Enterprise City Board of Education

FINANCIAL STATEMENTS

September 30, 2024



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INDEPENDENT AUDITOR'S REPORT

Members of the Board
Enterprise City Board of Education
Enterprise, Alabama

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Enterprise City Board of Education (the "Board"), a component unit of the City of Enterprise, Alabama, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board as of September 30, 2024, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of the Board are intended to present the financial position and the changes in financial position of only that portion of the governmental activities that are attributable to the transactions of the Board. They do not purport to and do not present fairly the financial position of the City of Enterprise, Alabama, as of September 30, 2024, and the

changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Board has elected to change its method of accounting for tax receivables due from the Coffee County Revenue Commissioner. Our opinion is not modified with respect to this matter.

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 Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standard*s, 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 Board'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 Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

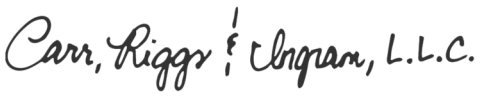
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 – 12, and schedules of the employer's proportionate share of the net pension liability and OPEB and schedules of employer contributions, on pages 52 – 55, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 March 31, 2025, on our consideration of the Board'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 Board'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 Board's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 31, 2025

Introduction

The Management's Discussion and Analysis (MD&A) of the Enterprise City Board of Education's (the "Board") financial performance provides an overall review of the Board's financial activities for the fiscal year ended September 30, 2024. The intent of this discussion and analysis is to look at the Board's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the Board's financial performance.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain comparative information between the current year and the prior year is required to be presented in the MD&A and is included in this analysis.

Financial Highlights

Our financial statements provide these insights into the results of this year's operations:

On the government-wide financial statements:

- The assets and deferred outflows of resources of the Board exceeded its liabilities and deferred inflows of resources at the close of the 2024 fiscal year by $93.50 million (net position). Of this amount, there is $39.37 million deficit in unrestricted net position. The net position invested in capital assets amounted to $132.38 million. Restricted net position amounted to $.49 million. The government-wide financial statements are a long-term availability approach to analyzing the financial statements.

- The total cost of the Board's programs for the year was $89 million. After taking away a portion of these costs paid from charges for services, intergovernmental aid, interest earnings and other miscellaneous sources, the net cost that required funding from Enterprise city taxpayers was $5.82 million.

On the fund financial statements:

- At the end of the current fiscal year, unassigned fund balance for the general fund was $41.02 million.

- There was an overall increase of $10.86 million in fund balance in governmental funds.

- The Board had a net decrease in its outstanding debt by $592 thousand due to $824 thousand in debt payments, $273 thousand in debt issuance and $41 thousand due to premium amortization.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the Board's basic financial statements, which are the government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also includes supplementary information in addition to the basic financial statements themselves.

The first two statements are government-wide financial statements - the *Statement of Net Position* and the *Statement of Activities*. These provide both long-term and short-term information about the Board's overall financial status. Although other governments may report governmental activities and business-type activities, the Board has no business-type activities.

The *Statement of Net Position* presents information on all of the Board's assets and deferred outflows of resources less liabilities and deferred inflows of resources, which results in net position. The statement is designed to display the financial position of the Board. Over time, increases and decreases in net position help determine whether the Board's financial position is improving or deteriorating.

The *Statement of Activities* provides information which shows how the Board's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid. The statement identifies the extent to which each expenditure function draws from general revenues of the Board (primarily local taxes) or is financed through charges for services (such as lunchrooms) and intergovernmental aid (primarily federal programs and state appropriations).

The fund financial statements provide more detailed information about the Board's most significant funds - not the Board as a whole. A fund is a grouping of related accounts that is used to keep track of specific sources of funding and spending for particular purposes. The Board uses fund accounting to ensure and demonstrate fiscal accountability. Two kinds of funds - governmental funds and fiduciary funds - are presented in the fund financial statements.

Governmental funds - All of the Board's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds statements - the *Balance Sheet* and the *Statement of Revenues, Expenditures and Changes in Fund Balances* - are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship (or differences) between them.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

In addition to the basic financial statements and the accompanying notes, this report also presents certain *Required Supplementary Information* (RSI) other than the MD&A consisting of a budgetary comparison schedule for the general fund and each major special revenue fund that has a legally adopted annual budget. The schedule includes an accompanying note explaining the differences between actual amounts as reported on the basis of budgeting and the accounting principles generally accepted in the United States of America (GAAP) basis of reporting.

Financial Analysis of the Board as a Whole

As noted earlier, the Board has no business-type activities. Consequently, the Board's net position is reported as Governmental Activities.

Net Position - Governmental Activities

September 30,	**2024**	2023
Assets		
Current assets	**$ 65,983,605**	$ 50,744,500
Capital assets and right-to-use assets, net	**136,764,558**	134,191,690
Total assets	**202,748,163**	184,936,190
Deferred Outflows of Resources		
Deferred loss on refunding	**244,175**	293,874
Deferred outflows related to pension	**22,793,211**	30,430,386
Deferred outflows related to OPEB	**13,402,628**	15,398,051
Total deferred outflows of resources	**36,440,014**	46,122,311
Liabilities		
Current liabilities	**7,630,599**	7,562,757
Noncurrent liabilities	**97,251,767**	95,769,303
Total liabilities	**104,882,366**	103,332,060
Deferred Inflows of Resources		
Deferred inflows related to property taxes	**4,325,993**	-
Deferred inflows related to pension	**2,524,000**	4,701,000
Deferred inflows related to OPEB	**33,788,399**	41,824,486
Deferred inflows related to leases	**162,669**	206,047
Total deferred inflows of resources	**40,801,061**	46,731,533
Net Position		
Net investment in capital assets and right-to-use assets	**132,383,954**	129,268,305
Restricted	**491,324**	475,159
Unrestricted (deficit)	**(39,370,527)**	(48,748,556)
Total net position	**$ 93,504,751**	$ 80,994,908

The Board's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $93.50 million at the close of the fiscal year. The majority of the Board's net position is invested in capital assets (land, buildings, and equipment) owned by the Board. Since these capital assets are used in governmental activities, this portion of net position is not available for future spending or funding of operations. Unrestricted net position (deficit) – the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation, debt covenants, or other legal requirements – is ($39.37) million at the end of the year.

It is important to note that the deficit in Unrestricted Net Position is largely due to the impact of GASB Statement 68, which became effective in 2015, and GASB Statement 75, which became effective in 2018. GASB 68 requires state and local governments and their related entities that participate in a defined benefit pension plan to disclose their proportionate share of any unfunded pension liability on their financial statements. GASB 75 established accounting and financial reporting requirements for governmental employers who provide Other Postemployment Benefits (OPEB) to their employees through a trust. GASB 68 and 75 address only financial reporting requirements and have no impact on the funding requirements for pension and OPEB plans. Readers of the financial statements must understand that these reporting requirements do not change the Board's cash position, credit worthiness, or overall financial health. The Board's financial ability to fund daily operations, meet debt obligations and allocate resources to achieve goals and objectives is unchanged. More detailed information regarding the calculations and reporting requirements of GASB 68 and GASB 75 can be found in the Notes to the Financial Statements.

The following table of the Board's total revenues and expenditures condenses the results of operations for the fiscal year into a format where the reader can easily see total revenues of the Board for the year. It also shows the impact operations had on changes in net position as of September 30, 2024.

Summary of Changes in Net Position From Operating Results

Years ended September 30,	**2024**	2023
Program Revenues		
Charges for services	**$ 6,994,793**	$ 6,903,102
Operating grants and contributions	**66,769,273**	60,659,993
Capital grants	**5,888,069**	4,364,115
General Revenues		
Local property taxes	**6,970,678**	6,268,888
Sales and use taxes	**11,324,926**	11,417,742
Miscellaneous taxes	**34,814**	34,960
Net gain (loss) on disposition of capital assets	**(17,096)**	148,480
Investment earnings	**1,490,315**	766,516
Miscellaneous	**2,057,774**	2,146,449
Total revenues	**101,513,546**	92,710,245
Expenses		
Instructional services	**48,839,045**	44,805,589
Instructional support services	**15,665,030**	14,713,858
Operation and maintenance services	**8,120,202**	7,253,248
Student transportation services	**4,525,679**	3,901,371
Food services	**5,687,132**	5,394,714
General administration services	**4,293,374**	3,908,987
Interest and fiscal charges	**161,059**	184,326
Other expenses	**1,712,182**	1,635,616
Total expenses	**89,003,703**	81,797,709
Change in net position	**12,509,843**	10,912,536
Net position, beginning of year	**80,994,908**	70,082,372
Net Position, end of year	**$ 93,504,751**	$ 80,994,908

Revenue Analysis:

Program revenues, specifically operating grants and contributions, are the largest component of total revenues.

- Operating grants and contributions make up 84% of program revenues and 66% of total revenues. The major sources of revenues in this category are state foundation program funds, state transportation operating funds, and state and federal funds restricted for specific programs.

- Capital grants and contributions include state capital outlay funds and state funds to replace buses.
- Charges for services include federal reimbursement for meals, student meal purchases, and local school revenues.
- General revenues, primarily property taxes and sales taxes, are used to provide for expenses that are not covered by program revenues.

Expense Analysis:

- Instructional services expenses, primarily salaries and benefits for classroom teachers, are the largest expense of the Board (55%). In addition to teacher salaries and benefits, instructional services include teacher aides, substitute teachers, textbooks, depreciation of instructional buildings, professional development, and classroom instructional materials, supplies, and equipment.
- Instructional support services include salaries and benefits for school principals, assistant principals, librarians, counselors, school secretaries, school bookkeepers, speech therapists, school nurses, and professional development expenses. Instructional services and instructional support services account for 72% of total expenses.
- Operation and maintenance services include utilities, security services, janitorial services, maintenance services, and depreciation of maintenance-related assets.
- In addition to bus driver salaries and benefits, student transportation services include mechanics, bus aides, vehicle maintenance and repair expenses, vehicle fuel, depreciation of buses and the bus shop, and fleet insurance.
- Food services includes salaries and benefits for cooks, servers, lunchroom managers, and cashiers, as well as donated and purchased food, food preparation and service supplies, kitchen and lunchroom equipment, and depreciation of equipment and facilities.
- General administrative services include salaries and benefits for the superintendent, assistants, clerical and financial staff, and other personnel that provide system-wide support for the schools. Also included are legal expenses, liability insurance, training for board members and general administrative staff, printing costs, and depreciation of central office equipment and facilities.
- Other expenses include for preschool teachers and aides. Also included are the materials, supplies, equipment, related depreciation, and other expenses for operating programs outside of those for educating students in the K through 12 instructional programs.
- Debt service includes interest, but not principal payments, on long-term debt issues and other expenses related to the issuance and continuance of debt issues.

Performance of School Board Funds

Governmental Funds – As noted earlier, the Board uses fund accounting to control and manage resources in order to ensure compliance with finance-related legal requirements. Using funds to account for resources for particular purposes helps the reader to determine whether the Board is being accountable for the resources provided by taxpayers and other entities, and it may also help to provide more insight into the Board's overall financial health.

The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financial requirements. Note that the relationship between the *fund financial statements* and the *government-wide financial statements* are reconciled on pages 16 and 18. The financial performance of the Board as a whole is reflected in its governmental funds as well. At the end of the fiscal year, the Board's governmental funds reported combined ending fund balance of $53.8 million.

General Fund – The general fund is the primary operating fund of the Board. The beginning fund balance, on October 1, 2023 was $32.38 million. The fund balance at the end of the fiscal year was $41.02 million. Each school system is required to have a one month general fund operating balance. Enterprise City Board of Education met this requirement for FY 2024.

Budgetary Highlights of Major Funds

The original 2024 fiscal year budget, adopted on September 1, 2023, was based on a bare bones approach that reflected only guaranteed revenues and necessary expenditures. The original budget was amended once during the year on June 4, 2024. The amendment was necessary to budget federal carryover funds, reflect actual beginning fund balances, add revenue and expenditures for fund sources not reflected in the original budget, and budget for additional expenditures not reflected in the original budget. In summary, the final budget is reasonable based on the financial activity of the Board.

General Fund – The comparison of the general fund original budget to the final amended budget is on page 19. Because actual revenues exceeded actual expenses there was an overall increase in fund balance in the general fund.

Capital Asset and Debt Activity

Capital Assets – The Board's investment in capital assets for its governmental activities at September 30, 2024 totaled $136.76 million, net of accumulated depreciation and amortization. The capital asset activity for the year is detailed in Note 2 to the financial statements. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year and depreciation of depreciable assets for the year. Capital assets were decreased (depreciated and amortized) by $5.50 million during fiscal year 2024. The Board expended available resources to acquire $8.11 million in capital asset additions during the year.

Long-Term Debt – At year-end, the Board had $4.62 million in warrants, net of unamortized premiums, leases payable, and notes payable. Of this amount, $1.48 million was owed on the 2015B Pool Bonds, and $2.45 million on the 2017 Warrants. More information with regard to the Board's long-term debt is presented in Note 2 to the financial statements.

Factors Bearing on the Board's Future

Funding – The rolling reserve act took effect in fiscal year 2013. A 15-year average will provide a stable funding base to establish a cap on state Education Trust Fund (ETF) appropriations. The process directs reserves to a stabilization fund. The stabilization fund will enable the state to reliably provide funding when revenue growth fails to meet projections in any given year. The long-term stability will allow school boards, administrators and teachers to serve students consistently.

County and District Sales Tax – Sales tax revenues decreased by 0.81% for fiscal year 2024.

Property Tax – Property tax revenue increased by 11.19%. A portion of the special district property tax is earmarked for debt payment on the Capital Outlay Warrants Series 2017.

Student Enrollment – The latest student enrollment figure, as of the 2024-2025 fall attendance report was 6,502 students. This indicates an increase in enrollment of 0.5%, or 62 students over the prior year and an increase of 1%, or 39 students over the last 4 years. State foundation program funds, our largest source of funds, are tied to student enrollment numbers. Because this funding is based on prior year enrollment numbers, we expect state foundation funding to increase for fiscal year 2025.

Medical and Retirement Costs – Employee health insurance is provided through the Public Education Employees' Health Insurance Program (PEEHIP). PEEHIP employer cost is $800 per month per employee for fiscal year 2025. Employer contributions to the Teachers Retirement System (TRS) increase to 14.57% and 13.61% for Tier I and Tier II employees respectively for fiscal year 2025. The board must use local funds to pay the salary related benefit costs not paid by state and federal funds.

Contacting the School Board's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Mr. Jesse James, Chief School Financial Officer, or Mr. Zel Thomas, Superintendent, at P.O. Box 311790, Enterprise, AL 36331-1790, or by calling (334) 347-9531 during regular office hours, Monday through Friday, from 8:00 A.M. to 4:00 P.M.

Enterprise City Board of Education
Statement of Net Position

September 30, 2024		Governmental Activities
Assets		
Cash and cash equivalents	$	34,109,442
Investments		23,372,591
Ad Valorem property taxes receivable		4,325,993
Receivables, net		3,797,050
Leases receivable		166,273
Inventories		212,256
Capital assets, not being depreciated		15,171,270
Right-to-use assets, net of amortization		496,342
Capital assets, net of depreciation		121,096,946
Total assets		202,748,163
Deferred Outflows of Resources		
Deferred loss on refunding		244,175
Deferred outflows related to pension		22,793,211
Deferred outflows related to OPEB		13,402,628
Total deferred outflows of resources		36,440,014
Liabilities		
Accounts payable		1,534,321
Salaries and benefits payable		5,937,042
Accrued interest payable		33,987
Unearned revenue		125,249
Long-term liabilities		
Net pension liability		81,640,000
Net OPEB liability		10,986,987
Due and payable within one year		854,086
Due and payable after one year		3,770,693
Total liabilities		104,882,365
Deferred Inflows of Resources		
Deferred inflows related to property taxes		4,325,993
Deferred inflows related to leases		162,669
Deferred inflows related to pension		2,524,000
Deferred inflows related to OPEB		33,788,399
Total deferred inflows of resources		40,801,061
Net Position		
Net investment in capital and right-to-use assets		132,383,954
Restricted for debt service		491,324
Unrestricted (deficit)		(39,370,527)
Total net position	$	93,504,751

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

Enterprise City Board of Education
Statement of Activities

For the year ended September 30, 2024

Functions / Programs		Expenses
Instructional services	$	48,839,045
Instructional support services		15,665,030
Operation and maintenance services		8,120,202
Student transportation services		4,525,679
Food services		5,687,132
General administrative services		4,293,374
Interest and fiscal charges		161,059
Other expenses		1,712,182
Total	$	89,003,703

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

	Program Revenues			Net (Expenses) Revenues and Changes In Net Position Governmental Activities
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
$	658,468	$ 42,314,320	$ 3,661,269	$ (2,204,988)
	1,423,807	10,534,107	4,740	(3,702,376)
	187,595	3,556,536	1,696,625	(2,679,446)
	123,596	5,412,394	525,435	1,535,746
	3,900,072	742,422	-	(1,044,638)
	90,532	3,397,160	-	(805,682)
	-	-	-	(161,059)
	610,723	812,334	-	(289,125)
$	6,994,793	$ 66,769,273	$ 5,888,069	(9,351,568)

General Revenues	
Taxes	
Property taxes for general purposes	3,995,191
Property taxes for specific purposes	2,975,487
Local sales tax	11,324,926
Other taxes	34,814
Net gain (loss) on disposition of capital assets	(17,096)
Investment earnings	1,490,315
Miscellaneous	2,057,774
Total general revenues	21,861,411
Change in net position	12,509,843
Net position, beginning of year	80,994,908
Net position, end of year	$ 93,504,751

Enterprise City Board of Education
Balance Sheet – Governmental Funds

September 30, 2024	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 23,394,987	$ 10,714,455	$ 34,109,442
Investments	21,803,591	1,569,000	23,372,591
Receivables	2,178,631	1,539,115	3,717,746
Ad Valorem property taxes receivable	4,325,993	-	4,325,993
Leases receivable	166,273	-	166,273
Inventories	-	212,256	212,256
Total assets	$ 51,869,475	$ 14,034,826	$ 65,904,301
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ 1,162,514	$ 371,809	$ 1,534,323
Salaries and benefits payable	5,202,445	734,597	5,937,042
Unearned revenue	-	125,249	125,249
Total liabilities	6,364,959	1,231,655	7,596,614
Deferred inflows of resources			
Deferred inflows related to leases	162,669	-	162,669
Unavailable revenue - property taxes	4,325,993	-	4,325,993
Total deferred inflows of resources	4,488,662	-	4,488,662
Fund balances			
Non-spendable	-	212,256	212,256
Restricted	-	525,311	525,311
Assigned	-	12,065,604	12,065,604
Unassigned	41,015,854	-	41,015,854
Total fund balances	41,015,854	12,803,171	53,819,025
Total liabilities, deferred inflows of resources, and fund balances	$ 51,869,475	$ 14,034,826	$ 65,904,301

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

Enterprise City Board of Education
Reconciliation of Balance Sheet of Governmental Funds to Statement of Net Position

September 30, 2024

Total fund balance - governmental funds		$ 53,819,025
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Governmental capital assets not being depreciated	$ 15,171,270	
Governmental right-to-use assets being amortized	642,049	
Governmental capital assets being depreciated	196,024,128	
Accumulated amortization	(145,707)	
Accumulated depreciation	(74,927,182)	136,764,558
Interest on unmatured investments will not be collected this year and is not available soon enough to pay for the current period's expenditures, and therefore is not accrued in the funds.		
Accrued interest receivable		79,306
Deferred inflows and outflows related to pension and OPEB represent an acquisition or consumption of net position, respectively, that applies to a future period and, therefore, are not reported as liabilities or assets in the governmental funds.		
Deferred outflows related to OPEB	$ 13,402,628	
Deferred inflows related to OPEB	(33,788,399)	
Deferred outflows related to pension	22,793,211	
Deferred inflows related to pension	(2,524,000)	(116,560)
Long-term liabilities, including bonds payable, bond discounts, deferred loss on refunding and accrued interest payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Accrued interest payable	$ (33,987)	
Net OPEB liabilitiy	(10,986,987)	
Net pension liabilitiy	(81,640,000)	
Deferred loss on refunding	244,175	
Current portion of long-term debt	(854,086)	
Non-current portion of long-term debt	(3,770,693)	(97,041,578)
Total net position of governmental activities		$ 93,504,751

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

Enterprise City Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2024	General Fund	Nonmajor Funds	Total Governmental Funds
Revenues			
State revenues	$ 56,252,296	$ 5,883,346	$ 62,135,642
Federal revenues	1,644,574	12,087,117	13,731,691
Local revenues	17,569,382	7,657,567	25,226,949
Other revenues	342,021	58,026	400,047
Total revenues	75,808,273	25,686,056	101,494,329
Expenditures			
Instructional services	36,355,035	6,907,775	43,262,810
Instructional support services	11,529,437	3,509,911	15,039,348
Operation and maintenance services	6,304,977	1,759,836	8,064,813
Student transportation services	3,926,061	223,052	4,149,113
Food services	-	5,740,209	5,740,209
General administrative services	3,724,901	170,989	3,895,890
Capital outlay	4,456,797	3,654,286	8,111,083
Debt service			
Principal	157,441	667,128	824,569
Interest	17,011	147,499	164,510
Other expenses	797,041	881,286	1,678,327
Total expenditures	67,268,701	23,661,971	90,930,672
Excess (deficiency) of revenues over (under) expenditures	8,539,572	2,024,085	10,563,657
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	23,054	-	23,054
Proceeds from issuance of long-term debt	273,260	-	273,260
Transfers in	120,956	760,219	881,175
Transfers out	(317,592)	(563,583)	(881,175)
Net other financing sources (uses)	99,678	196,636	296,314
Net change in fund balances	8,639,250	2,220,721	10,859,971
Fund balances, beginning of year	32,376,604	10,582,450	42,959,054
Fund balances, end of year	$ 41,015,854	$ 12,803,171	$ 53,819,025

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

Enterprise City Board of Education
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities

For the year ended September 30, 2024

Total net change in fund balances - governmental funds		$ 10,859,971
Capital outlays to purchase or build capital or right-to-use lease assets are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which depreciation and amortization expense exceeds capital outlay in the		
Capital outlays	$ 8,111,083	
Depreciation and amortization expense	(5,498,066)	2,613,017
Some of the capital assets acquired this year were financed with leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net position.		(273,260)
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		
Principal payments on long-term debt		824,569
Some revenues will not be collected within 30 days after the close of the Board's fiscal year-end are not considered as "available" revenue in the governmental funds. In the statement of net position, presented on the full accrual basis, these revenues are recognized.		16,699
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Interest	$ 11,978	
Current year change in OPEB expense	6,013,723	
Current year change in pension expense	(7,508,175)	
Amortization	(8,530)	(1,491,004)
In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balances this amount.		
Proceeds from Sale of Capital Assets	$ (23,054)	
Gain on Disposition of Capital Assets	(17,095)	(40,149)
Change in net position of governmental activities		$ 12,509,843

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

Enterprise City Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund

For the year ended September 30, 2024	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
State revenues	$ 51,071,380	$ 48,806,633	$ 56,252,296	$ 7,445,663
Federal revenues	1,100,000	1,250,000	1,644,574	394,574
Local revenues	14,271,030	15,651,030	17,569,382	1,918,352
Other revenues	107,000	107,000	342,021	235,021
Total revenues	66,549,410	65,814,663	75,808,273	9,993,610
Expenditures				
Instructional services	35,707,157	35,883,531	35,915,974	(32,443)
Instructional support services	11,721,877	11,736,047	11,417,307	318,740
Operation and maintenance services	6,461,435	6,643,672	6,294,199	349,473
Student transportation services	4,061,813	4,374,079	3,908,744	465,335
General administrative services	3,564,052	3,823,182	3,715,139	108,043
Capital outlay	2,951,329	2,214,708	4,456,797	(2,242,089)
Principal retirement	-	-	157,441	(157,441)
Interest and fiscal charges	-	-	17,011	(17,011)
Other expenses	858,620	879,497	795,249	84,248
Total expenditures	65,326,283	65,554,716	66,677,861	(1,123,145)
Excess revenues over expenditures	1,223,127	259,947	9,130,412	8,870,465
Other Financing Sources (Uses)				
Indirect cost	16,160	16,160	-	(16,160)
Proceeds from issuance of long-term debt	-	-	273,260	273,260
Transfers in	50,000	50,000	120,956	70,956
Transfers out	(305,697)	(287,247)	(317,592)	(30,345)
Proceeds from sale of capital assets	-	-	23,054	23,054
Net other financing sources (uses)	(239,537)	(221,087)	99,678	320,765
Excess Revenues and Other Sources Over Expenditures and Other Uses	983,590	38,860	9,230,090	9,191,230
Fund balances, beginning of year	27,331,414	37,066,657	32,376,604	(4,690,053)
Fund balances, end of year	$ 28,315,004	$ 37,105,517	$ 41,606,694	$ 4,501,177
Reconciliation of GAAP to budgetary basis				
GAAP basis expenditures	$ 65,326,283	$ 65,554,716	$ 67,268,701	$ (1,713,985)
Non-budgeted accrued salaries and fringe benefits				
Instructional services	-	-	(439,061)	439,061
Instructional support services	-	-	(112,130)	112,130
Operation and maintenance services	-	-	(10,778)	10,778
Student transportation services	-	-	(17,317)	17,317
General administrative services	-	-	(9,762)	9,762
Other expenditures	-	-	(1,792)	1,792
Budgetary basis expenditures	$ 65,326,283	$ 65,554,716	$ 66,677,861	$ (1,123,145)

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

Enterprise City Board of Education
Statement of Fiduciary Net Position

September 30, 2024		Custodial Funds
Assets		
Cash and cash equivalents	$	2,576
Liabilities		
Accounts payable	$	160
Net Position	$	2,416

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

Enterprise City Board of Education
Statement of Changes in Fiduciary Net Position

For the year ended September 30, 2024		Custodial Funds
Additions		
Other revenues	$	15,023
Deductions		
Food service		17,016
Net increase in fiduciary net postion		(1,993)
Net position, beginning of year		4,409
Net position, end of year	$	2,416

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Enterprise City Board of Education (the "Board") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

GASB establishes standards for defining and reporting on the financial reporting entity. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for agencies that make up its legal entity. It is also financially accountable for a legally separate agency if its officials appoint a voting majority of that agency's governing body and either it is able to impose its will on that agency or there is a potential for the agency to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. There are no component units which should be included as part of the financial reporting entity of the Board.

The Board is a legally separate agency of the State of Alabama. However, for financial reporting, the Board is considered a component unit of the City of Enterprise, Alabama (the "City") due to the following reasons:

1. The City appoints all members of the governing body of the Board.
2. The City makes annual appropriations to the Board.
3. The City levied a percentage of its sales tax specifically for the operations of the Board.

The financial statements of the Board include local school activity funds and other funds under the control of school principals. These funds are reported on a reporting period ended September 30, 2024, as a special revenue fund.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. These statements include the financial activities of the overall government, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Although other governments may report both governmental activities and business-type activities, the Board has no business-type activities.

The statement of activities demonstrates 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. The Board does not allocate indirect expenses to the various functions. Program revenues include (a) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and (b) charges to recipients of goods or services offered by the programs. Revenues that are not classified as program revenues, including all local taxes, are presented as general revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (continued)

Fund Financial Statements: The fund financial statements provide information about the Board's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The Board reports the following major governmental fund:

General Fund – This is the Board's primary operating fund. It accounts for all financial resources, except those required to be accounted for in another fund. The Board's general fund primarily received revenues from the Education Trust Fund (ETF), appropriated by the Alabama Legislature, and from local taxes. The State Department of Education allocated amounts appropriated from the ETF to the Board on a formula basis.

The Board reports the following governmental fund types in the "Nonmajor Funds" column:

Special Revenue Funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action. Special revenue funds consist of the following:

1. IDEA – Part B
2. Preschool Ages 3 – 5 Part B
3. Vocational Education – Basic Grant
4. Title I Part A
5. Title II Part A Supporting Effective Instruction
6. Title III Part A English Language Acquisition State Grants
7. Title IV Part A Safe & Drug-free
8. CRRSA Act – ESSER II & LETRS
9. ARPA Act – ESSER III & Homeless
10. Local School Activity Funds
11. Food and Nutrition
12. Summer Food Service Fund
13. Child and Adult Care
14. DoDea Grants

Local Capital Projects Fund – This fund is used to account for the Board's portion of a 7 mil district tax restricted for capital improvements and other Board assigned funds for the expansion of property and equipment owned by the Board.

Debt Service Funds – Account for the accumulation of resources for, and the payment of, the Board's principal and interest payments on long-term debt.

Other Capital Projects Funds – Account for financial resources to be used for the acquisition or construction of major capital facilities.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and due. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues reported in the governmental funds (excluding state and federal reimbursements) to be available if the revenues are collected within thirty (30) days after year-end. Revenues from state and federal funds are considered available if transactions eligible for reimbursement have taken place. Expenditures generally are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Fiduciary funds are reported using the *economic resources measurement focus* and *the accrual basis of accounting*.

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

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except the permanent funds. All annual appropriations lapse at fiscal year-end. State law requires Alabama school boards to prepare and submit to the State Superintendent of Education the annual budget adopted by the local board of education. In accordance with the regulations of the State Board of Education, the due date for submission of the budget for the 2024 fiscal year was September 15, 2023. The Board approved and submitted its original 2024 annual budget on September 11, 2023.

The 2024 budget was amended June 2024 primarily to budget carryover federal funds, adjust federal allocations, and add revenue and expenditures for fund sources not reflected in the original budget.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

The City Superintendent of Education or Board cannot approve any budget for operations of the school system for any fiscal year that shows expenditures in excess of income estimated to be available plus any balances on hand. The Superintendent, with the approval of the Board, has the authority to make changes within the approved budget provided that a deficit is not incurred by such changes.

The budget is prepared under a budgetary basis of accounting that differs from GAAP. Salaries of teachers and other personnel with contracts of less than twelve months are paid over a twelve month period. Expenditures for salaries (and related fringe benefits) and interest expense are budgeted based on the amount that will be paid from budgeted revenues. However, salaries (and related benefits) earned but not paid are reported as expenditures on the financial statements. Similarly, unbudgeted capital asset acquisitions that are not financed are reported as expenditures in the fund financial statements but are not reported as expenditures for budgetary purposes. For the year ended September 30, 2024, expenditures exceeded appropriations within the instructional services, capital outlay, principal retirement, and interest and fiscal charges functions for the general fund by $32,443, $2,242,089, $157,441 and $17,011, respectively. Expenditures were funded by unanticipated revenues.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash and Cash Equivalents

The Board'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

Investments are stated at amortized cost. The State Attorney General has issued a legal opinion that boards of education may not put public funds at risk by investing in companies not insured by the federal government.

Receivables and Allowance for Doubtful Accounts

Receivables are reported as *receivables* in the government-wide financial statements and as *receivables* in the fund financial statements. Receivables include amounts due from grantors or grants issued for specific programs and local taxes. No allowances are made for uncollectible amounts because the amounts are considered immaterial.

Lease Receivable

The Board records revenues from lease in accordance with GASB No. 87, *Leases*. The lease receivable is initially measured at the present value of the lease payments expected to be received during the lease term. The deferred lease inflow of resources is measured as the sum of the initial measurement of the lease receivable net of lease payments received. Lease receipts result in a reduction of the lease receivable and recognition of inflows of revenues. At September 30, 2024, the Board's total lease receivable of $166,273 was for the lease of building space.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. GAAP requires only material balances of inventories accounted for using the purchases method to be reported as an asset in the appropriate governmental fund. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical costs in the statement of net position. Donated assets are recorded at their acquisition value at the date of donation. The cost of maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are recorded as expenditures at the acquisition date in the fund financial statements. The Board has no general infrastructure assets.

Depreciation of capital assets is recorded in the statement of activities on a straight-line basis over the estimated useful life of the asset. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and the estimated useful lives of capital assets reported in the government-wide statements are as follows:

Asset Class	Capitalization Threshold	Estimated Useful Life
Land improvements - exhaustible	$ 50,000	40 years
Buildings	50,000	40 - 50 years
Building improvements	50,000	7 - 40 years
Right-to-use	25,000	5 - 20 years
Equipment	5,000	5 - 20 years
Vehicles	5,000	5 - 7 years
Equipment under lease	5,000	5 - 20 years

The capitalization threshold for land, construction in progress, and inexhaustible land improvements is $1 or more. However, these capital assets are not depreciated.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has three items reported in this category, deferred loss on refunding of debt, deferred outflows related to pension and deferred outflows related to OPEB. A deferred loss on refunding of debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Deferred Outflows/Inflows of Resources (continued)

deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. Deferred outflows related to OPEB result from OPEB contributions related to normal and accrued employer liability (net of any refunds or error service payments) subsequent to the measurement date, the net difference between projected and actual earnings on plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and differences between actual and expected experience. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense or a reduction in the net pension or OPEB liability in future reporting years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Board has four items that qualify for reporting in this category, unavailable revenue related to property taxes, deferred inflows related to leases, deferred inflows related to pension, and deferred inflows related to OPEB. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. Deferred inflows related to pension and OPEB result from differences between expected and actual experience, changes in assumptions, the net difference between projected and actual earnings on plan investments, and changes in proportion and differences between employer contributions and proportionate share of contributions. The deferred inflows related to pensions or OPEB will be recognized as a reduction to pension or OPEB expense in future reporting years. The deferred inflows related to leases relate to a building lease in which the Board is the lessor. Revenue will be recognized over the life of the lease. The Board received $40,098 and $7,902 in principal and interest payments, respectively, during the year ended September 30, 2024.

Compensated Absences

For vacation leave and other compensated absences with similar characteristics, GASB Statement No. 16 requires the accrual of a liability (as the benefits are earned by the employees), if both of these conditions are met:

a. The employees' right to receive compensation is attributable to services already rendered.
b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. Professional and support employees earn nonvesting sick leave at the rate of one day per month worked. Employees may accumulate an unlimited number of sick leave days. Employees may use their accrued sick leave as membership service in determining the total years of creditable service in the Teachers' Retirement System of Alabama, with no additional cost to the Board. Because employees do not receive compensation for unused sick leave at termination, no liability is recorded on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Compensated Absences (continued)

Professional and support personnel are provided two days of personal leave per year with pay. The State provides funding, at the substitute rate, for up to two days of personal leave per employee per year. Professional employees are paid, at the Board's substitute rate, for up to two days of unused personal leave. Because unused personal leave cannot be carried over to succeeding years, no liability for unpaid leave is accrued in the financial statements.

Certain employees are allowed two weeks of vacation per year with pay. Personnel considered full time support personnel and instructional personnel contracted for the fiscal year are eligible for vacation leave. Because unused vacation leave cannot be carried over to succeeding years, no liability for unpaid leave is accrued in the financial statements.

Unearned Revenues

Unearned revenues are a liability that represents amounts received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements, the unmatured principal of long-term debt and capital leases are reported in the statement of net position. Interest expense for long-term debt, including accrued interest payable, is reported in the statement of activities. For warrants (bonds) and other long-term debt issued after October 1, 2002, the related premiums and discounts are amortized under accrual accounting and the annual amortization of these accruals is included in the statement of activities. The unamortized portion is reported as an addition or deduction from the related debt on the statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Lease Obligations

GASB No. 87, *Leases*, was adopted October 1, 2021. Under this guidance, all contracts allowing for the Board to use another entity's asset for a period greater than 12 months must be recorded as both a right-to-use (ROU) asset and a lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees.

The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment. Any contract not meeting the 12-month period requirement is recognized as rental expense.

The Board uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Board uses its estimated incremental borrowing rate as the discount rate for leases.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Lease Obligations (continued)

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of lease liability are composed of fixed payments and term options that the Board is reasonably certain to exercise.

The Board monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Pension Plan

The Teachers' Retirement System of Alabama (the Plan or TRS) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

Other Postemployment Benefits (OPEB) Liability

The Alabama Retired Education Employees' Health Care Trust (Trust) financial statements are prepared by using the economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust and additions to/deductions from the Trust's fiduciary net position. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to plan requirements. Benefits are recognized when due and payable in accordance with the terms of the plan. Subsequent events were evaluated by management through the date the financial statements were issued.

Categories and Classification of Fund Balance

Net position flow assumption – Sometimes the Board will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Board's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Net position is reported on the government-wide financial statements and is required to be classified for accounting and reporting purposes into the following net position categories:

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent proceeds at year-end related to capital assets are reported as restricted funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Categories and Classification of Fund Balance (continued)

Restricted – Constraints imposed on net position by external creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board.

Fund Balance Flow Assumptions – Sometimes the Board will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Board's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Section 1800, *Classification and Terminology, specifies the following classifications*:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned Fund Balance – Amounts in the assigned fund balance classification are intended to be used by the Board for specific purposes but do not meet the criteria to be classified as committed. Under the Board's policy, only the Superintendent may assign amounts for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Categories and Classification of Fund Balance (continued)

The Board's reported governmental fund balance at September 30, 2024, is comprised of the following:

	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventories	$ -	$ 212,256	$ 212,256
Restricted:			
Debt service	-	525,311	525,311
Assigned:			
Subsequent years' budget	-	12,065,604	12,065,604
Unassigned	41,015,854	-	41,015,854
	$ 41,015,854	$ 12,803,171	$ 53,819,025

Revenues and Expenditures/Expenses

Program revenues – Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Economic Dependency

The Board receives a substantial amount of its support from federal and state government. A significant reduction in the level of support, if this were to occur, may have a significant impact on the Board's programs and activities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the remaining useful life of property and equipment, the identification of allowable versus unallowable costs, the timing of revenue recognition, pension liability, and OPEB liability.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2025, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI).

The requirements of GASB 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Board adopted GASB 100 for the year ended September 30, 2024, and GASB 100 did not have a significant impact on the financial statements.

The GASB has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, *Compensated Absences* (GASB 101). The objective of this Statement is to better 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 requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102). The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (continued)

Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement 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. In addition to other items, the Statement:

- Addresses changes to information presented in the MD&A;
- Requires governments to display the inflows and outflows related to unusual or infrequent items separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows;
- Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses;
- Requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements;
- Requires governments to present budgetary comparison information using a single method of communication (RSI).

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

In September 2024, the GASB issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public- Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale and that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The Board is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Board will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Board's deposits at year-end were entirely covered by federal deposit insurance or by the Security for Alabama Funds Enhancement Program (SAFE Program). The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the *Code of Alabama 1975*, Sections 41-14A-1 through 41-14A-14.

Under the SAFE Program, all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits with original maturities of greater than three months. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

All of the Board's investments were in certificates of deposit or money market deposit accounts. These deposit accounts are classified as "Deposits" in order to determine insurance and collateralization. However, they are classified as "Investments" on the financial statements.

Custodial Credit Risk – Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The financial institutions in which the Board places its deposits are certified as "qualified public depositories," as required under the SAFE program. For an investment, this is the risk that, in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest Rate Risk – Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The Board has limited its interest rate risk by investing in money market funds which are required to maintain an average dollar-weighted portfolio maturity of 90 days or less and certificates of deposits held at local banks with an original maturity of one year or less.

Property Tax Calendar

The Coffee County Commission levies property taxes for all jurisdictions including the school boards and municipalities within the county. Millage rates for property taxes are levied at the first regular meeting of the County Commission in February of each year. Property taxes are assessed for property as of October 1 of the preceding year based on the millage rates established by the County Commission. Property taxes are due and payable the following October 1 and are delinquent after December 31.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Accounts Receivable

Receivables as of September 30, 2024, consist of the following:

	General	Other Governmental	Total
State Department of Education			
IDEA-Part B	$ -	$ 110,875	$ 110,875
Pre-School Part B- Ages 3-5	-	2,369	2,369
Title I, Part A	-	213,853	213,853
Title III – English Lang. Acq., Lang. Enhance. & Acad.	-	14,062	14,062
Title IV - Student Support and Academic Achievement	-	10,177	10,177
Vocational Education	-	2,095	2,095
CARES Act	-	155,740	155,740
Child and Adult Care	-	52,141	52,141
Child Nutrition Program	-	634,636	634,636
Teams Contracts	90,095	-	90,095
Jobs for Alabama's Graduates	14,589	-	14,589
Career Tech	16,273	-	16,273
High Needs Special Education	10,068	-	10,068
Alabama Medicaid Outreach	84,185	-	84,185
Coffee County Rev. Commissioner	857,010	163,152	1,020,162
City of Enterprise	1,011,223	-	1,011,223
Other County and Local Taxes	82,839	-	82,839
Department of Defense	-	180,015	180,015
Other	12,349	-	12,349
Total receivables	$ 2,178,631	$ 1,539,115	$ 3,717,746

The Board deems all amounts collectible and, therefore an allowance for doubtful accounts is not necessary.

Change in Accounting Principle

In previous years, estimated ad valorem taxes were not recorded as a receivable and deferred inflow of resources on the accompanying balance sheet at time of assessment, which is an acceptable practice. In the current year, management elected to start recording these estimated amounts due to the state issuing a levy against the property prior to September 30, 2024, which is also an acceptable method of accounting that better aligns with similar local school boards in the State of Alabama. This change in accounting principle had no impact on income or net position

Leases – Lessor

The Board accounts for leases in accordance with GASBC Section L20, *Leases*. The Board's operations consist of an agreement for use of a building by the City of Enterprise. The agreement will expire in FY 2028. The Board recognized $40,098 of lease principal and $7,902 of lease interest for the year ended September 30, 2024.

The Board is expected to collect $41,815 in principal and $6,185 in interest in FY 25.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets

The following is a summary of changes in capital assets during the year ended September 30, 2024:

For the year ended, September 30, 2024	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land and land improvements	$ 8,473,851	$ -	$ -	$ 8,473,851
Construction in progress	8,125,272	6,283,743	7,711,596	6,697,419
Total capital assets, not being depreciated	16,599,123	6,283,743	7,711,596	15,171,270
Capital assets, being depreciated				
Buildings	150,295,129	4,520,889	-	154,816,018
Building improvements	24,169,686	3,190,707	-	27,360,393
Furniture and equipment	12,562,621	1,554,080	268,984	13,847,717
Total capital assets being depreciated	187,027,436	9,265,676	268,984	196,024,128
Less accumulated depreciation for				
Buildings	53,817,182	3,783,937	-	57,601,119
Building improvements	7,849,025	717,276	-	8,566,301
Furniture and equipment	8,151,240	866,313	257,791	8,759,762
Total accumulated depreciation	69,817,447	5,367,526	257,791	74,927,182
Total capital assets, being depreciated, net	117,209,989	3,898,150	11,193	121,096,946
Right-to-use lease assets, being amortized				
Equipment	664,665	273,260	295,876	642,049
Less accumulated amortization for				
Equipment	282,087	130,540	266,920	145,707
Right-to-use lease assets, being amortized, net	382,578	142,720	28,956	496,342
Total governmental activities capital and right-to-use lease assets, net	$ 134,191,690	$ 10,324,613	$ 7,751,745	$ 136,764,558

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Capital Assets (continued)

Depreciation and amortization expense was allocated to the governmental functions in the statement of activities as follows:

For the year ended September 30,	2024
Instructional services	$ 4,428,488
Instructional support services	371
Operation and maintenance services	127,692
Student transportation services	636,723
Food services	89,249
General and administrative	203,454
Other expenditures	12,089
Total governmental activities depreciation and amortization expense	$ 5,498,066

Unearned Revenue

Daily lunch and breakfast sales received but not yet expended represent $125,249 in revenues for the Special Revenue Food & Nutrition Fund that will be recognized subsequent to year end.

Long-Term Debt and Liabilities

Bonds Payable

2017 Capital Outlay Warrants

On October 2, 2017, the Board issued $3,711,000 of Series 2017 Capital Outlay Warrants. The proceeds were used to refund, on a current basis, a portion of the outstanding Capital Outlay Warrants Series 2010. Interest rates are 2.34 percent. Principal payments are due annually on March 1, and interest payments are due semi-annually on March 1 and September 1.

The warrants are secured by a pledge and assignment of the Board's allocable portion of the proceeds of a special franchise, excise and privilege license tax.

Annual debt service requirements to maturity for the 2017 Capital Outlay Warrants are as follows:

For the years ending September 30,	Principal	Interest
2025	$ 382,000	$ 52,790
2026	395,000	43,700
2027	402,000	34,375
2028	413,000	15,839
2029-2030	855,000	10,878
	$ 2,447,000	$ 157,582

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (continued)

Bonds Payable (continued)

Series 2015-B Pool Refunding Bonds

The Series 2015-B Bonds were issued pursuant to Act 1998-373 and 2009-813 enacted by the Alabama Legislature, and proceeds from the sale of the Series 2015-B Bonds were used to pay the costs of advance refunding and retiring the Refunded Series 2009-C Bonds and to pay the costs of issuing the Series 2015-B Bonds. The Board received a loan of $2,947,375 of PSCA funds in 2015.

The loan is scheduled to be paid back through a reduction of annual Public School Fund allocations received from the Alabama Department of Education. Principal payments are due annually on May 1, and interest payments are due semi-annually May 1 and November 1. Interest rates range from 3.00 to 5.00% of the original amount borrowed.

The Authority expects that the capital outlay funds pledged by said local boards will be approximately equal to and may be used for payment of debt service on the Series 2015-B Bonds. Such capital outlay funds will not be pledged as security for the Series 2015-B bonds and holders of the Series 2015-B bonds will have no recourse against such capital outlay funds.

The Board recognized a deferred loss on refunding on issuance of the Series 2015-B bonds in the amount of $420,507. Amortization of the deferred loss on refunding for the year ended September 30, 2024 was $49,699. The balance related to the deferred loss on refunding is $244,175 at September 30, 2024.

Annual debt service requirements to maturity for the Series 2015-B Pool Refunding Bonds are payable as follows:

For the years ending September 30,	Principal	Interest
2025	$ 307,676	$ 71,010
2026	322,843	55,626
2027	338,320	39,484
2028	355,344	22,568
2029	160,058	4,801
	$ 1,484,241	$ 193,489

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Leases – Lessee

The Board has entered into multiple lease agreements as lessee for equipment that qualify as leases for accounting purposes.

The present value of the future minimum lease payments is as follows:

For the years ending September 30,	Principal	Interest
2025	$ 123,241	$ 18,849
2026	128,518	13,572
2027	132,727	8,074
2028	84,535	3,311
2029	35,826	570
	$ 504,847	$ 44,376

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows for governmental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease liabilities	$ 389,028	$ 273,260	$ (157,441)	$ 504,847	$ 123,241
2015-B Pool Refunding Bonds	1,777,369	-	(293,128)	1,484,241	307,676
2017 Capital Outlay Warrants	2,821,000	-	(374,000)	2,447,000	382,000
Unamortized bond premiums	229,860	-	(41,169)	188,691	41,169
Governmental activity long-term liabilities	$ 5,217,257	$ 273,260	$ (865,738)	$ 4,624,779	$ 854,086

Lease liabilities, other postemployment benefits, and the net pension liability will be liquidated in future periods primarily by the General Fund for governmental activities.

Note 2: DETAILED NOTES ON ALL FUNDS (Continued)

Net Investment In Capital and Right-to-Use Assets

The elements of this calculation are as follows:

Capital and right-to-use assets (net)	$ 136,764,558
Outstanding debt related to capital and right-to-use lease assets	(4,380,604)
Net investment in capital and right-to-use lease assets	$ 132,383,954

Pledged Revenues

As discussed above, certain warrants payable of the Board are collateralized by proceeds of a special franchise, excise and privilege license tax. Pledged revenues recognized for the year ended September 30, 2024 were $12,179,132 while total debt service collateralized was $435,636.

Interfund Receivables, Payables and Transfers

	Transfers In		
Transfers Out	General Fund	Nonmajor Governmental Funds	Total
General fund	$ -	$ 317,592	$ 317,592
Nonmajor governmental funds	120,956	442,627	563,583
	$ 120,956	$ 760,219	$ 881,175

Note 3: EMPLOYEE RETIREMENT PLAN

Plan Description

The TRS, a cost-sharing multiple-employer public employee retirement plan, was established as of September 15, 1939, pursuant to the *Code of Alabama 1975, Title 16, Chapter 25* (Act 419 of the Legislature of 1939) for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The responsibility for the general administration and operating of TRS is vested in its Board of Control which consists of 15 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 16, Chapter 25* grants the authority to establish and amend the benefit terms to the TRS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

Benefits Provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS. Benefits for TRS members vest after 10 years of creditable service. TRS employees who retire after age 60 with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the TRS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Note 3: EMPLOYEE RETIREMENT PLAN (Continued)

Benefits Provided (continued)

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS members are eligible for retirement after age 62 with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a formula method. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation.

Act 316 of the Legislature of 2019 established the Partial Lump Sum Option Plan (PLOP) in addition to the annual service retirement benefit payable for life for Tier 1 and Tier 2 members of the TRS and ERS. A member can elect to receive a one-time lump sum distribution at the time that they receive their first monthly retirement benefit payment. The member's annual retirement benefit is then actuarially reduced based on the amount of the PLOP distribution which is not to exceed the sum of 24 months of the maximum monthly retirement benefit that the member could receive. Members are eligible to receive a PLOP distribution if they are eligible for a service retirement benefit as defined above from the TRS or ERS on or after October 1, 2019. A TRS or ERS member who receives an annual disability retirement benefit or who has participated in the Deferred Retirement Option Plan (DROP) is not eligible to receive a PLOP distribution.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending June 30 are paid to a qualified beneficiary.

Contributions

Covered Tier 1 members of the TRS contributed 5% of earnable compensation to the TRS as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, covered members of the TRS were required by a statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the TRS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the TRS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011 to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the TRS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the TRS are required by statute to contribute 8.50% of earnable compensation.

Effective October 1, 2021, the covered Tier 2 members contribution rate increased from 6.0% to 6.2% of earnable compensation to the TRS as required by statute. Effective October 1, 2021, the covered Tier 2 certified law enforcement, correctional officers, and firefighters' contribution rate increased from 7.0% to 7.2% of earnable compensation to the TRS as required by statute. These Tier 2 member contribution rate increases were a result of Act 537 of the Legislature of 2021 which allows sick leave conversion for Tier 2 members

Participating employers' contractually required contribution rate for the year ended September 30, 2023 was 12.59% of annual pay for Tier 1 members and 11.57% of annual pay for Tier 2 members. These required contribution rates are a percent of annual payroll, actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the Board were $5,337,211.

Note 3: EMPLOYEE RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows & Inflows of Resources Related to Pension

At September 30, 2024, the Board reported a liability of $81,640,000 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022. The Board's proportion of the collective net pension liability was based on the employers' shares of contributions to the pension plan relative to the total employer contributions of all participating TRS employers.

At September 30, 2024, the System's proportion was 0.511601%, which was an decrease of 0.000546% from its proportion measured as of September 30, 2023.

For the year ended September 30, 2024, the Board recognized pension expense of $7,508,175. At September 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,300,000	$ 1,102,000
Changes of assumptions	2,297,000	-
Net difference between projected and actual earnings on pension plan investments	5,599,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,260,000	1,422,000
Employer contributions subsequent to the measurement date	5,337,211	-
Total	$ 22,793,211	$ 2,524,000

$5,337,211 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30,	
2025	$ 4,316,000
2026	4,125,000
2027	6,669,000
2028	(178,000)

The total pension liability as of September 30, 2023 was determined by an actuarial valuation as of September 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Projected salary increases	3.25% - 5.00%
Investment rate of return*	7.45%

* Net of pension plan investment expense

Note 3: EMPLOYEE RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows & Inflows of Resources Related to Pension (continued)

The actuarial assumptions used in the actuarial valuation as of September 30, 2022, were based on the results of an investigation of the economic and demographic experience for the TRS based upon participant data as of September 30, 2020. The Board of Control accepted and approved these changes in September 2021, which became effective at the beginning of fiscal year 2021. Mortality rates for TRS were based on the Pub-2010 Teacher Tables with the following adjustments, projected generationally using scale MP-2020 adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+) / Set Back (-)	Adjustment to Rates
Service Retirees	Teacher Retiree – Below Median	Male: +2, Female: +2	Male: 108% ages <63, 96% ages > 67, Phasing down 63-67 Female: 112% ages < 69, 98% > ages 74, Phasing down 69-74
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: None	None
Disabled Retirees	Teacher Disability	Male: +8, Female: +3	None

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed income	15.00%	2.80%
U.S. large stocks	32.00%	8.00%
U.S. mid stocks	9.00%	10.00%
U.S. small stocks	4.00%	11.00%
International developed market stocks	12.00%	9.50%
International emerging market stocks	3.00%	11.00%
Alternatives	10.00%	9.00%
Real estate	10.00%	6.50%
Cash	5.00%	2.50%
Total	100.00%	

* Includes assumed rate of inflation of 2.00%

Note 3: EMPLOYEE RETIREMENT PLAN (Continued)

Changes in Net Pension Liability and Sensitivity to Changes in Discount Rate

The discount rate used to measure the total pension liability was 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.45%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.45%) or 1-percentage point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Board's net pension liability	$ 106,654,000	$ 81,640,000	$ 60,603,000

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2023. The supporting actuarial information is included in the GASB Statement No. 67 Report for the TRS prepared as of September 30, 2023. The auditor's report on the Schedule of Employer Allocations and Pension Amounts by Employer and accompanying notes detail by employer and in aggregate information needed to comply with GASB 68. The additional financial and actuarial information is available at http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

Plan Description

The Trust is a cost-sharing multiple-employer defined benefit postemployment healthcare plan that administers healthcare benefits to the retirees of participating state and local educational institutions. The Trust was established under the Alabama Retiree Health Care Funding Act of 2007 which authorized and directed the Public Education Employees' Health Insurance Board (Insurance Board) to create an irrevocable trust to fund postemployment healthcare benefits to retirees participating in PEEHIP. Active and retiree health insurance benefits are paid through the Public Education Employees' Health Insurance Plan (PEEHIP). In accordance with GASB, the Trust is considered a component unit of the State of Alabama (State) and is included in the State's Comprehensive Annual Financial Report.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (Continued)

Plan Description (continued)

The PEEHIP was established in 1983 pursuant to the provisions of the *Code of Alabama 1975, Title 16, Chapter 25A* (Act 83-455) to provide a uniform plan of health insurance for active and retired employees of state and local educational institutions which provide instruction at any combination of grades K-14 (collectively, eligible employees), and to provide a method for funding the benefits related to the plan. The four-year universities participate in the plan with respect to their retired employees, and are eligible and may elect to participate in the plan with respect to their active employees. Responsibility for the establishment of the health insurance plan and its general administration and operations is vested in the Insurance Board. The Insurance Board is a corporate body for purposes of management of the health insurance plan. The *Code of Alabama 1975, Section 16-25A-4* provides the Insurance Board with the authority to amend the benefit provisions in order to provide reasonable assurance of stability in future years for the plan. All assets of the PEEHIP are held in trust for the payment of health insurance benefits. The TRS has been appointed as the administrator of the PEEHIP and, consequently, serves as the administrator of the Trust.

Benefits Provided

PEEHIP offers a basic hospital medical plan to active members and non-Medicare eligible retirees. Benefits include inpatient hospitalization for a maximum of 365 days without a dollar limit, inpatient rehabilitation, outpatient care, physician services, and prescription drugs.

Active employees and non-Medicare eligible retirees who do not have Medicare eligible dependents can enroll in a health maintenance organization (HMO) in lieu of the basic hospital medical plan. The HMO includes hospital medical benefits, dental benefits, vision benefits, and an extensive formulary. However, participants in the HMO are required to receive care from a participating physician in the HMO plan.

The PEEHIP offers four optional plans (Hospital Indemnity, Cancer, Dental, and Vision) that may be selected in addition to or in lieu of the basic hospital medical plan or HMO. The Hospital Indemnity Plan provides a per-day benefit for hospital confinement, maternity, intensive care, cancer, and convalescent care. The Cancer Plan covers cancer disease only and benefits are provided regardless of other insurance. Coverage includes a per-day benefit for each hospital confinement related to cancer. The Dental Plan covers diagnostic and preventative services, as well as basic and major dental services. Diagnostic and preventative services include oral examinations, teeth cleaning, x-rays, and emergency office visits. Basic and major services include fillings, general aesthetics, oral surgery not covered under a Group Medical Program, periodontics, endodontics, dentures, bridgework, and crowns. Dental services are subject to a maximum of $1,250 per year for individual coverage and $1,000 per person per year for family coverage. The Vision Plan covers annual eye examinations, eye glasses, and contact lens prescriptions.

PEEHIP members may opt to elect the PEEHIP Supplemental Plan as their hospital medical coverage in lieu of the PEEHIP Hospital Medical Plan. The PEEHIP Supplemental Plan provides secondary benefits to the member's primary plan provided by another employer. Only active and non-Medicare retired members and covered dependents are eligible to enroll in the PEEHIP Supplemental Medical Plan. There is no premium required for this plan, and the plan covers most out-of-pocket expenses not covered by the primary plan. Members who are enrolled in the PEEHIP Hospital Medical Plan (Group 14000), VIVA Health Plan (offered through PEEHIP), Marketplace (Exchange) Plans, State Employees Insurance Board (SEIB), Local Government Board (LGB), Medicare, Medicaid, ALL Kids, Tricare, or Champus as their primary coverage, or are enrolled in a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA), are not eligible to enroll in the PEEHIP Supplemental Plan.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (Continued)

Benefits Provided (continued)

The plan cannot be used as a supplement to Medicare. Retired members who become eligible for Medicare are eligible to enroll in the PEEHIP Group Medicare Advantage (PPO) Plan or the Optional Coverage Plans.

Effective January 1, 2023, United Health Care (UHC) Group replaced the Humana contract. The MAPDP plan is fully insured by UHC and members are able to have all of their Medicare Part A, Part B, and Part D (prescription drug coverage) in one convenient plan. With the UHC plan for PEEHIP, retirees can continue to see their same providers with no interruption and see any doctor who accepts Medicare on a national basis. Retirees have the same benefits in and out-of-network and there is no additional retiree cost share if a retiree uses an out-of-network provider and no balance billing from the provider.

Contributions

The *Code of Alabama 1975, Section 16-25A-8* and the *Code of Alabama 1975, Section, 16-25A-8.1* provide the Board with the authority to set the contribution requirements for plan members and the authority to set the employer contribution requirements for each required class, respectively. Additionally, the Insurance Board is required to certify to the Governor and the Legislature, the amount, as a monthly premium per active employee, necessary to fund the coverage of active and retired member benefits for the following fiscal year. The Legislature then sets the premium rate in the annual appropriation bill.

For employees who retired after September 30, 2005, but before January 1, 2012, the employer contribution of the health insurance premium set forth by the Board for each retiree class is reduced by 2% for each year of service less than 25 and increased by 2% percent for each year of service over 25 subject to adjustment by the Insurance Board for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree.

For employees who retired after December 31, 2011, the employer contribution to the health insurance premium set forth by the Insurance Board for each retiree class is reduced by 4% for each year of service less than 25 and increased by 2% for each year over 25, subject to adjustment by the Board for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree. For employees who retired after December 31, 2011, who are not covered by Medicare, regardless of years of service, the employer contribution to the health insurance premium set forth by the Insurance Board for each retiree class is reduced by a percentage equal to 1% multiplied by the difference between the Medicare entitlement age and the age of the employee at the time of retirement as determined by the Insurance Board. This reduction in the employer contribution ceases upon notification to the Insurance Board of the attainment of Medicare coverage.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (Continued)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2024, the Board reported a liability of $10,986,987 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2022. The Board's proportion of the net OPEB liability was based on a projection of the Board's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2023, the Board's proportion was 0.57159869%, which was an decrease of 0.05740385% from its proportion measured as of September 30, 2022.

For the year ended September 30, 2024, the Board recognized OPEB expense (benefit) of ($6,013,723), with no special funding situations. At September 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 214,832	$ 17,337,141
Changes of assumptions	9,256,158	10,869,099
Net difference between projected and actual earnings on OPEB plan investments	375,295	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,780,106	5,582,159
Employer contributions subsequent to the measurement date	776,237	-
Total	$ 13,402,628	$ 33,788,399

$776,237 reported as deferred outflows of resources related to OPEB resulting from the Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending September 30,	
2025	$ (7,043,956)
2026	(3,758,879)
2027	(3,381,156)
2028	(4,240,320)
2029	(2,634,903)
Thereafter	(102,794)

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases[1]	3.25% - 5.00%
Long-term investment rate of return[2]	7.00%
Municipal Bond Index rate at the measurement date	4.53%
Municipal Bond Index rate at the prior measurement date	4.40%
Year fiduciary net position (FNP) is projected to be depleted	N/A
Single equivalent interest rate the measurement date	7.00%
Single equivalent interest rate the prior measurement date	7.00%
Healthcare cost trend rate	
Pre-Medicare eligible	7.00%
Medicare eligible	**
Ultimate trend rate	
Pre-Medicare eligible	4.50% in 2033
Medicare eligible	4.50% in 2023

[1] Includes 2.75% wage inflation.

[2] Compounded annually, net of investment expense, and including inflation.

**Initial Medicare claims are set based on scheduled increases through plan year 2025

The rates of mortality are based on the Pub-2010 Public Mortality Plans Mortality Tables, adjusted generationally based on scale MP-2020, with an adjustment of 66-2/3% to the table beginning in year 2019. The mortality rates are adjusted forward and/or back depending on the plan and group covered, as shown in the table below.

Group	Membership Table	Set Forward (+) / Set Back (-)	Adjustment to Rates
Active Members	Teacher Employee Below Median	None	65%
Service Retirees	Teacher Below Median	Male: +2, Female: +2	Male: 108% ages <63, 96% ages > 67, Phasing down 63-67 Female: 112% ages < 69, 98% > ages 74, Phasing down 69-74
Disabled Retirees	Teacher Disability	Male: +8, Female: +3	None
Beneficiaries	Teacher Contingent Survivor Below Median	Male: +2, Female: None	None

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (Continued)

Actuarial Assumptions (continued)

The decremental assumptions used in the valuation were selected based on the actuarial experience study prepared as of September 30, 2020, submitted to and adopted by the TRS Board of Control on September 13, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) were based on the September 30, 2022 valuation.

The long-term expected return on plan assets is to be reviewed as part of regular experience studies prepared every five years, in conjunction with similar analysis for the TRS. Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation), as developed for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected rate of return on the OPEB plan investments is determined based on the allocation of assets by asset class and by the mean and variance of real returns. The target asset allocation and best estimates of expected geometric real rates of return for each major asset class is summarized below:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed income	30.00%	4.40%
U.S. large stocks	38.00%	8.00%
U.S. mid stocks	8.00%	10.00%
U.S. small stocks	4.00%	11.00%
International developed market stocks	15.00%	9.50%
Cash	5.00%	1.50%
Total	100.00%	

*Geometric mean, includes 2.5% inflation

Discount Rate

The discount rate (also known as the Single Equivalent Interest Rate (SEIR), as described by GASB 74) used to measure the total OPEB liability was 7.00%. Premiums paid to the Public Education Employees' Health Insurance Board for active employees shall include an amount to partially fund the cost of coverage for retired employees. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rates.

Note 4: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (Continued)

Discount Rate (continued)

Each year, the State specifies the monthly employer rate that participating school systems must contribute for each active employee. Currently, the monthly employer rate is $800 per active member for participating employers. Approximately, 11.051% of the employer contributions were used to assist in funding retiree benefit payments in 2023, and it is assumed that the 11.051% will increase or decrease at the same rate as expected benefits for the closed group with a cap of 20.00%. It is assumed the $800 rate will increase with inflation at 2.50% starting in 2028.

Retiree benefit payments for university members are paid by the Universities and are not included in the cash flow projections. The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. Therefore, the projected future benefit payments for all current plan members are projected through 2121.

Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the Board's proportionate share of the net OPEB liability of the Trust calculated using the current healthcare trend rate, as well as what the net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00% decreasing to 3.50% for pre-Medicare, Known decreasing to 3.50% for Medicare eligible)	Current Healthcare Trend Rate (7.00% decreasing to 4.50% for pre-Medicare, Known decreasing to 4.50% for Medicare eligible)	1% Increase (8.00% decreasing to 5.50% for pre-Medicare, Known decreasing to 5.50% for Medicare eligible)
Net OPEB liability	$ 8,328,018	$ 10,986,987	$ 14,215,512

The following table presents the Board's proportionate share of the net OPEB liability of the Trust calculated using the discount rate of 7.00%, as well as what the net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	$ 13,563,412	$ 10,986,987	$ 8,794,113

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is located in the Trust's financial statements for the fiscal year ended September 30, 2023. The supporting actuarial information is included in the GASB Statement No. 74 Report for PEEHIP prepared as of September 30, 2023. Additional financial and actuarial information is available at www.rsa-al.gov.

Note 5: RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board purchases commercial property and liability insurance for its buildings and contents, fidelity bonds, and vehicles. Errors and omissions insurance is purchased from Alabama Trust for Boards of Education (ATBE), a public entity risk pool. ATBE collects the premiums and purchases commercial insurance for the amount of coverage requested by pool participants. Settled claims in the past three years have not exceeded the commercial insurance coverage.

Employee health insurance is provided through the Public Education Employees' Health Insurance Fund (PEEHIF) administered by the Public Education Employees' Health Insurance Board. The fund was established to provide a uniform plan of health insurance for current and retired employees of state educational institutions and is self-sustaining. Monthly premiums for employee and dependent coverage are set annually based on the amounts necessary to fund coverage. The Board contributes the specified amount monthly to the PEEHIF for each employee.

The State Board of Adjustments is a state agency with which people can file claims against the Board to collect reimbursement for damages when all other means have been exhausted. The Board does not have insurance coverage for job-related injuries. Claims for employee job related injuries may be filed with the State Board of Adjustment. The Board of Adjustment determines if a claim is valid and determines the proper amount of compensation. Payments are made from state appropriated funds at no cost to the Board. No claims or related settlements have occurred in the past three years.

Note 6: COMMITMENTS AND CONTINGENCIES

During the ordinary course of its operation, the Board is party to various claims, legal actions, and complaints. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Board, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Board or results of activities.

The Board had various active construction projects as of September 30, 2024 with estimated commitments totaling $22,804,759. Approximately, $6,665,104 has been expended under these contracts as of September 30, 2024, the remainder of which will be funded with grant and local funds.

Enterprise City Board of Education
Required Supplementary Information
Schedule of the Employer's Proportionate Share of the Net Pension Liability
Teachers' Retirement System of Alabama

As of and for the year ended September 30,	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the collective net pension liability	**0.511601%**	0.512147%	0.503890%	0.463025%	0.528129%	0.507430%	0.506802%	0.489417%	0.491541%	48.793300%
Employer's proportionate share of the collective net pension liability	**$ 81,640,000**	$ 79,592,000	$ 47,468,000	$ 57,275,000	$ 58,395,000	$ 49,787,000	$ 49,811,000	$ 52,984,000	$ 51,443,000	$ 44,327,000
Employer's covered payroll during the measurement period*	**$ 42,696,421**	$ 39,966,267	$ 37,010,401	$ 36,190,473	$ 35,020,282	$ 33,750,933	$ 33,770,072	$ 31,307,653	$ 31,055,256	$ 30,972,319
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	**191.21%**	199.15%	128.26%	158.26%	166.75%	147.51%	147.50%	169.24%	165.65%	143.12%
Plan fiduciary net position as a percentage of the total pension liability	**63.57%**	62.21%	76.44%	67.72%	69.85%	72.29%	71.50%	67.93%	67.51%	71.01%

*Employer's covered payroll during the measurement period is the total payroll on which contributions to the pension plan are based. For FY 2024, the measurement period is October 1, 2022 through September 30, 2023.

Enterprise City Board of Education
Required Supplementary Information
Schedule of Employer's Contributions
Teachers' Retirement System of Alabama

As of and for the year ended September 30,	**2024**	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	**$ 5,337,211**	$ 5,174,386	$ 4,797,942	$ 4,411,232	$ 4,356,692	$ 4,227,906	$ 4,018,848	$ 3,967,064	$ 3,679,325	$ 3,613,852
Contributions in relation to the actuarially determined contribution	**5,337,211**	5,174,386	4,797,942	4,411,232	4,356,692	4,227,906	4,018,848	3,967,064	3,679,325	3,613,852
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	**$ 43,866,025**	$ 42,696,421	$ 39,966,267	$ 37,010,401	$ 36,190,473	$ 35,020,282	$ 33,750,933	$ 33,770,072	$ 31,307,653	$ 31,055,256
Contributions as a percentage of covered payroll	**12.17%**	12.12%	12.00%	11.92%	12.04%	12.07%	11.91%	11.75%	11.75%	11.64%

Note to Schedule

Note 1: Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported.

Enterprise City Board of Education
Required Supplementary Information
Schedule of the Employer's Proportionate Share of the Net OPEB Liability
Alabama Retired Education Employees' Health Care Trust
Last Seven Fiscal Years

As of and for the year ended September 30,	**2024**	2023	2022	2021	2020	2019	2018
Employer's proportion of the collective net OPEB liability	**0.571599%**	0.629003%	0.586009%	0.581550%	0.667362%	0.642867%	0.633367%
Employer's proportionate share of the collective net OPEB liability	**$ 10,986,987**	$ 10,960,046	$ 30,277,992	$ 37,741,785	$ 25,178,019	$ 52,835,480	$ 47,042,883
Employer's covered-employee payroll during the measurement period*	**$ 42,696,421**	$ 39,966,267	$ 37,010,401	$ 36,190,473	$ 35,020,282	$ 33,750,933	$ 33,770,072
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	**25.73%**	27.42%	81.81%	104.29%	71.90%	156.55%	139.30%
Plan fiduciary net position as a percentage of the total collective OPEB liability	**49.42%**	48.39%	27.11%	19.80%	28.14%	14.81%	15.37%

*Employer's covered-employee payroll during the measurement period is the total covered-employee payroll. For FY 2024, the measurement period is October 1, 2022 through September 30, 2023.

Notes to Schedule

Note 1: GASB Codification P52 requires an employer to disclose a 10-year history. However, until a full 10-year trend is compiled, information will be presented only for those years which information is available.

Note 2: For years following the valuation date (when no new valuation is performed), covered payroll has been set to equal to the covered payroll from the most recent valuation.

Enterprise City Board of Education
Required Supplementary Information
Schedule of Employer's Contributions
Alabama Retired Education Employees' Health Care Trust
Last Seven Fiscal Years

As of and for the year ended September 30,	**2024**	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	**$ 776,237**	$ 877,393	$ 1,221,821	$ 1,023,712	$ 1,151,552	$ 1,898,055	$ 1,570,137
Contributions in relation to the actuarially determined contribution	**776,237**	877,393	1,221,821	1,023,712	1,151,552	1,898,055	1,570,137
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	**$ 43,866,025**	$ 42,696,421	$ 39,966,267	$ 37,010,401	$ 36,190,473	$ 35,020,282	$ 33,750,933
Contributions as a percentage of covered-employee payroll	**1.77%**	2.05%	3.06%	2.77%	3.18%	5.42%	4.65%

Notes to Schedule

Note 1: Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported.

Note 2: GASB Codification P52 requires information for 10 years. However, until a full 10-year trend is compiled, the Board is presenting information for only the years for which information is available.

PENSION

In 2021, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2021, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience, including a change in the discount rate from 7.70% to 7.45%. In 2021 and later, the expectation of retired life mortality was changed to the Pub-2010 Teacher Retiree Below Median Tables projected generationally with 66-2/3% of the MP-2020 scale beginning in 2019.

In 2018, the discount rate was changed from 7.75% to 7.70%.

In 2016, rates of retirement, disability, withdrawal and mortality were adjusted to more closely reflect actual experience. In 2016, economic assumptions and the assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. In 2016 the expectation of retired life mortality as changed to the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for all ages for males and 112% for ages 78 and over for females. The rates of disabled mortality were based on the RP-2000 Disabled Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% for females.

Methods and Assumptions Used to Determine Contribution Rates

The total pension liability as of September 30, 2023 was determined by an actuarial valuation as of September 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

	General Employees
Inflation	2.50%
Salary increases (including inflation)	3.25 - 5.00%
Investment rate of return *	7.45%

*Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of September 30, 2022, were based on the results of an investigation of the economic and demographic experience for the TRS based upon participant data as of September 30, 2020. The Board of Control accepted and approved these changes in September 2021 which became effective at the beginning of fiscal year 2021.

OPEB

Changes in Actuarial Assumptions

In 2022, rates of plan participation and tobacco usage assumptions were adjusted to reflect actual experience more closely.

In 2021, rates of withdrawal, retirement, disability, and mortality were adjusted to reflect actual experience more closely. In 2021, economic assumptions and the assumed rates of salary increases were adjusted to reflect actual and anticipated experience more closely.

In 2019, the anticipated rates of participation, spouse coverage, and tobacco use were adjusted to more closely reflect actual experience.

Recent Plan Changes

The September 30, 2022 valuation reflects the impact of Act 2022-222.

Beginning in plan year 2021, the Medicare Advantage (MAPD) plan premium rates exclude the Affordable Care Act (ACA) Health Insurer Fee which was repealed on December 20, 2019.

Effective January 1, 2017, Medicare eligible medical and prescription drug benefits are provided through the MAPD plan.

The Health Plan is changed each year to reflect the Affordable Care Act maximum annual out-of pocket amounts.

Methods and Assumptions Used to Determine Contribution Rates

The actuarially determined contribution rates in the Schedule of OPEB Contributions were calculated as of September 30, 2020, which is three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Remaining Amortization Period	21 years, closed
Asset Valuation Method	Market Value of Assets
Inflation	2.75%
Healthcare cost trend rates	
Pre-Medicare Eligible	6.50%
Medicare Eligible	**
Ultimate Trend Rate	
Pre-Medicare Eligible	4.75%
Medicare Eligible	4.75%
Year of Ultimate Trend Rate	2027 for Pre-Medicare Eligible 2024 for Medicare Eligible
Optional Plans Trend Rate	2.00%
Investment Rate of Return	5.00%, including inflation

***Initial Medicare claims are set based on scheduled increases through plan year 2022.*

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board
Enterprise City Board of Education
Enterprise, Alabama

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 governmental activities, each major fund, and the aggregate remaining fund information of the Enterprise City Board of Education (the "Board") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated March 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

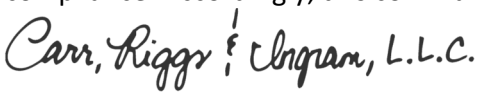
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests 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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 31, 2025

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of the Board
Enterprise City Board of Education
Enterprise, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Enterprise City Board of Education's (the "Board's") 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 Board's major federal programs for the year ended September 30, 2024. The Board'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 Board 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 September 30, 2024.

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; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Board 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 Board'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 Board'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 Board'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 generally accepted auditing standards, *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 Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Board'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 Board'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 Board'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 a 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Enterprise, Alabama
March 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
c. Noncompliance material to financial statements noted?	No

Federal Awards

1. Type of auditor's report issued on compliance for major programs	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

4. Identification of major programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
	Education Stabilization Fund
84.425D	CARES Act ESSER II
84.425U	CARES Act ESSER III
	Child Nutrition Cluster
10.555	National School Lunch Program
10.555	COVID-19 National School Lunch Program
10.555	Commodity Supplemental Food Program
10.553	School Breakfast Program
10.559	Summer Feeding Program
10.582	Fresh Fuit and Vegetable Program
84.041	Impact Aid

5. Dollar threshold used to distinguish between type A and type B programs?	$ 750,000
6. Auditee qualified as low-risk under 2CFR 200.520?	No

Section II – Financial Statements Findings

No such findings in the current year.

Section III – Federal Award Findings and Questioned Costs

No such findings or questioned costs in the current year.

Section IV – Prior Findings and Questioned Costs for Federal Awards

There were no findings reported in the prior year.

Enterprise City Board of Education
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
Social Security Administration				
Passed through State Department of Education				
Disability Insurance/SSI Cluster				
Social Security Disability Insurance***	96.001	N/A	$ -	$ 1,180
U.S. Department of Education				
Direct Program:				
Impact Aid	84.041	N/A	-	1,526,401
Passed through State Department of Education				
COVID-19 - Education Stabilization Fund - CARES Act ESSER II	84.425D	180	-	28,200
COVID-19 - Education Stabilization Fund - CARES Act ESSER III	84.425U	180	-	3,902,860
COVID-19 - Education Stabilization Fund - CARES Act ESSER Homeless Children and Youth	84.425W	180	-	44,099
Subtotal for 84.425			-	3,975,159
Special Education Cluster				
Special Education - Grants to States**	84.027	180	-	1,605,459
Special Education - Preschool Grants**	84.173	180	-	22,662
Subtotal Special Education Cluster			-	1,628,121
Title I Grants to Local Educational Agencies	84.010	180	-	1,331,507
Supporting Effective Instruction State Grant	84.367	180	-	212,784
English Language Acquisition State Grants	84.365	180	-	56,916
Student Support and Academic Enrichment	84.424A	180	-	94,856
Career and Technical Education – Basic Grants to States	84.048	180	-	106,313
Subtotal			-	1,802,376
Total U.S. Department of Education			-	8,932,057

(Continued)

Enterprise City Board of Education
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Passed through State Department of Education				
Child Nutrition Cluster				
National School Lunch Program*(N)	10.555	180	-	294,525
National School Lunch Program*	10.555	180	-	2,125,800
COVID-19 - National School Lunch Program*	10.555	180	-	167,853
Subtotal for 10.555			-	2,588,178
School Breakfast Program*	10.553	180	-	689,380
Summer Food Service Program for Children*	10.559	180	-	168,449
Fresh Fruit and Vegetable Program*	10.582	180	-	280,045
Subtotal Child Nutrition Cluster			-	3,726,052
Food Distribution Cluster			-	
Commodity Supplemental Food Program (SFSP)(N)****	10.565	180	-	2,018
Child and Adult Care Food Program (CACFP)	10.558	180	-	239,360
Total U.S. Department of Agriculture			-	3,967,430
U.S. Department of Defense				
Direct Programs				
ROTC Language and Cultural Training Grants	12.357	N/A	-	116,993
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	N/A	-	714,030
Total U.S. Department of Defense			-	831,023
Total expenditures of federal awards			$ -	$ 13,731,690

* Child Nutrition Cluster
** Special Education Cluster
*** Disability Insurance / SSI Cluster
**** Food Distribution Cluster
(N) USDA Donated Food – No actual cash transactions.

See independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal spending of the Enterprise City Board of Education (the "Board") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the Board, it is not intended to and does not represent the financial position of the Board.

Child Nutrition Cluster - Includes awards that assist States in administering food services that provide healthful, nutritious meals to eligible children in public and non-profit private schools, residential child care institutions, and summer recreation programs; and encourage the domestic consumption of nutritious agricultural commodities.

Special Education Cluster - Includes awards that ensure that all children with disabilities have available to them a free appropriate public education which emphasizes special education and related services designed to meet their unique needs; ensure that the rights of children with disabilities and their parents or guardians are protected; assist States, localities, educational service agencies and Federal agencies to provide for the education of all children with disabilities; and assess and ensure the effectiveness of efforts to educate children with disabilities.

Disability Insurance/SSI Cluster - Includes awards that provide benefits to disabled wage earners and their families in the event the family wage earner becomes disabled. These awards provide payments to financially needy individuals who are aged, blind, or disabled.

Food Distribution Cluster - Includes awards that assist States in administering food distribution services that provide packaged USDA Foods to low-income persons. Food packages are not intended to provide a complete diet but rather provide the nutrients that are typically lacking in the diets of the target population.

Note 2: INDIRECT COST RATE

The Board has not elected to use the 10% de minimis cost rate.

Note 3: LOANS AND LOAN GUARANTEES

The Board did not have any loans or loan guarantee programs required to be reported on the schedule for the fiscal year ended September 30, 2024.

Note 4: SUBRECIPIENTS

The Board did not provide federal funds to subrecipients for the fiscal year ending September 30, 2024.

Note 5: RELATIONSHIP OF THE SCHEDULE TO PROGRAM FINANCIAL REPORTS

The amounts reflected in the financial reports submitted to the awarding federal, state and/or pass-through agencies and the SEFA may differ. Some of the factors that may account for any difference include the following:

- The Board's fiscal year end may differ from the program's year end.
- Accruals recognized in the SEFA, because of year end procedures, may not be reported in the program financial reports until the next program reporting period.

Fixed asset purchases and the resultant depreciation charges are recognized as fixed assets in the Board's financial statements and as expenditures in the program financial reports and the SEFA.

Note 6: FEDERAL PASS-THROUGH FUNDS

The Board is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as "pass-through" are considered direct.

Note 7: DONATED FOOD PROGRAM

The value of non-cash commodities received from the federal government in connection with the donated food program is reflected in the accompanying financial statements. The total assigned value of commodities donated was $296,543 for fiscal year 2024.

Note 8: CONTINGENCIES

Grant monies received and disbursed by the Board are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Board does not believe that such disallowance, if any, would have a material effect on the financial position of the Board. As of March 31, 2025, there were no known material questioned or disallowed costs as a result of grant audits in process or completed.

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March 31, 2025

Members of the Enterprise City Board of Education
Enterprise, Alabama

Dear Members of the Enterprise City Board of Education:

We are pleased to present the results of our audit of the 2024 financial statements of the Enterprise City Board of Education (the "Board").

This report to the Board and management summarizes our audit, the reports issued and various analyses and observations related to the Board's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the Board's 2024 financial statements. We considered the Board's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the Board's personnel.

At Carr, Riggs & Ingram, L.L.C. (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Board, management and others within the Board and is not intended to be, and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please call me at 334-348-1322.

Very truly yours,

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Enterprise, Alabama



As discussed with management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Board. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board and management, 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, in order to express an opinion on the Board's financial statements for the year ending September 30, 2024;

- 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*; and Uniform Guidance 2 CFR Part 200 in order to express an opinion on compliance with requirements applicable to each major federal program;

- Report on internal control over compliance with the types of compliance requirements described in Uniform Guidance 2 CFR Part 200 and the OMB Compliance Supplement;

- Communicate directly with the Members of the Board and management regarding the results of our procedures;

- Address with the Members of the Board and management any accounting and financial reporting issues;

- Anticipate and respond to concerns of the Members of the Board and management; and

- Address other audit-related projects as they arise and upon request.



We have audited the financial statements of the Board for the year ended September 30, 2024, and have issued our report thereon dated March 31, 2025. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
Auditor's responsibility under Generally Accepted Auditing Standards, *Government Auditing Standards* and Uniform Guidance	As stated in our engagement letter dated July 9, 2024, and amended January 10, 2025 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities. As part of our audit, we considered the internal control of the Board over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
Client's responsibility	Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluating the adequacy and results of those services; and accepting responsibility for them.
Planned scope and timing of the audit	Our initial audit plan was not significantly altered during our fieldwork.
Management judgments and accounting estimates *The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.*	Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates & Carr, Riggs & Ingram, L.L.C. Comments on Quality."
Potential effect on the financial statements of any significant risks and exposures *Major risks and exposures facing the Board and how they are disclosed.*	No such risks or exposures were noted.
Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles	The significant accounting policies used by the Board are described in Note 1 to the financial statements. New accounting policies were adopted

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
and the auditor's judgment about the quality of accounting principles • *The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;* • *The auditor should also discuss the auditor's judgment about the quality, not just the acceptability, of the Board's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures;* • *Critical accounting policies and practices applied by the client in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;* • *Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.*	during the fiscal year as a result of the following recently issued accounting pronouncements: • GASB Statement No. 100 (GASB 100), *Accounting Changes and Error Corrections.* The adoption of GASB 100 had no significant impact on the financial statements. We noted no transactions entered into by the Board during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Further, the disclosures in the Board's financial statements are neutral, consistent, and clear.
Significant difficulties encountered in the audit *Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.*	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Disagreements with management *Disagreements, whether or not subsequently resolved, about matters significant to the financial accounting, reporting, or auditing*	We are pleased to report that no such disagreements arose during the course of our audit.

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
matter, that could be significant to the financial statements or the auditor's report. This does not include those that came about based on incomplete facts or preliminary information.	
Other findings or issues *Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.*	None noted.
Matters arising from the audit that were discussed with, or the subject of correspondence with, management *Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.*	None noted.
Corrected and uncorrected misstatements *All significant audit adjustments arising from the audit, whether or not recorded by the Board, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.*	See "Summary of Audit Adjustments" section.
Major issues discussed with management prior to retention *Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.*	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Consultations with other accountants *When management has consulted with other accountants about significant accounting or auditing matters.*	To our knowledge, there were no such consultations with other accountants.
Written representations *A description of the written representations the auditor requested (or a copy of the representation letter).*	See "Management Representation Letter" section.
Internal control deficiencies *Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.*	See "Internal Control Findings" section.
Fraud and illegal acts *Fraud involving senior management, or those responsible for internal controls, or causing a*	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.	
Other information in documents containing audited financial statements *The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.*	Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether: • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.
Significant unusual accounting transactions *Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.*	No significant unusual accounting transactions were noted during the year.
Required Supplementary Information *The auditor's responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.*	We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.
Supplementary Information in relation to the financial statements as a whole *The auditor's responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.*	We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Accounting Policies, Judgments and Sensitive Estimates & Carr, Riggs & Ingram, L.L.C. Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Board's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of Property and Equipment, net	The Board depreciates capital assets over the expected remaining useful life of the individual asset.	X	The Board depreciates property and equipment over their estimated useful lives which are based on the experience with similar assets and guidance provided by Section 1400: *Reporting on Capital Assets*, of the GASB Codification.	The Board's recognition methods and disclosures appear appropriate.
Revenue Recognition	Revenues are recognized when earned, and in 2024 primarily consist of local tax collections, foundation allocations from the State of Alabama DOE, and state and federal grants.	X	Judgments in this are related to timing of revenue recognition and adoption of appropriate methods of accounting.	The Board's policy is in accordance with all applicable accounting guidelines.



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Defined Benefit Pension Plan	The Board participates in the Teachers Retirement System (TRS), a cost sharing multiple-employer plan administered by Retirement Systems of Alabama (RSA). RSA utilizes an independent actuary to estimate for each participating employer their proportionate share of the total pension liability, fiduciary net position, related deferred outflows/ inflows and actuarially required contributions in accordance with the provisions of GASB 68.	X	Key assumptions utilized by the actuary in making the estimates in accordance with GASB 68. The total pension liability was determined by an actuarial valuation as of September 30, 2022 with a measurement date of September 30, 2023.	We evaluated the assumptions used by the actuary in estimating the Board's proportionate share of the total pension liability, the fiduciary net position, and the related deferred outflows/inflows and found them to be in accordance with the provisions of GASB 68 and reasonable in relation to the financial statements taken as a whole.
Amortization of right-to-use assets, determination of discount rate for lease liability and fair value of underlying asset	The Board amortizes right-to-use assets using the straight line method and has utilized the incremental borrowing rate to determine the lease liability and the fair value of the underlying assets.	X	The Board amortizes right-to-use assets over the shorter period of the lease term or the useful life of the asset which is based on the experience with similar assets and guidance provided by GASB Statement No. 87, Leases.	We evaluated the key factors and assumptions used to develop the estimated useful lives, discount rate and fair value of assets in determining that they are reasonable in relation to the financial statements taken as a whole.



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Other Post-Employment Benefits Plan (OPEB)	The Board participates in the Public Education Employees' Health Insurance Plan (PEEHIP) through the Alabama Retired Education Employees' Health Care Trust (Trust), a cost sharing multiple-employer plan administered by the Teachers; Retirement Systems of Alabama (TRS). TRS utilizes an independent actuary to estimate for each participating employer their proportionate share of the total OPEB liability, fiduciary net position, related deferred outflows/ inflows and actuarially required contributions in accordance with the provisions of GASB 75.	X	The OPEB liability is projected using methods and assumptions as provided in the most recent actuarial valuation, in accordance with the provisions of GASB Statement No. 75. Health care cost trend rates were based on market assessments.	We evaluated the assumptions used by the actuary in determining the total OPEB liability and determined that the methods and assumptions used were in compliance with the provisions of GASB 75 and reasonable in relation to the financial statements taken as a whole.



During the course of our audit, we accumulate differences between amounts recorded by the Board and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the Board or passed (uncorrected).

Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditor's judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

See the section titled "Corrected and Uncorrected Audit Adjustments" following the section titled "Management Representation Letter".

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Board's operating environment that has been identified as playing a significant role in the Board's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

Enterprise City Schools

Superintendent Zel E. Thomas, Ph.D.
Where we put students first!

March 31, 2025

Carr, Riggs & Ingram, L.L.C.
PO Box 311070
Enterprise, AL 36331

This representation letter is provided in connection with your audits of the financial statements of Enterprise City Board of Education, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of September 30, 2024, and the respective changes in financial position, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 31, 2025, the following representations made to you during your audits.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 9, 2024, and amended January 10, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by U.S. GAAP to be included in the financial reporting entity.
3) We acknowledge our responsibility 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.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

220 Hutchinson Street, Enterprise, AL 36330
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5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) There have been no events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the Enterprise City Board of Education is contingently liable, if any, have been properly recorded or disclosed.

11) We have not completed the process of evaluating the impact that will result from adopting Governmental Accounting Standards Board (GASBS) No. 101,102,103 and 104, as discussed in Note 1. The Board is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statement is adopted.

12) We believe that the election to record estimated property tax receivable and deferred inflows of property tax is preferable because this method better aligns with similar local school boards in the State of Alabama.

13) We have obtained the SOC 1 reports from our service organizations. We have reviewed such reports, including complimentary user controls. We have implemented the relevant user controls, and they were in operation for the year ended September 30, 2024.

Information Provided

14) We have provided you with:

   a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

   b) Additional information that you have requested from us for the purpose of the audit.

   c) Unrestricted access to persons within the Enterprise City Board of Education from whom you determined it necessary to obtain audit evidence.

   d) Minutes of the meetings of Enterprise City Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.

15) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

16) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

17) We have no knowledge of any fraud or suspected fraud that affects the Enterprise City Board of Education and involves—

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

18) We have no knowledge of any allegations of fraud or suspected fraud affecting the Enterprise City Board of Education's financial statements communicated by employees, former employees, regulators, or others.

19) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

20) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

21) We have disclosed to you the names of the Enterprise City Board of Education's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

22) The Enterprise City Board of Education has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

24) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87 .

25) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96 .

26) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

28) As part of your audit, you assisted with preparation of the financial statements and disclosures, RSI, supplementary information schedule of expenditures of federal awards, and data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, Jesse James, CSFO, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; accept responsibility for the results of the services; and ensured that the data and records are complete, and we have sufficient information to oversee the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, schedule of expenditures of federal awards, and data collection form.

29) The Enterprise City Board of Education has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

30) The Enterprise City Board of Education has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

31) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

32) The financial statements include all fiduciary activities required by GASBS No. 84 , as amended.

33) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.

34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

35) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

36) Provisions for uncollectible receivables have been properly identified and recorded.

37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

40) Deposits and investment securities are properly classified as to risk and are properly disclosed.

41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

42) We have appropriately disclosed the Enterprise City Board of Education's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more



than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

44) We are in compliance with SEC debt issuer reporting requirements (Rule No. 240.15c2-12).

45) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

46) We agree with the findings of the actuary retained by RSA in evaluating the valuation of pension liability, OPEB liability, pension expense, OPEB expense and related deferred inflows and outflows of resources and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We had no direct contractual relationship with the actuary and did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the actuary. We believe the actuarial assumptions used to measure the pension and OPEB liability and expense are appropriate.

47) With respect to federal award programs:

a) We are responsible for understanding and complying with and have complied 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), including requirements relating to preparation of the schedule of expenditures of federal awards.

b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance

with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.

j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t) We have charged costs to federal awards in accordance with applicable cost principles.

u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

y) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: _____ Signature: _____

Title: Superintendent Title: Chief School Financial Officer



Adjusting Journal Entries JE # 17

To remove PY Payroll Accrual and correct fund Balance

11-3-0350-000-0000-1110-9-0000-0000	UNRESERVED FUND BALANCE	3,846,378.00	
11-3-0350-000-0000-1132-0-0000-0000	UNRESERVED FUND BALANCE	129,147.00	
11-3-0350-000-0000-1220-1-0000-0000	UNRESERVD FUND BAL	36,200.00	
11-3-0350-000-0000-1221-0-0000-0000	UNRESERVED FUND BALANCE	781.00	
11-3-0350-000-0000-1230-0-0000-0000	UNRESERVED FUND BALANCE	60,269.00	
11-3-0350-000-0000-1252-0-0000-0000	UNRESERVED FUND BALANCE	16,067.00	
11-3-0350-000-0000-1271-0-0000-0000	UNRESERVED FUND BALANCE	3,104.00	
11-3-0350-000-0000-1310-9-0000-0000	UNRESERVD FUND BAL	240,909.00	
11-3-0350-000-0000-1410-1-0000-0000	UNRESERVD FUND BAL	9,758.00	
11-3-0350-000-0000-1520-1-0000-0000	UNRESERVD FUND BAL	13,386.00	
11-3-0350-000-0000-1720-0-0000-0000	UNRESERVD FUND BAL	58,979.00	
11-3-0350-000-0000-2241-0-0000-0000	UNRESERVED FUND BALANCE	11,185.00	
11-3-0350-000-0000-6001-0-0000-0000	UNRESERVED FUND BALANCE	170,249.00	
12-3-0350-000-0000-3210-0-0000-0000	Unreserved Fund Balance	132,360.00	
12-3-0350-000-0000-3220-0-0000-0000	Unreserved Fund Balance	2,688.00	
12-3-0350-000-0000-4110-0-0000-0000	Unreserved Fund Balance	89,367.00	
12-3-0350-000-0000-4130-0-0000-0000	Unreserved Fund Balance	27,966.00	
12-3-0350-000-0000-4150-0-0000-0000	UNRESERVED FUND BALANCE	3,995.00	
12-3-0350-000-0000-4160-0-0000-0000	Unreserved Fund Balance	1,495.00	
12-3-0350-000-0000-4286-0-0000-0000	UNRESERVED FUND BALANCE	8,036.00	
12-3-0350-000-0000-4287-0-0000-0000	UNRESERVED FUND BALANCE	1,418.00	
12-3-0350-000-0000-4298-0-0000-0000	UNRESERVED FUND BALANCE	431,643.00	
12-3-0350-000-0000-5101-0-8420-0000	UNRESERVED FUND BALANCE	158,589.00	
12-3-0350-000-0000-5991-0-0000-0000	UNRESERVED FUND BALANCE	11,257.00	
11-5-1100-010-0000-1110-0-0000-0000	INSTRUCTION, TEACHER		3,381,490.00
11-5-1100-010-0000-6001-0-0000-0000	INSTRUCTION, TEACHER		170,249.00
11-5-1100-010-0030-1132-0-1500-0000	INSTRUCTION, TEACHER		129,147.00
11-5-1100-010-0050-1252-0-1890-0027	INSTRUCTION, TEACHER		16,067.00
11-5-1100-015-0050-2241-0-2400-0000	INSTRUCTION, TEACHER-COLL SPE		11,185.00
11-5-2120-042-0000-1110-0-0000-0000	GUID & COUNSELING, COUNSELOR (N-6)		72,003.00
11-5-2130-081-0000-1110-0-0000-0000	TESTING SERVICES, COORDINATOR		8,269.00
11-5-2140-121-0000-1110-0-0000-0000	HEALTH SERVICES, REGISTERED NURSE		9,063.00
11-5-2140-121-0000-1220-0-0000-0000	HEALTH SERVICES, REGISTERED NURSE		36,200.00
11-5-2140-121-0000-1410-0-0000-0000	HEALTH SERVICES, REGISTERED NURSE		9,758.00
11-5-2170-086-0000-1110-0-0000-0000	PSYCHOLOGICAL SERV, PSYCHOMETRIST		24,665.00
11-5-2170-087-8620-1271-0-8210-0000	PSYCHOLOGICAL SERV, Psychologist		3,104.00
11-5-2180-011-0000-1110-0-0000-0000	SPEECH PATH/AUDO SER, RESOURCE TEACHE		20,688.00
11-5-2190-081-0000-1110-0-0000-0000	OTHER STUDENT SUPP, COORDINATOR		17,337.00
11-5-2210-052-0000-1110-0-0000-0000	INST IMPRVMT SERV, SUPERVISOR OF INSTRU		2,120.00
11-5-2215-083-0020-1230-0-1200-0000	INST STAFF DEVELOPMN, CONSULTING TEACH		60,269.00
11-5-2215-083-0030-1110-0-1500-0000	INST STAFF DEVELOPMN, CONSULTING TEACH		70,191.00
11-5-2220-072-0000-1110-0-0000-0000	ED MEDIA SERVICES, LIBRARIAN (N-6)		54,874.00
11-5-2310-022-0000-1110-0-0000-0000	OFFICE OF SCHOOL ADM, PRINCIPAL (N-6)		113,694.00



11-5-2390-056-0050-1110-0-3600-0000	OTH SCHOOL ADM SERV, CAREER TECH ADMI		2,186.00
11-5-2390-097-0000-1221-0-0000-0000	OTH SCHOOL ADM SERV, TECHNOLOGY COORD		781.00
11-5-3200-113-8320-1110-0-8300-0000	BUILDING SERVICES, SUPERVISOR		29,904.00
11-5-3300-175-8320-1110-0-8330-8321	GROUNDS SERVICES, GROUNDSKEEPER		1,269.00
11-5-4120-161-0000-1310-0-0000-0000	REGULAR TRANSP, BUS DRIVER		240,909.00
11-5-4130-103-8410-1110-0-2900-0000	SPEC ED TRANSP, BUS ASSISTANT		19,287.00
11-5-6220-081-8620-1110-0-8620-0000	SPEC AREA EXEC ADM-COORDINATOR		4,552.00
11-5-6310-116-8620-1110-0-8620-0097	FISCAL SERVICES, CHIEF SCHOOL FIN		2,528.00
11-5-6510-142-8620-1110-0-8650-0000	GENERAL C/O SERVICES, RECEPTIONIST		616.00
11-5-6540-114-8620-1110-0-8620-0000	TECHNOLOGY/DATA PROC, TECH COORDINATOR		3,579.00
11-5-9140-010-0000-1110-0-0000-0000	PRE-SCHOOL, TEACHER		8,063.00
11-5-9140-010-0001-1520-0-4712-0000	PRE-SCHOOL-TEACHER		13,386.00
11-5-9140-010-0045-1720-0-4711-0000	PRE-SCHOOL, TEACHER		58,979.00
12-5-1100-010-0000-3210-0-0000-0000	INSTRUCTION, TEACHER		132,360.00
12-5-1100-010-0000-4110-0-0000-0000	INSTRUCTION, TEACHER		89,367.00
12-5-1100-010-0000-4130-0-0000-0000	INSTRUCTION, TEACHER		27,966.00
12-5-1100-010-0030-4298-0-1500-0000	INSTRUCTION, TEACHER		431,643.00
12-5-1100-010-8620-4150-0-4300-0000	INSTRUCTION, TEACHER		3,995.00
12-5-1100-010-8620-5991-0-1600-5517	INSTRUCTION, TEACHER		11,257.00
12-5-2170-087-8620-4160-0-8210-0000	PSYCHOLOGICAL SERV, Psychologist		1,495.00
12-5-2180-091-0001-4286-0-2300-0000	SPEECH PATH/AUDO SER, SPEECH PATHOLOGI		8,036.00
12-5-4210-172-0000-5101-0-0000-0000	CHILD NUTRITION, COOK/BAKER		158,589.00
12-5-9140-010-0000-3220-0-0000-0000	PRE-SCHOOL, TEACHER		2,688.00
12-5-9140-091-0001-4287-0-4712-0000	PRE-SCHOOL, SPEECH PATHOLOGI		1,418.00
Total		**5,465,226.00**	**5,465,226.00**

Adjusting Journal Entries JE # 18

To record CY payroll accrual

11-5-1100-010-0000-1110-0-0000-0000	INSTRUCTION, TEACHER	3,808,315.00	
11-5-1100-010-0000-6001-0-0000-0000	INSTRUCTION, TEACHER	56,203.00	
11-5-1100-010-0030-1132-0-1500-0000	INSTRUCTION, TEACHER	149,329.00	
11-5-1100-010-0050-1252-0-1890-0027	INSTRUCTION, TEACHER	17,098.00	
11-5-1100-010-0050-1284-0-1500-0000	INSTRUCTION, TEACHER	7,371.00	
11-5-1100-015-0050-2241-0-2400-0000	INSTRUCTION, TEACHER-COLL SPE	14,047.00	
11-5-2110-051-8620-1110-0-8210-0000	ATTENDANCE SERVICES-SUPER OF ATTENDANCE	2,906.00	
11-5-2120-042-0000-1110-0-0000-0000	GUID & COUNSELING, COUNSELOR (N-6)	83,381.00	
11-5-2120-044-0050-6001-0-1500-0000	GUID & COUNSELING, COUNSELOR (7-12)	11,731.00	
11-5-2130-081-0000-1110-0-0000-0000	TESTING SERVICES, COORDINATOR	9,171.00	
11-5-2140-121-0000-1110-0-0000-0000	HEALTH SERVICES, REGISTERED NURSE	9,796.00	
11-5-2140-121-0000-1220-0-0000-0000	HEALTH SERVICES, REGISTERED NURSE	68,662.00	
11-5-2140-121-0000-1410-0-0000-0000	HEALTH SERVICES, REGISTERED NURSE	17,171.00	
11-5-2170-086-0000-1110-0-0000-0000	PSYCHOLOGICAL SERV, PSYCHOMETRIST	26,906.00	



11-5-2170-087-8620-1271-0-8210-0000	PSYCHOLOGICAL SERV, Psychologist	2,966.00
11-5-2180-011-0000-1110-0-0000-0000	SPEECH PATH/AUDO SER, RESOURCE TEACHE	19,493.00
11-5-2180-092-0100-6001-0-2300-0000	SPEECH PATH/AUDO SER, SPEECH PATHOLOGI	4,407.00
11-5-2190-081-0000-1110-0-0000-0000	OTHER STUDENT SUPP, COORDINATOR	29,027.00
11-5-2210-052-0000-1110-0-0000-0000	INST IMPRVMT SERV, SUPERVISOR OF INSTRU	5,812.00
11-5-2215-083-0020-1230-0-1200-0000	INST STAFF DEVELOPMN, CONSULTING TEACH	50,568.00
11-5-2215-083-0030-1110-0-1500-0000	INST STAFF DEVELOPMN, CONSULTING TEACH	89,020.00
11-5-2215-083-0100-6001-0-1200-0000	INST STAFF DEVELOPMN, CONSULTING TEACH	21,309.00
11-5-2220-072-0000-1110-0-0000-0000	ED MEDIA SERVICES, LIBRARIAN (N-6)	59,498.00
11-5-2310-018-8620-6001-0-8230-0000	OFFICE OF SCHOOL ADM, TEACHER-RETIRED	30,314.00
11-5-2310-022-0000-1110-0-0000-0000	OFFICE OF SCHOOL ADM, PRINCIPAL (N-6)	140,841.00
11-5-2390-056-0050-1110-0-3600-0000	OTH SCHOOL ADM SERV, CAREER TECH ADMI	3,186.00
11-5-2390-097-0000-1221-0-0000-0000	OTH SCHOOL ADM SERV, TECHNOLOGY COORD	1,136.00
11-5-3200-113-8320-1110-0-8300-0000	BUILDING SERVICES, SUPERVISOR	37,721.00
11-5-3200-154-8320-6001-0-8300-0000	BUILDING SERVICES, CARPENTER	3,049.00
11-5-3300-175-8320-1110-0-8330-8321	GROUNDS SERVICES, GROUNDSKEEPER	1,060.00
11-5-3300-175-8320-6001-0-8330-8321	GROUNDS SERVICES, GROUNDSKEEPER	4,829.00
11-5-4120-161-0000-1310-0-0000-0000	REGULAR TRANSP, BUS DRIVER	256,813.00
11-5-4130-103-8410-1110-0-2900-0000	SPEC ED TRANSP, BUS ASSISTANT	20,701.00
11-5-6210-061-8620-6001-0-8620-0000	GEN EXEC ADM SERV-SUPERINTENDENT	7,644.00
11-5-6215-062-8620-6001-0-8620-0000	ASST EXEC ADMIN SVCS-ASST SUPERINTENDENT	3,388.00
11-5-6220-081-8620-1110-0-8620-0000	SPEC AREA EXEC ADM-COORDINATOR	6,826.00
11-5-6310-116-8620-1110-0-8620-0097	FISCAL SERVICES, CHIEF SCHOOL FIN	3,233.00
11-5-6310-116-8620-1110-0-8620-0097	FISCAL SERVICES, CHIEF SCHOOL FIN	5,007.00
11-5-6320-124-8620-1110-0-8630-0000	PURCHASING SERVICES, Purchasing Agent	1,303.00
11-5-6510-142-8620-1110-0-8650-0000	GENERAL C/O SERVICES, RECEPTIONIST	845.00
11-5-6540-114-8620-1110-0-8620-0000	TECHNOLOGY/DATA PROC, TECH COORDINATOR	5,070.00
11-5-6540-132-8620-6001-0-8620-0000	TECHNOLOGY/DATA PROC, COMPUTER OPERATO	975.00
11-5-9140-010-0000-1110-0-0000-0000	PRE-SCHOOL, TEACHER	14,505.00
11-5-9140-010-0001-1520-0-4712-0000	PRE-SCHOOL-TEACHER	18,240.00
11-5-9140-010-0045-1720-0-4711-0000	PRE-SCHOOL, TEACHER	56,377.00
12-5-1100-010-0000-3210-0-0000-0000	INSTRUCTION, TEACHER	145,362.00
12-5-1100-010-0000-4110-0-0000-0000	INSTRUCTION, TEACHER	89,311.00
12-5-1100-010-0000-4130-0-0000-0000	INSTRUCTION, TEACHER	18,493.00
12-5-1100-010-0030-4298-0-1500-0000	INSTRUCTION, TEACHER	281,652.00
12-5-1100-010-8620-4150-0-4300-0000	INSTRUCTION, TEACHER	4,318.00
12-5-1100-010-8620-5991-0-1600-5517	INSTRUCTION, TEACHER	13,027.00
12-5-2170-087-8620-4160-0-8210-0000	PSYCHOLOGICAL SERV, Psychologist	1,742.00
12-5-4210-172-0000-5101-0-0000-0000	CHILD NUTRITION, COOK/BAKER	177,789.00



12-5-9140-010-0000-3220-0-0000-0000	PRE-SCHOOL, TEACHER	2,901.00	
11-2-0211-000-0000-1110-0-0000-0000	SAL & WAGES PAYABLE		4,365,886.00
11-2-0211-000-0000-1132-0-0000-0000	SAL & WAGES PAYABLE		149,329.00
11-2-0211-000-0000-1220-0-0000-0000	SAL & WAGES PAYABLE		68,662.00
11-2-0211-000-0000-1221-0-0000-0000	SALARIES AND WAGES PAYABLE		1,136.00
11-2-0211-000-0000-1230-0-0000-0000	SAL & WAGES PAYABLE		50,568.00
11-2-0211-000-0000-1252-0-0000-0000	SALARIES AND WAGES PAYABLE		17,098.00
11-2-0211-000-0000-1271-0-0000-0000	SAL & WAGES PAYABLE		2,966.00
11-2-0211-000-0000-1284-0-0000-0000	SAL & WAGES PAYABLE		7,371.00
11-2-0211-000-0000-1310-0-0000-0000	SAL & WAGES PAYABLE		256,813.00
11-2-0211-000-0000-1410-0-0000-0000	SAL & WAGES PAYABLE		17,171.00
11-2-0211-000-0000-1520-0-0000-0000	SAL & WAGES PAYABLE		18,240.00
11-2-0211-000-0000-1720-0-0000-0000	Sal & Wages Payable		56,377.00
11-2-0211-000-0000-2241-0-0000-0000	SAL & WAGES PAYABLE		14,047.00
11-2-0211-000-0000-6001-0-0000-0000	SAL & WAGES PAYABLE		161,586.00
12-2-0211-000-0000-3210-0-0000-0000	SAL & WAGES PAYABLE		145,362.00
12-2-0211-000-0000-3220-0-0000-0000	SAL & WAGES PAYABLE		2,901.00
12-2-0211-000-0000-4110-0-0000-0000	SAL & WAGES PAYABLE		89,311.00
12-2-0211-000-0000-4130-0-0000-0000	SAL & WAGES PAYABLE		18,493.00
12-2-0211-000-0000-4150-0-0000-0000	SAL & WAGES PAYABLE		4,318.00
12-2-0211-000-0000-4160-0-0000-0000	SAL & WAGES PAYABLE		1,742.00
12-2-0211-000-0000-4298-0-0000-0000	SAL & WAGES PAYABLE		281,652.00
12-2-0211-000-0000-5101-0-8420-0000	SAL & WAGES PAYABLE		177,789.00
12-2-0211-000-0000-5991-0-0000-0000	SAL & WAGES PAYABLE		13,027.00
Total		**5,921,845.00**	**5,921,845.00**

Adjusting Journal Entries JE # 21

To record Q4 payment of Medicaid Revenue

11-1-0134-000-0000-6001-0-0000-0000	INTERGOVERNMENTAL RECEIVABLE	84,185.00	
11-4-6965-000-0000-6001-0-0000-0000	MEDICAID ADMIN OUTRE, LOCAL DEFAULT SOURCE		84,185.00
Total		**84,185.00**	**84,185.00**

Adjusting Journal Entries JE # 22

To record City of Enterprise-Coppinville CY lease activity.

11-2-0272-999-9999-9999-9-9999-9999	DEFERRED INFLOWS RELATED TO LEASES	43,378.00	
11-4-6910-000-0000-6001-0-0000-0000	RENTALS, LOCAL DEFAULT SOURCE	48,000.00	
11-1-0139-999-9999-9999-9-9999-9999	LEASE RECEIVALBLE		40,098.00
11-4-0000-000-0000-6001-0-0000-0000	Interest Income - Lease		7,902.00
11-4-6910-000-0000-6001-0-0000-0000	RENTALS, LOCAL DEFAULT SOURCE		43,378.00
Total		**91,378.00**	**91,378.00**

Adjusting Journal Entries JE # 26

Correct Fund Balance for PY entries not booked by client

11-1-0139-999-9999-9999-9-9999-9999	LEASE RECEIVALBLE	206,371.00	
11-2-0271-000-0000-6001-0-0000-0000	DEFERRED REVENUE	32,534.00	
11-3-0350-000-0000-1765-0-0000-0000	UNRESERVD FUND BAL	111,625.00	
11-3-0350-000-0000-6001-0-0000-0000	UNRESERVED FUND BALANCE	2,520.00	
11-5-7200-514-0045-1764-0-9100-5263	BLDG ACQUIS/IMPROV, BLDGS-	11,315.00	



	CONSTRUCTE		
11-5-7200-514-0070-1764-0-9100-5266	BLDG ACQUIS/IMPROV, BLDGS-CONSTRUCTE	9,190.00	
14-3-0350-000-0000-6001-0-0000-0000	UNRESERVED FUND BALANCE	378,571.00	
11-1-0136-000-0000-6001-0-0000-0000	RENT RECEIVABLE		35,378.00
11-2-0272-999-9999-9999-9-9999-9999	DEFERRED INFLOWS RELATED TO LEASES		206,047.00
11-3-0350-000-0000-1764-0-0000-0000	UNRESERVD FUND BAL		20,505.00
11-5-6210-349-8620-1765-0-8620-8620	GEN EXEC ADM SERV, OTHER PROPERTY S		111,625.00
14-5-7200-512-0090-6001-0-9100-5252	BLDG ACQUIS/IMPROV, LAND IMPROVEMENT		27,510.00
14-5-7200-514-0050-6001-0-9100-5243	BLDG ACQUIS/IMPROV, BLDGS-CONSTRUCTE		351,061.00
Total		**752,126.00**	**752,126.00**

Adjusting Journal Entries JE # 27

To accrue the property taxes receivable and unearned revenue for 2024.

11-1-0134-000-0000-6001-0-0000-0000	INTERGOVERNMENTAL RECEIVABLE	4,325,993.00	
11-2-0273-999-9999-9999-9-9999-9999	Deferred Inflows - Property Taxes		4,325,993.00
Total		**4,325,993.00**	**4,325,993.00**

The following table summarizes passed adjustments for the year ended September 30, 2024:

Difference in value of investments as of September 30, 2024:

Investments	$ 64,230	
Interest Revenue		$ 64,230

The following legend should be used in conjunction with reviewing the "Rating" of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
2024.01	IP	Disbursement Testing – Central Office and Local Schools	In a test of 25 local school disbursements, we noted 3 instances in which the date of the supporting purchase order was after the date of purchase.	We recommend all departments and schools follow the Board policy of documentation and approval for those employees responsible for initiating and approving purchase orders.