

Archimedean Academy

A Department of Archimedean Academy, Inc.

Basic Financial Statements and
Additional Information
For the Year Ended June 30, 2024

Archimedean Academy

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Archimedean Academy
Miami, Florida

Report on the Audit of the Financial Statements

Opinions

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., as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Department Financials

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 are 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, 2024, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Correction of an Error

As discussed in Note 11 to the financial statements, the School corrected an error in previously issued financial statements related to the recording of revenue and receivables. Our opinion is not modified with respect to that matter.

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Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and budgetary comparison schedules for the General Fund and Special Revenue Fund on pages 24 and 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Fort Lauderdale, Florida
October 25, 2024

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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, 2024, with certain comparative information for 2023. Additionally, balances in this section have been restated for the comparability purposes for the year ended June 30, 2023 (Note 11).

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, 2024, the School's total assets exceeded its total liabilities resulting in a net position of \$ 2,118,460.
- At of June 30, 2024, the School's total revenues were \$ 9,755,779: \$ 5,624,973 from FTE revenues and tax referendum revenues of \$ 935,912. Program revenues totaled \$ 2,724,950 and \$ 469,944 from other contributions and other revenues. The School's expenses for the year were \$ 9,941,077. Net position for the year decreased by \$ 185,298.

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.

Overview of the Financial Statements (continued)

The government-wide basic financial statements can be found on pages 9 and 10 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 changes in fund balances. 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 schedule has been provided for the General Fund and Special Revenue Fund.

The governmental funds financial statements can be found on pages 11 through 14 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 15 through 24 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 decreased by \$ 185,298 during the year ended June 30, 2024.

Government-Wide Financial Analysis (continued)

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

	Archimedean Academy Net Position		
	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Current and Other Assets	\$ 2,706,843	\$ 2,930,376	\$ (223,533)
Capital Assets, net	<u>8,985,933</u>	<u>9,165,289</u>	<u>(179,356)</u>
Total assets	<u>11,692,776</u>	<u>12,095,665</u>	<u>(402,889)</u>
Current Liabilities:	844,313	1,028,853	(184,540)
Noncurrent Liabilities	<u>8,730,003</u>	<u>8,763,054</u>	<u>(33,051)</u>
Total liabilities	<u>9,574,316</u>	<u>9,791,907</u>	<u>(217,591)</u>
Net Position:			
Net investment in capital assets	(17,067)	569,962	(587,029)
Restrcted	644,539	425,000	219,539
Unrestricted	<u>1,490,988</u>	<u>1,308,796</u>	<u>182,192</u>
Total net position	<u>\$ 2,118,460</u>	<u>\$ 2,303,758</u>	<u>\$ (185,298)</u>

Current and other assets decreased due to an decrease in the School's cash, bookstore inventory and certain grant receivables but most of this was offset by amounts due back from the related schools on the location. Capital assets, net of depreciation, decreased due to current depreciation of \$ 387,600 being in excess of the additions of \$ 208,244 of computer equipment and construction in process. Current liabilities decreased mainly due to a paydown of a credit line in the current year. Noncurrent liabilities decreased due to scheduled payments on existing bonds but were offset by bond proceeds received during the year which are being drawn for faciality improvements in process.

Governmental activities: The School's overall net position decreased by \$ 185,298 from the prior fiscal year. The reasons for this overall decrease are discussed in the following section for governmental activities.

	Archimedean Academy Changes in Net Position		
	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Revenues:			
FTE nonspecific revenues	\$ 5,624,973	\$ 5,441,349	\$ 183,624
Tax referendum revenues	935,912	1,661,286	(725,374)
Program revenues	2,724,950	2,144,361	580,589
Contributions and other revenues	<u>469,944</u>	<u>879,133</u>	<u>(409,189)</u>
Total revenues	<u>9,755,779</u>	<u>10,126,129</u>	<u>(370,350)</u>

Government-Wide Financial Analysis (continued)

Archimedean Academy
Changes in Net Position (continued)

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Functions/Program Expenses/Other:			
Instruction:	\$ 4,609,116	\$ 4,731,190	\$ (122,074)
Regular instruction			
Instructional support services:			
Pupil personnel services	116,817	111,791	5,026
Instructional staff training services	-	3,371	(3,371)
Instructional-related technology	91,451	2,200	89,251
Administrative services	541,544	498,700	42,844
Operation of plant	837,650	840,037	(2,387)
Maintenance of plant	570,150	563,031	7,119
Operation of non-instructional services:			
General administration	251,798	275,040	(23,242)
Board services	39,283	60,427	(21,144)
Fiscal services	154,794	120,817	33,977
Central services	94,965	95,950	(985)
Community services	1,014,955	779,659	235,296
Extracurricular activities	250,158	213,151	37,007
Food services	801,060	503,570	297,490
Interest expense and fiscal charges	567,336	387,471	179,865
Total expenses	<u>9,941,077</u>	<u>9,186,405</u>	<u>754,672</u>
Change in net position	(185,298)	939,724	(1,125,022)
Net position, beginning	<u>2,303,758</u>	<u>1,364,034</u>	<u>939,724</u>
Net position, ending	<u>\$ 2,118,460</u>	<u>\$ 2,303,758</u>	<u>\$ (185,298)</u>

Total revenues, compared to the previous year, decreased primarily due to the prior year settlement received for tax referendum monies but were offset slightly for additional community and food services related to Pre-K and after care programs. Total expenses increased due to the added food costs and interest expense and fiscal charges that include bond costs that were the largest cause of the increase in this category.

Financial Analysis of Governmental Funds

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 1,490,988, while the total fund balance was \$ 2,135,527. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. Unassigned fund balance represents 15.9% of total General Fund expenditures, while total fund balance represents 22.7% of that same amount. The fund balance of the School's General Fund decreased by \$ 323,269 during the current fiscal year due to revenues relating to referendum funding and an increase in food services and costs of issuing debt.

Financial Analysis of Governmental Funds (continued)

The Special Revenue Fund had an increase of fund balance during the current fiscal year of \$ 251,141 due to the timing of certain grant funds not being received shortly after the previous year end and therefore not being unavailable and recognized last year.

The Capital Projects Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports state expense reimbursements grants that are fully utilized.

Capital Assets and Debt Administration

Capital assets: At June 30, 2024, the School had capital assets of \$ 8,985,933, net of accumulated depreciation, as compared to \$ 9,165,289 at June 30, 2023. Capital additions for the year included \$ 208,244 for computer equipment and construction in process. There were disposals of \$ 301,336, which was mostly obsolete equipment. Additional information on the School's capital assets can be found in Note 5 of this report.

Debt: At June 30, 2024, the School had outstanding debt of \$ 9,003,000 as compared to \$ 9,320,327 at June 30, 2023. The School entered into a new financing agreement during the year and obtained proceeds to pay for certain facility improvement planning and issuance costs but this was offset by existing bond scheduled debt payments and the payoff of a credit line during the year.

General Fund Budgetary Highlights

Actual revenues were higher than budgeted amounts for the General Fund but were offset by expenditures that were higher than expected. Attributing to this were higher food costs and unbudgeted debt service costs.

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 2024-2025 include:

- Total funding for capital outlay is expected to increase by approximately 8% in the next year, in addition to increases in regular FFEP revenues by approximately 2%.
- Student counts remain consistent, the overall effect will be a moderate increase in revenues.
- Student capacity will remain stable.

Requests for Information

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, 2024

	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 974,021
Due from other governments	131,668
Accounts receivable	7,235
Due from other schools	929,726
Bookstore inventory	19,654
	<hr/>
Total current assets	2,062,304
	<hr/>
Noncurrent Assets:	
Restricted cash	644,539
Capital assets:	
Nondepreciable	1,953,444
Depreciable, net	7,032,489
	<hr/>
Total noncurrent assets	9,630,472
	<hr/>
Total assets	11,692,776
	<hr/>
Current Liabilities:	
Accounts payable	159,128
Accrued expenses	412,188
Bonds payable - due in less than one year	272,997
	<hr/>
Total current liabilities	844,313
	<hr/>
Noncurrent Liabilities:	
Bonds payable - due in more than one year	8,730,003
	<hr/>
Total liabilities	9,574,316
	<hr/>
Net Position:	
Net investment in capital assets	(17,067)
Restricted	644,539
Unrestricted	1,490,988
	<hr/>
Total net position	\$ 2,118,460
	<hr/> <hr/>

See accompanying notes to financial statements.

**Archimedean Academy
Statement of Activities
For the Year Ended June 30, 2024**

	<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	\$ 4,609,116	\$ -	\$ 162,832	\$ -	\$ (4,446,284)
Instructional support services:					
Pupil personnel services	116,817	-	-	-	(116,817)
Instructional-related technology	91,451	-	-	-	(91,451)
Administrative services	541,544	-	-	-	(541,544)
Operation of plant	837,650	-	-	510,531	(327,119)
Maintenance of plant	570,150	-	-	-	(570,150)
Operation of non-instructional services:					
General administration	251,798	-	-	-	(251,798)
Board services	39,283	-	-	-	(39,283)
Fiscal services	154,794	-	-	-	(154,794)
Central services	94,965	-	-	-	(94,965)
Community services	1,014,955	1,278,846	-	-	263,891
Extracurricular activities	250,158	-	-	-	(250,158)
Food services	801,060	518,761	253,980	-	(28,319)
Interest expense and fiscal charges	567,336	-	-	-	(567,336)
Total governmental activities	\$ <u>9,941,077</u>	\$ <u>1,797,607</u>	\$ <u>416,812</u>	\$ <u>510,531</u>	<u>(7,216,127)</u>
General revenues:					
FTE nonspecific revenues					5,624,973
Tax referendum revenues					935,912
Contributions and other nonspecific revenues					<u>469,944</u>
Total general revenues					<u>7,030,829</u>
Change in net position					(185,298)
Net position, July 1, 2023					<u>2,303,758</u>
Net position, June 30, 2024					\$ <u><u>2,118,460</u></u>

See accompanying notes to financial statements.

Archimedean Academy
Balance Sheet - Governmental Funds
June 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 974,021	\$ -	\$ -	\$ 974,021
Due from other governments	-	104,487	27,181	131,668
Due from other funds	131,668	-	-	131,668
Accounts receivable	7,235	-	-	7,235
Due from other schools	929,726	-	-	929,726
Restricted cash	644,539	-	-	644,539
Bookstore inventory	19,654	-	-	19,654
	<u>2,706,843</u>	<u>104,487</u>	<u>27,181</u>	<u>2,838,511</u>
Total assets	\$ <u>2,706,843</u>	\$ <u>104,487</u>	\$ <u>27,181</u>	\$ <u>2,838,511</u>
Liabilities:				
Accounts payable	\$ 159,128	\$ -	\$ -	\$ 159,128
Accrued expenses	412,188	-	-	412,188
Due to other funds	-	104,487	27,181	131,668
	<u>571,316</u>	<u>104,487</u>	<u>27,181</u>	<u>702,984</u>
Total liabilities	<u>571,316</u>	<u>104,487</u>	<u>27,181</u>	<u>702,984</u>
Fund Balances:				
Restricted for debt service	644,539	-	-	644,539
Unassigned	1,490,988	-	-	1,490,988
	<u>2,135,527</u>	<u>-</u>	<u>-</u>	<u>2,135,527</u>
Total fund balances	<u>2,135,527</u>	<u>-</u>	<u>-</u>	<u>2,135,527</u>
Total liabilities and fund balances	\$ <u>2,706,843</u>	\$ <u>104,487</u>	\$ <u>27,181</u>	\$ <u>2,838,511</u>

See accompanying notes to financial statements.

Archimedean Academy
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds \$ 2,135,527

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 and amortization, among the assets of the School as a whole.

Cost of capital assets	\$	11,911,093	
Accumulated depreciation and amortization		<u>(2,925,160)</u>	8,985,933

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

Bonds payable			<u>(9,003,000)</u>
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Net Position of Governmental Activities \$ 2,118,460

See accompanying notes to financial statements.

**Archimedean Academy
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
Revenues:				
Federal through state	\$ -	\$ 638,038	\$ -	\$ 638,038
State sources	5,626,073	-	380,569	6,006,642
Local sources	<u>3,232,278</u>	<u>-</u>	<u>129,962</u>	<u>3,362,240</u>
Total revenues	<u>8,858,351</u>	<u>638,038</u>	<u>510,531</u>	<u>10,006,920</u>
Expenditures:				
Current:				
Regular instruction	4,411,753	132,917	-	4,544,670
Instructional services:				
Pupil personnel services	116,817	-	-	116,817
Instructional-related technology	91,451	-	-	91,451
Administrative services	526,381	-	-	526,381
Operation of plant	327,119	-	510,531	837,650
Maintenance of plant	277,323	-	-	277,323
Operation of noninstructional services:				
General administration	236,634	-	-	236,634
Board services	39,283	-	-	39,283
Fiscal services	154,794	-	-	154,794
Central services	94,965	-	-	94,965
Community services	1,014,955	-	-	1,014,955
Extracurricular activities	250,158	-	-	250,158
Food services	547,080	253,980	-	801,060
Capital outlay	208,244	-	-	208,244
Debt service:				
Principal	558,906	-	-	558,906
Interest and fiscal charges	<u>567,336</u>	<u>-</u>	<u>-</u>	<u>567,336</u>
Total expenditures	<u>9,423,199</u>	<u>386,897</u>	<u>510,531</u>	<u>10,320,627</u>
Excess (deficiency) of revenues over (under) expenditures	(564,848)	251,141	-	(313,707)
Other Financing Sources:				
Proceeds from bonds	<u>241,579</u>	<u>-</u>	<u>-</u>	<u>241,579</u>
Net change in fund balances	(323,269)	251,141	-	(72,128)
Fund Balances (Deficit), July 1, 2023, as restated (Note 11)	<u>2,458,796</u>	<u>(251,141)</u>	<u>-</u>	<u>2,207,655</u>
Fund Balances (Deficit), June 30, 2024	<u>\$ 2,135,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,135,527</u>

See accompanying notes to financial 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, 2024**

Net Change in Fund Balances of Governmental Funds		\$	(72,128)
<p>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.</p>			
Expenditures for capital assets	\$	208,244	
Less: current year depreciation		<u>(387,600)</u>	(179,356)
<p>Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available.</p>			
			(251,141)
<p>Issuance of debt is reported as an other source of financing in the governmental funds but the issuance is reported as a long-term liability in the statement of net position.</p>			
Issuance of debt			(241,579)
<p>Repayment of bond and other principal debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>			
Principal paid on note payable	\$	300,000	
Principal paid on bonds		<u>258,906</u>	<u>558,906</u>
Change in Net Position of Governmental Activities		\$	<u><u>(185,298)</u></u>

See accompanying notes to financial statements.

Note 1 - Organization and Operations

Archimedean Academy (the "School"), a department of Archimedean Academy, Inc. (the "Academy") 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, 2024, approximately 640 students were enrolled in the School. The School is funded primarily through the School Board of Miami-Dade County, Florida.

Archimedean Academy, Inc. was granted additional charters from the School Board of Miami-Dade County, Florida to operate a public middle school and high school within the school district. These schools, Archimedean Middle Conservatory (the "Middle") and Archimedean Upper Conservatory (the "Upper"), have 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 the Academy as of June 30, 2024, 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, 2027 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.

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: The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

When expenses are incurred for purposes for which both restricted and unrestricted net position balance is available, the School considers restricted funds to have been spent first.

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 Board) through Resolution. To be reported as committed, amounts cannot be used for any other purpose unless the 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 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 Board or its delegated official or body has provided otherwise in its commitment or assignment actions.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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.

Bookstore inventory: Bookstore inventory is stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method.

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 acquisition 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:

Buildings and improvements	10 - 40 years
Furniture, equipment, and textbooks	5 - 10 years
Computer, audit and visual equipment and software	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 assets that applies to a future period(s) and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The School had no items that qualify for reporting in this category.

Revenue sources: Revenues for operations are received primarily from the 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 facilities financing and operations.

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 October 25, 2024, which is the date the financial statements were available for issuance.

Note 3 - Deposits and Cash

Deposits: At June 30, 2024, the carrying amount of the School’s deposits and cash on hand totaled \$ 1,618,560 with a bank balance of \$ 1,618,560.

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, 2024. Total cash covered by the collateral pool not covered by FDIC is \$ 1,368,560.

Restricted cash: At June 30, 2024, the School maintains cash restricted for debt service in the amount of \$ 644,539 (Note 6).

Note 4 - Due from Other Governments

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

Elementary and secondary emergency assistance grants (ESSER)	\$ 104,487
Capital outlay	<u>27,181</u>
	<u>\$ 131,668</u>

Archimedean Academy
Notes to Basic Financial Statements
June 30, 2024

Note 5 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Additions	Retirements	Balance at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 1,793,186	\$ -	\$ -	\$ 1,793,186
Construction in progress	<u>19,990</u>	<u>140,268</u>	<u>-</u>	<u>160,258</u>
Total capital assets, not being depreciated	<u>1,813,176</u>	<u>140,268</u>	<u>-</u>	<u>1,953,444</u>
Capital assets, being depreciated:				
Buildings and improvements	8,632,125	-	(71,876)	8,560,249
Furniture, equipment and textbooks	789,233	36,583	(175,222)	650,594
Computer, audio and visual equipment and software	<u>769,651</u>	<u>31,393</u>	<u>(54,238)</u>	<u>746,806</u>
Total capital assets, being depreciated	<u>10,191,009</u>	<u>67,976</u>	<u>(301,336)</u>	<u>9,957,649</u>
Accumulated depreciation:				
Buildings and improvements	1,730,680	198,053	(71,876)	1,856,857
Furniture, equipment and textbooks	536,605	89,475	(175,222)	450,858
Computer, audio and visual equipment and software	<u>571,611</u>	<u>100,072</u>	<u>(54,238)</u>	<u>617,445</u>
Total accumulated depreciation	<u>2,838,896</u>	<u>387,600</u>	<u>(301,336)</u>	<u>2,925,160</u>
Total capital assets, being depreciated, net	<u>7,352,113</u>	<u>(319,624)</u>	<u>-</u>	<u>7,032,489</u>
Net capital assets	\$ <u>9,165,289</u>	\$ <u>(179,356)</u>	\$ <u>-</u>	\$ <u>8,985,933</u>

Provision for depreciation and amortization was charged to governmental activities as follows:

Instructional support services - maintenance of plant	\$ 292,827
Instruction - regular	64,446
Operation of non-instructional services - general administration	15,164
Instructional support services - administrative services	<u>15,163</u>
Total	\$ <u>387,600</u>

Note 6 - Debt

Educational Facility Revenue Bonds – Series 2020 A, B & C Issuance The Academy previously issued \$ 18,976,000 in Educational Facilities Revenue Bonds, Series 2020A for \$ 18,303,190, Series, Series 2020B for \$ 672,810 and Series 2020C bond for \$ 4,000,000. The 2020C bonds were not immediately funded and are to be drawn upon for future improvements in accordance with the bond agreement. The Series 2020A bonds were used to provide for purchase of real property the School, Middle and Upper currently reside, and Series 2020B bonds were used to finance certain issuance costs of the bonds. The bonds bear interest at 3.90% and 4.875% for the A and B bonds, and mature October, 2040 and October, 2025, all respectively. The bonds currently outstanding require monthly payments of approximately \$ 72,000 through October 2025 where the payment continues in the amount of approximately \$ 102,000 until October 2040 when the remaining principal and interest are due.

Educational Facility Revenue Bonds – Series 2023: During the year, the Academy entered into a financing agreement for the issuance of \$ 6,300,000 Education Facility Revenue Bonds, Series 2023 (the “2023 Bonds”). The bonds were not immediately funded and are to be drawn upon for future improvements including the construction of a cafeteria and gymnasium. The bonds bear interest at 6.16% and monthly interest payments are due on the outstanding balance through January 1, 2027, at which point monthly principal and interest payments commence through bond maturity on December 1, 2033. These payments will be determined based on final bond draw amounts after project completion.

The bonds also contain certain restrictive financial covenants that the School is required to meet, and are secured by pledge of all revenues, except certain Federal funds. The bonds include events of default, mainly failure to pay, stay solvent, or maintain a charter agreement. Upon default, the lender may seek remedy by declaring all unpaid amounts immediately due and payable, or seek court enforcement. No such events of default occurred during the year ended June 30, 2024.

The School, Middle and Upper, have allocated the purchase of the facility since management determined that the facility bonds and all related activities should be allocated prorata to the School, at 50%, the Middle at 25% and Upper at 25%.

The School’s future principal and interest payments on these bonds are approximately as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 272,997	\$ 355,502	\$ 628,499
2026	284,150	344,988	629,138
2027	294,976	334,804	629,780
2028	306,514	323,472	629,986
2029	318,924	311,690	630,614
2030-2034	1,983,800	1,357,470	3,341,270
2035-2039	2,147,860	919,452	3,067,312
2040-2041	3,393,779	245,852	3,639,631
Total	\$ <u>9,003,000</u>	\$ <u>4,193,230</u>	\$ <u>13,196,230</u>

Archimedean Academy
Notes to Basic Financial Statements
June 30, 2024

Note 6 - Debt (continued)

The activity for debt for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amount Due Within One Year
Bonds payable	\$ 9,020,327	\$ 241,579	\$ 258,906	\$ 9,003,000	\$ 257,273
Line of credit	300,000	-	300,000	-	-
	<u>\$ 9,320,327</u>	<u>\$ 241,579</u>	<u>\$ 558,906</u>	<u>\$ 9,003,000</u>	<u>\$ 257,273</u>

The line of credit was paid off during the year and not renewed.

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 receivable from the Middle and Upper of \$ 929,726 as of June 30, 2024. This amount is shown as due from other schools in the accompanying financial statements.

Note 8 - Contingencies

Grants and awards: The School, as a department of the Academy, 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. Management of the School believes the result of any grantor agency audits would not result in a material amount of disallowances, if any.

Note 9 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay ("CSCO") Award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes, those funds are allocated among eligible charter schools. The funds for the School's allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring board. The School's CSCO Award totaled \$ 380,569 for the school year which has been recognized as revenue in the accompanying financial statements. If the CSCO funds are used to acquire tangible property assets, the Board has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the Board. The School has elected to use these funds to pay a portion of the interest expense on the lease.

Note 9 - Capital Appropriations Funding (continued)

Local Capital Improvement Revenue (“LCIR”) funds are also appropriated by the Board for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO Award. The School’s LCIR Award totaled \$ 129,962 for the school year which has been recognized as revenue in the accompanying financial statements.

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 – Prior Period Restatements

The School’s beginning net position assets was restated causing a decrease in net position of \$ 441,897. This decrease was due to two separate errors relating to private-pay receivables and the duplicate recording of grant receivables. The private pay receivables were primarily amounts that were improperly recorded internal charges. The grant receivables were recorded twice in error, duplicating revenue and receivables in the prior year. In connection with the grant receivables, certain of these amounts only effected the fund balances of the General and Special Revenue funds inversely since they were recorded in the Special Revenue fund as “receivables” and deferred inflows.

Below is a summary of the corrections as of July 1, 2023:

Beginning net position was restated as follows:

	<u>Unrestricted</u>	Net Investement in <u>Capital Assets</u>	<u>Total</u>
Net position, as previously reported	\$ 2,175,693	\$ 569,962	\$ 2,745,655
Overstatement of private pay and other receivables	(266,646)	-	(266,646)
Overstatement of ESSER grant receivable	(175,251)	-	(175,251)
Net position, as restated	<u>\$ 1,733,796</u>	<u>\$ 569,962</u>	<u>\$ 2,303,758</u>

Archimedean Academy
Notes to Basic Financial Statements
June 30, 2024

Note 11 – Prior Period Restatements (continued)

Beginning fund balances (deficits) were restated as follows:

	General Fund			Special Revenue Fund	Total
	Unassigned	Non- spendable	Total		
Fund balances, as previously reported	\$ 2,800,673	\$ 100,020	\$ 2,900,693	\$ (426,392)	\$ 2,474,301
Overstatement of lunch, aftercare and other third-party receivables	(266,646)	-	(266,646)	-	(266,646)
Overstatement of ESSER grant receivable	(175,251)	-	(175,251)	175,251	-
Fund balances, as adjusted	<u>\$ 2,358,776</u>	<u>\$ 100,020</u>	<u>\$ 2,458,796</u>	<u>\$ (251,141)</u>	<u>\$ 2,207,655</u>

Note 11 – Subsequent Event

The School has entered into a lease extension agreement effective July 1, 2024 through June 30, 2026 for a supplemental facility adjacent to the primary campus. The lease calls for annual payments of \$ 113,850 and \$ 119,543 for the fiscal years ending June 30, 2025 and 2026, respectively.

REQUIRED SUPPLEMENTARY
INFORMATION

**Archimedean Academy
Budgetary Comparison Schedule -
General Fund
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues:				
State sources	\$ 5,513,423	\$ 5,513,423	\$ 5,626,073	\$ 112,650
Local sources	<u>2,920,927</u>	<u>2,920,927</u>	<u>3,232,278</u>	<u>311,351</u>
Total revenues	<u>8,434,350</u>	<u>8,434,350</u>	<u>8,858,351</u>	<u>424,001</u>
Expenditures:				
Current:				
Regular instruction	4,350,738	4,350,738	4,411,753	(61,015)
Instructional services:				
Pupil personnel services	83,428	83,428	116,817	(33,389)
Instructional-related technology	2,298	2,298	91,451	(89,153)
Administrative services	389,487	389,487	526,381	(136,894)
Operation of plant	404,642	404,642	327,119	77,523
Maintenance of plant	292,462	292,462	277,323	15,139
Operation of noninstructional services:				
General administration	220,915	220,915	236,634	(15,719)
Board services	72,493	72,493	39,283	33,210
Fiscal services	32,875	32,875	154,794	(121,919)
Central services	80,626	80,626	94,965	(14,339)
Community services	1,059,082	1,059,082	1,014,955	44,127
Extracurricular activities	293,698	293,698	250,158	43,540
Food services	286,748	286,748	547,080	(260,332)
Capital outlay	-	-	208,244	(208,244)
Debt service:				
Principal	-	-	558,906	(558,906)
Interest	<u>366,792</u>	<u>366,792</u>	<u>567,336</u>	<u>(200,544)</u>
Total expenditures	<u>7,936,284</u>	<u>7,936,284</u>	<u>9,423,199</u>	<u>(1,486,915)</u>
Excess (deficiency) of revenues over (under) expenditures	498,066	498,066	(564,848)	(1,062,914)
Other Financial Sources:				
Proceeds from debt	<u>-</u>	<u>-</u>	<u>241,579</u>	<u>241,579</u>
Net change in fund balance	<u>\$ 498,066</u>	<u>\$ 498,066</u>	<u>\$ (323,269)</u>	<u>\$ (821,335)</u>

Archimedean Academy
 Budgetary Comparison Schedule -
 Special Revenue Fund
 For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Federal through state	\$ 466,621	\$ 466,621	\$ 638,038	\$ 171,417
Total revenues	<u>466,621</u>	<u>466,621</u>	<u>638,038</u>	<u>171,417</u>
Expenditures:				
Regular instruction	215,028	215,028	132,917	82,111
Food services	<u>251,593</u>	<u>251,593</u>	<u>253,980</u>	<u>(2,387)</u>
Total expenditures	<u>466,621</u>	<u>466,621</u>	<u>386,897</u>	<u>79,724</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,141</u>	<u>\$ 251,141</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
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Archimedean Academy (the "School"), a department of Archimedean Academy, Inc., as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated October 25, 2024.

Report on Internal Control over Financial Reporting

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

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-002 to be a significant deficiency.



Report on Compliance and Other Matters

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

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Fort Lauderdale, Florida
October 25, 2024

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors
Archimedean Academy
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Archimedean Academy (the "School"), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated October 25, 2024.

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 the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated October 25, 2024, 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 financial audit report. There were no findings or recommendations made in the preceding financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that 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 are Archimedean Academy and 130510.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not 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 the 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 note a significant deficiency and a material weakness as described in the Schedule of Findings and Responses.

Transparency

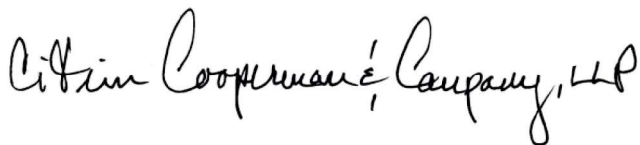
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with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

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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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.



Fort Lauderdale, Florida
October 25, 2024

**ARCHIMEDEAN ACADEMY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Finding 2024-001: Material Weakness – Error Correction

Criteria: The financial statements of Archimedean Academy (the “School”) should properly report receivables and revenue in accordance with U.S. GAAP.

Condition: During the year ended June 30, 2024, management of the School determined that net position as of June 30, 2023, was overstated by \$ 441,897 because of an error in recording third-party receivables related to their community care programs and other receivables and grant receivables that were inadvertently duplicated on submissions. Grant revenues were initially recorded based on budgeted amounts on expected expenditure reimbursements and then duplicated.

Cause: Internal controls related to properly recording third-party receivables and grant revenue were not properly designed, and, therefore, the errors were reported as deferred inflows of resources and was not found upon review of the financial statements.

Effect: Net position reported at June 30, 2023, was \$ 441,897 more than they should have been resulting in an error correction in the June 30, 2023 financial statements. Additionally, the overall governmental fund financial statements were overstated in the amount of \$ 266,646 which is lower than the restatement on the net position as those amounts were reported as deferred inflows of resources since they did not meet the School's availability period in their accounting policies, and was not included in revenue or fund balance as of June 30, 2023.

Recommendation: The School should develop policies and procedures that ensure proper review of the recording of revenue and receivables from grants and other third-party funders to ensure the balances in the financial statements will not be materially misstated.

View of Responsible Officials: We agree with the recommendation above and have plans to proceed with changes in various processes and procedures regarding third-party receivable balances, grant submission and both their related recording in the financial statements.

**ARCHIMEDEAN ACADEMY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

Finding 2024-002: Significant Deficiency – Lack of Controls over Internal Developed Software

Criteria: Software used in the School’s financial reporting should have the capability to be properly reconciled to the activity in the general ledger and produce reports that can be used to track the details of transactions it is responsible to capture. The Software should also be properly monitored to ensure the related information technology controls are in place, such as segregation of duties amount users, monitoring of user access, and limiting the development functions of the software to those without financial reporting roles and responsibilities.

Condition: During our audit procedures we noted there was opportunities in internal controls over the School’s internally developed software used to capture information about certain service billings and payment activity.

Cause: Management did not properly monitor information controls to ensure the systems contained the proper segregation of duties, and the system does not have the capability to produce certain reports to ensure timely and accurate reconciliation with the School’s general ledger.

Effect: The School could be missing or improperly recording services it is providing and not reporting those in its financial records.

Recommendation: The School should develop a process to ensure that the software’s user access is properly reviewed and monitored on a regular basis, and that the software be evaluated to ensure it can be used to capture and report the billing services activity and that activity can be properly reconciled to the School’s general ledger on a monthly basis.

View of Responsible Officials: We agree with the recommendation above and have plans to evaluate and design changes in the software and related processes to properly capture all the financial activity the system is responsible and to ensure proper reconciliation and reporting over these revenues.