

The Academy at Glengary, Inc.

Financial Statements,
Supplemental Information,
Contract Compliance and
Independent Auditor's Report
June 30, 2023 and 2022

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Independent Auditor's Report

The Board of Directors
The Academy at Glengary, Inc.
Sarasota, Florida

Opinion

We have audited the financial statements of The Academy at Glengary, Inc. (the Academy), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Academy as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 (*Government Auditing Standards*). 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 Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 Academy'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 Academy'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



Sarasota, Florida
October 30, 2023

The Academy at Glengary, Inc.

Statements of Financial Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Cash and cash equivalents:		
Without donor restrictions	\$ 405,358	\$ 888,883
With donor restrictions - purpose	215,605	274,182
Total cash and cash equivalents	<u>620,963</u>	<u>1,163,065</u>
Investments	1,088,403	-
Accounts receivable	184,381	125,025
Prepaid expenses	3,844	3,242
Total current assets	<u>1,897,591</u>	<u>1,291,332</u>
Property and equipment, net	<u>459,388</u>	<u>394,302</u>
Total Assets	<u>\$ 2,356,979</u>	<u>\$ 1,685,634</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 68,881	\$ 49,801
Accrued payroll and taxes	40,102	22,845
Total current liabilities	<u>108,983</u>	<u>72,646</u>
Total liabilities	<u>108,983</u>	<u>72,646</u>
Net Assets:		
Without donor restrictions:		
Undesignated	1,532,391	1,338,806
Funds for operating support	500,000	-
Total net assets without donor restrictions	<u>2,032,391</u>	<u>1,338,806</u>
With donor restrictions - purpose	<u>215,605</u>	<u>274,182</u>
Total net assets	<u>2,247,996</u>	<u>1,612,988</u>
Total Liabilities and Net Assets	<u>\$ 2,356,979</u>	<u>\$ 1,685,634</u>

See accompanying notes to financial statements.

The Academy at Glengary, Inc.
Statement of Activities
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

	<u>Without Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2022</u>
Support, Revenue and Releases:				
Program revenues	\$ 1,134,785	\$ -	\$ 1,134,785	\$ 896,776
Grant revenues	347,939	300,000	647,939	351,208
Corporate contributions	39,550	-	39,550	95,000
Individual contributions	97,184	-	97,184	210,838
Member contributions	24,889	-	24,889	51,156
Food service revenues	21,740	-	21,740	19,161
Special events, net of direct costs of \$2,802	294,949	-	294,949	172,998
In-kind contributions	180,000	-	180,000	116,736
Interest and dividends	28,415	-	28,415	211
Unrealized loss on investments	(344)	-	(344)	-
Other	551	-	551	322
Net assets released from restriction	358,577	(358,577)	-	-
Total support, revenue and releases	<u>2,528,235</u>	<u>(58,577)</u>	<u>2,469,658</u>	<u>1,914,406</u>
Operating Expenses:				
Program services	1,695,751	-	1,695,751	1,287,295
Support services:				
Management and general	113,572	-	113,572	99,712
Fundraising	25,327	-	25,327	22,750
Total operating expenses	<u>1,834,650</u>	<u>-</u>	<u>1,834,650</u>	<u>1,409,757</u>
Change in net assets	693,585	(58,577)	635,008	504,649
Net assets at beginning of year	1,338,806	274,182	1,612,988	1,108,339
Net assets at end of year	<u>\$ 2,032,391</u>	<u>\$ 215,605</u>	<u>\$ 2,247,996</u>	<u>\$ 1,612,988</u>

See accompanying notes to financial statements.

The Academy at Glengary, Inc.
Statement of Activities
Year Ended June 30, 2022
(With Summarized Totals for the Year Ended June 30, 2023)

	<u>Without Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2023</u>
Support, Revenue and Releases:				
Program revenues	\$ 796,776	\$ 100,000	\$ 896,776	\$ 1,134,785
Grant revenues	151,208	200,000	351,208	647,939
Corporate contributions	95,000	-	95,000	39,550
Individual contributions	73,838	137,000	210,838	97,184
Member contributions	51,156	-	51,156	24,889
Food service revenues	19,161	-	19,161	21,740
Special events, net of direct costs of \$2,386	172,998	-	172,998	294,949
In-kind contributions	116,736	-	116,736	180,000
Interest and dividends	211	-	211	28,415
Unrealized loss on investments	-	-	-	(344)
Other	322	-	322	551
Net assets released from restriction	262,818	(262,818)	-	-
Total support, revenue and releases	<u>1,740,224</u>	<u>174,182</u>	<u>1,914,406</u>	<u>2,469,658</u>
Operating Expenses:				
Program services	1,287,295	-	1,287,295	1,695,751
Support services:				
Management and general	99,712	-	99,712	113,572
Fundraising	22,750	-	22,750	25,327
Total operating expenses	<u>1,409,757</u>	<u>-</u>	<u>1,409,757</u>	<u>1,834,650</u>
Change in net assets	330,467	174,182	504,649	635,008
Net assets at beginning of year	1,008,339	100,000	1,108,339	1,612,988
Net assets at end of year	<u>\$ 1,338,806</u>	<u>\$ 274,182</u>	<u>\$ 1,612,988</u>	<u>\$ 2,247,996</u>

See accompanying notes to financial statements.

The Academy at Glengary, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023
(With Summarized Totals for the Year Ended June 30, 2022)

	<u>Supporting Services</u>			<u>Totals</u>	<u>2022</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and wages	\$ 683,010	\$ 57,862	\$ -	\$ 740,872	\$ 610,130
Payroll taxes and employee benefits	193,910	16,427	-	210,337	123,810
Depreciation	130,806	11,081	-	141,887	104,456
In-kind expense	178,578	1,422	-	180,000	116,736
Insurance	36,372	4,041	-	40,413	34,308
Office and information technology	122,771	2,543	-	125,314	81,339
Advertising and public relations	3,073	-	-	3,073	1,275
Fundraising	-	-	5,283	5,283	4,667
Supplies	66,982	-	-	66,982	52,800
Facilities, repairs and maintenance	95,272	10,430	-	105,702	102,061
Professional development	69,912	1,074	-	70,986	58,430
Professional fees	54,108	6,012	20,044	80,164	71,051
Other	60,957	2,680	-	63,637	48,694
Total	<u>\$ 1,695,751</u>	<u>\$ 113,572</u>	<u>\$ 25,327</u>	<u>\$ 1,834,650</u>	<u>\$ 1,409,757</u>

See accompanying notes to financial statements.

The Academy at Glengary, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022
(With Summarized Totals for the Year Ended June 30, 2023)

	<u>Supporting Services</u>			<u>Totals</u>	<u>2023</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and wages	\$ 556,107	\$ 54,023	\$ -	\$ 610,130	\$ 740,872
Payroll taxes and employee benefits	112,847	10,963	-	123,810	210,337
Depreciation	95,055	9,401	-	104,456	141,887
In-kind expense	115,314	1,422	-	116,736	180,000
Insurance	30,877	3,431	-	34,308	40,413
Office and information technology	80,591	748	-	81,339	125,314
Advertising and public relations	1,275	-	-	1,275	3,073
Fundraising	-	-	4,667	4,667	5,283
Supplies	52,800	-	-	52,800	66,982
Facilities, repairs and maintenance	91,862	10,199	-	102,061	105,702
Professional development	57,162	1,268	-	58,430	70,986
Professional fees	47,671	5,297	18,083	71,051	80,164
Other	45,734	2,960	-	48,694	63,637
Total	\$ <u>1,287,295</u>	\$ <u>99,712</u>	\$ <u>22,750</u>	\$ <u>1,409,757</u>	\$ <u>1,834,650</u>

See accompanying notes to financial statements.

The Academy at Glengary, Inc.

Statements of Cash Flows Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ <u>635,008</u>	\$ <u>504,649</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	141,887	104,456
Unrealized loss on investments	344	-
Change in operating assets:		
Accounts receivable	(59,356)	(28,416)
Prepaid expenses	(602)	7,324
Change in operating liabilities:		
Accounts payable	19,080	16,840
Accrued payroll and taxes	17,257	1,644
Total adjustments	<u>118,610</u>	<u>101,848</u>
Net cash provided by operating activities	<u>753,618</u>	<u>606,497</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(206,973)	(257,694)
Purchases of investments	<u>(1,088,747)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,295,720)</u>	<u>(257,694)</u>
Change in cash and cash equivalents	(542,102)	348,803
Cash and cash equivalents - beginning of year	<u>1,163,065</u>	<u>814,262</u>
Cash and cash equivalents - end of year	<u>\$ <u>620,963</u></u>	<u>\$ <u>1,163,065</u></u>

See accompanying notes to financial statements.

The Academy at Glengary, Inc.

Notes to Financial Statements

June 30, 2023 and 2022

I. Organization

The Academy at Glengary, Inc. (the Academy), is a Florida not-for-profit organization which commenced operations on June 18, 2018 (inception) for the purpose of fostering a working community where adults living with mental illnesses can reach their potential through friendship, healthy lifestyles, skill development, education and gainful employment.

2. Summary of Significant Accounting Policies

Financial Statements

The financial statements and notes are a representation of the Academy's management, which is also responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Use of Estimates and Assumptions

The preparation of 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 reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Academy and changes therein are classified and reported as follows:

Net assets without donor restrictions - net assets that are not subject to donor-imposed stipulations. Quasi-endowment funds and board designated funds, established by the Board of Directors, are classified as net assets without donor restrictions. Donor-restricted contributions whose restrictions are met in the year of contribution are reported as net assets without donor restrictions.

Net assets with donor restrictions - net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Academy and/or the passage of time. When a restriction expires or when funds are utilized in accordance with restriction requirements, these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Other net assets are perpetual in nature. These net assets are subject to donor-imposed stipulations that the net assets be maintained in perpetuity by the Academy. Generally, the donors of these assets permit the Academy to use all or part of the income earned on any related investment for general or specific purposes.

The Academy does not have any quasi-endowment funds or net assets with donor restrictions that are perpetual in nature.

The Academy at Glengary, Inc.
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

All contributions are considered available without donor restrictions unless specifically restricted by the respective donor.

Contributions received with donor stipulations and grants received with purpose restrictions that limit the use of donated assets are treated as net assets with donor restrictions. When the purpose of the restriction is accomplished, these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Academy does not have any conditional promises to give.

Program revenues are recognized when the performance obligations of providing the services are met.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Academy recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Academy recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Contributed Nonfinancial Assets

The Academy recognized nonfinancial assets within revenue in the form of an in-kind lease of the Academy's building in Sarasota. The Academy utilizes the in-kind leased property to fulfill their purpose. The in-kind lease is valued on the basis of recent comparable lease rates in Sarasota's real estate market, which totaled \$180,000 and \$116,736 as of June 30, 2023 and 2022. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Income Taxes

The Academy has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code (IRC). Income earned in furtherance of the Academy's tax-exempt purpose is exempt from federal and state income taxes. Therefore, no provision for income taxes has been provided for.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the Academy 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.

The Academy at Glengary, Inc.
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

The Academy files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Academy is subject include the tax years ended June 30, 2020 through June 30, 2023.

Financial Instruments Not Measured at Fair Value

The Academy's financial instruments are not measured at fair value on a recurring basis; however, certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued payroll and taxes.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Academy considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Academy maintains its cash accounts at commercial banks.

Investments

Investments are stated at fair value, which represents the value on the date of donation or cost on the date of purchase plus reinvested earnings and appreciation or depreciation. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these fluctuations. Gains or losses on securities sold are computed on a specific identification basis. Investments income and unrealized gains or losses are allocated to the funds based upon their respective balances. The Academy's investments consist primarily of certificates of deposit and U.S. treasury securities.

Accounts Receivable

The Academy uses the allowance method of accounting for doubtful accounts. The allowance is based upon a review of the current status of existing receivables and management's estimate as to their collectability.

Accounts receivable as of June 30, 2023 and 2022 consist of amounts due for program services provided by the Academy under a funding agreement. The Academy considers all accounts receivable to be fully collectible as of June 30, 2023 and 2022, therefore no allowance has been provided for in these financial statements.

Property and Equipment

Property and equipment are recorded at cost or at estimated fair value at the date of gift. Property and equipment exceeding \$5,000 and a useful life of one year or longer are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from five to seven years. Other expenditures for maintenance and repairs are charged to expenses in the year the costs are incurred. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When assets are impaired, asset values are reduced for this impairment. There was no impairment recognized on property and equipment during the years ended June 30, 2023 and 2022.

Advertising and Public Relations

Advertising costs are expensed as incurred. During the years ended June 30, 2023 and 2022, total advertising expenses were \$3,073 and \$1,275, respectively.

The Academy at Glengary, Inc.
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the program and supporting services have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Costs are allocated between program services, management and general or fundraising based on evaluations of the related benefits. Management and general expenses include expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Academy. The expenses that are allocated include salaries, employee benefits, payroll taxes and other expenses for services which are allocated on the basis of estimated time and effort.

Services of Volunteers

The Academy has adopted a policy which recognizes volunteer services provided by individuals possessing specialized skills which would typically need to be purchased if not provided by donation. No such services were donated during the years ended June 30, 2023 and 2022. Nevertheless, the Board members and volunteers have donated their time to the Academy's program services and administrative functions by performing tasks that do not require specialized skills. The financial statements do not reflect the value of these donated services because it does not meet the criteria for recognition as donated revenue under generally accepted accounting principles.

Adoption of New Accounting Pronouncement

In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The Academy adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. The Academy made an accounting policy election under Topic 842 not to recognize right-of-use assets and liabilities for leases with a term of 12 months or less. Topic 842 did not have an impact on the Academy's financial statements.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2023	2022
Cash and cash equivalents - without donor restrictions	\$ 405,358	\$ 888,883
Accounts receivable	184,381	125,025
Investments	1,088,403	-
Total financial assets available within one year	1,678,142	1,013,908
Less: Board designated funds for operating support	(500,000)	-
 Total financial assets available to management for general expenditure within one year	 \$ 1,178,142	 \$ 1,013,908

The Academy manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Regular reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

The Academy at Glengary, Inc.
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

4. Fair Value of Financial Assets

The Academy values certain assets in accordance with the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification which provides enhanced guidance for using fair value measurements to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets and liabilities. The FASB Accounting Standards Codification established a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents information about the Academy's assets that are measured at fair value on a recurring basis as of June 30, 2023 and 2022 and indicates the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - quoted market prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 - inputs, other than quoted prices included in Level 1, that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the assets or liabilities, and include situations where there is little, if any, market activity for the assets or liabilities. The inputs reflect the Academy's assumptions based on the best information available in the circumstance.

The following table sets forth the fair value hierarchy by level for the Academy's assets measured at fair value on a recurring basis as of June 30, 2023:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Certificates of deposit	796,361	-	796,361	-
U.S. treasury securities	292,042	-	292,042	-
Total investments	\$ 1,088,403	\$ -	\$ 1,088,403	\$ -

The Academy did not have any such assets to be measured at fair value on a recurring basis as of June 30, 2022.

The total cost of investments as of June 30, 2023 is \$1,088,747 and the Academy had unrealized losses on investments of \$344 as of June 30, 2023. The Academy did not have any investments as of June 30, 2022.

The Academy at Glengary, Inc.
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

5. Property and Equipment

Property and equipment consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Computer equipment and software	\$ 401,063	\$ 398,290
Kitchen equipment and fixtures	175,286	175,286
Furniture and equipment	112,559	112,559
Vehicles	73,890	73,890
Construction in progress	204,198	-
Leasehold improvements	5,663	5,663
	<u>972,659</u>	<u>765,688</u>
Less accumulated depreciation	513,271	371,386
Property and equipment, net	<u>\$ 459,388</u>	<u>\$ 394,302</u>

Depreciation expense was \$141,887 and \$104,456 for the years ended June 30, 2023 and 2022, respectively.

6. Net Asset Classifications

The Academy's net assets have been classified into the following categories as of June 30, 2023 and 2022:

Board Designation of Net Assets without Donor Restrictions

It is the policy of the Academy's Board of Directors to periodically designate appropriate sums to assure adequate financing of future projects and contingencies. As of June 30, 2023 and 2022, \$500,000 and \$0 have been designated by the board for operating support, respectively.

Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Wellness Within Reach Grant	\$ 82,001	\$ 184,632
Bradenton Kitchen	133,604	-
Fundraising and Campaign Events Grant	-	89,550
Total purpose restrictions	<u>\$ 215,605</u>	<u>\$ 274,182</u>

7. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by other events specified by donors. Purposes for which restrictions were satisfied include the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions:		
Wellness Within Reach Grant	\$ 102,631	\$ 15,368
Technology Grant	-	200,000
Bradenton Kitchen	166,396	-
Fundraising and Campaign Events Grant	89,550	10,450
Scholarship Fund	-	37,000
Total net assets released from restrictions	<u>\$ 358,577</u>	<u>\$ 262,818</u>

The Academy at Glengary, Inc.
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

8. Financial Instruments with Credit Risk

Financial instruments, which potentially subject the Academy to concentrations of credit risk, consist of cash and cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures cash and other deposits up to \$250,000 at each financial institution. At any given time, the Academy may have cash balances exceeding the insured amount at any one financial institution. The Academy has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

9. Concentrations of Support and Revenue

There was one major donor during the year ended June 30, 2023 who contributed a total of \$333,000, or 14%, of total support and revenues. Additionally, there were program revenues received of \$988,765, or 40% of total support and revenues, funded by a state sourced funding agreement. At June 30, 2023 \$156,351, or 85%, of the accounts receivable balance was due from the state sourced funding agreement.

There was one major donor during the year ended June 30, 2022 who contributed a total of \$201,000, or 10%, of total support and revenues. Additionally, there were program revenues received of \$886,861, or 46% of total support and revenues, funded by a state sourced funding agreement. At June 30, 2022 the entire accounts receivable balance of \$125,025 was due from the state sourced funding agreement.

10. Related Party Transactions

Board members and members of management are required to complete annual conflict of interest disclosure statements. From time to time, board members make contributions to the Academy.

During the years ended June 30, 2023 and 2022, a company affiliated to members of the board donated fair market value building rental of \$180,000 and \$116,736, respectively. The terms of this lease specify an annual rent of one dollar per year with an original expiration date of June 30, 2019. The Academy, at its sole discretion, has five successive options to renew the lease for additional one year periods. The Academy has exercised that option and the lease has been renewed through June 30, 2024. The lease requires the Academy to use the property for the sole purpose of operating a program for adults living with mental illness which provides educational and career services, including job readiness, academic tutoring, resume development, interview skills, job development and job placement.

During the year ended June 30, 2022, the Academy and a company affiliated to members of the board entered into an agreement to begin leasing property in Bradenton for the sole purpose of operating a program for adults with disabilities which provides educational and career services, including job readiness, academic tutoring, resume development, interview skills, job development, and job placement. The terms of this lease specify an annual rent of one dollar per year with an original expiration date of April 12, 2027. The Academy, at its sole discretion, shall have one option to renew this lease for an additional two year period. As of June 30, 2023, the company affiliated to members of the board are working on improvements of the property to prepare it for use by the Academy. Once the property is available for use, the lease will be donated at fair market value of rent through a below-market operating lease of premises. As of June 30, 2023 and 2022, no in-kind contributions relating to this leased property have been recognized.

11. Commitments

In connection with certain agreements, the Academy has a commitment to purchase equipment and fixtures for the new Bradenton location totaling \$332,792. As of June 30, 2023, \$166,396 was paid as a downpayment and is included within property and equipment as construction in progress. The equipment and fixtures have not yet been delivered or installed and, as a result, the remaining \$166,396 balance of the commitment is not recognized within accounts payable as of June 30, 2023.

The Academy at Glengary, Inc.
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

12. Retirement Plan

The Academy sponsors a 401(k) plan for employees with at least 3 months of service and who are at least 18 years of age. Employees may make elective deferrals up to 100% of their compensation which is not to exceed the annual limits defined by the Internal Revenue Code. The Academy may make discretionary matching contributions and discretionary profit-sharing contributions. The Academy has elected to make discretionary matching contributions of \$3,635 and \$0 for the years ended June 30, 2023 and 2022.

13. Subsequent Events

The Academy has evaluated all events subsequent to the statement of financial position date as of June 30, 2023 through the date these financial statements were available to be issued, October 30, 2023, and have determined that there are no subsequent events that require disclosure.

Supplemental Information

The Academy at Glengary, Inc.
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Entity Identification or Contract Number	Total Reimbursable Expenditures
FEDERAL GRANTS AND CONTRACTS			
U.S. Department of Health and Human Services			
Passed-through Central Florida Behavioral Health Network			
Block Grants for Community Mental Health Services	93.958	QG026-23	\$ <u>988,765</u>
Total U.S. Department of Health and Human Services			<u>988,765</u>
 Total Federal Grants and Contracts			 \$ <u><u>988,765</u></u>

The Academy at Glengary, Inc.
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2023

Notes to the Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

This schedule includes the federal grant activity of The Academy at Glengary, Inc. (the Academy) and is presented on the accrual basis of accounting. The information in this schedule is in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Indirect Cost Election

The Academy has elected to use the 10% de minimus cost rate allowed under the Uniform Guidance.

Note 3 - Subrecipient Activity

No federal awards were passed through to subrecipients during the fiscal year ended June 30, 2023.

Contract Compliance

**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**

Independent Auditor's Report

The Board of Directors
The Academy at Glengary, Inc.
Sarasota, Florida

We have audited, 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, the financial statements of The Academy at Glengary, Inc. (the Academy), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy'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 statement. 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*.

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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sarasota, Florida
October 30, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

Independent Auditor's Report

The Board of Directors
The Academy at Glengary, Inc.
Sarasota, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Academy at Glengary, Inc.'s (the Academy) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Academy's major federal programs for the year ended June 30, 2023. The Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Academy's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keberling Barkhuis & Co.

Sarasota, Florida
October 30, 2023

The Academy at Glengary, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no

- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no

- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516 (a)?

yes no

The Academy at Glengary, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditor's Results (Continued)

Federal Programs Tested as Major Programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.958	Block Grants for Community Mental Health Services

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes x no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None