

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
A CHARTER SCHOOL
AND COMPONENT UNIT
OF THE MIAMI-DADE COUNTY
SCHOOL BOARD
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD
JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Academir Charter Schools, Inc.
D/B/A Academir Charter School Middle
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Academir Charter Schools, Inc. D/B/A Academir Charter School Middle (the "Charter School"), which is a component unit of the Miami-Dade County District School Board, Miami, Florida, as of, and for the year ended June 30, 2017, which collectively comprises the Charter School's basic financial statements as listed in the table of contents for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provision of Chapter 10.850, Charter School's audit, issued by the Auditor General of the State of Florida. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of 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.

INDEPENDENT AUDITORS' REPORT – Continued

Auditors' Responsibility (Continued)

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

Opinion

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 Charter School, as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

In accordance with Government Auditing Standards, we have also issued our report dated August 27, 2017, on our consideration of the Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–9 and 28–29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Gardner & Associates, PA
Miami, Florida
August 27, 2017

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

As management of Academir Charter Schools, Inc. D/B/A Academir Charter School Middle (the "Charter School"), we offer readers of the Charter School's financial statements this narrative overview and analysis of the financial activities of the Charter School for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here through page 9 of this report.

Overview of the financial statements

The discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements, which consist of the statement of Net Position and the statement of activities, are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to a private sector business.

The statement of Net Position provides information on all the Charter School's assets and liabilities, 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 Charter School is improving or deteriorating. However, as a governmental entity, the Charter School's activities are not geared towards generating profit as are the activities of commercial entities. Other factors such as the safety at the Charter School and quality of education, must be considered in order to reasonably assess the Charter School's overall performance.

The statement of activities presents information showing how the Charter School's Net Position changed during the most recent fiscal 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, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 11-12 of this report.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

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 Charter School, like other state and local governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Charter School has only one category of funds – governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term, inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Charter School's near-term financing requirements.

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

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements.

The notes to the financial statements can be found on pages 18-26 of this report.

Supplementary Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Charter School's adopted budget to actual results.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table presents an analysis of the condensed government-wide statements of net position:

CONDENSED STATEMENT OF NET POSITION

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Variance</u>
Current assets	\$ 219,551	\$ 413,756	\$ (194,205)
Noncurrent assets			
Capital assets, net of depreciation	<u>160,857</u>	<u>87,016</u>	<u>73,841</u>
Total assets	<u>\$ 380,408</u>	<u>\$ 500,772</u>	<u>\$ (120,364)</u>
Current liabilities	<u>\$ 150,534</u>	<u>\$ 143,425</u>	<u>\$ 7,109</u>
Note payable	<u>\$ 60,763</u>	<u>\$ 158,567</u>	<u>\$ (97,804)</u>
Net Position			
Unrestricted	<u>\$ 169,111</u>	<u>\$ 198,780</u>	<u>\$ (29,669)</u>
Total Net Position	<u>\$ 169,111</u>	<u>\$ 198,780</u>	<u>\$ (120,364)</u>
Total Liabilities and Net Position	<u>\$ 380,408</u>	<u>\$ 500,772</u>	<u>\$ (113,255)</u>

At the end of the fiscal year, the Charter School reports a positive balance in net position with a net decrease of \$85,283 for the year. The Charter School's net position reflects its investment in capital assets (e.g. buildings, building improvements, furniture, fixtures and equipment), net of related debt. The Charter School uses its capital assets to provide services to students. Consequently, these assets are not available for future spending.

Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2017, the Charter school had no restricted assets. The remaining unrestricted balance may be used in any of the Charter School's ongoing operations.

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

Government-wide Financial Analysis - Continued

The following table presents information on the condensed government-wide statements of changes in net position:

CONDENSED STATEMENT OF CHANGES IN NET POSITION

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Revenues:			
General revenues	\$ 1,490,215	\$ 1,539,094	\$ (48,879)
Program revenues:			
Charges for services	3,030	6,192	(3,162)
Operating grants and contributions	120,343	81,387	38,956
Capital grants and contributions	64,717	29,497	35,220
Miscellaneous revenue	96,676	59,322	37,354
Total revenues	<u>1,774,981</u>	<u>1,715,492</u>	<u>59,489</u>
Expenses:			
Instruction	786,100	677,621	108,479
Student support services	3,730	2,956	774
Instructional staff training services	3,845	-	3,845
School Board	8,000	8,000	-
General administration	206,038	223,169	(17,131)
School administration	253,340	245,364	7,976
Facilities Acquisition and Construction	248,343	244,500	3,843
Fiscal services	29,186	25,134	4,052
Food services	52,475	56,657	(4,182)
Central services	3,895	288	3,607
Pupil transportation	4,740	58,720	(53,980)
Operation of plant	166,416	88,634	77,782
Maintenance of plant	3,900	-	3,900
Interest on long-term debt	11,435	6,877	4,558
Unallocated depreciation expense	23,207	43,141	(19,934)
Total expenses	<u>1,804,650</u>	<u>1,681,061</u>	<u>123,589</u>
Change in net position	(29,669)	34,431	(64,100)
Net Position - July 1, 2016	<u>198,780</u>	<u>164,349</u>	<u>34,431</u>
Net Position - June 30, 2017	<u>\$ 169,111</u>	<u>\$ 198,780</u>	<u>\$ (29,669)</u>

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

Government-wide financial analysis - Continued

- At year-end there are 229 students in grades 6-8th grade. Revenues are based on the amount received per student from the State through the School Board of Miami-Dade County.
- Expenses for instruction are the result of teachers' salaries and related benefits, and also materials and supplies that directly impact student learning.
- School administration is due primarily to administrators and other administrative personnel and related benefits as well as administrative costs.
- Plant operations expenses consist of utilities, communications, insurance cost, support personnel and related benefits.

Financial Analysis of the Charter School's Funds

As noted earlier, the Charter School uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the Charter School's governmental funds is to provide information on near-term inflows, outflows and spendable resources. Such information is useful in assessing the Charter School's financing requirements. Unreserved fund balance may serve as a useful measure of the Charter School's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2017 the Charter School's governmental fund reported a positive ending fund balance of \$9,490.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

Budgetary Highlights

Prior to the start of the School's fiscal year, the Board of directors of the School adopted an annual budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget. Budget to actual comparisons for fiscal year 2017 are presented on Page 28.

Variances reported in the budget to actual comparison for fiscal year 2017 resulted primarily from the following:

2017-

- Instruction expenditures were more than budget because more instructional supplies were needed to meet students' needs.
- Fiscal Services expenditures exceeded budget because payroll processing fees were higher due to additional employees being hired.
- Maintenance of Plant expenditures were lower than budgeted because less repairs were needed.
- Operating grants & contributions exceeded budget because more students ate lunch than anticipated and therefore the school was reimbursed by the USDA for those additional students.
- Charges for services exceeded budget because more lunch monies were collected than anticipated.

Capital Assets and Debt Administration

As of June 30, 2017 the Charter School had investment in capital assets of \$160,857. This amount is net of accumulated depreciation of \$151,897. Capital assets additions in the current year include new computer software, computers and furniture.

The Charter School has \$173,980 in outstanding debt as of June 30, 2017.

Economic Factors

During fiscal year 2017, the Charter School's net position was positive \$170,347.

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

School Enrollment

During the fiscal year June 30, 2017, the grade levels at the Charter School ranged from 6-8th grade, with a total enrollment of 229 students.

Requests for Information

The financial report is designed to provide a general overview of the Charter School's finances for all those with an interest in the School's finances. Questions concerning any of the information should be addressed to Mr. Alexander Casas, Board Chair, 14880 SW 26th Street, Miami, FL 33185.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE**

A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE

COUNTY DISTRICT SCHOOL BOARD

BASIC FINANCIAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2017

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
STATEMENT OF NET POSITION
JUNE 30, 2017

		2017 Governmental Activities
<hr/>		
Assets		
<u>Current assets</u>		
Cash	\$	198,230
Accounts receivable		3,260
Deposit receivable		18,061
Total Current Assets		<hr/> 219,551
 Furniture, fixtures and equipment		 312,754
Less accumulated depreciation		 (151,897)
		<hr/> 160,857
 Total Assets	 \$	 <hr/> <hr/> 380,408
Liabilities and Net Assets		
 <u>Current liabilities</u>		
Salaries and wages payable	\$	37,317
Note payable- current portion		113,217
Total current liabilities		<hr/> 150,534
 <u>Long-term liabilities</u>		
Note Payable- Long Term	\$	60,763
Total Long Term Liabilities	\$	<hr/> 211,297
 Net Position		
Invested in capital assets, net of related debt	\$	160,857
Unrestricted		8,254
		<hr/> 169,111
 Total Net Position	 \$	 169,111
 Total Liabilities and Net Position	 \$	 <hr/> <hr/> 380,408

The accompanying notes are an integral part of these statements

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL MIDDLE
STATEMENT OF ACTIVITIES
JUNE 30, 2017

	Program Revenues				Net Revenues (Expenses) and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 786,100	\$ -	\$ 75,910	\$ -	(710,190)
Student support services	3,730	-	-	-	(3,730)
Instructional Staff Training services	3,845	-	-	-	(3,845)
School board	8,000	-	-	-	(8,000)
General administration	206,038	-	-	-	(206,038)
School administration	253,340	-	-	-	(253,340)
Facilities Acquisition and Construction	248,343	-	-	64,717	(183,626)
Fiscal services	29,186	-	-	-	(29,186)
Food services	52,475	3,030	44,433	-	(5,012)
Central services	3,895	-	-	-	(3,895)
Pupil transportation	4,740	-	-	-	(4,740)
Operation of plant	166,416	-	-	-	(166,416)
Maintenance of plant	3,900	-	-	-	(3,900)
Interest on long-term debt	11,435	-	-	-	(11,435)
Unallocated depreciation expense	23,207	-	-	-	(23,207)
Total governmental activities	<u>\$ 1,804,650</u>	<u>\$ 3,030</u>	<u>\$ 120,343</u>	<u>\$ 64,717</u>	<u>\$ (1,616,560)</u>

General revenues:

School Board of Miami- Dade County - FTE	1,490,215
Miscellaneous	<u>96,676</u>
Total general revenues	<u>1,586,891</u>
Change in net assets	(29,669)
Net Assets - July 1, 2016	198,780
Net Assets - June 30, 2017	<u>\$ 169,111</u>

The accompanying notes are an integral part of these statements