

**TOWN OF MICANOPY, FLORIDA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

Principal Officials as of September 30, 2024:

TOWN COMMISSION

Jiana Williams, Mayor

Judy Galloway

David Massey

Kevin Putansu

Ken Wessberg

TOWN ADMINISTRATOR

Sara Samario

**TOWN OF MICANOPY, FLORIDA
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Town Commission,
Town of Micanopy, Florida:

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Micanopy, Florida, (the Town), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Unmodified Opinion on the General Fund

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General Fund of the Town as of September 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinions on the Governmental Activities, Business-type Activities, and Utility Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinions section, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the Utility Fund of the Town as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 opinion.

Basis for Qualified Opinions on Governmental Activities, Business-type Activities, and Utility Fund

As discussed in Note (8) to the financial statements, the Town has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in the governmental activities, business-type activities, and Utility Fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, the business-type activities, and the Utility Fund has not been determined.

Responsibilities of Management for the Financial Statements

The Town's 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.

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 Town'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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

Emphasis of Matter

As discussed in Note (7) to the financial statements, certain errors resulting in overstatements and understatements of amounts previously reported as of September 30, 2023, were discovered by us and corrected by management. Accordingly, an adjustment has been made to governmental activities net position, general fund balance, and enterprise fund balance. Our opinion is not modified with respect to that matter.

Required Supplementary Information

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

Management has omitted the schedule of changes in the Town’s total OPEB liability and related ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2025, on our consideration of the Town’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 the 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 Town’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
October 8, 2025

**TOWN OF MICANOPY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

This discussion and analysis of the Town of Micanopy financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the Town's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2024:

- The Town's overall net position increased by \$159,708. Net position of business-type activities decreased by \$31,087, while net position of governmental activities increased by \$190,795.
- Total ending unrestricted net position was \$2,290,108.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the Town'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 Town'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 Town's financial health is improving or deteriorating. However, other non-financial factors, such as road conditions or changes in the tax base, must also be considered when assessing the overall health of the Town.

In these statements, the Town's activities are divided as follows:

- Governmental activities – Most of the Town's basic services are reported here, including administration, public safety, road and bridge, and maintenance. Taxes and charges for services finance most of these activities.
- Business-type activities – These activities are financed in whole or in part by fees charged to external parties for good or services. The activities of the water services are reported as business-type activities.

TOWN OF MICANOPY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Continued)

Fund Financial Statements

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

- Governmental funds – The General Fund is the Town's only governmental fund. This fund is 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 difference between the fund financial statements and the government-wide financial statements.
- Proprietary funds – The Utility Fund is the Town's only proprietary fund. Proprietary funds are reported using the accrual basis of accounting and, accordingly, there is a correlation between the amounts reported in the fund financial statements and the amounts reported in the government-wide financial statements.

CONDENSED FINANCIAL INFORMATION The following tables present condensed, government-wide comparative data about net position and changes in net position.

2024			
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 2,458,806	\$ 414,421	\$ 2,873,227
Capital assets	1,412,891	930,288	2,343,179
Total assets	<u>3,871,697</u>	<u>1,344,709</u>	<u>5,216,406</u>
Long-term liabilities outstanding	8,214	7,910	16,124
Other liabilities	251,679	125,108	376,787
Total liabilities	<u>259,893</u>	<u>133,018</u>	<u>392,911</u>
Net position:			
Net investment in capital assets	1,412,891	930,288	2,343,179
Restricted	190,208	-	190,208
Unrestricted	2,008,705	281,403	2,290,108
Total net position	<u>\$ 3,611,804</u>	<u>\$ 1,211,691</u>	<u>\$ 4,823,495</u>
2023			
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 2,615,395	\$ 384,084	\$ 2,999,479
Capital assets	1,238,944	890,724	2,129,668
Total assets	<u>3,854,339</u>	<u>1,274,808</u>	<u>5,129,147</u>
Long-term liabilities outstanding	17,123	12,474	29,597
Other liabilities	492,555	30,080	522,635
Total liabilities	<u>509,678</u>	<u>42,554</u>	<u>552,232</u>
Net position:			
Net investment in capital assets	1,238,944	890,724	2,129,668
Restricted	332,958	-	332,958
Unrestricted	1,772,759	341,530	2,114,289
Total net position	<u>\$ 3,344,661</u>	<u>\$ 1,232,254</u>	<u>\$ 4,576,915</u>

TOWN OF MICANOPY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Continued)

	2024		
	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ -	\$ 288,743	\$ 288,743
Grants	75,000	-	75,000
General revenues:			
Property taxes	223,617	-	223,617
Intergovernmental and other	554,516	13,306	567,822
Total revenues	<u>853,133</u>	<u>302,049</u>	<u>1,155,182</u>
Expenses:			
General government	316,596	-	316,596
Public safety	149,852	-	149,852
Transportation	151,608	-	151,608
Culture and recreation	44,282	-	44,282
Water	-	214,239	214,239
Solid Waste	-	118,897	118,897
Total expenses	<u>662,338</u>	<u>333,136</u>	<u>995,474</u>
Change in net position	190,795	(31,087)	159,708
Net position , beginning of year as restated	3,421,009	1,242,778	4,663,787
Net position end of year	<u>\$ 3,611,804</u>	<u>\$ 1,211,691</u>	<u>\$ 4,823,495</u>

	2023		
	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 250,251	270,252	\$ 520,503
Grants	20,000	255,281	275,281
General revenues:			
Property taxes	470,155	13,032	483,187
Intergovernmental and other	233,639	-	233,639
Transfers	-	-	-
Total revenues	<u>974,045</u>	<u>538,565</u>	<u>1,512,610</u>
Expenses:			
General government	259,488	-	259,488
Public safety	321,617	-	321,617
Transportation	138,936	-	138,936
Culture and recreation	43,953	-	43,953
Water	-	184,741	184,741
Solid Waste	-	107,931	107,931
Total expenses	<u>763,994</u>	<u>292,672</u>	<u>1,056,666</u>
Change in net position	210,051	245,893	455,944
Net position , beginning of year	3,134,610	986,361	4,120,971
Net position , end of year	<u>\$ 3,344,661</u>	<u>\$ 1,232,254</u>	<u>\$ 4,576,915</u>

TOWN OF MICANOPY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Continued)

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The net position of the Town's Governmental Activities increased by \$190,795. Total program revenues are reported at \$75,000 primarily from grant income, while general revenues remained consistent with the prior year at \$778,133. Total program expenses are reported at \$662,338 a reduction from the prior year mainly due to lower capital and maintenance expenditures following completion of storm-related repairs during 2023.

Business-type Activities

Revenues of the Utility Fund were reported at \$302,049, representing a moderate decline from the prior year due to slightly lower customer usage and billing. Total expenses were \$333,136 including \$35,436 in depreciation. Overall the Utility Fund's net position decrease by \$31,087, reflecting stable operations with no major system repair projects undertaken during 2024.

THE TOWN'S INDIVIDUAL FUNDS

General Fund - The General Fund's cash position decreased slightly and reflects cash and investments of \$2,562,992 compared with \$2,603,378 in the prior year. The General Fund also reflects a receivable balance of \$11,095. Liabilities in the General Fund include a total accounts payable reported at \$19,189. Fund balance is reported at \$2,213,075 which reflects an increase of \$90,235.

Utility Fund - The Utility Fund's financial position reflects little change. The cash position is slightly decreased and is reported at \$211,209. Total assets in the Utility fund are reported at \$1,344,709. Total liabilities have increased by \$90,464 primarily due to higher accounts payable and customer deposits associated with ongoing service connections and maintenance activities. Total net position is recorded at \$1,211,691 which is a decrease of \$20,563 from the prior year.

BUDGETARY HIGHLIGHTS

There were a few changes between the original and final budgets for the General Fund.

Revenues of the General Fund were less than budgeted amounts by \$3,128,737 primarily due to grant funded projects that were budgeted but not yet started during 2024. General Fund expenditures were less than budgeted amounts by \$3,139,944 as those capital project costs were not incurred during the fiscal year. Operating revenues and day-to-day expenditures remained consistent with budgeted levels.

CAPITAL ASSETS

Capital Assets

During the year, the Town invested \$241,366 in capital outlay, including facility improvements and equipment replacements. Capital assets for governmental activities totaled \$1,412,891 (net of depreciation). The Utility Fund reported \$75,000 in construction in progress for a planned water system improvement. For further information on smaller purchases, please refer to the note to the accompanying financial statements entitled *Capital Assets* for more detailed information about the Town's capital asset activity.

ECONOMIC FACTORS

We are not currently aware of any conditions that are expected to have a significant effect on the Town's financial position or results of operations. The Town continues to maintain a stable revenue base and sufficient reserves to meet ongoing obligations.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Town Administrator at P.O. Box 137, Micanopy, Florida 32667, or by calling (352)466-3121.

TOWN OF MICANOPY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 812,957	\$ 182,641	\$ 995,598
Investments	1,750,035	-	1,750,035
Receivables	11,095	47,248	58,343
Internal balances	(154,898)	154,898	-
Due from other governments	39,617	1,066	40,683
Restricted assets:			
Cash and cash equivalents	-	28,568	28,568
Capital assets:			
Non-depreciable	701,643	20,770	722,413
Depreciable, net	711,248	909,518	1,620,766
Total assets	<u>\$ 3,871,697</u>	<u>\$ 1,344,709</u>	<u>\$ 5,216,406</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 19,189	\$ 86,267	\$ 105,456
Customer deposits	-	28,568	28,568
Unearned revenue	226,542	4,545	231,087
Noncurrent liabilities:			
Due within one year:			
Compensated absences	5,948	5,728	11,676
Due in more than one year:			
Compensated absences	8,214	7,910	16,124
Total liabilities	<u>\$ 259,893</u>	<u>\$ 133,018</u>	<u>\$ 392,911</u>
NET POSITION			
Net investment in capital assets	\$ 1,412,891	\$ 930,288	\$ 2,343,179
Restricted for:			
Transportation	37,174	-	37,174
Wild spaces	153,034	-	153,034
Unrestricted	2,008,705	281,403	2,290,108
Total net position	<u>\$ 3,611,804</u>	<u>\$ 1,211,691</u>	<u>\$ 4,823,495</u>

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

**TOWN OF MICANOPY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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	Business-type Activities	Total
Governmental activities:							
General government	\$ 316,596	\$ -	\$ 75,000	\$ -	\$ (241,596)	\$ -	\$ (241,596)
Public safety	149,852	-	-	-	(149,852)	-	(149,852)
Transportation	151,608	-	-	-	(151,608)	-	(151,608)
Culture and recreation	44,282	-	-	-	(44,282)	-	(44,282)
Total governmental activities	662,338	-	75,000	-	(587,338)	-	(587,338)
Business-type activities:							
Water Utility	214,239	168,501	-	-	-	(45,738)	(45,738)
Solid Waste Utility	118,897	120,242	-	-	-	1,345	1,345
Total business-type activities	333,136	288,743	-	-	-	(44,393)	(44,393)
Total primary government	<u>\$ 995,474</u>	<u>\$ 288,743</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>(587,338)</u>	<u>(44,393)</u>	<u>(631,731)</u>
General revenues:							
Property taxes					223,617	-	223,617
Sales and use taxes					111,388	-	111,388
Franchise fees					46,121	-	46,121
Utility taxes					65,863	-	65,863
Communications surtax					32,105	-	32,105
Licenses and permits					7,204	-	7,204
State revenue sharing					121,794	-	121,794
Fines and forfeitures					22,910	-	22,910
Investment earnings (loss)					92,184	13,306	105,490
Miscellaneous revenues					54,947	-	54,947
Total general revenues					778,133	13,306	791,439
Change in net position					190,795	(31,087)	159,708
Net position - beginning, as restated					3,421,009	1,242,778	4,663,787
Net position - ending					<u>\$ 3,611,804</u>	<u>\$ 1,211,691</u>	<u>\$ 4,823,495</u>

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

**TOWN OF MICANOPY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 812,957
Investments	1,750,035
Receivables	11,095
Due from other governments	39,617
Total assets	<u>\$ 2,613,704</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 19,189
Unearned revenue	226,542
Due to other funds	154,898
Total liabilities	<u>400,629</u>
FUND BALANCES	
Restricted for:	
Transportation	37,174
Wild spaces	153,034
Assigned to:	
Town hall renovation	84,700
Fire station renovation	106,178
Unassigned	1,831,989
Total fund balances	<u>2,213,075</u>
Total liabilities and fund balances	<u><u>\$ 2,613,704</u></u>

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

TOWN OF MICANOPY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Fund balances - total governmental funds	\$ 2,213,075
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Total governmental capital assets	2,502,873	
Less: accumulated depreciation	(1,089,982)	1,412,891

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities and other long-term liabilities consist of the following:

Compensated absences	(14,162)
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Net position of governmental activities	<u><u>\$ 3,611,804</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

TOWN OF MICANOPY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund
Revenues	
Taxes	\$ 479,094
Licenses and permits	6,162
Intergovernmental	198,236
Fines and forfeitures	22,910
Investment income	92,184
Miscellaneous	54,547
Total revenues	<u>853,133</u>
Expenditures	
Current:	
General government	304,067
Public safety	140,216
Transportation	115,927
Economic environment	7,000
Culture and recreation	30,670
Capital outlay	241,366
Net change in fund balances	<u>13,887</u>
Fund balances , beginning of year, as restated	2,199,188
Fund balances , end of year	<u><u>\$ 2,213,075</u></u>

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

**TOWN OF MICANOPY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Net change in fund balances - total governmental funds	\$ 13,887
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Differences in amounts reported for governmental activities in the statement of activities are:

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.

Capital outlay expenditures	241,366
Depreciation expense	(67,419)

are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments are as follows:

Change in compensated absences liability	2,961
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Change in net position of governmental activities	<u>\$ 190,795</u>
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The accompanying notes to financial statements are an integral part of this statement.

TOWN OF MICANOPY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 182,641
Restricted cash	28,568
Accounts receivable	47,248
Due from other governments	1,066
Due from other funds	154,898
Total current assets	<u>414,421</u>
Noncurrent assets:	
Capital assets:	
Land	20,770
Buildings	1,229,035
Equipment	50,746
Construction in progress	75,000
Accumulated depreciation	(445,263)
Total noncurrent assets	<u>930,288</u>
Total assets	<u><u>\$ 1,344,709</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 86,267
Deposits - payable from restricted cash	28,568
Unearned revenue	4,545
Compensated absences	5,728
Total current liabilities	<u>125,108</u>
Noncurrent liabilities:	
Compensated absences	7,910
Total noncurrent liabilities	<u>7,910</u>
Total liabilities	<u><u>\$ 133,018</u></u>
NET POSITION	
Net investment in capital assets	\$ 930,288
Unrestricted	281,403
Total net position	<u><u>\$ 1,211,691</u></u>

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

TOWN OF MICANOPY, FLORIDA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Enterprise Fund</u>
Operating revenues	
Water Utility	
Charges for services	\$ 168,501
Solid Waste Utility	
Charges for services	120,242
Total operating revenues	<u>288,743</u>
Operating expenses	
Water Utility	
Personnel services	106,630
Operating expenses	72,173
Solid Waste Utility	
Operating expenses	118,897
Depreciation	35,436
Total operating expenses	<u>333,136</u>
Operating income (loss)	<u>(44,393)</u>
Nonoperating revenues (expenses)	
Interest earnings	13,306
Total nonoperating revenues (expenses)	<u>13,306</u>
Change in net position	<u>(31,087)</u>
Net position, beginning of year, as restated	1,242,778
Net position, end of year	<u><u>\$ 1,211,691</u></u>

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

**TOWN OF MICANOPY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Enterprise Fund
Cash flows from operating activities	
Cash received from customers	\$ 278,119
Cash paid to employees	(105,466)
Cash paid to suppliers	(106,833)
Net cash provided by (used in) operating activities	<u>65,820</u>
Cash flows from noncapital financing activities	
Interfund loans	(7,283)
Net cash provided by (used in) noncapital financing activities	<u>(7,283)</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(75,000)
Net cash provided by (used in) capital and related financing activities	<u>(75,000)</u>
Cash flows from investing activities	
Net cash provided by (used in) investing activities	<u>13,306</u>
Net change in cash and cash equivalents	<u>(3,157)</u>
Cash and cash equivalents, beginning of year	214,366
Cash and cash equivalents, end of year	<u><u>\$ 211,209</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (44,393)
Adjustments to reconcile net operating income to net cash provided by (used in) operating activities:	
Depreciation	35,436
Changes in assets and liabilities:	
Accounts receivable	(14,621)
Due from other governments	(1,066)
Accounts payable and accrued liabilities	84,237
Deposits	518
Unearned revenue	4,545
Compensated absences	1,164
Net cash provided by (used in) operating activities	<u><u>\$ 65,820</u></u>
Cash and cash equivalents classified as:	
Unrestricted	\$ 182,641
Restricted	28,568
Total cash and cash equivalents	<u><u>\$ 211,209</u></u>

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

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(1) Summary of Significant Accounting Policies:

The financial statements of the Town of Micanopy, Florida (the Town), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the Town's significant accounting policies:

(a) **Reporting entity**—The Town is a political subdivision of the State of Florida, created under the provisions of Chapter 165, *Florida Statutes*. The Town was established under Chapter 24723 (Special Acts of 1947) of the Florida Legislature. The present Town of Micanopy was created and governed under the Charter of the Town of Micanopy, effective January 1, 1983. Accordingly, it is controlled by the Florida Constitution and various Florida Statutes as well as its own local charter, ordinances and policies. It is governed by an elected Commission, which appoints the Mayor. Pursuant to the Town's charter, the Administrator is also appointed by the Commission.

The accompanying financial statements present the financial position, results of operations, and cash flows of the applicable funds governed by the Town Commission of the Town, the reporting entity of government for which the Town Commission is considered to be financially accountable. In evaluating the Town as a reporting entity, management has addressed all potential component units that may or may not fall within the Town's oversight and control, and thus, be included in the Town's financial statements. No such entities or component units have been identified.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Town. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues.

Generally, internal interfund activity has been eliminated from the government-wide financial statements. However, charges between the Town's water system and other governmental functions are not eliminated because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Net Position reports the Town's financial position as of the end of the fiscal year. In this statement, the Town'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 charges for services that are directly related to a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. General revenues include taxes and other revenues not properly included among program revenues.

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

(c) **Financial statement presentation**—The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB Codification sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The Town reports the following major governmental fund:

The ***General Fund*** accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the Town other than proprietary fund activities are financed through revenues received by the General Fund.

The Town reports the following major proprietary fund:

The ***Utility Fund*** accounts for the financial activities of the Town's potable water utility system, including the pumping, treatment, and distribution systems.

(d) **Budgets and budgetary accounting**—Annual budgets for all governmental and proprietary funds were adopted in compliance with Florida law. The basis on which the budgets are prepared is consistent with the basis of accounting utilized by the various fund types. The governmental funds' budgets are prepared on the modified accrual basis of accounting. The proprietary funds' budgets are prepared on a full accrual basis of accounting.

(e) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(f) **Deposits and investments**—The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

(g) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered quarterly. Unbilled accounts receivable are accrued by the Town at year-end to recognize the sales revenues earned through the end of the fiscal year. All unpaid property taxes receivable at year end are at least 180 days past due, at which time the applicable property is subject to lien, and penalties and interest are assessed.

(h) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the Town.

Capital assets are defined by the Town as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost, if purchased or constructed. Contributed assets, including donations and easements or other intangible rights of use, are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 – 40 years
Machinery and equipment	5 years
Street and related infrastructure	20 – 40 years

(i) **Compensated absences**—The Town’s personnel policies allows for accumulation of unused vacation and sick leave when earned by the employee. The liability for 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.

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

(j) **Property Taxes**—The Alachua County Tax Collector bills and collects property taxes for the Town. In governmental funds, property tax revenues are recognized when levied, to the extent that they result in current receivables.

Valuation Date:	January 1, 2023
Levy Date:	October 1, 2023
Due Date:	March 31, 2024
Lien Date:	January 1, 2024

(k) **Long-term obligations**—In the government-wide financial statements and proprietary fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt issuance costs are expensed when paid.

(l) **Fund equity**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – The nonspendable 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. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as the fund balance of the permanent fund which was restricted in perpetuity by referendum.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources 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 (i.e. when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the Town Commission are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements. Assignments can be made by the Town Commission the Town Commission or (b) a body or official to which the Town Commission has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

For spendable resources, is the Town's policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unrestricted.

(m) **Impact fees**—The Town has not adopted any ordinances or resolutions to levy impact fees in accordance with Section 163.31801, Florida Statutes.

(n) **Net position flow assumption**—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Town's policy to consider restricted net position to have been used before unrestricted net position is applied.

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(3) Deposits and Investments:

The Town's cash and equivalents and investments consist of legally authorized demand deposits and certificates of deposit. The institutions in which these deposits are kept are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, in addition to applicable Federal Depository Insurance Corporation (FDIC) insurance, these balances on deposit at September 30, 2024, are insured or collateralized through the Bureau of Collateral Management, Florida Department of Financial Services.

State statutes authorize the Town to invest excess funds in time deposits, obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government, commercial paper, corporate bonds, repurchase agreements and/or the State Board of Administration (SBA) Local-Government Surplus Trust Fund Investment Pool or other investment vehicles authorized by local ordinance. At September 30, 2024, investments consist of certificates of deposit that were fully secured under State law.

(4) Interfund Balances and Transfers

The interfund balances resulted from the normal course of operations and are expected to be repaid within one year. Interfund transfers were consistent with the purpose of the fund making the transfer.

At September 30, 2024, interfund balances were as follows:

<u>Receivable Funds</u>	<u>Amount</u>	<u>Payable Funds</u>
General Fund	\$ 154,898	Utility Fund
Utility Fund	-	General Fund
Total	<u>\$ 154,898</u>	

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(5) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2024, is as follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 701,643	\$ -	\$ -	\$ 701,643
Construction in progress	18,685	-	(18,685)	-
Total assets not being depreciated	<u>720,328</u>	<u>-</u>	<u>(18,685)</u>	<u>701,643</u>
Capital assets being depreciated:				
Building and improvements	1,187,998	105,285	-	1,293,283
Equipment and vehicles	733,092	154,766	(379,911)	507,947
Total assets being depreciated	1,921,090	260,051	(379,911)	1,801,230
Less: accumulated depreciation	(1,402,474)	(67,419)	379,911	(1,089,982)
Total capital assets being depreciated, net	518,616	192,632	-	711,248
Governmental activities capital assets, net	<u>\$ 1,238,944</u>	<u>\$ 192,632</u>	<u>\$ (18,685)</u>	<u>\$ 1,412,891</u>

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 20,770	\$ -	\$ -	\$ 20,770
Construction in Progress	-	75,000	-	75,000
Total assets not being depreciated	<u>20,770</u>	<u>75,000</u>	<u>-</u>	<u>95,770</u>
Capital assets being depreciated:				
Buildings and improvements	1,229,035	-	-	1,229,035
Equipment and vehicles	50,746	-	-	50,746
Total assets being depreciated	1,279,781	-	-	1,279,781
Less: accumulated depreciation	(409,827)	(35,436)	-	(445,263)
Total capital assets being depreciated, net	869,954	(35,436)	-	834,518
Business-type activities capital assets, net	<u>\$ 890,724</u>	<u>\$ 39,564</u>	<u>\$ -</u>	<u>\$ 930,288</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General governmental	\$ 8,490
Public safety	9,636
Transportation	35,681
Culture and recreation	13,612
Total depreciation expense - governmental activities	<u>\$ 67,419</u>
Business-type activities:	
Water utility	\$ 35,436
Total depreciation expense - business-type activities	<u>\$ 35,436</u>

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(6) Long-Term Debt:

For the fiscal year ended September 30, 2024, a summary of the long-term liability transactions for the Town is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 17,123	\$ 5,868	\$ (8,829)	\$ 14,162	\$ 5,948
Business-type activities:					
Compensated absences	\$ 12,474	\$ 4,278	\$ (3,114)	\$ 13,638	\$ 5,728
Total long-term liabilities					

(7) Prior Period Restatement

The Town recorded restatements to beginning fund balance/net position in various funds related to misstatements recorded in prior years regarding the balances for the Town's state revenues, settlement liability and unbilled receivables.

The impact of the above restatements on the respective fund balance/net position amounts as of September 30, 2023, are as follows:

	General Fund	Enterprise Fund	Governmental Activities
Net position/Fund balance - 9/30/2023			
originally reported	\$ 2,122,840	\$ 1,232,254	\$ 3,344,661
State revenue adjustments	42,233	-	42,233
Unbilled receivable adjustment	-	10,524	-
Settlement liability adjustment	16,992	-	16,992
Compensated absences adjustment	17,123	-	17,123
Net position/Fund balance - 9/30/2023, as restated	\$ 2,199,188	\$ 1,242,778	\$ 3,421,009

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(8) Other Postemployment Benefits:

Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, was issued June 2015 and was effective for the year ending September 30, 2018. The Town did not implement GASB 75 and did not record any net OPEB obligation in previous years. Therefore, there was no impact on net position in the governmental activities.

(9) Risk Management:

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in coverage from the prior year.

The Town is engaged in routine litigation incidental to the conduct of its municipal affairs. In the opinion of the Town's legal counsel, no legal proceedings are pending which would have a material adverse effect on the financial position or results of operations of the Town.

(10) Contingencies and Uncertainties:

The Town is exposed to various risks of loss related to general liability, workers' compensation, public liability, law enforcement liability, property damage, and errors and omissions. To manage its risks, the Town participants in the Florida League of Cities Self Insurance Fund (the "Fund") a public entity risk pool currently operating as a common risk management and insurance program for member towns. The Town pays an annual premium to the Fund for its coverage. The premiums are designed to fund the liability risks assumed by the Fund and are based on certain actual exposures of each member.

TOWN OF MICANOPY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(11) 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 Town’s financial statements:

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. provides guidance to meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions in GASB 101 are effective for periods beginning after December 15, 2023.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

TOWN OF MICANOPY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 590,800	\$ 585,800	\$ 479,094	\$ (106,706)
Licenses and permits	7,680	8,080	6,162	(1,918)
Intergovernmental	3,299,990	3,299,990	198,236	(3,101,754)
Fines and forfeitures	14,000	14,000	22,910	8,910
Investment income	45,000	65,000	92,184	27,184
Miscellaneous	9,000	9,000	54,547	45,547
Total revenues	<u>3,966,470</u>	<u>3,981,870</u>	<u>853,133</u>	<u>(3,128,737)</u>
Expenditures				
Current:				
General government	1,202,992	1,216,508	304,067	912,441
Public safety	130,000	135,000	140,216	(5,216)
Transportation	173,888	165,132	115,927	49,205
Economic environment	8,500	8,000	7,000	1,000
Culture and recreation	24,677	27,550	30,670	(3,120)
Capital outlay	2,427,000	2,427,000	241,366	2,185,634
Total expenditures	<u>3,967,057</u>	<u>3,979,190</u>	<u>839,246</u>	<u>3,139,944</u>
Excess (deficiency) of revenues over expenditures	<u>(587)</u>	<u>2,680</u>	<u>13,887</u>	<u>11,207</u>
Other financing sources (uses)				
Transfers in	12,500	12,500	-	(12,500)
Total other financing sources (uses)	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>(12,500)</u>
Net change in fund balances	<u>11,913</u>	<u>15,180</u>	<u>13,887</u>	<u>(1,293)</u>
Fund balances, beginning of year, as restated	2,199,188	2,199,188	2,199,188	-
Fund balances, end of year	<u><u>\$ 2,211,101</u></u>	<u><u>\$ 2,214,368</u></u>	<u><u>\$ 2,213,075</u></u>	<u><u>\$ (1,293)</u></u>

The accompanying notes to the schedule of revenues, expenditures and changes in fund balance budget to actual are an integral part of this schedule.

TOWN OF MICANOPY, FLORIDA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
SEPTEMBER 30, 2024

The Town adopts an annual budget for the General Fund. The Town generally follows these procedures in establishing the budgetary data reflected in the schedule:

1. Prior to September 1, the Town Administrator submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of an ordinance.
4. Any revision that alters the expenditures of any fund must be approved by the Town Commission. The fund is the legal level of control.

The budget amounts presented in the accompanying financial schedule were prepared on a basis that does not materially differ from the modified accrual basis of accounting.

**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 Honorable Mayor and Town Commission,
Town of Micanopy, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Micanopy, Florida, (the Town) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 8, 2025.

As discussed in Note (8) to the financial statements, the Town has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities, business-type activities and the utility fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, business-type activities and the Utility Fund, has not been determined.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, as described below, that we consider to be a material weakness.

2024-001 – Reconciliation of Account Balances and Accruals

Various audit adjustments were required for receivables, payables, unearned revenue, revenues, and expenses which were required to be recorded during the year ended September 30, 2024. Proper cutoff is critical for the accuracy of the accrual basis of accounting. We also noted various account balances (fund balance, receivables, payables, revenues and expenses) that required adjustment in order to be presented in accordance with U.S. GAAP. We recommend the Town review transactions monthly to ensure completeness and accuracy, as well as significant account balances at year-end to ensure proper accrual-based reconciliations. We also recommend that the Town implement accounting policies and procedures that ensure proper cutoff of expenses as well as comparing final audited trial balance to Town trial balance to ensure all required adjusting audit entries were made.

Report on Compliance and Other Matters

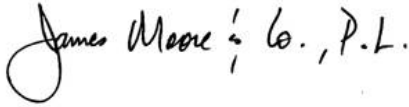
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Town's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gainesville, Florida
October 8, 2025

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor and Town Commission,
Town of Micanopy, Florida:

Report on the Financial Statements

We have audited the financial statements of the Town of Micanopy, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated October 8, 2025.

As discussed in Note (8) to the financial statements, the Town has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in governmental activities, business-type activities and the utility fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, business-type activities and the utility fund, has not been determined.

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 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' 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* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated October 8, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)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, except as noted below under the heading Prior Year Findings and Recommendations.

Prior Year Findings and Recommendations

2023-001 – Utility Deposits – Corrective action taken.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government of the reporting entity is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we noted the following recommendation:

2024-002 – Public Depositor Annual Report

The Town did not file the required Public Depositor Annual Report with the State of Florida Department of Financial Services for the fiscal year ended September 30, 2024. Section 280.17, Florida Statutes, requires all public depositors to file an annual report with the Department of Financial Services by November 30 each year. This report certifies the entity is in compliance with the Florida Security for Public Deposits Act. Failure to file the annual report increases the risk of noncompliance with state law, which could result in penalties, loss of protection under the Public Deposits Program, and exposure of public funds to additional risk. We recommend the Town establish formal procedures to ensure the annual report is filed by the statutory deadline each year.

Property Assessed Clean Energy (PACE) Programs

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Town's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we noted no special district component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

Additional Matters

Section 10.554(1)(i)3., 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 have any such findings.

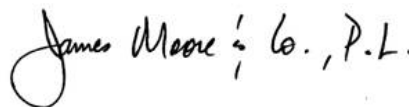
Town's Response to Finding

The Town's responses to the findings identified in our audit are described in the letter titled Management's Response to the Auditors' Comments, as listed in the table of contents. The Town'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 State granting agencies, the Town Commission, management, and others within the Town and is not intended to be and should not be used by anyone other than these specified parties.

Gainesville, Florida
October 8, 2025



James Moore, Esq., P.L.

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

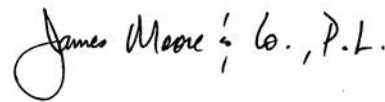
To the Honorable Mayor, Town Commission, and Town Administrator,
Town of Micanopy, Florida:

We have examined the Town of Micanopy, Florida's (the Town) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2024. The Town's management is responsible for the compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating the Town's compliance against Section 218.415, Florida Statutes, *Local Government Investment Policies*, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating the Town's compliance against Section 218.415, Florida Statutes, *Local Government Investment Policies*, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the Town's compliance for the year ended September 30, 2024. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that the Town was not in accordance with the aforementioned requirements in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the Town of Micanopy, Florida complied, in all material respects, with the aforementioned Statute for the year ended September 30, 2024.



Gainesville, Florida
October 8, 2025

AUDITEE'S RESPONSE TO:
Independent Auditors' Management Letter
October 8, 2025

2024-001 Reconciliations of Account Balances and Accruals -

RESPONSE to 2024-001: Reconciliation of Account Balances and Accruals:

Management concurs with the auditor's recommendation. During the 2025 fiscal year, the Town will enhance its internal accounting procedures to ensure that receivables, payables, and accruals are reconciled on a monthly basis. Adjustments will be made as necessary to maintain compliance with the accrual basis of accounting and U.S. GAAP. Year-end procedures will include a detailed reconciliation of significant account balances and verification that all audit adjustments are properly incorporated into the Town's final trial balance prior to submission for audit.

2024-002 Public Depositor Annual Report -

RESPONSE to 2024-002: Public Depositor Annual Report:

Management concurs with this finding. The Town recognizes the importance of filing the required Public Depositor Annual Report with the Florida Department of Financial Services by the November 30 deadline each year. For fiscal year 2025 and subsequent fiscal years, the Town has implemented a compliance calendar and internal reminder system to ensure timely completion and submission of this report. The Town Clerk's Office will maintain responsibility for verifying and documenting the filing annually.