

**Micanopy Academy, Inc.
A Component Unit of the Alachua
County District School Board**

**Financial Statements and
Independent Auditor's Reports**

**For the Year Ended
June 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors
Micanopy Academy, Inc.
Micanopy, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Micanopy Academy, Inc. (the "School"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the of Micanopy Academy, Inc.'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, each major fund, and the aggregate remaining fund information of the School as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows if thereof 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.

Responsibilities of Management 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.

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Micanopy Academy, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Micanopy Academy, Inc.'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Micanopy Academy, Inc.'s ability to continue as a going concern for a reasonable period of time.

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, budgetary comparison, and pension and retirement information on pages 4–7 and 28–32 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 13, 2023, 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
October 13, 2023

Management's Discussion and Analysis

This discussion and analysis of the School's financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the School's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2023:

- The School's overall Net Position decreased by approximately \$152,500,
- Total ending unrestricted Net Position was a deficit of approximately \$255,000.
- The School had total expenses for the year of about \$967,000 compared to revenues of approximately \$814,000.
- The School educated 96 students in 2023 and 87 students in 2022, serving grades 6-12.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the School's activities as a whole and fund financial statements that report on the School's individual funds.

Government-wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the School's assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net Position - the difference between assets and deferred outflows and liabilities and deferred inflows - can be used to measure the School's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in Net Position during the fiscal year. Over time, the increases or decreases in Net Position are useful indicators of whether the School's financial health is improving or deteriorating. However, other non-financial factors, such as enrollment levels or changes in state funding, must also be considered when assessing the overall health of the School.

In these statements, all of the School's activities are considered to be governmental activities. The School has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the School's funds.

The School maintains two individual governmental funds, the General Fund and Capital Projects Fund. The General and Capital Projects Funds are considered to be major funds and, accordingly, they are separately displayed.

Governmental funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the fund's financial position. A reconciliation is provided with these.

statements, which helps to explain the differences between the fund financial statements and the government-wide financial statements.

CONDENSED FINANCIAL INFORMATION

The following table presents condensed, government-wide current year and prior year data about net position and changes in net position for governmental activities.

Net Position

	<u>2023</u>	<u>2022</u>
Assets:		
Non-capital assets	\$ 38,980	\$ 118,816
Capital assets, net	470,627	494,580
Total assets	<u>509,607</u>	<u>613,396</u>
Deferred outflows	<u>195,441</u>	<u>173,249</u>
Liabilities:		
Current liabilities	10,509	9,595
Long-term liabilities	352,850	366,810
Net pension liability	419,256	163,226
Total liabilities	<u>782,615</u>	<u>539,631</u>
Deferred inflows	<u>34,807</u>	<u>206,749</u>
Net position:		
Net investment in capital assets	117,777	127,769
Restricted for capital outlay	24,783	10,693
Unrestricted (deficit)	<u>(254,934)</u>	<u>(98,197)</u>
Total net position:	<u>\$ (112,374)</u>	<u>\$ 40,265</u>

	Governmental Activities	
	2023	2022
Program revenues:		
Charges for services	\$ 2,972	\$ 2,696
Capital grants and contributions	48,157	57,696
General revenues		
ESSER funds	73,437	64,274
Title II	1,266	-
Florida education finance program	584,554	541,861
Other state revenues	21,586	8,489
Local tax revenues	74,319	11,918
Other revenues	7,694	5,745
Total revenues	<u>813,985</u>	<u>692,679</u>
Program expenses:		
Instruction	602,589	420,112
Instructional support services	1,266	5,634
General support	279,696	183,493
Community services	1,870	1,472
Operation of plant	61,096	45,524
Interest on long-term debt	20,107	20,859
Total expenses	<u>966,624</u>	<u>677,094</u>
Change in net position	(152,639)	15,585
Net position - beginning	<u>40,265</u>	<u>24,680</u>
Net position - ending	<u>\$ (112,374)</u>	<u>\$ 40,265</u>

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities. The governmental activities generated \$51,129 in program revenues and \$762,856 of general revenues, and incurred \$966,624 of program expenses. This resulted in a \$152,639 decrease in net position.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund. The fund balance of the General Fund decreased by \$94,840 from \$98,528 to \$3,688.

Capital Projects Fund. The fund balance of the Capital Projects Fund increased to \$24,783 from \$10,693. Capital Outlay funding exceeded eligible expenditures for the year.

BUDGETARY HIGHLIGHTS

General Fund. The School amended its original budget to reflect actual revenue received and to reflect increased costs related to payroll and other unexpected costs. There were no differences between the final budget and actual amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The School had no significant capital asset activity, Please refer to a note to the accompanying financial statements entitled Note 2 - Capital Assets and Depreciation for more detailed information about the School's capital asset activity.

Debt Administration. The School issued no new debt during the year and made scheduled payments on existing long-term debt Please refer to the notes to the accompanying financial statements entitled Note 3 - Long-Term Liabilities for more detailed information about the School's debt activity.

ECONOMIC FACTORS

The School currently is not aware of any conditions that are expected to have a significant effect on the School's financial position or results of operations.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Ms. Kristin Walker, Principal, Micanopy Academy, Ins, at 708 NW Okehumkee Street, Micanopy, FL 32667

Micanopy Academy, Inc.

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 11,472
Grants receivable	21,422
Deposits	1,125
Prepaid expenses	4,961
Capital assets:	
Land	73,866
Depreciable capital assets, net	<u>396,761</u>
Total assets	<u>509,607</u>
Deferred outflows	<u>195,441</u>
Liabilities:	
Accounts payable	10,509
Long-term liabilities:	
Due within one year	14,962
Due in more than one year	337,888
Net pension liability	<u>419,256</u>
Total liabilities	<u>782,615</u>
Deferred inflows	<u>34,807</u>
Net assets	
Net investment in capital assets	117,777
Restricted for capital outlay	24,783
Unrestricted (deficit)	
Pension related	(258,622)
Other	3,688
Total unrestricted (deficit)	<u>(254,934)</u>
Total net position (deficit)	<u>\$ (112,374)</u>

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

Micanopy Academy, Inc.

Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ (602,589)	\$ 2,972	\$ -	\$ -	\$ (599,617)
Instructional support services	(1,266)	-	-	-	(1,266)
General support	(279,696)	-	-	-	(279,696)
Community service	(1,870)	-	-	-	(1,870)
Operation of plant	(61,096)	-	-	28,050	(33,046)
Interest on long-term debt	(20,107)	-	-	20,107	-
Total governmental activities	\$ (966,624)	\$ 2,972	\$ -	\$ 48,157	(915,495)
General revenues:					
Federal through state:					
ESSER Funds					73,437
Title II					1,266
State revenue					
Florida education finance program					584,554
Other state revenues					21,586
County revenue					
Local tax revenue					74,319
Unrestricted grants and contributions					5,874
Other miscellaneous local sources					1,820
Total general revenues					762,856
Change in net position					(152,639)
Net position at July 1, 2022					40,265
Net position (deficit) at June 30, 2023					\$ (112,374)

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

Micanopy Academy, Inc.

Balance Sheet - Governmental Funds

June 30, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash	\$ 11,472	\$ -	\$ 11,472
Grants receivable	21,422	-	21,422
Deposits	1,125	-	1,125
Due from other funds	-	24,783	24,783
Prepaid expenses	4,961	-	4,961
Total assets	\$ 38,980	\$ 24,783	\$ 63,763
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 10,509	\$ -	\$ 10,509
Due to other funds	24,783	-	24,783
Total liabilities	35,292	-	35,292
Fund Balances:			
Unspendable - deposits	1,125	-	1,125
Nonspendable - prepaids	4,961	-	4,961
Unassigned	(2,398)	24,783	22,385
Total fund balances	3,688	24,783	28,471
Total liabilities and fund balances	\$ 38,980	\$ 24,783	\$ 63,763

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

Micanopy Academy, Inc.

**Reconciliation of the Balance Sheet to the Statement of Net Position-
Governmental Funds**

June 30, 2023

Fund balances - total governmental funds	\$ 28,471
Amounts reported for Governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital assets - net of accumulated depreciation	470,627
Long-term liabilities are not due and payable in the current period and so are not reported as fund liabilities, but are included in the statement of net position.	
Long-term liabilities	(352,850)
Accounting for the school's participation in the Florida Retirement System - the following amounts are reported in the Government-wide statements (see Note 4)	
Deferred outflows	195,441
Deferred inflows	(34,807)
Net Pension liability	<u>(419,256)</u>
Net position of governmental activities	<u>\$ (112,374)</u>

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

Micanopy Academy, Inc.

**Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds**

For the Year Ended June 30, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Federal through state:			
ESSER grant	\$ 73,437	\$ -	\$ 73,437
Title II	1,266	-	1,266
State revenue:			
Florida education finance program	584,554	-	584,554
Public education capital outlay	-	48,157	48,157
Other state revenues	21,586	-	21,586
County revenue:			
Local tax revenue	74,319	-	74,319
Local revenue:			
Gifts, grants, bequests	5,874	-	5,874
Other local revenues	4,792	-	4,792
Total revenues	765,828	48,157	813,985
Expenditures			
Current:			
Instruction	602,589	-	602,589
Instructional support services	1,266	-	1,266
General support	189,329	-	189,329
Community services	1,870	-	1,870
Operation of plant	65,614	-	65,614
Debt service:			
Principal	-	13,960	13,960
Interest	-	20,107	20,107
Total expenditures	860,668	34,067	894,735
Excess (deficiency) of revenues over (under) expenditures	(94,840)	14,090	(80,750)
Fund balances at July 1, 2022	98,528	10,693	109,221
Fund balances at June 30, 2023	\$ 3,688	\$ 24,783	\$ 28,471

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

Micanopy Academy, Inc.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance to the Statement of Activities - Governmental Funds**

For the Year Ended June 30, 2023

Excess of revenues over expenditures - total governmental funds \$ (80,750)

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Current year expenditures for capital assets	4,518	
Current year depreciation expense	<u>(28,469)</u>	(23,951)

Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. Repayment of principal is an expenditure in governmental funds, but reduces long-term liabilities in the Statement of Net Position.

Current year principal payments		13,960
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Accounting for the schools participation in the Florida Retirement System.

Adjustment of required contribution to net pension expense		<u>(61,898)</u>
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Change in net position of governmental activities		<u>\$ (152,639)</u>
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The accompanying notes are an integral part of these financial statements.

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Micanopy Academy, Inc. conform to generally accepted accounting principles as applicable to governments. The more significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Reporting Entity

Micanopy Academy, Inc. is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. The not-for-profit corporation conducts business as Micanopy Academy (the School). The governing body of the School is the not-for-profit corporation's Board of Directors.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the Alachua County District School Board (the District). The current charter is effective until June 30, 2027, and may be renewed provided that a program review demonstrates that certain criteria addressed in Section 1002.33(7), Florida Statutes, have been successfully accomplished. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. Pursuant to Section 1002.33(8) (e), Florida Statutes, the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

Criteria for determining if other entities are potential component units of the School which should be reported with the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The School has no business-type activities.

Any internal inter-fund activity has been eliminated from the government-wide financial statements.

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements (continued)

The Statement of Net Position reports the School's financial position as of the end of the fiscal year. In this statement, the School's Net Position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position.

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services that are directly related to a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The financial transactions of the School are reported in individual funds in the fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The following funds are used by the School:

GOVERNMENTAL FUNDS

General Fund -The General Fund is the general operating fund of the School. It is used to account for all financial resources, except those associated with grants that are restricted to specified uses.

Capital Projects Fund -The Capital Projects Fund is used to account for financial resources associated with grants that are restricted to capital uses.

In the accompanying fund financial statements, the General Fund and Capital Projects Fund are both considered to be major funds and, therefore, are separately displayed. The School has no non-major funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due. Most revenues are considered to be susceptible to accrual and have been measured in the current fiscal period. Certain other revenue items are considered to be measurable and available only when cash is received.

Cash and Cash Equivalents

Cash consists of deposits in financial institutions. Such deposits qualify as public deposits and are insured by Florida's Public Deposits Program as defined in Section 280.02, Florida Statutes. The School has no policy regarding deposit custodial credit risk.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid assets, if any, are reported as "non-spendable" in the funds financial statements to indicate that prepaids do not represent available expendable resources.

Capital Assets and Depreciation

Capital assets are defined by the School as assets with an initial, individual cost of \$2,500 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value on the date of donation. Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (years)</u>
Buildings	30 - 39
Building improvements	5-15
Improvements other than buildings	15
Furniture, fixtures and equipment	10

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The School pays employees for unused personal or sick days up to 10 days at the end of the fiscal year, and no unused time accumulates. Therefore, no liability for compensated absences is recorded.

Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Long-term liabilities are not reported in the governmental funds because governmental funds use the current financial resources measurement focus.

Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Educational Finance Program and the actual weighted FTE students reported by the School during the designated full-time equivalent student survey periods.

The School also receives other financial assistance. This assistance is generally based on applications submitted to and approved by the granting agency.

Net Position

Net Position represents the difference between assets and deferred outflows and liabilities and deferred inflows and is reported in three categories as hereafter described. Net investment in capital assets represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net Position is reported as *restricted* when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position is net position that does not meet the definition of the classifications previously described.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, and then unrestricted resources as they are needed.

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classifications

Governmental funds report separate classifications of fund balance.

Non-Spendable. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted. The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed. Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's Board of Directors.

Assigned. Assigned fund balance is defined as amounts that are constrained by the intent of the School's Board of Directors to be used for specific purposes, but are neither restricted nor committed. The School has given the authority to assign fund balance to the School's Principal. Assigned fund balance includes spendable fund balance amounts established by the Principal that are intended to be used for specific purposes that are neither considered restricted or committed. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.. Assigned fund balance shall reflect management's intended use of resources as set forth each year by the Principal. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

Unassigned. Unassigned fund balance is the residual classification for the general fund.

It is the policy of the School to use restricted resources to the extent which they are available, then committed resources, followed by assigned resources. Once these are consumed the School will then use unassigned resources. The School does not have a formal policy requiring a minimum fund balance.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS), and additions to/deductions from the FRS and HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance at July 1, 2022	Additions	Deductions	Balance at June 30, 2023
Capital assets not being depreciated:				
Land	\$ 73,866	\$ -	\$ -	\$ 73,866
Capital assets being depreciated:				
Buildings	789,000	-	-	789,000
Buildings improvements	11,856	4,518	-	16,374
Improvements other than buildings	36,111	-	-	36,111
Furniture and equipment	2,952	-	-	2,952
Total capital assets	913,785	4,518	-	918,303
Accumulated depreciation:				
Buildings	376,994	26,964	-	403,958
Buildings improvements	5,192	1,210	-	6,402
Improvements other than buildings	36,111	-	-	36,111
Furniture and equipment	910	295	-	1,205
Total accumulated depreciation	419,207	28,469	-	447,676
Net capital assets	\$ 494,578	\$ (23,951)	\$ -	\$ 470,627

Depreciation was charged to functions/programs as follows:

General support	\$ 28,469
Total depreciation expense	\$ 28,469

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 3 - LONG-TERM LIABILITIES

Long-term debt activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Payments	Balance June 30, 2023	Due Within One Year
Note payable - facilities	\$ 366,810	\$ -	\$ 13,960	\$ 352,850	\$ 14,962

On December 13, 2018, the School borrowed \$410,000 to refinance the acquisition of its facility, and to include the acquisition of new facilities. The note is collateralized by the School's real property (land and buildings). It is payable in 60 monthly installments of \$2,839, with a 5.5% interest rate; then 59 monthly installments of \$2,937, with a 6.02% interest rate; and a balloon payment of \$266,212 due on December 13, 2028. The scheduled debt service requirements are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 14,962	\$ 19,687	\$ 34,649
2025	15,410	19,833	35,243
2026	16,363	18,880	35,243
2027	17,376	17,867	35,243
2028	18,451	16,792	35,243
Thereafter	270,288	7,972	278,260
Total	\$ 352,850	\$ 101,031	\$ 453,881

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - EMPLOYEE RETIREMENT SYSTEM

General Information about the Pension Plan – Plan Description and Administration

The School participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the School's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the School are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - EMPLOYEE RETIREMENT SYSTEM (continued)

Benefits Provided and Employees Covered (continued)

Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months.

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement, Research and Education Services P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - EMPLOYEE RETIREMENT SYSTEM (continued)

Contributions

The School participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at June 30, 2023, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan & Class</u>	<u>Employee Contribution Rate</u>	<u>Employee Contribution Rate</u>
Regular Class	3.00%	11.91%
Senior Management	3.00%	31.57%
DROP Employees	0.00%	18.60%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, included in the above rates.

Actual contributions made for School employees participating in FRS and HIS for the plan year ended June 30, 2023, were as follows:

School Contributions - FRS	\$ 9,461
School Contributions - HIS	\$ 1,695
Employee Contributions - FRS	\$ 15,795

At June 30, 2023, the School Reported a net pension liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 300,811
HIS	118,445
Total	<u>\$ 419,256</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined.

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - EMPLOYEE RETIREMENT SYSTEM (continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, the School's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>Share</u>
FRS	0.000808457%
HIS	0.001118296%

For the plan year ended June 30, 2023, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$	58,522
HIS		14,529
Total	\$	<u>73,051</u>

Deferred outflows/inflows related to pensions:

At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to pensions were recorded from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Outflows of Resource</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 14,287	\$ -	\$ 3,595	\$ 521
Changes of assumptions	37,046	-	6,789	18,323
Net difference between projected and actual investment earnings	19,863	-	171	-
Change in proportionate share	65,799	8,153	36,735	7,810
Contributions subsequent to measurement date	9,461	-	1,695	-
	<u>\$ 146,456</u>	<u>\$ 8,153</u>	<u>\$ 48,985</u>	<u>\$ 26,654</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - EMPLOYEE RETIREMENT SYSTEM (continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions(continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

Fiscal Years ending June 30,	FRS	HIS
2024	\$ 30,509	\$ 4,991
2025	21,655	3,557
2026	8,992	6,487
2027	61,532	4,069
2028	6,154	1,253
Thereafter	-	280
Total	<u>\$ 128,842</u>	<u>\$ 20,637</u>

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2020 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the PUB-2010 base table with projected generationally with Scale MP-2018.

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - EMPLOYEE RETIREMENT SYSTEM (continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions(continued)

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2018, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Long-Term Arithmetic Expected Rate of Return
Cash	1.0%	2.6%
Fixed income	19.8%	4.4%
Global equities	54.0%	8.8%
Real estate	10.3%	7.4%
Private equity	11.1%	12.0%
Strategic investments	3.8%	6.2%
Total	100.0%	

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability of the School calculated using the current discount rates, as well as what the School’s net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.70%	\$ 520,232	\$ 300,811	\$ 117,349
HIS	3.54%	135,511	118,445	104,324

Micanopy Academy, Inc.

Notes to the Financial Statements

June 30, 2023

NOTE 5 - RISK MANAGEMENT

The School is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the School has purchased commercial insurance. Settled claims resulting from these risks have not exceeded commercial coverage in the current and previous two years.

NOTE 6 - RECENT GASB IMPLEMENTATION

GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), in May 2020. GASB 96 increases the usefulness of governments' financial statements by requiring recognition of certain assets and liabilities for SBITAs that previously recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for SBITAs accounting based on the foundational principle that SBITAs are financings of the right to use an underlying asset. The provisions in GASB 96 were implemented in the year ended June 30, 2023. The implementation of the new pronouncement did not have any impact on the financial statements as the School does not hold any SBITAs.

NOTE 7 - SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through October 13, 2023 which is the date the financial statements were available be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Micanopy Academy, Inc.

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual
	Original	Final	
Revenue			
Federal through State:			
ESSER grant	\$ 75,000	\$ 73,437	\$ 73,437
Title II	5,000	1,266	1,266
State Revenue:			
Florida education finance program	623,192	584,554	584,554
Other state revenues	3,800	21,586	21,586
County revenue:			
Local tax revenue	50,000	74,319	74,319
Local Revenue:			
Gifts, grants, bequests	1,558	5,874	5,874
Other local revenues	1,269	4,792	4,792
Total revenues	<u>759,819</u>	<u>765,828</u>	<u>765,828</u>
Expenditures			
Current:			
Instruction	414,832	602,589	602,589
Instructional support services	2,000	1,266	1,266
General support	238,065	189,329	189,329
Community services	400	1,870	1,870
Operation of plant	85,500	65,614	65,614
Total expenditures	<u>740,797</u>	<u>860,668</u>	<u>860,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,022</u>	<u>(94,840)</u>	<u>(94,840)</u>
Fund balance at July 1, 2022	<u>98,528</u>	<u>98,528</u>	<u>98,528</u>
Fund balance at June 30, 2023	<u>\$ 117,550</u>	<u>\$ 3,688</u>	<u>\$ 3,688</u>

See accompanying note to required supplemental information.

Micanopy Academy, Inc.

Schedules of School's Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years

For the Year Ended June 30, 2023

Florida Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.00081%	0.00067%	0.00056%	0.00056%	0.00042%	0.00062%	0.00046%	0.00039%	0.00045%
Proportionate share of the net pension liability (asset)	\$ 300,811	\$ 50,626	\$ 244,820	\$ 191,231	\$ 125,171	\$ 184,811	\$ 115,258	\$ 50,939	\$ 27,559
Covered employee payroll	\$ 409,035	\$ 324,976	\$ 317,322	\$ 285,256	\$ 208,545	\$ 232,681	\$ 225,104	\$ 267,510	\$ 251,055
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	73.54%	15.58%	77.15%	67.04%	60.02%	79.43%	51.20%	19.04%	10.98%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Health Insurance Subsidy Program

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.00112%	0.00092%	0.00091%	0.00085%	0.00063%	0.00089%	0.00071%	0.00056%	0.00060%
Proportionate share of the net pension liability (asset)	\$ 118,445	\$ 112,600	\$ 111,635	\$ 95,582	\$ 67,152	\$ 94,818	\$ 82,446	\$ 57,153	\$ 56,337
Covered employee payroll	\$ 409,035	\$ 324,976	\$ 317,322	\$ 285,256	\$ 208,545	\$ 232,681	\$ 225,104	\$ 267,510	\$ 251,055
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	28.96%	34.65%	35.18%	33.51%	32.20%	40.75%	36.63%	21.36%	22.44%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the School will present information for only those years for which information is available.

See accompanying note to required supplemental information.

Micanopy Academy, Inc.

Schedules of Contributions - Last 10 Fiscal Years

For the Year Ended June 30, 2023

Florida Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Required contribution	\$ 9,461	\$ 34,498	\$ 25,532	\$ 18,768	\$ 17,218	\$ 11,843	\$ 16,259	\$ 11,132	\$ 9,615	\$ 9,894
Contributions in relation to the required contribution	(9,461)	(34,498)	(25,532)	(18,768)	(17,218)	(11,843)	(16,259)	(11,132)	(9,615)	(9,894)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 526,500	\$ 409,035	\$ 324,976	\$ 317,322	\$ 285,256	\$ 208,545	\$ 232,681	\$ 225,104	\$ 267,510	\$ 251,055
Contributions as a percentage of covered-employee payroll	1.80%	8.43%	7.86%	5.91%	6.04%	5.68%	6.99%	4.95%	3.59%	3.94%

Health Insurance Subsidy Program

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Required contribution	\$ 1,695	\$ 6,767	\$ 5,396	\$ 5,269	\$ 4,744	\$ 3,441	\$ 4,693	\$ 3,625	\$ 2,142	\$ 2,064
Contributions in relation to the required contribution	(1,695)	(6,767)	(5,396)	(5,269)	(4,744)	(3,441)	(4,693)	(3,625)	(2,142)	(2,064)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 526,500	\$ 409,035	\$ 324,976	\$ 317,322	\$ 285,256	\$ 208,545	\$ 232,681	\$ 225,104	\$ 267,510	\$ 251,055
Contributions as a percentage of covered-employee payroll	0.32%	1.65%	1.66%	1.66%	1.66%	1.65%	2.02%	1.61%	0.80%	0.82%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the School will present information for only those years for which information is available.

See accompanying note to required supplemental information.

Micanopy Academy, Inc.

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2023

NOTE A - BUDGETARY INFORMATION

Budgetary basis of accounting

Annual budgets are adopted for the entire operations and may be amended by the Board of Directors (the "Board"). Budgets are adopted on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general fund and the debt service fund for which a legally adopted budget exists.

NOTE B - PENSIONS SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FRS PENSION PLAN

The Florida Retirement System Actuarial Assumptions Conference performs an annual review of the actuarial assumptions for the FRS Pension Plan. The most recent study for the FRS Pension Plan was completed in 2014 for the period of July 1, 2008 through June 30, 2013. There were no changes in the Pension Plan benefit terms. The following were changes in actuarial assumptions in 2023:

- The inflation rate assumption remained the same at 2.4 percent.
- Payroll growth, including inflation, remained at 3.25 percent.
- The long-term expected rate of return remained the same at 6.7 percent.

A summary of key changes in plan provisions are described in the Florida Department of Management Services, GASB 68 Reporting Information, which can be found at:

http://www.dms.myflorida.com/workforceoperations/retirement/publications/annual_reports

A summary of key changes implemented since the latest valuation are described in the Florida Department of Management Services, Actuarial Valuations at:

http://www.dms.myflorida.com/workforceoperations/retirement/publications/actuarial_valuations

Micanopy Academy, Inc.

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2023

NOTE C - PENSIONS SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HIS PENSION PLAN

The Florida Retirement System Actuarial Assumptions Conference performs an annual review of the actuarial assumptions for the FRS Pension Plan. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent study for the FRS Pension Plan was completed in 2014 for the period of July 1, 2008 through June 30, 2013. There were no changes in the HIS Program benefit terms. The following were changes in actuarial assumptions in 2023:

- The inflation rate assumption remained the same at 2.4 percent.
- Payroll growth, including inflation, remained at 3.25 percent.
- The long-term expected rate of return remained the same at 6.7 percent.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program.

A summary of key changes in plan provisions are described in the Florida Department of Management Services, GASB 68 Reporting Information, which can be found at:

http://www.dms.myflorida.com/workforceoperations/retirement/publications/annual_reports

A summary of key changes implemented since the latest valuation are described in the Florida Department of Management Services, Actuarial Valuations at:

<http://www.dms.myflorida.com/workforceoperations/retirement/publications/actuarial>

SUPPLEMENTAL INFORMATION



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

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Renee C. Varga
Richard F. Hayes
Frank J. Guida
John J. Rody, Jr.
Shawn M. Marshall

To the Board of Directors
Micanopy Academy, Inc.
Micanopy, 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, each major fund, and the aggregate remaining fund information of Micanopy Academy, Inc., which is a component unit of the School District of Alachua County, Florida as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Micanopy Academy Inc.'s basic financial statements, and have issued our report thereon dated October 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Micanopy Academy'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 Micanopy Academy, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Micanopy Academy, Inc.'s internal control.

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

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

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Micanopy Academy, Inc.'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 and other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
October 13, 2023



Partners

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MANAGEMENT LETTER

To the Board of Directors
Micanopy Academy, Inc.
Micanopy, Florida

Report on the Financial Statements

We have audited the financial statements of Micanopy Academy, Inc. (the “School”), which is a component unit of the School District of Alachua County, Florida as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated October 13, 2023.

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 those reports and schedules, which are dated October 13, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1, Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Micanopy Academy, Inc., and the school code assigned by the Florida Department of Education is 01-0951.

Financial Condition and Management

Section 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 condition(s) described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Micanopy Academy 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 the financial information provided by same.

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

Transparency

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, The Florida Auditor General, Federal and other granting agencies, Micanopy Academy, Inc.'s management, Micanopy Academy, Inc., the School District of Alachua County, 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
October 13, 2023

MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES

For the year ended June 30, 2023, there are no management recommendations.