

PINELLAS MYCROSCHOOL, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023

PINELLAS MYCROSCHOOL, INC.
JUNE 30, 2023

GOVERNING BOARD

MEMBER	OFFICE
Susan Reiter	President
Connie Going	Secretary
Jody Lane	Treasurer
Dr. Nicole Hall	Director
Wanda Jones	Director
Chaye Smith	Director

ADMINISTRATION

Julie Mastry	Principal
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PINELLAS MYCROSCHOOL, INC.
TABLE OF CONTENTS
JUNE 30, 2023

	Page(s)
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 – 9
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Governmental Funds - Balance Sheet	12
Governmental Funds - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government- Wide Statement of Activities	15
Notes to Financial Statements	16 – 29
Required Supplementary Information	30
General Fund - Budgetary Comparison Schedule	31
Special Revenue Fund - Budgetary Comparison Schedule	32
Schedule of Proportionate Share of Net Pension Liability	33
Schedule of Contributions	34
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 <i>Government Auditing Standards</i>	35 – 36
Management Letter of Independent Auditors Required by Chapter 10.850, Rules of the Auditor General	37 - 39
Corrective Action Plan	40



INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Pinellas MYcroSchool, Inc.:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, and each major fund of Pinellas MYcroSchool, Inc. (the "School") (a component unit of the School Board of Pinellas County) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pinellas MYcroSchool, Inc. as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the 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.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the School will continue as a going concern. As discussed in the notes to the financial statements, the School has suffered significant losses from operations that raise substantial doubt about the School's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 11. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 the School'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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

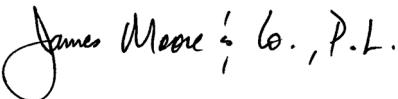
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents 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 October 11, 2023 on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the School's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
October 11, 2023

PINELLAS MYCROSCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

This section of Pinellas MYcroSchool, Inc.'s annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the School's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Pinellas MYcroSchool, Inc. (the "School") using the integrated approach as prescribed by GASB Statement Number 34.

The Government-Wide Financial Statements present the financial picture of the School from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the School as well as all liabilities. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The Fund Financial Statements include statements for the governmental activities. The Governmental Funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

The Primary unit of the government is the School Board of Pinellas County, Florida.

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

An overview of significant financial information from the current year includes:

- The school's total net position decreased by approximately \$250 thousand.
- Total governmental fund expenditures exceeded revenues by approximately \$158 thousand.
- Capital assets and right-of-use assets, net of depreciation and amortization, increased by approximately \$3.2 million.
- The School's governmental funds reported combined ending fund balances of approximately \$(20) thousand.

PINELLAS MYCROSCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

REPORTING THE SCHOOL AS A WHOLE

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the School as a whole and about its activities. These statements include *all* assets and liabilities of the School using the accrual basis accounting, which is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the School's *net position* and changes in them. Net position is the difference between assets and liabilities, one way to measure the School's financial health, or *financial position*. Over time, *increases or decreases* in the School's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the School's revenue base and the condition of the School's capital assets.

The relationship between revenues and expenses is the School's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the School. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we designate the School activities as follows:

Governmental activities—All of the School's services are reported in this category. This includes the education of high school students, and the on-going effort to improve and maintain capital assets. Revenues received from the Florida Education Finance Program through the Pinellas County Public School system, Federal grants and miscellaneous local revenues finance these activities.

REPORTING THE SCHOOL'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the School as a whole. Some funds are required to be established by State law. However, management may establish various funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies that it receives.

Governmental funds—The School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. The differences between the governmental fund financial statements and the government-wide financial statements are explained in reconciliations following each governmental fund financial statement.

PINELLAS MYCROSCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

THE SCHOOL AS A WHOLE

Net Position

The School's net position was approximately \$(386) thousand for the fiscal year ended June 30, 2023. Restricted net position are reported separately to show legal constraints from debt covenants grantors, constitutional provisions and enabling legislation that limit the School's ability to use those net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the School's governmental activities.

Table 1

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Current and other assets	\$ 152,857	\$ 255,769
Noncurrent assets	<u>4,840,338</u>	<u>1,082,204</u>
Total assets	<u>4,993,195</u>	<u>1,337,973</u>
Deferred outflows	<u>237,161</u>	<u>226,961</u>
Current liabilities	114,008	117,785
Noncurrent liabilities	<u>4,728,214</u>	<u>1,234,261</u>
Total Liabilities	<u>4,842,222</u>	<u>1,352,046</u>
Deferred inflows	<u>773,645</u>	<u>348,615</u>
Net position		
Net investment in capital and right-to-use assets	6,920	86,618
Restricted for capital projects	-	-
Unrestricted	<u>(392,431)</u>	<u>(222,345)</u>
Total Net Position	<u>\$ (385,511)</u>	<u>\$ (135,727)</u>

Changes in Net Position

The results of this year's operations for the School as a whole are reported in the Statement of Activities on page 11. Table 2 takes the information from the Statement and rearranges it slightly to more readily identify the total revenues for the year.

PINELLAS MYCROSCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

Changes in Net Position (Continued)

Table 2

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Revenues		
State of florida education finance program	\$ 989,792	\$ 809,533
Public education capital outlay program	-	72,594
Operating grants	155,024	319,721
Other general revenues	292,919	111,219
Total Revenues	<u>1,437,735</u>	<u>1,313,067</u>
Expenses		
Instruction-related services	717,890	687,204
Support services	361,378	306,067
Facilities acquisition and construction	7,318	48
Transportation	9,992	21,322
Maintenance and operation of plant	192,376	214,761
Depreciation and amortization	212,699	117,337
Pension expense adjustment	(8,317)	(40,121)
Interest	194,183	27,769
Total expenses	<u>1,687,519</u>	<u>1,334,387</u>
Change in Net Position	<u>\$ (249,784)</u>	<u>\$ (21,320)</u>

PINELLAS MYCROSCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

THE SCHOOL'S FUNDS

As the School completed this year, the governmental funds reported a combined fund balance of approximately \$(20) thousand. (Table 3).

Table 3

	Fund Balance June 30, 2023	Fund Balance June 30, 2022
General Fund	\$ (20,419)	\$ 137,984
Totals	\$ (20,419)	\$ 137,984

General Fund Budgetary Highlights

During the course of the fiscal year, the School revised its General Fund Budget in order to deal with unexpected changes in revenue and expenditures. The Governing Board adopts its initial budget based on projected enrollment and the corresponding projected revenues. Amendments are primarily required to reflect changes in revenue estimates from the State of Florida Education Finance Program (FEFP) as actual enrollments are determined. A schedule showing the School's original and final budget amounts compared with actual amounts paid and received is provided in budgetary comparison schedules as noted in the table of contents.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the School had \$119,417 in a broad range of capital assets (net of depreciation), including furniture, equipment and building improvements (Table 4).

Table 4

	Governmental Activities June 30, 2023	Governmental Activities June 30, 2022
Furniture and Equipment	\$ 192,271	\$ 189,967
Building Improvements	225,705	218,387
Accumulated Depreciation	(298,559)	(274,912)
Totals	\$ 119,417	\$ 133,442

PINELLAS MYCROSCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023
(Continued)

SIGNIFICANT ACTIVITIES DURING FISCAL YEAR 2022-2023 ARE NOTED BELOW:

- The School's enrollment was 130 students.

ECONOMIC FACTORS

The economic position of the school for general operating is closely tied to that of the State. The formula for determining funding for education is set by Statute. State funds to charter schools are provided primarily by legislative appropriations from the State's general revenue funds under the Florida Education Finance Program (FEFP), and the State funding for operations is primarily from sales, gasoline, and corporate income taxes. Additionally, the level of tourism in the State heavily influences the amount of taxes collected. Significant changes in State revenue collections could directly impact future School revenue allocations.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need any additional financial information, please write to NEWCorp at 1204 NW 69th Terrace, Suite B, Gainesville, Florida 32605.

PINELLAS MYCROSCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2023

Assets	Governmental Activities
Current assets	
Cash and cash equivalents	\$ 65,589
Due from other agencies and accounts receivable	5,458
Lease receivable- current portion	59,268
Deposits	4,260
Prepaid expenses	18,282
Total current assets	152,857
Noncurrent assets	
Lease receivable- noncurrent portion	602,752
Capital assets, net	119,417
Right-to-use assets, net	4,118,169
Total noncurrent assets	4,840,338
Total Assets	\$ 4,993,195
Deferred Outflows	
Related to changes in the net pension liability	\$ 237,161
Liabilities	
Current liabilities	
Payroll deductions and withholdings	\$ 25,134
Accounts payable	14,020
Due to other agencies	74,854
Total current liabilities	114,008
Long-term liabilities	
Net pension liability	477,548
Payroll loan	20,000
Due within one year - lease	81,646
Due within more than one year - lease	4,149,020
Total long-term liabilities	4,728,214
Total Liabilities	\$ 4,842,222
Deferred Inflows	
Related to changes in the net pension liability	\$ 111,625
Related to leases	662,020
	\$ 773,645
Net Position	
Net investment in capital and right-to-use assets	\$ 6,920
Unrestricted	(392,431)
Total net position	\$ (385,511)

The accompanying notes are an integral
part of this statement.

PINELLAS MYCROSCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Instruction	\$ 511,302	\$ -	\$ 133,344	\$ -	\$ (377,958)
Student Support Services	138,626	-	18,680	-	(119,946)
Instructional Staff Training	16,495	-	-	-	(16,495)
Instructional Technology Services	20,762	-	-	-	(20,762)
Board	30,705	-	-	-	(30,705)
General Administration	48,132	-	-	-	(48,132)
School Administration	232,563	-	1,500	-	(231,063)
Facilities Acquisition and Construction	7,318	-	-	-	(7,318)
Fiscal Services	28,694	-	-	-	(28,694)
Food Services	4,950	-	-	-	(4,950)
Central Services	44,387	-	-	-	(44,387)
Transportation	9,992	-	-	-	(9,992)
Operation of Plant	178,159	-	1,500	-	(176,659)
Maintenance of Plant	14,217	-	-	-	(14,217)
Administrative Technology	2,652	-	-	-	(2,652)
Depreciation and amortization (unallocated)	212,699	-	-	-	(212,699)
Pension expense adjustment (unallocated)	(8,317)	-	-	-	8,317
Debt service (unallocated)	194,183	-	-	-	(194,183)
Total Governmental Activities	<u>\$ 1,687,519</u>	<u>\$ -</u>	<u>\$ 155,024</u>	<u>\$ -</u>	<u>(1,532,495)</u>

General revenues:

State aid not restricted	989,792
to specific purposes	93,199
Referendum tax	134,399
Miscellaneous	65,321
Gain on disposal of lease asset	1,282,711
Subtotal, General Revenues	<u>1,282,711</u>
Change in Net Position	<u>(249,784)</u>
Net Position - Beginning of year	(135,727)
Net Position - End of year	<u>\$ (385,511)</u>

The accompanying notes are an integral
part of this financial statement.

PINELLAS MYCROSCHOOL, INC.
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 65,589	\$ -	\$ -	\$ 65,589
Due from other agencies	5,458	-	-	5,458
Deposits	4,260	-	-	4,260
Prepaid	18,282	-	-	18,282
Total Assets	<u>\$ 93,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,589</u>
Liabilities and Fund Balances				
Current liabilities				
Payroll deductions and withholdings	\$ 25,134	\$ -	\$ -	\$ 25,134
Accounts payable	14,020	-	-	14,020
Due to other agencies	74,854	-	-	74,854
Total Liabilities	<u>114,008</u>	<u>-</u>	<u>-</u>	<u>114,008</u>
Fund Balances				
Nonspendable	22,542	-	-	22,542
Unassigned	(42,961)	-	-	(42,961)
Total Fund Balances	<u>(20,419)</u>	<u>-</u>	<u>-</u>	<u>(20,419)</u>
Total Liabilities and Fund Balances	<u>\$ 93,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,589</u>

The accompanying notes are an integral
part of this financial statement.

PINELLAS MYCROSCHOOL, INC.
GOVERNMENTAL FUNDS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balance - Governmental Funds \$ (20,419)

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

Net pension liability and related deferred inflows/outflows are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability	(477,548)	
Deferred outflows	237,161	
Deferred inflows	<u>(111,625)</u>	
		(352,012)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund. (20,000)

Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds

Capital assets	417,976	
Accumulated depreciation	<u>(298,559)</u>	
		119,417
Right-to-use assets	4,260,175	
Accumulated amortization	<u>(142,006)</u>	
		4,118,169

Long term debt not due and payable in the current period and, therefore, are not reported in the funds.

Lease payable		(4,230,666)
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Total Net Position - Governmental Activities \$ (385,511)

The accompanying notes are an integral part of this financial statement.

PINELLAS MYCROSCHOOL, INC.
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
Revenues				
Federal through state	\$ -	\$ -	\$ 155,024	\$ 155,024
State	989,792	-	-	989,792
Local	227,598	-	-	227,598
Total revenues	<u>1,217,390</u>	<u>-</u>	<u>155,024</u>	<u>1,372,414</u>
Expenditures				
Instruction	385,282	-	126,020	511,302
Student Support Services	119,946	-	18,680	138,626
Instructional Staff Training	16,495	-	-	16,495
Instructional Technology Services	20,762	-	-	20,762
Board	30,705	-	-	30,705
General Administration	48,132	-	-	48,132
School Administration	231,063	-	1,500	232,563
Facilities Acquisition and Construction	4,267,493	-	-	4,267,493
Fiscal Services	28,694	-	-	28,694
Food Services	4,950	-	-	4,950
Central Services	44,387	-	-	44,387
Transportation	9,992	-	-	9,992
Operation of Plant	186,281	-	1,500	187,781
Maintenance of Plant	14,217	-	-	14,217
Administrative Technology	2,652	-	-	2,652
Debt Service	58,058	-	-	58,058
Interest	194,183	-	-	194,183
Total expenditures	<u>5,663,292</u>	<u>-</u>	<u>147,700</u>	<u>5,810,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,445,902)</u>	<u>-</u>	<u>7,324</u>	<u>(4,438,578)</u>
Other Financing Sources (Uses)				
Lease financing	4,260,175	-	-	4,260,175
Transfers in	7,324	-	-	7,324
Transfers out	-	-	(7,324)	(7,324)
Loan proceeds due to other agency	20,000	-	-	20,000
Total Other Financing Sources (Uses)	<u>4,287,499</u>	<u>-</u>	<u>(7,324)</u>	<u>4,280,175</u>
Net change in fund balances	<u>(158,403)</u>	<u>-</u>	<u>-</u>	<u>(158,403)</u>
Fund Balances, beginning of year	137,984	-	-	137,984
Fund Balances, ending of year	<u>\$ (20,419)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,419)</u>

The accompanying notes are an integral
part of this financial statement.

PINELLAS MYCROSCHOOL, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds \$ (158,403)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlays	9,622	
Gain on disposal of right-to-use lease asset	65,321	
Depreciation and amortization	<u>(212,699)</u>	(137,756)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Long-term lease liability - redemption of principle	58,058	
Issuance of payroll loan	<u>(20,000)</u>	38,058

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. Changes in:

Net pension liability	(238,873)	
Deferred outflows related to net pension liability	236,990	
Deferred inflows related to net pension liability	<u>10,200</u>	8,317

Change in Net Position of Governmental Activities \$ (249,784)

The accompanying notes are an integral part of this financial statement.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:**

(a) **Financial reporting entity**—Pinellas MYcroSchool, Inc. (the “School”) was organized in 2010 under the laws of the State of Florida. The School operates under a seven-member Board form of government and provides educational services to students in grades nine through twelve. The School is located at 2220 62nd Avenue, St. Petersburg, Florida 33701.

The School is a non-profit public benefit corporation that was incorporated November 4, 2010. On October 11, 2011, the School Board of Pinellas County, Florida approved the application for the School to operate a charter. The purpose of the School is to provide educational services.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the School consists of all funds, departments, boards, and agencies that are not legally separate from the School. For Pinellas MYcroSchool, Inc., this includes general operations and student related activities of the School.

(b) **Component units**—Component units are legally separate organizations for which the School is financially accountable. Component units may include organizations that are fiscally dependent on the School in that the School approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the School is not financially accountable but the nature and significance of the organization’s relationship with the School is such that exclusion would cause the School’s financial statements to be misleading or incomplete. The School has no component units. However, the School is considered a component unit of the Pinellas County Public School system.

(c) **Basis of presentation – fund accounting**—The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The School has three governmental funds.

Governmental funds—Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School’s major governmental funds:

(i) **General fund**—The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School for any purpose provided it is expended or transferred according to the general laws of Florida.

(ii) **Capital Projects Fund**—The capital projects fund is used to account for financial resources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and major maintenance projects.

(iii) **Special Revenue Fund**—The special revenue fund is used to account for financial resources to be used for charter school program grants, including Cares funds.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Basis of presentation – fund accounting:** (Continued)

Basis of accounting – measurement focus – *Government-wide financial statements*—The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The government-wide financial statement of activities presents a comparison between direct expenses and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The School does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the School.

Net position should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Fund financial statements—Fund financial statements report detailed information about the School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds—All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds prepared on a modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenues – exchange and non-exchange transactions—Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities within ninety days of fiscal year-end.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Basis of presentation – fund accounting:** (Continued)

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include Florida Education Finance Program funds (FEFP), certain grants, entitlements, and donations. Revenue from the FEFP is recognized in the fiscal year in which the revenues are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: State FEFP distributions, interest, certain grants, and other local sources.

Expenses/expenditures—On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

(d) **Cash and cash equivalents**—The School’s cash and cash equivalents are considered to be cash on hand and demand deposits.

(e) **Capital assets and depreciation**—The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the School as a whole. The School maintains a capitalization threshold of \$1,000. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are 5 years for furniture and equipment; and 20 years for building improvements.

(f) **Restricted assets**—Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

(g) **Estimates**—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Accrued liabilities**—All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

(i) **Fund balances**—As a component unit of the School Board of Pinellas County, the School has implemented GASB 54 during a previous fiscal year.

In accordance with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School classifies governmental funds balances as follows:

Non-spendable—amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted—amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed—amounts that are constrained for specific purposes, are internally imposed by the School's governing Board, and do not lapse at year-end. The School had no committed funds at June 30, 2023.

Assigned—amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance minimums may be assigned by management. The School had no assigned funds at June 30, 2023.

Unassigned—all other spendable amounts.

The School spends *restricted* amounts first when both restricted and unrestricted fund balances are available, unless there are legal documents or contracts that prohibit this action, such as a grant agreement. The School spends *committed* amounts next, then *assigned*, and lastly *unassigned* amounts of unrestricted funds balances when expenditures are made.

(j) **Budgetary data**—The budgetary process is prescribed by provisions of the laws of Florida and requires the governing board to adopt an operating budget each year. The School governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major function at year end.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) **Summary of Significant Accounting Policies:** (Continued)

(k) **Income taxes**—The School is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The School files income tax returns in the U.S. Federal jurisdiction. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The School has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the School.

(l) **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 additions to/deductions from FRS's fiduciary net position have been determined on the same basis as they are reported by FRS. 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.

(m) **New accounting pronouncements**— GASB Statement No. 96, Subscription-Based Information Technology Arrangements provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The School has considered the impact of this new accounting standard and determined that there was no impact on the financial statements related to implementation.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements provides guidance on the accounting and financial reporting for Public-private and public-public partnership arrangements. The School has considered the impact of this new accounting standard and determined that there was no impact on the financial statements related to implementation.

(n) **Leases**— The School leases a building and copier equipment. The School determines if an arrangement is a lease at inception. The School recognize intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the School's right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Basis of lease classification – Leases that meet the following requirements will not be considered short term: (1) the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months.

Discount Rate – Unless explicitly stated in the lease agreement, known by the School, or the School is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be the School's estimated borrowing rate at the time of lease inception.

(o) **Subsequent events**—Subsequent events have been evaluated through October 11, 2023, which is the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(2) **Cash and Cash Equivalents:**

(a) **Policies and practices**—The School maintains demand deposits with qualified depository financial institutions.

(b) **Deposits**—At year-end, the carrying amounts of the School’s demand deposits were \$65,589 for governmental activities. The bank balances totaled \$107,174. All of the bank balances were covered by Federal deposit insurance up to \$250,000.

(3) **Capital Assets:**

All capital asset additions were acquired with public funds. Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Governmental Activities				
Capital assets being depreciated				
Buildings and improvements	\$ 218,387	\$ 7,318	\$ –	\$ 225,705
Furniture and equipment	189,967	2,304	–	192,271
Total capital assets being depreciated	<u>408,354</u>	<u>9,622</u>	<u>–</u>	<u>417,976</u>
Less: Accumulated depreciation				
Buildings and improvements	108,967	11,080	–	120,047
Furniture and equipment	165,945	12,567	–	178,512
Total accumulated depreciation	<u>274,912</u>	<u>23,647</u>	<u>–</u>	<u>298,559</u>
Governmental activities				
Capital assets, net	<u>\$ 133,442</u>	<u>\$ (14,025)</u>	<u>\$ –</u>	<u>\$ 119,417</u>

During the year ended June 30, 2023, \$23,647 was charged to depreciation expense.

Governmental Activities

Unallocated \$ 23,647

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(4) Florida Retirement System:

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 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. 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.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(4) **Florida Retirement System:** (Continued)

Benefits Provided and Employees Covered

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

Contributions

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

FRS Membership Plan & Class	Through June 30, 2022	After June 30, 2022
Regular Class	10.82%	11.91%
DROP	18.34%	18.60%
Senior Management	29.01%	31.57%

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(4) **Florida Retirement System:** (Continued)

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

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

School Contributions – FRS	\$ 37,519
School Contributions – HIS	8,592
Employee Contributions – FRS	15,528

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

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

Plan	Net Pension Liability
FRS	\$ 327,148
HIS	150,400
Total	\$ 477,548

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. At June 30, 2023 and June 30, 2022, the School's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2023	2022
FRS	.000879240%	.000828301%
HIS	.001419993%	.001435667%

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

FRS	\$ 44,756
HIS	253
Total	\$ 45,009

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(4) **Florida Retirement System:** (Continued)

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

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

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,538	\$ -	\$ 4,565	\$ (662)
Changes of assumptions	40,290	-	8,621	(23,267)
Net different between projected and actual investment earnings	21,602	-	218	-
Change in School's proportionate share	66,254	(48,604)	26,748	(39,092)
Contributions subsequent to measurement date	31,635	-	21,690	-
	<u>\$ 175,319</u>	<u>\$ (48,604)</u>	<u>\$ 61,842</u>	<u>\$ (63,021)</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.

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:

Year	FRS	HIS	Total
2024	\$ 19,313	\$ (7,265)	\$ 12,048
2025	5,311	(5,300)	11
2026	(568)	(6,850)	(7,418)
2027	66,809	(65)	66,744
2028	4,213	(1,822)	2,391
Thereafter	1	(1,567)	(1,566)
Total	<u>\$ 95,079</u>	<u>\$ (22,869)</u>	<u>\$ 72,210</u>

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(4) **Florida Retirement System:** (Continued)

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

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 2019 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%. This rate decreased from the prior year rate of 6.80%. 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. This rate increased from the prior year rate, which was 2.16%. Mortality assumptions for both plans were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

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 2020, 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.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(4) **Florida Retirement System:** (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
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	<u>100.0%</u>	

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:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.70%	\$ 565,780	\$ 327,148	\$ 127,623
HIS	3.54%	172,070	150,400	132,469

(5) **Risk Management:**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters and is provided through purchased commercial insurance. Health and hospitalization insurance coverage is provided to school employees through purchased commercial insurance. Insurance coverage for fiduciary and student accident are provided by commercial insurance. Settled claims resulting from insurance coverage above have not exceeded purchased insurance coverage for the past three fiscal years.

(6) **403(b) Retirement Plan:**

New Education sponsors a Retirement Plan allowed by Section 403(b) of the Internal Revenue Code. This plan covers New Education, the Management Company, and affiliated schools. The plan covers all full-time employees, immediately eligible upon hire. This is a deduction only plan for School employees, there is no employee contribution matching.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(7) **Leases:**

The School leases facilities and equipment under non-cancelable operating leases. The School's current facilities lease expires on October 31, 2032. Provided the lease is in full force and effect and not in default, the School shall have the right to renew the lease for two five-year terms upon providing the landlord with written notice through 2042. The School also subleases a portion of the facility.

As of June 30, 2023, total lease related assets by major class, and the related accumulated amortization, disclosed separately from other capital assets as follows:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2023</u>
Right-to-use leased assets, being amortized:				
Facilities	\$ 1,042,854	\$ 4,260,175	\$ (1,042,854)	\$ 4,260,175
Total leased assets, being amortized	<u>1,042,854</u>	<u>4,260,175</u>	<u>(1,042,854)</u>	<u>4,260,175</u>
Less accumulated amortization for:				
Facilities	(94,092)	(189,052)	141,138	(142,006)
Total accumulated amortization	<u>(94,092)</u>	<u>(189,052)</u>	<u>141,138</u>	<u>(142,006)</u>
Right-to-use leased assets, net	<u>\$ 948,762</u>	<u>\$ 4,071,123</u>	<u>\$ (901,716)</u>	<u>\$ 4,118,169</u>

The amortization expense for right-to-use leased assets was for the \$189,052 year ended June 30, 2023.

The principal and interest requirements to maturity for the lease liability as of June 30, 2023 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 81,646	\$ 230,854	\$ 312,500
2025	103,885	246,115	350,000
2026	110,292	239,708	350,000
2027	117,095	232,905	350,000
2028	136,190	225,477	361,667
2029-2033	864,861	984,889	1,849,750
2034-2038	1,274,027	668,211	1,942,238
2039-2042	1,542,670	213,060	1,755,730
Total future minimum lease payments	<u>\$ 4,230,666</u>	<u>\$ 3,041,219</u>	<u>\$ 7,271,885</u>

At June 30, 2023, the future minimum rental payments to be received by the School are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 59,268	\$ 37,964	\$ 97,232
2025	58,227	34,581	92,808
2026	61,818	30,990	92,808
2027	65,631	27,177	92,808
2028	69,679	23,129	92,808
2029-2033	347,397	47,037	394,434
Total future minimum lease receipts	<u>\$ 662,020</u>	<u>\$ 200,878</u>	<u>\$ 862,898</u>

Total rental income for the year ended June 30, 2023 was \$45,758 and interest income was \$27,091 related to the lease of the building.

PINELLAS MYCROSCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(8) Related Party Transactions:

The School has a vendor relationship with New Education for the Workplace, Inc., 1204 NW 69th Terrace, Suite B, Gainesville, Florida 32605. New Education for the Workplace, Inc. is an organization formed for charitable purposes, including advancing the vocational and technical education and training of young men and women, and managing, operating, guiding, directing, and promoting charter schools. The School entered into an agreement with New Education for the Workplace, Inc. effective August 1, 2022. Under the agreement, New Education for the Workplace, Inc. will provide the following services: human resources administration, business administration, curriculum licensing, technology services, and general administrative support. For the year ended June 30, 2023, the School paid New Education for the Workplace, Inc. \$185,163 for services provided under the terms of the agreement. At June 30, 2023, \$74,854 was due and payable to New Education for the Workplace, Inc. under the terms of the agreement and \$20,000 for a short term cash flow loan provided to the School.

(9) Interfund Balance and Transfers:

There were no amounts due to other funds at June 30, 2023.

Transfers from/to other funds for the year ended June 30, 2023, were as follows:

<u>Recipient Fund</u>	<u>Amount</u>	<u>Reason for Transfer</u>
General Fund	\$ 7,324	Transfer from Special Revenue Fund to aid in operation cost for General Fund for the current year.

(10) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the School’s financial statements:

GASB issued Statement No. 101, Compensated Absences, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

(11) Going Concern:

The School has suffered significant losses from operations that raise substantial doubt about the School’s ability to continue as a going concern. Management intends reduce operating costs. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management acknowledges that uncertainty remains over the ability of the School to meet its current financial obligations as they become due.

REQUIRED SUPPLEMENTARY INFORMATION

PINELLAS MYCROSCHOOL, INC.
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>		<u>Actual</u> <u>(GAAP Basis)</u>	<u>Variances -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>Final</u> <u>to Actual</u>
Revenues				
State	\$ 1,015,290	\$ 989,792	\$ 989,792	\$ -
Local	57,000	227,598	227,598	-
Total revenues	<u>1,072,290</u>	<u>1,217,390</u>	<u>1,217,390</u>	<u>-</u>
Expenditures				
Instruction	425,533	385,282	385,282	-
Student Support Services	140,930	119,946	119,946	-
Instructional Staff Training	12,388	16,495	16,495	-
Instructional Technology Services	18,582	20,762	20,762	-
Board	31,144	30,705	30,705	-
General Administration	52,004	48,132	48,132	-
School Administration	124,191	231,063	231,063	-
Facilities Acquisition and Construction	62,596	4,267,493	4,267,493	-
Fiscal Services	37,663	28,694	28,694	-
Food Services	4,650	4,950	4,950	-
Central Services	57,813	44,387	44,387	-
Transportation	25,652	9,992	9,992	-
Operation of Plant	118,267	186,281	186,281	-
Maintenance of Plant	753	14,217	14,217	-
Administrative Technology	1,239	2,652	2,652	-
Debt Service	-	58,058	58,058	-
Interest	-	194,183	194,183	-
Total expenditures	<u>1,113,405</u>	<u>5,663,292</u>	<u>5,663,292</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(41,115)</u>	<u>(4,445,902)</u>	<u>(4,445,902)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	7,324	7,324	-
Lease financing	-	4,260,175	4,260,175	-
Loan proceeds due to other agency	-	20,000	20,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,287,499</u>	<u>4,287,499</u>	<u>-</u>
Net Change in Fund Balances	<u>(41,115)</u>	<u>(158,403)</u>	<u>(158,403)</u>	<u>-</u>
Fund balances, Beginning of year	<u>(20,419)</u>	<u>137,984</u>	<u>137,984</u>	<u>-</u>
Fund balances, Ending of year	<u>\$ (61,534)</u>	<u>\$ (20,419)</u>	<u>\$ (20,419)</u>	<u>\$ -</u>

The accompanying notes are an integral
part of this schedule.

PINELLAS MYCROSCHOOL, INC.
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budget</u>		<u>Actual</u> <u>(GAAP Basis)</u>	<u>Variances -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>Final</u> <u>to Actual</u>
Revenues				
Federal through state	\$ 93,687	\$ 155,024	\$ 155,024	\$ -
Total revenues	<u>93,687</u>	<u>155,024</u>	<u>155,024</u>	<u>-</u>
Expenditures				
Instruction	46,373	126,020	126,020	-
Student Support Services	41,515	18,680	18,680	-
Instructional Staff Training	5,799	-	-	-
School Administration		1,500	1,500	-
Operation of Plant		1,500	1,500	-
Total expenditures	<u>93,687</u>	<u>147,700</u>	<u>147,700</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>7,324</u>	<u>7,324</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers out	-	(7,324)	(7,324)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(7,324)</u>	<u>(7,324)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, Ending of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral
part of this schedule.

PINELLAS MYCROSCHOOL, INC.
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEAR AS OF JUNE 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Florida Retirement System (FRS)</u>										
Contractually required contribution	\$ 37,519	\$ 31,555	\$ 19,517	\$ 21,537	\$ 32,990	\$ 39,174	\$ 32,485	\$ 29,918	\$ 38,452	\$ 30,754
Contributions in relation to the contractually required contribution	(37,519)	(31,555)	(19,517)	(21,537)	(32,990)	(39,174)	(32,485)	(29,918)	(38,452)	(30,754)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 517,600	\$ 508,365	\$ 405,726	\$ 413,882	\$ 633,889	\$ 663,745	\$ 554,352	\$ 534,264	\$ 629,325	\$ 521,552
Contributions as a percentage of covered payroll	7.25%	6.21%	4.81%	5.20%	5.20%	5.90%	5.86%	5.60%	6.11%	5.90%
<u>Health Insurance Subsidy Program (HIS)</u>										
Contractually required contribution	\$ 8,592	\$ 8,439	\$ 6,735	\$ 6,870	\$ 10,523	\$ 11,018	\$ 9,202	\$ 8,869	\$ 7,929	\$ 6,259
Contributions in relation to the contractually required contribution	(8,592)	(8,439)	(6,735)	(6,870)	(10,523)	(11,018)	(9,202)	(8,869)	(7,929)	(6,259)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 517,600	\$ 508,365	\$ 405,726	\$ 413,882	\$ 633,889	\$ 663,745	\$ 554,352	\$ 534,264	\$ 629,325	\$ 521,552
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

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.

The accompanying notes are an integral
part of this schedule.

PINELLAS MYCROSCHOOL, INC.
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEAR AS OF JUNE 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Florida Retirement System (FRS)									
Proportion of the net pension liability	0.000879240%	0.000828301%	0.000587402%	0.000694569%	0.001157592%	0.001005309%	0.001026286%	0.001192887%	0.000949189%
Proportionate share of the net pension liability	\$ 327,148	\$ 62,569	\$ 254,589	\$ 239,200	\$ 348,673	\$ 297,364	\$ 259,138	\$ 154,077	\$ 57,915
Covered payroll	517,600	508,365	413,882	413,882	633,889	663,745	554,352	534,264	629,325
Proportionate share of the net pension liability as a percentage of covered payroll	63.20%	12.31%	61.51%	57.79%	55.01%	44.80%	46.75%	28.84%	9.20%
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 (HIS)									
Proportion of the net pension liability	0.001419993%	0.001435667%	0.001168765%	0.001237269%	0.001940348%	0.001739166%	0.001730653%	0.002074364%	0.001753560%
Proportionate share of the net pension liability	\$ 150,400	\$ 176,106	\$ 142,704	\$ 138,438	\$ 205,369	\$ 185,960	\$ 201,700	\$ 211,552	\$ 163,962
Covered payroll	517,600	508,365	413,882	413,882	633,889	663,745	554,352	534,264	629,325
Proportionate share of the net pension liability as a percentage of covered payroll	29.06%	34.64%	34.48%	33.45%	32.40%	28.02%	36.38%	39.60%	26.05%
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.

The accompanying notes are an integral
part of this schedule.

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,
Pinellas MYcroSchool, Inc.:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund and the aggregate remaining fund information of Pinellas MYcroSchool, Inc. as of and for the year ended June 30, 2023, and related notes to the financial statements, which collectively comprise Pinellas MYcroSchool, Inc.'s basic financial statements and have issued our report thereon dated October 11, 2023.

Internal Control over Financial Reporting

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

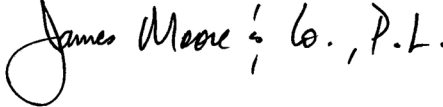
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Pinellas MYcroSchool, Inc.'s financial statements are free of 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 did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, Florida
October 11, 2023



**MANAGEMENT LETTER OF INDEPENDENT AUDITORS
REQUIRED BY CHAPTER 10.850, RULES OF THE AUDITOR GENERAL**

To the Governing Board,
Pinellas MYcroSchool, Inc.:

Report on the Financial Statements

We have audited the financial statements of the Pinellas MYcroSchool, Inc. (“School”), a component unit of School Board of Pinellas County, Florida, as of and for the year ended June 30, 2023, and have issued our report thereon dated October 11, 2023.

Auditor’s Responsibility

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 and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated October 11, 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. There were no recommendations made in the preceding annual financial report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Pinellas MYcroSchool, Inc. and 527491.

Financial Condition and Management

Sections 10.854(1)(e)2. And 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided. We noted the School to be in a state of deteriorating financial condition. Current expenditures are exceeding current enrollment support.

2023-001 - Deteriorating Financial Condition

Criteria: As defined in Section 218.39(5)(b) indicators of a deteriorating financial condition are a fund balance deficit in total or for that portion of a fund balance not classified as restricted, committed, or non-spendable, or a total or unrestricted net assets deficit and for which sufficient resources are not available to cover the deficit.

Condition: At June 30, 2023 the School had a unassigned fund balance deficit of (\$20,419). Current liabilities exceed current assets. Current assets should equal or exceed current liabilities.

Cause: The School has incurred additional debt in order to fund operating expenses during the period.

Potential effect: The School could lack the resources to meet its obligations.

Recommendation: The School should monitor its enrollment and budget versus expenditures to ensure spending is within the budget.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we recommend the School continue to review financial statements and budgets in order to stay current on condition of School operations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine 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

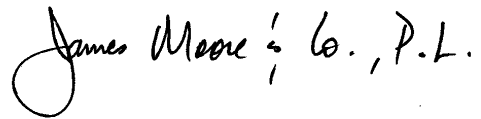
Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

Pinellas MYcroSchool, Inc.'s Response to Finding

The School's response to the finding identified in our audit are described in the accompanying corrective action plan. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Pinellas County District School Board, 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, circular initial "J" at the beginning.

Tallahassee, Florida
October 11, 2023



October 11, 2023

Corrective Action Plan

Response to 2023-001 Deteriorating Financial Condition


Thank you for the information contained in the *Management Letter of Independent Auditors Required by Chapter 10.850, Rules of the Auditor General*, that will become part of the Pinellas MYcroSchool, Inc. independent audit. In response, this letter shall provide a Corrective Action Plan for the items brought to the School and Governing Boards' attention under *Financial Condition and Management*.

2023-001 Deteriorating Financial Condition: The Educational Management Corporation, New Education for the Workplace ("NEWCorp") a non-profit corporation, and the Pinellas MYcroSchool, Inc. The Governing Board is aware of the ongoing concern created by increased operational costs. Management is aware that uncertainty exists over the ability of the School to meet its current financial obligations as they become due.


Effective immediately, Pinellas MYcroSchool will undertake the following actions to ensure the financial recovery of the school:

- Negotiate a reduction in the lease.
- Review staffing for possible reductions.
- Work on a recruitment and retention plan to stabilize enrollment.

Sincerely,


Susan Reiter (Oct 17, 2023 14:28 EDT)

Susan Reiter
Governing Board President,
Pinellas MYcroSchool, Inc.


Joy Baldree (Oct 17, 2023 14:31 EDT)

Joy Baldree
Chief Educational Officer,
New Education for the Workplace, Inc.

cc: Richard L. Trainor