deposits	<u>1,541</u>
Total current assets	1,506,259
<b>Noncurrent Assets:</b>	
Capital assets, net of accumulated depreciation	<u>50,913</u>
Total assets	<u>1,557,172</u>
<b>Current Liabilities:</b>	
Accounts payable	1,836
Accrued expenses	<u>144,390</u>
Total current liabilities	<u>146,226</u>
<b>Noncurrent Liabilities:</b>	
Notes payable - due in more than one year	<u>445,066</u>
Total noncurrent liabilities	<u>445,066</u>
Total liabilities	<u>591,292</u>
<b>Net Position:</b>	
Net investment in capital assets	50,913
Unrestricted	<u>914,967</u>
Total net position	<u>\$ 965,880</u>

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

**Archimedean Upper Conservatory**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	<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>Net Revenue (Expense) and Change in Net Position</u>
<b>Functions/Programs:</b>					
Instruction:					
Regular instruction	\$ 1,586,237	\$ -	\$ -	\$ -	\$ (1,586,237)
Instructional support services:					
Pupil personnel services	68,800	-	-	-	(68,800)
Instructional and curriculum services	248,274	-	-	-	(248,274)
Instructional staff training services	3,180	-	-	-	(3,180)
Instructional-related technology	2,023	-	-	-	(2,023)
School administration	206,570	-	-	-	(206,570)
Operation of plant	487,728	-	-	153,681	(334,047)
Maintenance of plant	52,335	-	-	-	(52,335)
Operation of non-instructional services:					
General administration	142,232	-	-	-	(142,232)
Board services	18,554	-	-	-	(18,554)
Fiscal services	40,933	-	-	-	(40,933)
Central services	27,837	-	-	-	(27,837)
Community services	28,626	-	-	-	(28,626)
 Total governmental activities	 \$ <u>2,913,329</u>	 \$ <u>-</u>	 \$ <u>-</u>	 \$ <u>153,681</u>	 <u>(2,759,648)</u>
 General revenues:					
Grants and entitlements					2,562,186
Contributions and other					<u>236,475</u>
 Total general revenues					<u>2,798,661</u>
 Change in net position					39,013
 Net position, July 1, 2019					<u>926,867</u>
 Net position, June 30, 2020					\$ <u>965,880</u>

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

**Archimedean Upper Conservatory  
Balance Sheet - Governmental Funds  
June 30, 2020**

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 78,852	\$ -	\$ 78,852
Due from other governments	422,286	10,813	433,099
Due from other schools	982,834	-	982,834
Due from capital project fund	10,813	-	10,813
Accounts receivable	9,738	-	9,738
Prepays	195	-	195
Deposits	1,541	-	1,541
	<u>1,506,259</u>	<u>10,813</u>	<u>1,517,072</u>
Total assets	\$ <u>1,506,259</u>	\$ <u>10,813</u>	\$ <u>1,517,072</u>
<b>Liabilities:</b>			
Accounts payable	\$ 1,836	\$ -	\$ 1,836
Accrued expenses	144,390	-	144,390
Due to general fund	-	10,813	10,813
	<u>146,226</u>	<u>10,813</u>	<u>157,039</u>
Total liabilities	<u>146,226</u>	<u>10,813</u>	<u>157,039</u>
<b>Fund Balances:</b>			
Nonspendable for prepaids and deposits	1,736	-	1,736
Unassigned	1,358,297	-	1,358,297
	<u>1,360,033</u>	<u>-</u>	<u>1,360,033</u>
Total fund balances	<u>1,360,033</u>	<u>-</u>	<u>1,360,033</u>
Total liabilities and fund balances	\$ <u>1,506,259</u>	\$ <u>10,813</u>	\$ <u>1,517,072</u>

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

**Archimedean Upper Conservatory  
 Reconciliation of the Balance Sheet - Governmental Funds  
 to the Statement of Net Position  
 June 30, 2020**

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**Amounts Reported for Governmental Activities in the  
 Statement of Net Position are Different Because:** \$ 1,360,033

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

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	\$	415,202	
Less accumulated depreciation		<u>(364,289)</u>	50,913

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			<u>(445,066)</u>
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<b>Net Position of Governmental Activities</b>			<b>\$ <u>965,880</u></b>
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The accompanying notes to basic financial statements are an integral part of these statements.

**Archimedean Upper Conservatory  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<b>Revenues:</b>			
State sources	\$ 2,562,186	\$ 153,681	\$ 2,715,867
Local sources	236,475	-	236,475
	<u>2,798,661</u>	<u>153,681</u>	<u>2,952,342</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular instruction			
Instructional services:	1,571,744	-	1,571,744
Pupil services	68,800	-	68,800
Instruction and curriculum services	248,274	-	248,274
Instruction staff training services	3,180	-	3,180
Instructional-related technology	2,023	-	2,023
School administration	201,959	-	201,959
Operation of plant	341,218	146,510	487,728
Maintenance of plant	43,113	-	43,113
Operation of noninstructional services:			
General administration	137,621	-	137,621
Board services	18,554	-	18,554
Fiscal services	40,933	-	40,933
Central services	27,837	-	27,837
Community services	28,626	-	28,626
Capital outlay:			
Equipment and improvements	-	7,171	7,171
	<u>2,733,882</u>	<u>153,681</u>	<u>2,887,563</u>
Excess (deficiency) of revenues over expenditures	64,779	-	64,779
<b>Other Financing Sources:</b>			
Proceeds from note payable	445,066	-	445,066
	<u>509,845</u>	<u>-</u>	<u>509,845</u>
Net change in fund balances	509,845	-	509,845
<b>Fund Balances, July 1, 2019</b>	<u>850,188</u>	<u>-</u>	<u>850,188</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ 1,360,033</u>	<u>\$ -</u>	<u>\$ 1,360,033</u>

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



**Archimedean Upper Conservatory  
 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, 2020**

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

Change in fund balances, governmental funds		\$	509,845
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.</p>			
Expenditures for capital assets	\$	7,171	
Provision for depreciation		<u>(32,937)</u>	(25,766)
<p>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.</p>			
Issuance of debt			<u>(445,066)</u>
<b>Change in Net Position of Governmental Activities</b>		\$	<u><u>39,013</u></u>

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

### **Note 1 - Organization and Operations**

Archimedean Upper Conservatory (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 the ninth through twelfth grade. As of June 30, 2020, approximately 305 students were enrolled in the School. The School is funded primarily through the School Board of Miami-Dade County.

The School was established in March 2008 when the School Board of Miami-Dade County granted Archimedean Academy, Inc. a charter to operate a public high school. The accompanying basic financial statements present the financial position of the School only. The School Board may terminate the charter before its expiration date based on various circumstances as defined in the charter agreement.

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, 2020 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 "Sponsor" or "Board"). The current charter is effective until June 30, 2033 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 Upper Conservatory 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.

**Government-wide financial statements:** Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

## Note 2 - Summary of Significant Accounting Policies (continued)

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

**Fund financial statements:** Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School reports the following major governmental funds:

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

**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 used 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 or agencies:** 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.

**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 basic 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 a 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 capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all capital assets is provided on a straight-line basis over the estimated useful lives as follows:

Furniture, equipment, and textbooks	5 - 10 years
Leasehold improvements	10 years
Computer equipment	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 therefore 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 therefore 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.

**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.

**Note 2 - Summary of Significant Accounting Policies (continued)**

- 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.

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 estimated fair value is capitalized. For the year ended June 30, 2020, the School received \$ 202,085 in donated teachers' salaries.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**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 September 16, 2020, which is the date the financial statements were available for issuance.

**Note 3 - Deposits**

At June 30, 2020, the carrying amount of the School’s deposits and cash on hand totaled \$ 78,852 with a bank balance of \$ 81,609.

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. 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, 2020.

**Note 4 - Due from Other Governments**

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

Advanced placement	\$	289,500
FTE receivable		53,390
School recognition award		32,000
Safety and security grant		20,676
Capital outlay		10,813
Title IV		9,025
Teacher lead stipend		7,529
Other receivables		7,524
USAC E-Rate		2,642
		<hr/>
	\$	<u>433,099</u>

**Archimedean Upper Conservatory**  
**Notes to Basic Financial Statements**  
**June 30, 2020**

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**Note 5 - Capital Assets**

Capital asset balances and activity for the year ended June 30, 2020 are as follows:

	Balance at July 1, 2019	Additions	Retirements	Balance at June 30, 2020
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital assets, being depreciated:				
Furniture, equipment and textbooks	\$ 149,712	\$ -	\$ -	\$ 149,712
Leasehold improvements	167,912	-	-	167,912
Computer equipment	<u>90,407</u>	<u>7,171</u>	<u>-</u>	<u>97,578</u>
 Total capital assets, being depreciated	 <u>408,031</u>	 <u>7,171</u>	 <u>-</u>	 <u>415,202</u>
Accumulated depreciation:				
Furniture, equipment and textbooks	114,786	15,641	-	130,427
Leasehold improvements	142,824	12,013	-	154,837
Computer equipment	<u>73,742</u>	<u>5,283</u>	<u>-</u>	<u>79,025</u>
 Total accumulated depreciation	 <u>331,352</u>	 <u>32,937</u>	 <u>-</u>	 <u>364,289</u>
 Net capital assets	 <u>\$ 76,679</u>	 <u>\$ (25,766)</u>	 <u>\$ -</u>	 <u>\$ 50,913</u>

Provision for depreciation was charged to governmental activities as follows:

Instruction - regular	\$ 14,493
Instructional support services - plant maintenance	9,222
Instructional support services - school administration	4,611
Operation of non-instructional services - general administration	<u>4,611</u>
	<u>\$ 32,937</u>

**Note 6 - 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 Archimedean Academy (the "Academy") and Archimedean Middle Conservatory (the "Middle"), other schools operating as 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 receivable from the Academy of \$ 612,071 and a net payable to the Middle of \$ 74,303 as of June 30, 2020. This amount is shown as due from other schools in the accompanying financial statements.

In addition, the Academy purchased a minority share of Archimedean Properties, LLC (Note 9) which owns the primary facility of the School. At June 30, 2020, the Academy owned approximately 17% of Archimedean Properties, LLC.

#### Note 7 - Notes Payable

On April 22, 2020, the School executed a promissory note for \$ 445,066 under the Paycheck Protection Program (“PPP”) authorized by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The loan bears interest rate at 1.00% per annum. Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs and if the School maintains certain employment levels during a specified period of time. If the Small Business Administration (“SBA”) confirms full forgiveness of the unpaid balance of the note, the School’s obligation under this arrangement will be deemed fully satisfied. The School remains obligated to repay to the lender any amount not forgiven, which will mature on the 2nd anniversary of the note. Principal and interest payments are deferred until the lender receives a forgiveness determination from SBA. If the School does not apply for forgiveness within 10 months after the last day of their covered period, as applicable, it would be required to make payments on the PPP loan beginning 10 months after the last day of such covered period. At such time, the bank will establish the amount of monthly payments due (principal and interest) based on the remaining time up until its maturity. As of June 30, 2020, the outstanding principal amount of the note payable was \$ 445,066.

#### Note 8 - 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 both federal awards and state financial assistance is currently \$ 750,000 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 9 - Lease

The School leases its campus from Archimedean Properties, LLC (Note 6) which will expire in June 2037. The School shares its facilities with the Academy and the Middle and lease payments are allocated 25% to the School, 50% to the Academy, and 25% to the Middle (Note 6). Monthly lease payments under the agreement are approximately \$ 23,500 through the expiration of the lease. The School is also responsible to pay the owners’ taxes and insurance costs.

Total rent expense paid by the School for the year ended June 30, 2020 was approximately \$ 282,000. Lease payments for part of the year were at lower amounts due to there being construction delays on the facility. Future minimum payments required under the revised lease is approximately as follows:



**Note 9 - Lease (continued)**

<u>Year Ending June 30,</u>	<u>School Premises Lease</u>
2021	\$ 282,000
2022	\$ 282,000
2023	\$ 282,000
2024	\$ 282,000
2025	\$ 282,000
2026-2030	\$ 1,410,000
2031-2035	\$ 1,410,000
2036-2037	\$ 564,000

**Note 10 - 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.

**Note 11 - Risks and Uncertainties**

In March 2020, the *World Health Organization* declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, the local and global financial markets are experiencing significant declines and creating economic uncertainties. At this time, it is unknown precisely how this negative outlook will impact the School's financial statements in the future. No adjustments have been made to the accompanying financial statements as a result of the current events.

# REQUIRED SUPPLEMENTARY INFORMATION

**Archimedean Upper Conservatory  
Statement of Revenues and Expenditures -  
Budget and Actual - General Fund  
For the Year Ended June 30, 2020**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>Revenues:</b>			
State sources	\$ 2,201,280	\$ 2,562,186	\$ 360,906
Local sources	338,674	236,475	(102,199)
	<u>2,539,954</u>	<u>2,798,661</u>	<u>258,707</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular instruction	1,530,845	1,571,744	(40,899)
Instructional services:			
Pupil personnel services	14,847	68,800	(53,953)
Instruction and curriculum services	221,524	248,274	(26,750)
Instructional staff training services	-	3,180	(3,180)
Instructional-related technology	516	2,023	(1,507)
School administration	267,094	201,959	65,135
Operation of plant	294,026	341,218	(47,192)
Maintenance of plant	65,816	43,113	22,703
Operation of noninstructional services:			
General administration	122,436	137,621	(15,185)
Board services	13,561	18,554	(4,993)
Fiscal services	34,395	40,933	(6,538)
Central services	33,725	27,837	5,888
Community services	24,724	28,626	(3,902)
	<u>2,623,509</u>	<u>2,733,882</u>	<u>(110,373)</u>
Excess (deficiency) of revenues over expenditures	(83,555)	64,779	148,334
<b>Other Financial Sources:</b>			
Proceeds from note payable	-	445,066	445,066
Net change in fund balance	<u>\$ (83,555)</u>	<u>\$ 509,845</u>	<u>\$ 593,400</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 Upper Conservatory  
A Department of Archimedean Academy, Inc.

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 Upper Conservatory (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, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 16, 2020.

### 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.

CPA's + Trusted Advisors

### **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  
September 16, 2020

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## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors  
Archimedean Upper Conservatory  
A Department of Archimedean Academy, Inc.

### Report on the Financial Statements

We have audited the financial statements of Archimedean Upper Conservatory (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, 2020, and have issued our report thereon dated September 16, 2020.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent 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*. Disclosures in that report, which is dated September 16, 2020, 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 and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Archimedean Upper Conservatory and 137265.

### Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, requires us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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, 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.

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

**Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School did not maintain their current fiscal year board minutes on its Web site as part of the information specified in Section 1002.33(9)(p), Florida Statutes.

**Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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  
September 16, 2020