

**BYRNEVILLE ELEMENTARY SCHOOL, INC.
(A COMPONENT UNIT OF THE SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA)**

FINANCIAL STATEMENTS

JUNE 30, 2025

BYRNEVILLE ELEMENTARY SCHOOL, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Byrneville Elementary School, Inc.:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byrneville Elementary School, Inc., as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Byrneville Elementary School, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Byrneville Elementary School, Inc., as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 Byrneville Elementary School, Inc. 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.

Implementation of New Accounting Standard

As discussed in Note 11 to the financial statements, the Corporation adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, (GASB101). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Byrneville Elementary School, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, 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 Byrneville Elementary School, Inc.'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 Byrneville Elementary School, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

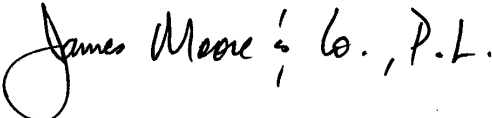
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2025 on our consideration of Byrneville Elementary School, Inc.'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 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 Byrneville Elementary School, Inc.'s internal control over financial reporting and compliance.

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

Tallahassee, Florida
October 3, 2025

**BYRNEVILLE ELEMENTARY SCHOOL, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

This discussion and analysis (MD&A) of Byrneville Elementary School, Inc.’s (the “School”) financial condition provides an overview of financial activity, identifies changes in financial position and assists the reader in focusing on significant financial issues. The primary purpose of the School is to provide an educational program for approximately 193 students. It is important to the long-term existence of the School to maintain its financial health. Net position is accumulated only to the extent required to ensure that there are sufficient reserve funds for future operations and for new capital needs.

The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

- The School’s governmental funds reported combined ending fund balances of \$866,802.
- The School’s net position was \$138,080 at June 30, 2025.
- Total governmental fund revenues exceeded expenses and other financing uses by \$79,951.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School’s basic financial statements. The School’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements—The government-wide financial statements are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of The School’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of The School is improving or deteriorating.

The statement of activities presents information showing how the School’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding).

Both of the government-wide financial statements distinguish functions of the School that are principally supported by school board, state, and federal funding (governmental activities) and charges for services from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of The School include basic instruction, general support services, school administration, facilities acquisition and construction, fiscal services, pupil transportation services, operation of plant, maintenance of plant, and central services.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(Continued)

The government-wide financial statements include only The School itself, which is a component unit of the Escambia County School Board. The Escambia County School Board includes the operations of the School in their operations.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements—A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the School are presented in governmental funds only.

Governmental funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The School maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances in the general fund. The general fund is not restricted by an outside source and can be used to fund general activities.

The School adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 - 13 of this report.

Notes to the financial statements—The notes 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 can be found starting on page 14 of this report.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(Continued)

CONDENSED FINANCIAL INFORMATION

The following table presents condensed, government-wide data about net position and changes in net position as of and for the years ended June 30, 2025 and 2024.

Net Position

	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 963,400	\$ 862,644
Capital assets	<u>124,500</u>	<u>128,387</u>
Total assets	<u>1,087,900</u>	<u>991,031</u>
Deferred outflows	<u>203,610</u>	<u>193,702</u>
Current liabilities	96,598	75,793
Noncurrent liabilities outstanding	<u>960,441</u>	<u>958,373</u>
Total liabilities	<u>1,057,039</u>	<u>1,034,166</u>
Deferred inflows	<u>96,391</u>	<u>60,868</u>
Net position:		
Net investment in capital assets	124,500	128,387
Unrestricted	<u>13,580</u>	<u>(38,688)</u>
Total net position	<u>\$ 138,080</u>	<u>\$ 89,699</u>

Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 162,667	\$ 327,325
General revenues:		
Escambia County School District	1,636,794	1,547,884
Miscellaneous revenues	27,676	20,118
Unrestricted investment earnings	<u>5,660</u>	<u>362</u>
Total revenues	<u>1,832,797</u>	<u>1,895,689</u>
Expenses:		
Basic instruction	1,186,397	1,348,661
General support services	559	612
School administration	193,178	202,352
Facilities acquisition and construction	1,080	1,080
Fiscal services	23,050	18,550
Pupil personnel services	-	1,117
Pupil transportation services	69,048	84,402
Operation of plant	224,082	224,158
Maintenance of plant	1,029	-
Central services	<u>78,150</u>	<u>74,306</u>
Total expenses	<u>1,776,573</u>	<u>1,955,238</u>
Increase (decrease) in net position	56,224	(59,549)
Net position, beginning of year, as restated	81,856	149,248
Net position, end of year	<u>\$ 138,080</u>	<u>\$ 89,699</u>

BYRNEVILLE ELEMENTARY SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, assets did exceed liabilities by \$30,861 at the close of the most recent fiscal year. The \$56,224 increase in net assets is primarily attributed to an increase in FEFP funding for the School during the 2025 fiscal year.

As a result of the current fiscal year operations, the School is reporting a increase of \$52,268 in unrestricted net position from governmental activities based on operating activities. The School is reporting a current year decrease of \$3,887 in net investment in capital assets. This decrease is related to depreciation of capital assets.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

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

Governmental funds—The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School's governmental funds reported combined ending fund surplus of \$866,802.

The general fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund surplus of the general fund was \$866,802, an increase of \$95,189 from the prior year. The total general fund balance increased by \$95,189 during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the fiscal year, the School revises its General Fund Budget in order to deal with unexpected changes in revenue and expenditures. The Governing Board adopts its initial budget based on projected enrollment and the corresponding projected revenues. Amendments are primarily required to reflect changes in revenue estimates from the State of Florida Education Finance Program (FEFP) as actual enrollments are determined. The 2025 actual amounts compared to final budgeted amounts showed that actual expenditures were less than budgeted, contributing to the increase in fund balance.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(Continued)

CAPITAL ASSET AND DEBT ADMINISTRATION

Debt—Information on the School’s debt can be found in Note 4, see table of contents for notes to the financials.

Capital assets—At June 30, 2025, the School had \$124,500 invested in capital assets (net of depreciation), including building and leasehold improvements, furniture, fixtures, and equipment, vehicles, and computer software.

	Governmental Activities June 30, 2025
Building and leasehold improvements	\$ 235,682
Furniture, Fixtures and Equipment	139,628
Motor vehicles	109,041
Computer hardware and software	1,990
Accumulated depreciation	<u>(361,841)</u>
Totals	<u>\$ 124,500</u>

ECONOMIC FACTORS

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

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of The School of Arts and Sciences on Thomasville Road’s finances for all those with an interest in the school's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The School of Arts and Sciences on Thomasville Road, 3208 Thomasville Road, Tallahassee, FL 32308.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 463,400
Certificates of deposit	500,000
Capital assets, being depreciated, net	124,500
Total assets	\$ 1,087,900
<u>DEFERRED OUTFLOWS</u>	
Related to changes in the net pension liability	\$ 203,610
<u>LIABILITIES</u>	
Accounts payable and accrued expenses	\$ 96,598
Noncurrent liabilities:	
Due within one year	26,572
Due in more than one year	82,911
Net pension liability	850,958
Total liabilities	\$ 1,057,039
<u>DEFERRED INFLOWS</u>	
Related to changes in the net pension liability	\$ 96,391
<u>NET POSITION</u>	
Net investment in capital assets	\$ 124,500
Unrestricted	13,580
Total net position	\$ 138,080

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

**BYRNEVILLE ELEMENTARY SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
		GOVERNMENTAL ACTIVITIES		
Governmental activities:				
Basic instruction	\$ 1,186,397	\$ -	\$ 162,667	\$ (1,023,730)
General support services	559	-	-	(559)
School administration	193,178	-	-	(193,178)
Facilities acquisition and construction	1,080	-	-	(1,080)
Fiscal services	23,050	-	-	(23,050)
Pupil transportation services	69,048	-	-	(69,048)
Operation of plant	224,082	-	-	(224,082)
Maintenance of plant	1,029	-	-	(1,029)
Central services	78,150	-	-	(78,150)
Total governmental activities	\$ 1,776,573	\$ -	\$ 162,667	(1,613,906)
		General revenues:		
		Escambia County School District	1,636,794	
		Miscellaneous revenues	27,676	
		Investment earnings	5,660	
		Total general revenues	1,670,130	
		Change in net position	56,224	
		Net position, beginning of year, as restated	81,856	
		Net position, end of year	\$ 138,080	

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

BYRNEVILLE ELEMENTARY SCHOOL, INC.
BALANCE SHEET -
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Other Governmental Fund	Total Governmental Fund
ASSETS			
Cash and cash equivalents	\$ 463,400	\$ -	\$ 463,400
Certificate of deposit	500,000	-	500,000
Total Assets	\$ 963,400	\$ -	\$ 963,400
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 96,598	\$ -	\$ 96,598
Total Liabilities	96,598	-	96,598
Fund Balance:			
Unassigned	866,802	-	866,802
Total Fund Balance	866,802	-	866,802
Total Liabilities and Fund Balances	\$ 963,400	\$ -	

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

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

Capital assets	486,341	
Accumulated depreciation	(361,841)	124,500

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (109,483)

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

Deferred outflows	203,610	
Deferred inflows	(96,391)	
Net pension liability	(850,958)	(743,739)

Net position of governmental activities		\$ 138,080
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The accompanying notes to financial statements
are an integral part of this statement.

**BYRNEVILLE ELEMENTARY SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Intergovernmental			
Florida education finance program	\$ 1,636,794	\$ -	\$ 1,636,794
Federal through state	-	162,667	162,667
Local	27,676	-	27,676
Interest income	5,660	-	5,660
Total revenues	<u>\$ 1,670,130</u>	<u>\$ 162,667</u>	<u>\$ 1,832,797</u>
Expenditures			
Basic instruction	984,587	177,905	1,162,492
General support services	559	-	559
School administration	192,269	-	192,269
Fiscal services	23,050	-	23,050
Pupil transportation service	65,869	-	65,869
Operation of plant	219,450	-	219,450
Central services	78,150	-	78,150
Capital outlay	11,007	-	11,007
Total expenditures	<u>1,574,941</u>	<u>177,905</u>	<u>1,752,846</u>
Excess of revenues over expenditures	<u>95,189</u>	<u>(15,238)</u>	<u>79,951</u>
Net change in fund balances	95,189	(15,238)	79,951
Fund balances, beginning of year	771,613	15,238	786,851
Fund balances, end of year	<u>\$ 866,802</u>	<u>\$ -</u>	<u>\$ 866,802</u>

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

**BYRNEVILLE ELEMENTARY SCHOOL, INC.
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

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

Net change in fund balances-total governmental funds	\$	79,951
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay	\$ 11,007	
Depreciation expense	<u>(14,894)</u>	(3,887)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:		
Compensated absences	(13,000)	
Net pension liability	18,775	
Deferred outflows related to net pension liability	9,908	
Deferred inflows related to net pension liability	<u>(35,523)</u>	(19,840)
Change in net position of governmental activities	\$	<u><u>56,224</u></u>

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

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

The following is a summary of the more significant accounting policies of Byrneville Elementary School, Inc. (the "School"), which affect significant elements of the accompanying basic financial statements:

(a) **Reporting entity**—Byrneville Elementary School, Inc. was created on June 7, 2002, to operate as a charter school under Florida Statutes. The School entered into a contract with The School Board of Escambia County, Florida ("Sponsor") to provide an educational program for elementary school students in grades kindergarten through fifth. The School receives a majority of its funding through the Sponsor based on a formula of student attendance which is identical to that of other Escambia County, Florida public elementary schools. The current charter is effective until June 30, 2030 and may be renewed, based on academic performance, by mutual agreement between the School and the Sponsor. At the end of the term of the charter, the Sponsor may choose not to renew the charter under grounds specified in the charter, in which case the Sponsor is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the Sponsor may also terminate the charter if good cause is shown. Byrneville Elementary School, Inc. is considered a component unit of the Sponsor.

(b) **Description of government wide 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. Governmental activities are normally supported by intergovernmental revenues, and other nonexchange transactions.

(c) **Basis of presentation – government-wide financial statements**—While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

(d) **Basis of presentation – fund financial statements**—The fund financial statements provide information about the government's funds. Separate statement for the fund category, governmental, is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School reports the following major governmental funds:

General Fund—The general fund is used to record the general operations of the School pertaining to education and those operations not provided for in other funds.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

(e) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Amounts reported as program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Items not properly included among program revenues, such as monies received from The School Board of Escambia County, Florida, are reported as general revenues.

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. The principal exceptions to this are: principal and interest on general long-term debt, which are recorded as expenditures only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and how spending activities are controlled.

(f) **Budgetary data**—The budgetary process is prescribed by provisions of the laws of Florida and requires the governing board to adopt an operating budget each year. The School's governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenues and expenditures primarily resulting from events unknown at the time of budget adoption.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

(g) **Deposits and certificates of deposit**—Cash and cash equivalents include amounts in demand deposits as well as certificates of deposit that are readily convertible to known amounts of cash. Certificates of deposit with original maturities of three months or less are considered to be cash equivalents.

(h) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

(i) **Capital assets**—Capital assets are defined by the School as assets with an initial individual cost of \$1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset’s life is not capitalized.

Property, plant and equipment of the School is depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Improvements other than buildings	10 - 15 years
Leasehold improvements	7 - 20 years
Furniture, fixtures and equipment	2 - 15 years
Motor vehicles	5 - 10 years
Computer hardware and software	3 - 5 years

(j) **Long-term obligations**—In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position.

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

(l) **Revenue sources**—Revenues for current operations are received primarily from The School Board of Escambia County, Florida pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to The School Board of Escambia County, Florida.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Under the provisions of Section 1011.62, Florida Statutes, The School Board of Escambia County, Florida reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during designated FTE student survey periods.

(m) **Fund balance—**

Net position flow assumption—Sometimes the School will fund outlays for a particular purpose from both restricted 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 School’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions—Sometimes the School 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 School’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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Nonspendable fund balance—includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted fund balance—includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance—includes amounts that can be used only for the specific purposes determined by a formal action of the School’s highest level of decision-making authority. The School Board is the highest level of decision-making authority for the School that can, by passing a motion prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Assigned fund balance—includes amounts that are intended to be used by the School for specific purposes but do not meet the criteria to be classified as committed. The School Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

(n) **Deferred outflows/inflows of resources**—In addition to assets and liabilities, the statement of financial position will, if required, report a separate section for deferred outflows of resources and deferred inflows of resources, respectfully. These separate financial statement elements, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue) until then. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note 7.

(o) **Pensions**—For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS fiduciary net position have been determined on the same basis as they are reported by FRS respectfully. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(2) **Deposits:**

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School’s deposits may not be returned. At year end, the carrying amount of the School’s deposits was \$963,400 and the bank balance was \$984,314. Of the bank balance, \$250,000 was covered by Federal depository insurance at each institution or by collateral held by the School’s custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

The carrying amount of deposits consisted of the following as of June30, 2025:

Cash and cash equivalents	\$	463,400
Certificate of deposit		500,000
		\$ 963,400

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(3) Capital Assets:

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets, being depreciated:				
Improvements other than building	\$ 103,557	\$ -	\$ -	\$ 103,557
Leasehold improvements	132,125	-	-	132,125
Furniture, fixtures and equipment	314,041	11,007	(185,420)	139,628
Motor vehicles	109,041	-	-	109,041
Computer hardware and software	38,734	-	(36,744)	1,990
Total capital assets, being depreciated	<u>697,498</u>	<u>11,007</u>	<u>(222,164)</u>	<u>486,341</u>
Less accumulated depreciation:				
Improvements other than building	(76,011)	(2,816)	-	(78,827)
Leasehold improvements	(49,153)	(5,113)	-	(54,266)
Furniture, fixtures and equipment	(303,590)	(3,785)	185,420	(121,955)
Motor vehicles	(101,623)	(3,180)	-	(104,803)
Computer hardware and software	(38,734)	-	36,744	(1,990)
Total accumulated depreciation	<u>(569,111)</u>	<u>(14,894)</u>	<u>222,164</u>	<u>(361,841)</u>
Capital assets, net	<u>\$ 128,387</u>	<u>\$ (3,887)</u>	<u>\$ -</u>	<u>\$ 124,500</u>

Capital assets are used for multiple functions within the School and depreciation expense of \$14,894 was charged to governmental functions as follows:

Basic Instruction	\$ 4,065
Facilities acquisition and construction	1,080
Maintenance of plant	1,029
Operation of plant	4,632
Pupil transportation	3,179
School administration	909
	<u>\$ 14,894</u>

(4) Long-term liabilities:

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions (Deletions)	Balance June 30, 2025	Due within one year
Compensated absences	\$ 96,483	\$ 13,000	\$ 109,483	\$ 26,572
	<u>\$ 96,483</u>	<u>\$ 13,000</u>	<u>\$ 109,483</u>	<u>\$ 26,572</u>

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(5) **Significant Funding Source:**

The School receives 98% of its funding from the State of Florida. These funds are distributed to the School by The School Board of Escambia County, Florida. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the School's programs and activities.

(6) **Risk Management:**

Automobile liability, general liability, property, employee bond, and workers' compensation coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded commercial coverage for the last three years.

(7) **Florida Retirement System:**

Plan Description and Administration

The School participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the School's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the School are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Benefits Provided and Employees Covered (Continued)

normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate, except that certain instructional personnel may participate for up to 120 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement, Research and Education Services
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Contributions

The School participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at June 30, 2025, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2024	After June 30, 2024
Regular Class	13.57%	13.63%
DROP	21.13%	21.13%
Senior Management	34.52%	34.52%

Current-year employer HIS contributions were made at a rate of 2.00% of covered payroll, included in the above rates.

Actual contributions made for School employees participating in FRS and HIS for the plan year ended June 30, 2025, were as follows:

School Contributions – FRS	\$ 80,272
School Contributions – HIS	17,077
Employee Contributions – FRS	25,615

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

At June 30, 2025, the School reported a net pension liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 548,387
HIS	302,571
Total	<u>\$ 850,958</u>

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2025 and June 30, 2024, the School's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2025	2024
FRS	0.001417582%	0.001414793%
HIS	0.002017008%	0.001926683%

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

For the plan year ended June 30, 2025, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 91,906
HIS	15,141
Total	<u>\$ 107,047</u>

Deferred outflows/inflows related to pensions:

At June 30, 2025, deferred outflows of resources and deferred inflows of resources related to pensions were recorded from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 55,402	\$ -	\$ 2,922	\$ (581)
Changes of assumptions	75,161	-	5,355	(35,821)
Net difference between projected and actual investment earnings	-	(36,449)	-	(109)
Change in proportionate share	22,278	(7,009)	18,699	(16,422)
Contributions subsequent to measurement date	19,676	-	4,117	-
	<u>\$ 172,517</u>	<u>\$ (43,458)</u>	<u>\$ 31,093</u>	<u>\$ (52,933)</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2026	\$ (192)	\$ (3,894)	\$ (4,086)
2027	98,466	(6,398)	92,068
2028	5,829	(9,182)	(3,353)
2029	257	(5,337)	(5,080)
2030	5,023	(985)	4,038
Thereafter	-	(161)	(161)
Total	<u>\$ 109,383</u>	<u>\$ (25,957)</u>	<u>\$ 83,426</u>

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2024 for the period July 1, 2018, through June 30, 2023. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. This rate is the same as the prior year rate. The plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.65%. Mortality assumptions for both plans were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2021 details.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2024, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
Cash	1%	3.3%
Fixed income	29%	5.7%
Global equities	45%	8.6%
Real estate	12%	8.1%
Private equity	11%	12.4%
Strategic investments	2%	6.6%
Total	<u>100.0%</u>	

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability of the entity calculated using the current discount rates, as well as what the entity's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.70%	\$ 964,594	\$ 548,387	\$ 119,726
HIS	3.93%	344,438	302,571	267,814

(8) **Contingent Liabilities:**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally Federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

(9) **Income Taxes:**

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

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

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

(10) **Subsequent Events:**

The School has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 3, 2025, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(11) Recent Accounting Pronouncements:

The Governmental Accounting Standard Board (GASB) issued GASB Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023. The School implemented GASB No. 101 in fiscal year 2025. As a result, the School included in their compensated absences liability the estimated leave to be used while the employee is employed plus the estimate for leave that would be paid out upon termination. Previously, GASB only required reporting the estimate for the leave paid upon termination. GASB 101 dictates that this implementation be treated as a change in an accounting principle and requires the School's beginning net position to be restated. This resulted in a \$7,843 reduction of beginning net position from \$89,699 to \$81,856.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB Statement No. 102 amends GASB Statement No. 62 regarding the disclosure of a government's vulnerability to risks related to certain concentrations and constraints that limit its ability to acquire resources or control spending. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024. The School implemented GASB No. 102 in fiscal year 2025, however, its adoption did not have a material impact on the School's financial statements.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2025

BYRNEVILLE ELEMENTARY SCHOOL, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental				
Florida education finance program	\$ 1,516,133	\$ 1,558,644	\$ 1,636,794	\$ 78,150
State through local	118,000	128,000	-	(128,000)
Local	20,000	20,000	27,676	7,676
Interest income	400	400	5,660	5,260
Total revenues	<u>1,654,533</u>	<u>1,707,044</u>	<u>1,670,130</u>	<u>(36,914)</u>
Expenditures				
Basic instruction	1,075,100	1,121,700	984,587	137,113
General support services	620	620	559	61
School administration	189,600	194,900	192,269	2,631
Fiscal services	18,500	23,050	23,050	-
Pupil transportation services	71,725	70,325	65,869	4,456
Operation of plant	-	-	219,450	(219,450)
Central services	-	-	78,150	(78,150)
Capital outlay	-	-	11,007	(11,007)
Total expenditures	<u>1,355,545</u>	<u>1,410,595</u>	<u>1,574,941</u>	<u>(164,346)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>298,988</u>	<u>296,449</u>	<u>95,189</u>	<u>(201,260)</u>
Net change in fund balance	<u>298,988</u>	<u>296,449</u>	<u>95,189</u>	<u>(201,260)</u>
Fund balance, beginning of year	771,613	771,613	771,613	-
Fund balance, end of year	<u>\$ 1,070,601</u>	<u>\$ 1,068,062</u>	<u>\$ 866,802</u>	<u>\$ (201,260)</u>

The accompanying notes to required supplementary
information is an integral part of this schedule.

**BYRNEVILLE ELEMENTARY SCHOOL, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

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

The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual are presented using the School’s budget format for the General Fund and CARES Fund.

(2) **Budgetary Basis of Accounting:**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the Board of Directors (the “Board”). The budget presented for fiscal year ended June 30, 2025, has been amended.

Budgets are presented on the modified accrual basis of accounting.

BYRNEVILLE ELEMENTARY SCHOOL, INC.
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS

	As of the Plan Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Florida Retirement System (FRS)										
Proportion of the net pension liability	0.001417582%	0.141479300%	0.001428611%	0.001436618%	0.001205456%	0.001297237%	0.001296591%	0.001205641%	0.001031710%	0.001167974%
Proportionate share of the net pension liability	\$ 548,387	\$ 563,750	\$ 531,558	\$ 108,520	\$ 522,462	\$ 446,750	\$ 390,540	\$ 356,621	\$ 260,508	\$ 150,861
Covered payroll	853,829	763,498	718,082	756,638	707,547	712,333	666,348	666,215	605,049	524,958
Proportionate share of the net pension liability as a percentage of covered payroll	64.23%	73.84%	74.02%	14.34%	73.84%	62.72%	58.61%	53.53%	43.06%	28.74%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program (HIS)										
Proportion of the net pension liability	0.002017008%	0.001926683%	0.001970001%	0.002136811%	0.002038215%	0.002129467%	0.002039707%	0.001898234%	0.001700463%	0.001690167%
Proportionate share of the net pension liability	\$ 302,571	\$ 305,983	\$ 208,655	\$ 262,112	\$ 248,863	\$ 238,266	\$ 215,885	\$ 202,968	\$ 198,182	\$ 172,371
Covered payroll	853,829	763,498	718,082	756,638	707,547	712,333	666,348	666,215	605,049	524,958
Proportionate share of the net pension liability as a percentage of covered payroll	35.44%	40.08%	29.06%	34.64%	35.17%	33.45%	32.40%	30.47%	32.75%	32.84%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

**BYRNEVILLE ELEMENTARY SCHOOL, INC.
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS**

	As of the Plan Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Florida Retirement System (FRS)										
Contractually required contribution	\$ 82,595	\$ 69,385	\$ 66,128	\$ 54,729	\$ 40,052	\$ 40,224	\$ 36,952	\$ 41,705	\$ 35,456	\$ 29,398
Contributions in relation to the contractually required contribution	(82,595)	(69,385)	(66,128)	(54,729)	(40,052)	(40,224)	(36,952)	(41,705)	(35,456)	(29,398)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 880,538	\$ 765,364	\$ 718,082	\$ 756,638	\$ 707,547	\$ 712,333	\$ 666,348	\$ 666,215	\$ 605,049	\$ 524,958
Contributions as a percentage of covered payroll	9.38%	9.07%	9.21%	7.23%	5.66%	5.65%	5.55%	6.26%	5.86%	5.60%
Health Insurance Subsidy Program (HIS)										
Contractually required contribution	\$ 17,611	\$ 13,314	\$ 12,746	\$ 12,560	\$ 11,745	\$ 11,825	\$ 11,061	\$ 11,059	\$ 10,044	\$ 8,714
Contributions in relation to the contractually required contribution	(17,611)	(13,314)	(12,746)	(12,560)	(11,745)	(11,825)	(11,061)	(11,059)	(10,044)	(8,714)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 880,538	\$ 765,364	\$ 718,082	\$ 756,638	\$ 707,547	\$ 712,333	\$ 666,348	\$ 666,215	\$ 605,049	\$ 524,958
Contributions as a percentage of covered payroll	2.00%	1.74%	1.78%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

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

To the Board of Directors,
Byrneville Elementary School, Inc.:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byrneville Elementary School, Inc. (a component unit of The School Board of Escambia County, Florida), as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated October 3, 2025.

Report on Internal Control over Financial Reporting

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

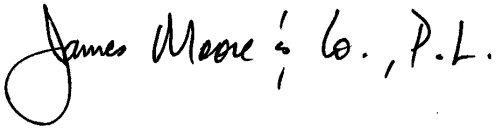
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Report on Compliance and Other Matters

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

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

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

Tallahassee, Florida
October 3, 2025

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

To the Board of Directors,
Byrneville Elementary School, Inc.:

Report on the Financial Statements

We have audited the financial statements of Byrneville Elementary School, Inc. (a component unit of The School Board of Escambia County, Florida), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 3, 2025.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated October 3, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education are Byrneville Elementary School, Inc. and school code; 170161.

Financial Condition and Management

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for Byrneville Elementary School, Inc.. It is management's responsibility to monitor Byrneville Elementary School, Inc.'s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether Byrneville Elementary School, Inc. maintained on its web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we noted the website was maintained in accordance with the aforementioned statute.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires that us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, The School Board of Escambia County, Florida, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Tallahassee, Florida
October 3, 2025