

**Micanopy Area Cooperative
School, Inc.
(A Component Unit of the Alachua
County District School Board)**

**Basic Financial Statements and
Supplemental Information**

**For the year ended
June 30, 2021**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
BASIC FINANCIAL STATEMENTS	
Government - Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet - Governmental Funds	9
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	12
Notes to Financial Statements	13-22
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	23
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Special Revenue Fund	24
Note to Required Supplemental Information	25
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 <i>GOVERNMENT AUDITING STANDARDS</i>	26-27
MANAGEMENT LETTER	28-29
MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES	30



Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Thomas F. Regan
Ernie R. Janvrin
Richard F. Hayes
Renee C. Varga
Shawn M. Marshall

Winter Park, FL 32789
501 S. New York Ave.
Suite 100
Phone: 407-644-5811
www.mosskrusick.com

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Micanopy Area Cooperative School, Inc.
Micanopy, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Micanopy Area Cooperative School, Inc. (the "School"), a component unit of the Alachua County District School Board, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–6 and 24–26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, 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 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* in considering Micanopy Area Cooperative School's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2021

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, 2021. Please read it in conjunction with the School's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2021:

- The School's overall net position increased by approximately \$282,000.
- Unrestricted net position at June 30, 2021, was \$811,927.
- The School had total expenses for the year of approximately \$1,995,000, compared to revenues of approximately \$2,277,000.
- The School served 196 and 215 students in the school years ending in 2021 and 2020, respectively, in grades K through 5. The School also provides VPK services and served 28 and 29 students in the school years ending in 2021 and 2020, respectively.

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 liabilities 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 liabilities - 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 three individual governmental funds, the General Fund, Special Revenue Fund and Capital Outlay Fund. These 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 governmental 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.

Micanopy Area Cooperative School, Inc. Statement of Net Position

	Governmental Activities		
	June 30, 2021	June 30, 2020	Variance
ASSETS			
Current and other assets	\$ 887,746	\$ 931,410	\$ (43,664)
Capital assets, net	1,955,420	1,991,485	(36,065)
Total assets	2,843,166	2,922,895	(79,729)
LIABILITIES			
Current liabilities	152,094	43,864	108,230
Non-current liabilities	351,029	821,195	(470,166)
Total liabilities	503,123	865,059	(361,936)
NET POSITION			
Net investment in capital assets	1,528,116	1,461,026	67,090
Unrestricted	811,927	596,810	215,117
Total net position	\$ 2,340,043	\$ 2,057,836	\$ 282,207

Micanopy Area Cooperative School, Inc.
Statement of Activities

	Governmental Activities		
	2021	2020	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 82,460	\$ 42,287	\$ 40,173
Operating grants and contributions	101,906	106,997	(5,091)
Capital grants and contributions	102,577	108,468	(5,891)
General revenues			
USAC E-Rate Grant	4,962	8,238	(3,276)
Title I grant	46,789	53,168	(6,379)
Title II grant	5,318	848	4,470
Title IV grant	9,986	-	9,986
Florida education finance program	1,530,932	1,483,456	47,476
Other state revenues	5,168	52,430	(47,262)
Other local revenues	133,113	74,305	58,808
Unrestricted investment earnings	521	2,455	(1,934)
Debt forgiveness	253,400	-	253,400
Total revenues	<u>2,277,132</u>	<u>1,932,652</u>	<u>344,480</u>
Expenses:			
Instruction	1,191,654	1,010,489	(181,165)
Instructional support services	116,577	81,841	(34,736)
General support	597,704	591,773	(5,931)
Community services	4,831	16,718	11,887
Maintenance of plant	65,458	53,195	(12,263)
Interest on long-term debt	18,701	19,268	567
Total expenses	<u>1,994,925</u>	<u>1,773,284</u>	<u>(221,641)</u>
Change in net position	282,207	159,368	122,839
Net position - beginning	<u>2,057,836</u>	<u>1,898,468</u>	<u>159,368</u>
Net position - ending	<u>\$ 2,340,043</u>	<u>\$ 2,057,836</u>	<u>\$ 282,207</u>

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities. The governmental activities generated \$286,943 in program revenues and \$1,990,189 of general revenues and incurred \$1,994,925 of program expenses. This resulted in a \$282,207 increase in net position.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund - The fund balance of the General Fund has decreased by \$34,532, from \$887,546 to \$853,014.

Special Revenue Fund - The fund balance of the Special Revenue Fund remained the same at \$0 which means that all grant funds were spent during the year. This is expected due to the nature of the Title I, Title II, Title IV, CSP, ESSER and CARES grant funds.

Capital Projects Fund - The fund balance of the Capital Projects Fund remained at \$0. All revenues for the year were expended on eligible costs.

BUDGETARY HIGHLIGHTS

General Fund - The School amended the original budget to reflect proceeds from the Paycheck Protection Program loan and to reflect increased revenues and expenditures. There were no differences between the final budget and actual amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The School purchased land and made some improvements. Please refer to a note to the accompanying financial statements entitled Capital Assets and Depreciation for more detailed information about the School's capital asset activity.

Debt Administration - The School received forgiveness of its debt from the Paycheck Protection Program and made scheduled payments on its existing debt. Please refer to a note to the accompanying financial statements entitled Long-Term Liabilities for more detailed information about the School's long-term debt activity.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In fiscal year 2021, the State of Florida increased its Florida Education Finance Program (FEFP) base funding to include a teacher salary increase pool of \$500 million and mental health initiative allocations. The capital outlay funding pool increased to \$169.6 million.

For fiscal year 2022, the Florida Education Finance Program funding and the capital outlay revenue assumed at a flat rate in comparison to the current rate per student. The teacher salary allocation will continue to be a part of the base FEFP funding. A 2% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with enrollment changes and the School's strategic objectives.

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 Brenda Maynard (Director), Micanopy Area Cooperative School, 802 NW Seminary Avenue, Micanopy, Florida 32667.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 830,298
Grants receivable	23,912
Prepaid expenses	33,536
Capital assets:	
Non-Depreciable capital assets	234,161
Depreciable capital assets, net	<u>1,721,259</u>
	<u>2,843,166</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	26,143
Salaries payable	8,589
Long-Term liabilities:	
Due within one year	117,362
Due in more than one year	<u>351,029</u>
Total current liabilities	<u>503,123</u>
NET POSITION	
Net investment in capital assets	1,528,116
Unrestricted	<u>811,927</u>
Total net position	<u><u>\$ 2,340,043</u></u>

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

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

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	\$ (1,191,654)	\$ 57,345	\$ 57,997	\$ -	\$ (1,076,312)
Instructional support services	(116,577)	-	-	-	(116,577)
General support	(597,704)	25,115	43,909	83,876	(444,804)
Community service	(4,831)	-	-	-	(4,831)
Maintenance of plant	(65,458)	-	-	-	(65,458)
Interest on long-term debt	(18,701)			18,701	-
Total governmental activities	<u>\$ (1,994,925)</u>	<u>\$ 82,460</u>	<u>\$ 101,906</u>	<u>\$ 102,577</u>	<u>(1,707,982)</u>
General revenues:					
Federal:					
USAC E-Rate grant					4,962
Federal through state:					
Title I grant					46,789
Title II grant					5,318
Title IV grant					9,986
State revenue					
Florida education finance program					1,530,932
Other state revenues					5,168
Other local revenues					133,113
Unrestricted investment earnings					521
Debt forgiveness					<u>253,400</u>
Total general revenues					<u>1,990,189</u>
Change in net position					282,207
Net position at July 1, 2020					<u>2,057,836</u>
Net position at June 30, 2021					<u>\$ 2,340,043</u>

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

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
ASSETS				
Cash	\$ 830,298	\$ -	\$ -	\$ 830,298
Grants receivable	23,912	-	-	23,912
Prepaid expenditures	33,536	-	-	33,536
Total assets	<u>\$ 887,746</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 887,746</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 26,143	\$ -	\$ -	\$ 26,143
Salaries payable	8,589	-	-	8,589
Total liabilities	<u>34,732</u>	<u>-</u>	<u>-</u>	<u>34,732</u>
FUND BALANCES				
Nonspendable - prepaids	33,536	-	-	33,536
Unassigned	819,478	-	-	819,478
Total fund balances	<u>853,014</u>	<u>-</u>	<u>-</u>	<u>853,014</u>
Total liabilities and fund balances	<u>\$ 887,746</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 887,746</u>

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

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION**

June 30, 2021

Fund balances - total governmental funds	\$	853,014
--	----	---------

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		1,955,420
--	--	-----------

Long-term liabilities are not reported in the governmental funds.

Compensated absences		(22,450)
Loans payable		<u>(445,941)</u>

Net position of governmental activities	\$	<u>2,340,043</u>
---	----	------------------

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

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
Revenues				
Federal:				
USAC E-Rate grant	\$ 4,962	\$ -	\$ -	\$ 4,962
Federal through state:				
Title I grant	-	46,789	-	46,789
Title II grant	-	5,318	-	5,318
Title IV grant	-	9,986	-	9,986
ESSER grant	-	32,451	-	32,451
CSP grant	-	54,190	-	54,190
VPK CARES grant	-	16,240	-	16,240
National school lunch	-	43,909	-	43,909
State revenue:				
Florida education finance program	1,530,932	-	-	1,530,932
Public education capital outlay	-	-	102,577	102,577
Voluntary prekindergarten	57,997	-	-	57,997
Other state revenues	5,168	-	-	5,168
Local revenue:				
Meal service revenue	25,115	-	-	25,115
Other local revenues	88,098	-	-	88,098
Total revenues	<u>1,712,272</u>	<u>208,883</u>	<u>102,577</u>	<u>2,023,732</u>
Expenditures				
Current:				
Instruction	1,026,680	164,974	-	1,191,654
Instructional support services	116,577	-	-	116,577
General support	466,027	43,909	-	509,936
Community services	4,831	-	-	4,831
Maintenance of plant	65,458	-	-	65,458
Capital outlay	-	-	47,951	47,951
Debt service:				
Principal	67,231	-	35,925	103,156
Interest	-	-	18,701	18,701
Total expenditures	<u>1,746,804</u>	<u>208,883</u>	<u>102,577</u>	<u>2,058,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,532)</u>	<u>-</u>	<u>-</u>	<u>(34,532)</u>
Net change in fund balances	<u>(34,532)</u>	<u>-</u>	<u>-</u>	<u>(34,532)</u>
Fund balances at July 1, 2020	<u>887,546</u>	<u>-</u>	<u>-</u>	<u>887,546</u>
Fund balances at June 30, 2021	<u><u>\$ 853,014</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 853,014</u></u>

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

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

Year Ended June 30, 2021

Excess of revenues over expenditures - total governmental funds	\$	(34,532)
---	----	----------

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	47,951	
Current year depreciation expense	<u>(84,016)</u>	(36,065)

Some expenses reported in the statement of activities do not require the
use of current financial resources and therefore are not reported as
expenditures in governmental funds.

Net change in compensated absences		(3,752)
------------------------------------	--	---------

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.

Forgiveness of debt		253,400
Current year principal payments		<u>103,156</u>

Change in net position of governmental activities	\$	<u><u>282,207</u></u>
---	----	-----------------------

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

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Micanopy Area Cooperative School, 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.

1. Reporting entity

Micanopy Area Cooperative School, 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 Area Cooperative School (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, 2026 and may be renewed up to an additional 10 years 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 provide 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.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2. Government-wide financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary 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.

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.

3. 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.

Special Revenue Fund - The Special Revenue Fund is used to account for financial resources associated with Title I, Title II, Title IV, CSP, ESSER, and CARES grants that are restricted to operational uses.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

3. Fund financial statements (continued)

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, Special Revenue Fund and Capital Projects Fund are all considered to be major funds and, therefore, are separately displayed. The School has no non-major funds.

4. 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.

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 items are considered to be measurable and available only when cash is received.

5. 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.

6. Receivables

Receivables consist of amounts due from other agencies, and the local school district at June 30, 2021. The School's management determined that 100% of receivables are fully collectible. Therefore, no allowance for doubtful accounts has been provided.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

7. Interfund receivables and payables

Activity between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds.

8. Capital assets and depreciation

Capital assets are defined by the School as assets with an initial, individual cost of \$3,000 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.

Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (years)</u>
Buildings	5 - 39
Improvements	5 - 30
Furniture, Fixtures and Equipment	5 - 10

9. Prepaid items

Payment made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid expenses in both the government-wide and fund financial statements.

10. Compensated absences

The School's personnel policies allow a limited accumulation and vesting of unused employee vacation and sick leave. The liability of compensated absences is accrued when incurred in the government-wide financial statements. In the fund financial statements, a liability for compensated absences is reported to the extent that the liability will be liquidated with expendable available financial resources. Compensated absences are liquidated from the General Fund.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

11. 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.

12. Revenue recognition

Student funding is provided by the State of Florida through the School District. Such funding is recorded as State passed through local school district in the government-wide financial statements and fund financial statements and is net of the 5% administration fee retained by the School District. This funding is received on a prorate basis over the twelve month period and is adjusted for changes in full-time equivalent (FTE) student population.

13. 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 FTE 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.

14. Income taxes

Micanopy Area Cooperative School, Inc. is a charter school, which qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Management has analyzed the School's various federal and state filing positions, including those pertaining to charter academy contracts and tax exempt status, and believes that its income tax filing positions and deductions are well documented and supported, and that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. The School remains subject to the examination by the Internal Revenue Service for the three years prior to June 30, 2021.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

15. Net Position

Net position represents the difference between assets and liabilities 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 granters. The balance of the net position is reported as *unrestricted*. 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.

16. 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 Director. Assigned fund balance includes spendable fund balance amounts established by the Director that are intended to be used for specific purposes that are neither considered restricted nor 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 Director. 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.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

16. Fund Balance Classifications (continued)

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

It is the policy of the School that they will 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.

17. Use of estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

18. Recent GASB implementation

The GASB issued Statement No. 84, Fiduciary Activities, effective for fiscal 2021, which establishes criteria for the identification of fiduciary activities and provides guidance on reporting those activities. An activity meeting the criteria should be reported in a fiduciary fund. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The new GASB did not have an impact on the financial statements as the School did not have any funds which met the criteria.

19. Recent GASB pronouncement

The GASB issued Statement No. 87, Leases, which establishes new guidance for lease accounting for lessees and lessors and eliminates the classification of leases into operating or capital leases. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Lessees will recognize a lease liability and an intangible right to use lease asset. Lessors will recognize a lease receivable and a deferred inflow of resources. The new guidance is effective for fiscal 2022.

The School is evaluating the effect of this new standard on its financial statements.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets were as follows for the year ended June 30, 2021:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital assets not being depreciated:				
Land	\$ 201,061	\$ 33,100	\$ -	\$ 234,161
Capital assets being depreciated:				
Buildings	2,255,438	3,241	-	2,258,679
Improvements other than buildings	212,910	11,610	-	224,520
Furniture, fixtures and equipment	35,755	-	-	35,755
Total capital assets	<u>2,705,164</u>	<u>47,951</u>	<u>-</u>	<u>2,753,115</u>
Accumulated depreciation:				
Buildings	574,024	69,640	-	643,664
Improvements other than buildings	119,470	10,745	-	130,215
Furniture, fixtures and equipment	20,185	3,631	-	23,816
Total accumulated depreciation	<u>713,679</u>	<u>84,016</u>	<u>-</u>	<u>797,695</u>
Net capital assets	<u>\$ 1,991,485</u>	<u>\$ (36,065)</u>	<u>\$ -</u>	<u>\$ 1,955,420</u>

Depreciation was charged to functions/programs as follows:

General support	<u>\$ 84,016</u>
Total	<u>\$ 84,016</u>

NOTE 3 - CASH

Custodial Credit Risk - Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School does not have a formal policy regarding custodial credit risk. The School maintains its cash balances in a financial institution insured by the Federal Deposit Insurance Corporation ("FDIC"). Under the FDIC program, all of the School's cash balances maintained in accounts at the financial institution are fully guaranteed by the FDIC up to \$250,000.

At June 30, 2021, the School's cash exceeded the FDIC limit by \$580,163. The School's deposits are part of the Qualified Public Deposit program and are insured for more than the \$250,000 FDIC limit.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 4 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term obligations of the School for the year ended June 30, 2021:

	Long-term Obligations at July 1, 2020	Additions	Reductions	Long-term Obligations at June 30, 2021	Amount Due in 1 Year
Compensated Absences	\$ 37,335	\$ 6,139	\$ 2,387	\$ 41,087	\$ 22,450
Ameris Bank Loan	530,460	-	103,156	427,304	94,912
Paycheck Protection Program	253,400	-	253,400	-	-
Total	<u>\$ 821,195</u>	<u>\$ 6,139</u>	<u>\$ 358,943</u>	<u>\$ 468,391</u>	<u>\$ 117,362</u>

In April, 2016, the School borrowed money from Ameris Bank to add a modular building and build a cafetorium. The agreement is amortized over 240 months with an interest rate of 4.15% until April 2021. The rate is then adjusted to a fixed rate based on five year US treasury plus 3%. The loan matures in April 2026. Monthly payments are \$4,735.

In October 2020, the School's requested that the finance committee create a 5-year plan to reduce its Ameris Bank debt. The finance committee met and recommended the School pay an additional \$50,000 annually on the existing loan. The committee requested a new amortization schedule from the bank that shows an interest rate of 3.85%, monthly payments of \$5,000, and an annual payment of \$50,000 in October.

In May 2020, the School was awarded a Small Business Administration Paycheck Protection Program loan through the CARES Act. The term is 24 months at an interest rate of 1%. The full amount is forgivable if spent on allowable costs. As of June 30, 2021, the PPP Loan was forgiven in full.

The following is a schedule of future minimum debt service requirements:

Year Ending June 30	Principal	Interest	Total
2022	\$ 94,912	\$ 15,088	\$ 110,000
2023	98,684	11,316	110,000
2024	102,588	7,412	110,000
2025	106,683	3,318	110,001
2026	24,437	385	24,822
	<u>\$ 427,304</u>	<u>\$ 37,519</u>	<u>\$ 464,823</u>

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 5 - EMPLOYEE RETIREMENT PLAN

The School made contributions on behalf of its employees to a defined contribution 403(b) Tax-Sheltered Annuity Plan, managed by The Legend Group. The employer matches employee contributions up to five percent of each eligible employee's gross pay for the contract year. The Board of Directors has the authority to amend or terminate the plan, although it has not expressed an intention to do so.

Years ending June 30	Employee Contributions	Employer Contributions
2019	\$ 28,685	\$ 22,785
2020	30,011	23,129
2021	33,183	26,443

NOTE 6 - RISKS AND UNCERTAINTIES

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.

COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the global pandemic situation.

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 September 30, 2021 which is the date the financial statements were available be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**

Year Ended June 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenue				
Federal:				
USAC E-Rate Grant	\$ 15,000	\$ 4,962	\$ 4,962	\$ -
State Revenue				
Florida education finance program	1,499,558	1,530,932	1,530,932	-
Public education capital outlay	-	-	-	-
Voluntary prekindergarten	85,000	57,997	57,997	-
Other state revenues	-	5,168	5,168	-
Local Revenue:				
Meal service revenue	-	25,115	25,115	-
Other local revenues	2,500	88,098	88,098	-
Total revenues	<u>1,602,058</u>	<u>1,712,272</u>	<u>1,712,272</u>	<u>-</u>
Expenditures				
Current:				-
Instruction	1,051,939	1,026,680	1,026,680	
Instructional support services	-	116,577	116,577	-
General support	382,727	466,027	466,027	-
Community services	-	4,831	4,831	-
Maintenance of plant	167,392	65,458	65,458	-
Debt service:				
Principal	-	67,231	67,231	-
Total expenditures	<u>1,602,058</u>	<u>1,746,804</u>	<u>1,746,804</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(34,532)</u>	<u>(34,532)</u>	<u>-</u>
Net change in fund balances	-	(34,532)	(34,532)	-
Fund balance at July 1, 2020	<u>8,969</u>	<u>887,546</u>	<u>887,546</u>	<u>-</u>
Fund balance at June 30, 2021	<u>\$ 8,969</u>	<u>\$ 853,014</u>	<u>\$ 853,014</u>	<u>\$ -</u>

See accompanying note to required supplemental information.

Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND

Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenue				
Federal through State:				
Title I grant	\$ 70,000	\$ 46,789	\$ 46,789	\$ -
Title II grant	-	5,318	5,318	-
Title IV grant	-	9,986	9,986	-
ESSER grant	-	32,451	32,451	-
CSP grant	-	54,190	54,190	-
VPK CARES grant	-	16,240	16,240	-
National school lunch	90,000	43,909	43,909	-
Local revenue				-
Other local revenue	20,000	-	-	-
Total revenues	<u>180,000</u>	<u>208,883</u>	<u>208,883</u>	<u>-</u>
Expenditures				
Current:				
Instruction	59,131	164,974	164,974	-
General support	105,869	43,909	43,909	-
Debt	15,000	-	-	-
Total expenditures	<u>180,000</u>	<u>208,883</u>	<u>208,883</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at July 1, 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at June 30, 2021	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying note to required supplemental information.

**Micanopy Area Cooperative School, Inc.
(A Component Unit of the Alachua County District School Board)**

NOTE TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2021

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"). The budgets presented for fiscal year ended June 30, 2021, have been amended according to Board procedures. 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 each major special revenue fund for which a legally adopted budget exists.

SUPPLEMENTAL INFORMATION



Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Thomas F. Regan
Ernie R. Janvrin
Richard F. Hayes
Renee C. Varga
Shawn M. Marshall

Winter Park, FL 32789
501 S. New York Ave.
Suite 100
Phone: 407-644-5811
www.mosskrusick.com

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

**INDEPENDENT AUDITORS' 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
Micanopy Area Cooperative School, 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 Area Cooperative School, which is a component unit of the School District of Alachua County, Florida as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Micanopy Area Cooperative School's basic financial statements, and have issued our report thereon dated September 30, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Micanopy Area Cooperative 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 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
September 30, 2021



Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Thomas F. Regan
Ernie R. Janvrin
Richard F. Hayes
Renee C. Varga
Shawn M. Marshall

Winter Park, FL 32789
501 S. New York Ave.
Suite 100
Phone: 407-644-5811
www.mosskrusick.com

N. Palm Beach, FL 33408
631 US Highway One
Suite 405
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Suite 201
Phone: 305-445-7956

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

MANAGEMENT LETTER

To the Board of Directors
Micanopy Area Cooperative School, Inc.
Micanopy, Florida

Report on the Financial Statements

We have audited the financial statements of Micanopy Area Cooperative School, 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, 2021, and have issued our report thereon dated September 30, 2021.

Auditors' 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 and Schedules

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 September 30, 2021, 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 Area Cooperative School, 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 Area Cooperative 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 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 Area Cooperative School's management, Micanopy Area Cooperative School, 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
September 30, 2021

MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES

For the year ended June 30, 2021, there are no management recommendations.