



# Augusta School District

#10 Red Devil Drive  
Augusta, AR 72006



November 14, 2022

Dear State Board of Education:

(1) This letter is to address the requirements set forth in the Arkansas Code Title 6 Educational §6-13-1613 – Minimum School District Size Waiver.

(2) The Augusta School District requests to petition a waiver from the average daily membership requirement of three hundred fifty (350) students. A Resolution of the Augusta School District Board of Directors dated November 15, 2022 is attached.

(3) A. The average daily membership of the Augusta School District in the current year:  
Attached is a Cognos Demographic State Report showing the average daily membership for the Augusta School District for the 2022-2023 School Year is 344 students, an increase of 23 students from the previous school year.

(3) B. As of June 30, 2022, the Augusta School District was not in probationary status for any violation of the Standards for Accreditation of Arkansas Public School and School Districts.  
Attached is a 2022 Standards for Accreditation Report.

(3) C. Please find attached a copy of:

Fiscal Audits

June 30, 2021

June 30, 2022

(4) D. The Augusta School District is not classified as in need of Level 5 – intensive support, in fiscal distress, or in facilities distress.

Please find attached a statement of assurances from Tim Cain, Director of Division of Public School Academic Facilities and Transportation

Dr. Eric Saunders, Fiscal Services and Support, will submit fiscal documentation to Legal directly.

Thank you for your consideration regarding our petition to request a waiver from the average daily membership requirement of three hundred fifty (350) students. Should any further documents be required, please feel free to contact me.

Respectfully Submitted,

A handwritten signature in black ink that reads "Cathy Tanner". The signature is written in a cursive style with a large, stylized "C" and "T".

Cathy Tanner  
Superintendent  
Augusta School District  
[ctanner@augustasd.org](mailto:ctanner@augustasd.org)  
870-347-2241 office  
870-217-3390 cell



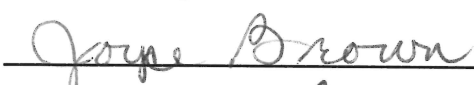

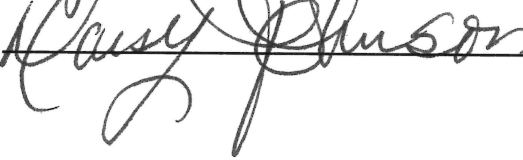
**RESOLUTION OF THE AUGUSTA SCHOOL DISTRICT  
BOARD OF DIRECTORS  
PETITION TO REQUEST A WAIVER FROM:  
MINIMUM SCHOOL DISTRICT SIZE**

- Whereas:** The Augusta School District (District) has been notified by the Arkansas Division of Elementary and Secondary Education (DESE) that pursuant to Ark. Code Ann § 6-13-1602, the District has been placed on the list of all school districts with fewer than three hundred fifty (350) students according to the school district average daily membership in each of the two school years immediately preceding the current school year; and
- Whereas:** Ark. Code Ann § 6-13-1613 allows the districts on the consolidation list to submit a petition to the Arkansas State Board of Education within thirty (30) days after the consolidation list is published requesting a waiver from the average daily membership requirements of three hundred fifty (350) students, with proof that the District meets the criteria and submits the information set forth in the statute; and
- Whereas:** The District Board of Directors finds that it is in the best interest of the students in the District to keep the school open due to the length of potential time spent on the bus by a student traveling to and from school should the District be administratively reorganized, as assured by the District Board of Directors, and therefore wishes to submit the waiver request to the Arkansas State Board of Education.

**NOW, THEREFORE, LET IT BE RESOLVED BY THE DISTRICT BOARD OF DIRECTORS, THAT:**

- Section 1.** The District wishes to petition the Arkansas State Board of Education to grant the waiver from the Minimum School District Size.
- Section 2.** The District voted to approve this resolution on November 15, 2022, during an open, called scheduled meeting and further authorized its Superintendent to take such actions necessary to submit a copy of the Resolution along with the supporting documents to the Arkansas State Board of Education pursuant to Ark. Code Ann § 6-13-1613.

APPROVED:

  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

TREY TAYLOR, PRESIDENT

DEBBIE BRISCOE, VICE PRESIDENT

JOYCE BROWN, SECRETARY

JANICE COLLIER, BOARD MEMBER

DAISY JOHNSON, BOARD MEMBER



# Augusta School District ENROLLMENT REPORT Enrollment Date: Nov 7, 2022

Enrollment Count		01	02	03	04	05	06	07	08	09	10	11	12	KF	PK	Race Totals
Black	Females	6	4	7	8	7	8	10	7	12	8	6	8	9	2	102
	Males	8	6	8	5	7	6	7	6	6	2	4	4	10	4	83
	Gender Totals	14	10	15	13	14	14	17	13	18	10	10	12	19	6	185
Hispanic	Females											1		1	1	3
	Males									1		1				2
	Gender Totals									1		2		1	1	5
Two or More	Females		2					3	4		2		1	1	5	18
	Males		2	2	3	1			1		2			1	3	15
	Gender Totals		4	2	3	1		3	5		4		1	2	8	33
White	Females	6	6	3	4	6	11	6	3	6	10	5	4	3	7	80
	Males	9	3	2	10	2	6	2	5	8	5	2	4	5	5	68
	Gender Totals	15	9	5	14	8	17	8	8	14	15	7	8	8	12	148
Grade Totals		29	23	22	30	23	31	28	26	33	29	19	21	30	27	371

## Augusta School District (7401000)

#10 Red Devil Dr , Augusta, AR 72006

www.augustasd.org

<b>Superintendent</b>	CATHY LYNN TANNER
<b>Email</b>	ctanner@augustasd.org
<b>Phone</b>	(870) 347-2241

District Accreditation Status
Accredited

District Information
Total Enrollment
350

FTE Information	
Superintendent	Assistant Superintendent
1.00	

### ADE Standards Specialist(s)

Judy Foot	Judy.Foot@ade.arkansas.gov	501-683-2094
Matthew Sutherlin	Matthew.Sutherlin@ade.arkansas.gov	501-682-4379

### School Accreditation Status

		Status
7401001	Auagusta Elementary School	Accredited
7401003	Auagusta High School	Accredited

**Augusta Elementary School (7401001)**

#10 Red Devil Drive , Augusta, AR 72006

<b>Principal</b>	RICHARD A GREER
<b>Email</b>	rgreer@augustasd.org
<b>Phone</b>	(870) 347-2432

<b>School Accreditation Status</b>
Accredited

<b>School Information</b>			
<b>Grades Served</b>	<b>Total Enrollment</b>	<b>Expenditure Media Center</b>	<b>Total Book Volume</b>
P - 05	182	579.85	10791

<b>FTE Information</b>			
<b>Counselor</b>	<b>Principal</b>	<b>Assistant Principal</b>	<b>Library / Media Specialist</b>
0.50	0.50		0.00

**Augusta High School (7401003)**

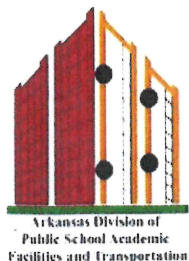
#10 Red Devil Drive , Augusta, AR 72006

<b>Principal</b>	Richard Greer
<b>Email</b>	rgreer@augustasd.org
<b>Phone</b>	(870) 347-2515

<b>School Accreditation Status</b>
Accredited

<b>School Information</b>			
<b>Grades Served</b>	<b>Total Enrollment</b>	<b>Expenditure Media Center</b>	<b>Total Book Volume</b>
06 - 12	168	605.18	9392

<b>FTE Information</b>			
<b>Counselor</b>	<b>Principal</b>	<b>Assistant Principal</b>	<b>Library / Media Specialist</b>
0.50	0.50		0.00



## Arkansas

### Division of Public School Academic Facilities & Transportation

One Capitol Mall, Suite 4D-200, Little Rock, AR 72201

FACILITIES  
Telephone (501) 682-4261  
Fax (501) 683-1200

TRANSPORTATION  
Telephone (501) 682-4264  
Fax (501) 682-6308

November 3, 2022

Ms. Cathy Tanner  
Superintendent  
Augusta School District  
320 Sycamore  
Augusta, AR 72006

RE: Response to District's request dated November 3, 2022

Dear Ms. Tanner:

The Augusta School District (*District*) facility condition survey indicated academic building systems were generally in good to poor condition. The June 5, 2022, on-site inspection of District's academic facilities did not reveal any serious adequacy issues, the District had no indicators of facilities distress for the last two years, and the District was not in Level 5 support for facility issues or facilities distress.

The District has not applied for Partnership Program funding in the current cycle.

Please contact your Area Project Manager-Planning and Construction if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Cain".

Tim Cain  
Director

TC/cb

LEA: 7401000  
COUNTY: WOODRUFF  
DISTRICT: AUGUSTA SCHOOL DISTRICT  
SCHOOL:

Annual Financial Report and Budget - Level II  
SCHOOL YEAR: 2022 - 2023

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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
<b>FUND 1 - Teacher Salary</b>		
<b>Expenditures:</b>		
1100 - Reg Prog/Elem Sec		
61000 - 61999	\$1,168,203.75	\$1,247,100.02
Sub-Totals 1100 - 1199	\$1,168,203.75	\$1,247,100.02
1200 - Spec Ed		
61000 - 61999	\$58,075.06	\$93,910.04
Sub-Totals 1200 - 1299	\$58,075.06	\$93,910.04
1500 - Comp Ed Prog		
61000 - 61999	\$29,857.68	\$0.00
Sub-Totals 1500 - 1899	\$29,857.68	\$0.00
1900 - Oth Inst Prog		
61000 - 61999	\$91,974.42	\$103,552.00
Sub-Totals 1900 - 1999	\$91,974.42	\$103,552.00
2100 - Sup Svcs-Stud		
61000 - 61999	\$53,870.62	\$54,505.50
Sub-Totals 2100 - 2199	\$53,870.62	\$54,505.50
2200 - Sup Svcs-Inst Stf		
61000 - 61999	\$99,486.00	\$175,608.02
Sub-Totals 2200 - 2299	\$99,486.00	\$175,608.02
2300 - Sup Svcs-Gen Adm		
61000 - 61999	\$109,583.30	\$116,000.00
Sub-Totals 2300 - 2399	\$109,583.30	\$116,000.00
2400 - Sup Svcs-Sch Adm		
61000 - 61999	\$82,694.10	\$73,800.00
Sub-Totals 2400 - 2499	\$82,694.10	\$73,800.00
<b>Total Expenditures</b>	<b>\$1,693,744.93</b>	<b>\$1,864,475.58</b>
<b>Transfers:</b>		

LEA: 7401000  
COUNTY: WOODRUFF  
DISTRICT: AUGUSTA SCHOOL DISTRICT  
SCHOOL:

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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
52200 - 52299	\$1,693,744.93	\$1,864,475.58
Sub-Totals -	\$1,693,744.93	\$1,864,475.58
Total Transfers	\$1,693,744.93	\$1,864,475.58
Ending Balance	\$0.00	\$0.00

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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
<b>FUND 2 - Operating</b>		
Beginning Balance:	\$737,221.58	\$876,399.64
Revenues:		
11000 - 11999	\$2,495,912.48	\$2,512,000.00
12000 - 12999	\$11,586.60	\$12,000.00
19000 - 19999	\$9,870.97	\$18,045.24
31000 - 31999	\$639,561.00	\$515,304.00
32000 - 39999	\$894,642.11	\$810,468.82
41000 - 41999	\$32,015.06	\$35,000.00
53000 - 99999	\$56,501.27	\$47,500.00
Sub-Totals -	\$4,140,089.49	\$3,950,318.06
Total Revenues	\$4,140,089.49	\$3,950,318.06
Expenditures:		
1100 - Reg Prog/Elem Sec		
61000 - 61999	\$50,271.32	\$47,038.76
62000 - 62999	\$315,886.14	\$353,074.52
63000 - 63999	\$32,070.37	\$42,460.11
65000 - 65999	\$1,353.39	\$4,500.00
66000 - 66999	\$40,185.32	\$101,636.90
67000 - 67999	\$93.60	\$11,136.63
68000 - 68999	\$8,844.07	\$26,043.80
Sub-Totals 1100 - 1199	\$448,704.21	\$585,890.72
1200 - Spec Ed		
61000 - 61999	\$11,358.10	\$40,922.78
62000 - 62999	\$20,615.17	\$37,711.62
63000 - 63999	\$21,000.00	\$85,000.00
65000 - 65999	\$28,467.35	\$51,998.82
66000 - 66999	\$2,437.08	\$7,975.00
68000 - 68999	\$0.00	\$2,450.00
Sub-Totals 1200 - 1299	\$83,877.70	\$226,058.22
1300 - Wkfc Ed Prog		
66000 - 66999	\$484.41	\$6,578.90
68000 - 68999	\$168.00	\$3,000.00
Sub-Totals 1300 - 1399	\$652.41	\$9,578.90
1500 - Comp Ed Prog		
61000 - 61999	\$24,969.53	\$36,838.22
62000 - 62999	\$14,283.16	\$7,003.76



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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
66000 - 66999	\$692.43	\$6,320.87
Sub-Totals 1500 - 1899	\$39,945.12	\$50,162.85
1900 - Oth Inst Prog		
62000 - 62999	\$25,298.34	\$30,178.70
63000 - 63999	\$230.00	\$1,000.00
66000 - 66999	\$790.88	\$2,063.09
68000 - 68999	\$0.00	\$700.00
Sub-Totals 1900 - 1999	\$26,319.22	\$33,941.79
2100 - Sup Svcs-Stud		
61000 - 61999	\$19,861.20	\$1,335.42
62000 - 62999	\$18,253.83	\$13,102.25
63000 - 63999	\$5,529.20	\$8,874.72
65000 - 65999	\$14,000.00	\$14,000.00
66000 - 66999	\$2,982.71	\$5,968.46
68000 - 68999	\$61.62	\$3,500.00
Sub-Totals 2100 - 2199	\$60,688.56	\$46,780.85
2200 - Sup Svcs-Inst Stf		
61000 - 61999	\$20,016.86	\$23,823.07
62000 - 62999	\$30,957.14	\$50,994.90
63000 - 63999	\$28,856.76	\$42,914.04
64000 - 64999	\$0.00	\$220.00
65000 - 65999	\$2,970.15	\$6,338.42
66000 - 66999	\$9,328.90	\$28,305.92
67000 - 67999	\$63,663.30	\$0.00
68000 - 68999	\$4,900.86	\$11,500.00
Sub-Totals 2200 - 2299	\$160,693.97	\$164,096.35
2300 - Sup Svcs-Gen Adm		
61000 - 61999	\$13,596.59	\$13,731.80
62000 - 62999	\$36,447.48	\$31,573.25
63000 - 63999	\$13,525.84	\$11,500.00
64000 - 64999	\$14,812.56	\$17,000.00
65000 - 65999	\$25,838.00	\$44,800.00
66000 - 66999	\$8,195.05	\$9,707.91
68000 - 68999	\$12,777.49	\$18,050.00
Sub-Totals 2300 - 2399	\$125,193.01	\$146,362.96

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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
<b>2400 - Sup Svcs-Sch Adm</b>		
61000 - 61999	\$35,858.38	\$36,866.87
62000 - 62999	\$32,480.42	\$33,237.43
66000 - 66999	\$3,861.57	\$4,453.51
68000 - 68999	\$158.00	\$0.00
<b>Sub-Totals 2400 - 2499</b>	<b>\$72,358.37</b>	<b>\$74,557.81</b>
<b>2500 - Sup Svcs-Bus</b>		
61000 - 61999	\$36,355.99	\$46,168.38
62000 - 62999	\$9,937.00	\$13,215.54
66000 - 66999	\$0.00	\$500.00
<b>Sub-Totals 2500 - 2599</b>	<b>\$46,292.99</b>	<b>\$59,883.92</b>
<b>2600 - Op &amp; Mntc of Pint Svcs</b>		
61000 - 61999	\$48,424.52	\$56,224.66
62000 - 62999	\$15,637.06	\$16,676.02
64000 - 64999	\$75,240.68	\$111,000.00
65000 - 65999	\$45,070.85	\$48,212.86
66000 - 66999	\$95,103.55	\$106,000.00
67000 - 67999	\$581.64	\$0.00
68000 - 68999	\$0.00	\$7,000.00
<b>Sub-Totals 2600 - 2699</b>	<b>\$280,058.30</b>	<b>\$345,113.54</b>
<b>2700 - Stud Transp Svcs</b>		
61000 - 61999	\$73,063.59	\$102,839.94
62000 - 62999	\$17,218.87	\$29,864.38
63000 - 63999	\$285.03	\$1,000.00
64000 - 64999	\$105,871.26	\$129,500.00
65000 - 65999	\$9,498.91	\$13,000.00
66000 - 66999	\$51,136.95	\$63,165.51
68000 - 68999	\$50.75	\$200.00
<b>Sub-Totals 2700 - 2799</b>	<b>\$257,125.36</b>	<b>\$339,569.83</b>
<b>2900 - Oth Sup Svcs</b>		
65000 - 65999	\$28,521.43	\$35,000.00
<b>Sub-Totals 2900 - 2999</b>	<b>\$28,521.43</b>	<b>\$35,000.00</b>
<b>Total Expenditures</b>	<b>\$1,630,430.65</b>	<b>\$2,116,997.74</b>
<b>Transfers:</b>		
52200 - 52299	\$2,626,905.28	\$3,121,116.34
52600 - 52699	\$12,022.94	\$12,700.00
52900 - 52949	\$48,624.35	\$12,235.95

LEA: 7401000  
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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
69310 - 69319	-\$1,693,744.93	-\$1,864,475.58
69320 - 69329	-\$2,626,905.28	-\$3,121,116.34
69330 - 69339	-\$534,438.27	\$0.00
69340 - 69349	-\$202,944.87	-\$235,400.00
Sub-Totals -	-\$2,370,480.78	(\$2,074,939.63)
Total Transfers	-\$2,370,480.78	-\$2,074,939.63
Ending Balance	\$876,399.64	\$634,780.33

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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
FUND 3 - Building		
Beginning Balance:	\$1,153,246.55	\$1,612,983.96
Revenues:		
-		
51000 - 51999	-\$40,260.63	\$0.00
Sub-Totals -	-\$40,260.63	\$0.00
Total Revenues	-\$40,260.63	\$0.00
Expenditures:		
2600 - Op & Mntc of Pnt Svcs		
64000 - 64999	\$34,440.23	\$125,000.00
66000 - 66999	\$0.00	\$25,000.00
67000 - 67999	\$0.00	\$25,000.00
Sub-Totals 2600 - 2699	\$34,440.23	\$175,000.00
4500 - Ed Spcf Dvlp Svcs		
64000 - 64999	\$0.00	\$762,983.96
66000 - 66999	\$0.00	\$175,000.00
67000 - 67999	\$0.00	\$325,000.00
Sub-Totals 4500 - 4599	\$0.00	\$1,262,983.96
Total Expenditures	\$34,440.23	\$1,437,983.96
Transfers:		
-		
52200 - 52299	\$534,438.27	\$0.00
52300 - 52399	\$9,520.40	\$0.00
69330 - 69339	-\$9,520.40	\$0.00
Sub-Totals -	\$534,438.27	\$0.00
Total Transfers	\$534,438.27	\$0.00
Ending Balance	\$1,612,983.96	\$175,000.00

LEA: 7401000  
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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
<b>FUND 4 - Debt Service</b>		
<b>Revenues:</b>		
-		
15000 - 15999	\$0.00	\$10,000.00
51000 - 51999	\$40,260.63	\$0.00
Sub-Totals -	\$40,260.63	\$10,000.00
<b>Total Revenues</b>	\$40,260.63	\$10,000.00
<b>Expenditures:</b>		
5100 - LEA Indbtns		
68000 - 68999	\$88,205.50	\$90,400.00
69000 - 69999	\$155,000.00	\$155,000.00
Sub-Totals 5100 - 5199	\$243,205.50	\$245,400.00
<b>Total Expenditures</b>	\$243,205.50	\$245,400.00
<b>Transfers:</b>		
-		
52200 - 52299	\$202,944.87	\$235,400.00
Sub-Totals -	\$202,944.87	\$235,400.00
<b>Total Transfers</b>	\$202,944.87	\$235,400.00
<b>Ending Balance</b>	\$0.00	\$0.00

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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
<b>FUND 6 - Federal Grants</b>		
Beginning Balance:	\$150,546.61	\$70,989.22
Revenues:		
43000 - 44999	\$155,135.89	\$142,383.75
45000 - 46999	\$1,949,098.87	\$2,578,640.28
<b>Sub-Totals -</b>	<b>\$2,104,234.56</b>	<b>\$2,721,024.03</b>
<b>Total Revenues</b>	<b>\$2,104,234.56</b>	<b>\$2,721,024.03</b>
Expenditures:		
1100 - Reg Prog/Elem Sec		
61000 - 61999	\$416,697.92	\$431,907.84
62000 - 62999	\$109,928.52	\$46,989.88
65000 - 65999	\$10,915.00	\$30,000.00
66000 - 66999	\$19,795.19	\$25,884.46
67000 - 67999	\$2,199.01	\$0.00
68000 - 68999	\$1,100.00	\$0.00
<b>Sub-Totals 1100 - 1199</b>	<b>\$560,635.64</b>	<b>\$534,782.18</b>
1200 - Spec Ed		
61000 - 61999	\$64,724.94	\$114,058.17
62000 - 62999	\$18,115.86	\$33,402.76
63000 - 63999	\$64,673.72	\$60,423.80
65000 - 65999	\$40,977.29	\$26,842.83
<b>Sub-Totals 1200 - 1299</b>	<b>\$188,491.81</b>	<b>\$234,727.56</b>
1500 - Comp Ed Prog		
61000 - 61999	\$185,524.65	\$145,651.23
62000 - 62999	\$44,504.44	\$36,838.50
63000 - 63999	\$2,898.76	\$10,500.00
65000 - 65999	\$1,466.03	\$4,000.00
66000 - 66999	\$58,533.45	\$37,658.17
<b>Sub-Totals 1500 - 1899</b>	<b>\$292,927.33</b>	<b>\$234,647.90</b>
2100 - Sup Svcs-Stud		
61000 - 61999	\$18,320.00	\$73,914.60
62000 - 62999	\$5,254.82	\$20,052.74
63000 - 63999	\$27,909.00	\$32,258.55
66000 - 66999	\$6,103.14	\$9,800.00
<b>Sub-Totals 2100 - 2199</b>	<b>\$57,586.96</b>	<b>\$136,025.89</b>
2200 - Sup Svcs-Inst Stf		
61000 - 61999	\$239,808.53	\$195,784.91

LEA: 7401000  
COUNTY: WOODRUFF  
DISTRICT: AUGUSTA SCHOOL DISTRICT  
SCHOOL:

Annual Financial Report and Budget - Level II  
SCHOOL YEAR: 2022 - 2023

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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
62000 - 62999	\$59,418.06	\$53,421.65
63000 - 63999	\$120,994.52	\$106,665.03
65000 - 65999	\$1,427.21	\$0.00
66000 - 66999	\$28,792.25	\$34,735.37
67000 - 67999	\$210,663.44	\$51,737.12
68000 - 68999	\$7,331.45	\$10,000.00
Sub-Totals 2200 - 2299	\$668,435.46	\$452,344.08
2300 - Sup Svcs-Gen Adm		
61000 - 61999	\$25,969.56	\$41,826.76
62000 - 62999	\$7,292.03	\$5,773.87
63000 - 63999	\$445.00	\$1,000.00
65000 - 65999	\$922.60	\$1,000.00
66000 - 66999	\$719.19	\$1,850.54
68000 - 68999	\$569.00	\$1,000.00
Sub-Totals 2300 - 2399	\$35,917.38	\$52,451.17
2500 - Sup Svcs-Bus		
61000 - 61999	\$3,400.00	\$0.00
62000 - 62999	\$752.94	\$0.00
66000 - 66999	\$7,542.81	\$0.00
68000 - 68999	\$273.10	\$300.00
Sub-Totals 2500 - 2599	\$11,968.85	\$300.00
2600 - Op & Mntc of PInt Svcs		
61000 - 61999	\$7,761.64	\$51,472.59
62000 - 62999	\$2,261.71	\$30,428.84
63000 - 63999	\$22,866.84	\$15,000.00
64000 - 64999	\$186,119.75	\$862,469.61
66000 - 66999	\$13,558.04	\$8,553.31
68000 - 68999	\$0.00	\$375.00
Sub-Totals 2600 - 2699	\$232,567.98	\$968,299.35
2700 - Stud Transp Svcs		
61000 - 61999	\$31,238.22	\$0.00
62000 - 62999	\$6,766.47	\$0.00
64000 - 64999	\$17,202.14	\$0.00
Sub-Totals 2700 - 2799	\$55,206.83	\$0.00
3100 - Fd Svc Ops		
61000 - 61999	\$5,106.93	\$1,500.00
62000 - 62999	\$1,009.59	\$1,104.00

LEA: 7401000  
COUNTY: WOODRUFF  
DISTRICT: AUGUSTA SCHOOL DISTRICT  
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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
66000 - 66999	\$11,700.00	\$5,000.00
Sub-Totals 3100 - 3199	\$17,816.52	\$7,804.00
3300 - Comm Svcs Ops		
66000 - 66999	\$1,589.90	\$6,143.52
Sub-Totals 3300 - 3399	\$1,589.90	\$6,143.52
5500 - Ind Cost		
68000 - 68999	\$48,624.35	\$12,235.95
Sub-Totals 5500 - 5899	\$48,624.35	\$12,235.95
Total Expenditures	\$2,171,769.01	\$2,639,561.60
Transfers:		
52600 - 52699	\$62,288.30	\$60,937.08
52900 - 52949	\$0.00	\$22,850.00
69320 - 69329	-\$12,022.94	-\$12,700.00
69360 - 69369	-\$62,288.30	-\$60,937.08
Sub-Totals -	-\$12,022.94	\$10,150.00
Total Transfers	-\$12,022.94	\$10,150.00
Ending Balance	\$70,989.22	\$162,801.65



LEA: 7401000  
COUNTY: WOODRUFF  
DISTRICT: AUGUSTA SCHOOL DISTRICT  
SCHOOL:

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SCHOOL YEAR: 2022 - 2023

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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
FUND 7 - Activity		
Beginning Balance:	\$53,984.97	\$70,194.42
Revenues:		
-		
15000 - 15999	\$77.21	\$0.00
17000 - 17999	\$48,901.86	\$0.00
19000 - 19999	\$19,168.56	\$0.00
Sub-Totals -	\$68,147.63	\$0.00
Total Revenues	\$68,147.63	\$0.00
Expenditures:		
1100 - Reg Prog/Elem Sec		
61000 - 61999	\$2,289.64	\$0.00
62000 - 62999	\$476.81	\$0.00
63000 - 63999	\$12,625.00	\$0.00
65000 - 65999	\$1,652.29	\$0.00
66000 - 66999	\$19,018.87	\$0.00
68000 - 68999	\$9,238.44	\$0.00
Sub-Totals 1100 - 1199	\$45,301.05	\$0.00
2300 - Sup Svcs-Gen Adm		
66000 - 66999	\$1,017.76	\$0.00
Sub-Totals 2300 - 2399	\$1,017.76	\$0.00
2700 - Stud Transp Svcs		
66000 - 66999	\$30.00	\$0.00
Sub-Totals 2700 - 2799	\$30.00	\$0.00
3100 - Fd Svc Ops		
66000 - 66999	\$5,589.37	\$0.00
Sub-Totals 3100 - 3199	\$5,589.37	\$0.00
Total Expenditures	\$51,938.18	\$0.00
Ending Balance	\$70,194.42	\$70,194.42

LEA: 7401000  
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Annual Financial Report and Budget - Level II  
SCHOOL YEAR: 2022 - 2023

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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
FUND 8 - Food Service		
Beginning Balance:	\$68,192.01	\$107,060.49
Revenues:		
16000 - 16999	\$3,984.75	\$4,000.00
32000 - 39999	\$1,864.69	\$2,000.00
45000 - 46999	\$356,025.75	\$358,700.00
51000 - 51999	\$0.00	\$583.02
Sub-Totals -	\$361,875.19	\$365,283.02
Total Revenues	\$361,875.19	\$365,283.02
Expenditures:		
2600 - Op & Mntc of PInt Svcs		
64000 - 64999	\$4,817.90	\$4,860.00
Sub-Totals 2600 - 2699	\$4,817.90	\$4,860.00
3100 - Fd Svc Ops		
61000 - 61999	\$107,765.60	\$104,790.25
62000 - 62999	\$32,462.38	\$35,175.03
63000 - 63999	\$100.00	\$500.00
64000 - 64999	\$0.00	\$2,000.00
65000 - 65999	\$0.00	\$2,200.00
66000 - 66999	\$175,793.07	\$167,000.00
67000 - 67999	\$1,101.96	\$4,640.00
68000 - 68999	\$965.80	\$1,500.00
Sub-Totals 3100 - 3199	\$318,188.81	\$317,805.28
Total Expenditures	\$323,006.71	\$322,665.28
Ending Balance	\$107,060.49	\$149,678.23

# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Rep. Richard Womack  
House Chair  
Rep. Nelda Speaks  
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

May 27, 2022

To the Superintendent and School Board Members  
Augusta School District (District)

We have audited the regulatory basis financial statements of each major governmental fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2021, and have issued our report thereon dated May 17, 2022. Ark. Code Ann. § 6-1-101(d) requires the District's board or governing body to review the audit report at the first regularly scheduled meeting following receipt of the audit report if the audit report is received by the board or governing party prior to 10 days before the regularly scheduled meeting. If the audit report is received by the board or governing body within 10 days before a regularly scheduled meeting, the audit report may be reviewed at the next regularly scheduled meeting after the 10 day period. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our Engagement Letter to you dated January 24, 2022. Professional standards also require that we provide you with the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. The District changed accounting policies related to the presentation of fiduciary fund types by adopting Statement of Governmental Accounting Standards no. 84, *Fiduciary Activities* in 2021. We noted no transactions entered into by the District during the 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.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the Management Representation Letter dated May 17, 2022.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. However, these discussions occurred in the normal course of our professional relationship.

*Other Matters*

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompanies the financial statements but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information is in conformity with the basis of accounting prescribed by law, 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.

We were not engaged to report on the Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years, which accompany the financial statements but are not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Restriction on Use*

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

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Rep. Richard Womack  
House Chair  
Rep. Nelda Speaks  
House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Augusta School District (District) of Woodruff County

Dear Superintendent:

Form SF-SAC (Data Collection Form) and the Single Audit reporting package for your District are required to be submitted online using the Federal Audit Clearinghouse (FAC) Internet Data Entry System. Below you will find the instructions to be utilized by the District's certifying official (the person designated by the District during audit fieldwork) for completing the District's responsibilities in this process.

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200) requires the District to prepare a **corrective action plan** that addresses each audit finding reflected in the District's audit report in Schedule 3, Schedule of Findings and Questioned Costs, Sections II (Financial Statement Findings) and III (Federal Award Findings and Questioned Costs). If there are no audit findings reported in Schedule 3, the District **does not** need to prepare a corrective action plan. **If a corrective action plan is required, it must be prepared on District letterhead.** The corrective action plan should provide the following for each finding:

- the reference number the auditor has assigned to each finding in Schedule 3;
- the name(s) of the contact person(s) responsible for corrective action;
- the corrective action planned; and
- the anticipated completion date.

If you do not agree with the audit findings or believe corrective action is not required, then the corrective action plan must contain an explanation and specific reasons why you disagree. Please submit the District's corrective action plan via email to Arkansas Legislative Audit (ALA) at the following address: [dcf@arklegaudit.gov](mailto:dcf@arklegaudit.gov). The plan should be in an attachment to your email and prepared in Microsoft Word or Excel. The plan can be a PDF document, however all PDFs must be text-searchable, unencrypted and unlocked. If you fail to meet these requirements, the District's reporting package will not be accepted by the FAC. Instructions on how to create a compliant PDF are in Appendix III of the *Internet Data Entry System (IDES) Instructions* (Uniform Guidance) FY 2019-2021, beginning on page 77, which can be accessed on the FAC website or by utilizing the following internet address: <https://harvester.census.gov/facides/Files/IDES%202019-2021%20UG%20User%20Manual.pdf>.

The corrective action plan should be submitted within 2 days of receipt of this letter. **Please include the words "Corrective Action Plan" in the heading of the document and in the subject line of your email.** Once we receive the District's corrective action plan, we will attach it and a PDF version of the District's audit to the online Data Collection Form, **which we will prepare.** After we attach the audit report and corrective action plan to the online data collection form, the District's certifying official will receive an email from the FAC stating that the certification process is ready for his/her action and he/she will need to log into the submission using his/her email address and the password that he/she established. **The District's certifying official does not need to log into the submission until he/she receives an email requesting that he/she do so.** After logging in, to review and certify the form:

- Click the **Continue/Certify** button on the left-hand side of the **Account Home** page.
- Click the **Select** link (last column) associated with fiscal year 2021 and the name of the District.
- Select the drop-down menu for **Audit Form** on the left-hand side of the **Report Home** page.
- Click on **View/Print Form SF-SAC**. A window will appear which will allow the District's certifying official to open or save the file. The Data Collection Form will appear in Excel format by default.

- Review the applicable tabs of the document. **IMPORTANT:** If any errors or necessary changes are discovered during the review of the form, please contact the ALA supervisor for the District's audit and he/she will make the necessary changes for the District. Return to the **Report Home** page by clicking on the "X" in the upper right-hand corner of the Excel document after the review has been completed.
- Click the **STEP 3a. Auditee Certification** button on the **Report Home** page.
- Read the two certification statements and select the appropriate statement.
- After selecting the applicable statement, the District's certifying official will see the remaining certification criteria. Please carefully read the criteria, and check the checkbox next to each item to signify agreement.
- The certifying official should then enter his/her title in the **Title of Certifying Official** field.
- Click the **Agree to Auditee Certification Statement** button to complete the certification.

After completing the above process, the District's certifying official will then be returned to the Report Home page. Please do not click the **STEP 4 Submit to FAC for Processing** button. ALA will complete this step and submit the form on behalf of the District. **IMPORTANT:** Log out by clicking the **[Sign Out]** button in the top right-hand corner of the page (in the American flag picture).

If you would like further information regarding the certification process, instructions can be accessed at the internet address reflected in the first page of this letter. The certification process is explained in section 6.0 (beginning on page 55).

The District is no longer required to send a copy of its audit report and corrective action plan to pass-through entities. As per 2 CFR § 200.512, all federal agencies, pass-through entities and others interested in a reporting package and data collection form must obtain it by accessing the FAC.

# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Rep. Richard Womack  
House Chair  
Rep. Nelda Speaks  
House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

TO: Auditee  
FROM: Matt Fink, CPA  
Deputy Legislative Auditor  
DATE: May 27, 2022  
SUBJECT: Legislative Joint Auditing Committee Review of:

Augusta School District of Woodruff County  
June 30, 2021

The Standing Committee on Educational Institutions will review this report at **1:30 p.m., on Thursday, June 2, 2022, in Conference Room 138, State Capitol Building, Little Rock, Arkansas.**

*If your presence at the meeting is requested, you will be notified in a separate letter.*

If you should have any questions or comments regarding this matter, please feel free to contact us.





**Augusta School District No. 10**

**Woodruff County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**June 30, 2021**





AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
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JUNE 30, 2021

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REGULATORY BASIS FINANCIAL STATEMENTS

	<u>Exhibit</u>
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Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis	B
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis	C
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# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Rep. Richard Womack  
House Chair  
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House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Augusta School District No. 10 and School Board Members  
Legislative Joint Auditing Committee

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Augusta School District No. 10 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, as described in Note 1, to meet the requirements of the State of Arkansas. Management is also responsible 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the State of Arkansas, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2021, or the changes in financial position for the year then ended.

### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2021, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

### ***Emphasis of Matter***

As discussed in Note 1C to the financial statements, in 2021 the District adopted new accounting guidance, Governmental Accounting Standards Board Statement no. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Schedule of Capital Assets, and the Schedule of Selected Information for the Last Five Years – Regulatory Basis are presented for the purposes of additional analysis and are not a required part of the regulatory basis 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 regulatory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis 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 regulatory basis financial statements as a whole.

The Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years – Regulatory Basis have not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2022 on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
May 17, 2022  
EDSD40821

# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Rep. Richard Womack  
House Chair  
Rep. Nelda Spinks  
House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

Augusta School District No. 10 and School Board Members  
Legislative Joint Auditing Committee

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 each major governmental fund and the aggregate remaining fund information of the Augusta School District No. 10 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated May 17, 2022. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2021, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the regulatory basis financial statements, we considered the District'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 regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District's regulatory basis financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

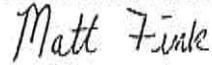
#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Matt Fink". The signature is written in a cursive, slightly slanted style.

Matt Fink, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
May 17, 2022



# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Rep. Richard Womack  
House Chair  
Rep. Nelda Speaks  
House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

Augusta School District No. 10 and School Board Members  
Legislative Joint Auditing Committee

#### **Report on Compliance for Each Major Federal Program**

We have audited the Augusta School District No. 10's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

#### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

ARKANSAS LEGISLATIVE AUDIT



Matt Fink, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
May 17, 2022

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2021

Exhibit A

	Governmental Funds			
	Major			Fiduciary Fund Types
	General	Special Revenue	Other Aggregate	
<b>ASSETS</b>				
Cash	\$ 584,585		\$ 1,153,247	\$ 966
Investments	5,475			20,169
Accounts receivable	15,234	\$ 437,881		
Due from other funds	182,683			
<b>TOTAL ASSETS</b>	<u>\$ 787,977</u>	<u>\$ 437,881</u>	<u>\$ 1,153,247</u>	<u>\$ 21,135</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 32,082	\$ 16,211		
Due to other funds		182,683		
<b>Total Liabilities</b>	<u>32,082</u>	<u>198,894</u>		
<b>Fund Balances:</b>				
Nonspendable				\$ 20,169
Restricted	35,377	238,987	\$ 40,261	966
Assigned	32,775		1,112,986	
Unassigned	687,743			
<b>Total Fund Balances</b>	<u>755,895</u>	<u>238,987</u>	<u>1,153,247</u>	<u>21,135</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 787,977</u>	<u>\$ 437,881</u>	<u>\$ 1,153,247</u>	<u>\$ 21,135</u>

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



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit B

	Major		
	General	Special Revenue	Other Aggregate
<b>REVENUES</b>			
Property taxes (Including property tax relief trust distribution)	\$ 2,383,945		
State assistance	1,478,528	\$ 2,070	
Federal assistance	32,791	2,512,187	
Activity revenues	30,449		
Meal sales		3,055	
Investment income			\$ 2
Other revenues	68,059		
<b>TOTAL REVENUES</b>	<b>3,993,772</b>	<b>2,517,312</b>	<b>2</b>
<b>EXPENDITURES</b>			
Regular programs	1,424,160	379,610	
Special education	125,327	188,546	
Career education programs	75,114	1,526	
Compensatory education programs	80,436	184,508	
Other instructional programs	132,661		
Student support services	89,635	129,994	
Instructional staff support services	317,803	438,008	
General administration support services	226,247	35,717	
School administration support services	143,663	1,808	
Central services support services	46,540	2,715	
Operation and maintenance of plant services	358,264	567,306	21,283
Student transportation services	192,085	95,546	
Other support services	25,365		
Food services operations		351,878	
Community services operations		6,851	
Facilities acquisition and construction services			13,285
Non-programmed costs		3,836	
Activity expenditures	31,432		
Debt Service:			
Principal retirement			50,000
Interest and fiscal charges			92,983
Net debt issuance costs			60,914
<b>TOTAL EXPENDITURES</b>	<b>3,268,732</b>	<b>2,387,849</b>	<b>238,465</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>725,040</b>	<b>129,463</b>	<b>(238,463)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			742,800
Transfers out	(742,800)		
Proceeds from refunding bond issue			1,960,000
Payment to refunding bond escrow agent			(1,898,125)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(742,800)</b>		<b>804,675</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(17,760)</b>	<b>129,463</b>	<b>566,212</b>
<b>FUND BALANCES - JULY 1</b>	<b>773,655</b>	<b>109,524</b>	<b>587,035</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 755,895</b>	<b>\$ 238,987</b>	<b>\$ 1,153,247</b>

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

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

	General		Special Revenue		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>REVENUES</b>					
Property taxes (including property tax relief trust distribution)	\$ 2,272,500	\$ 2,383,945	\$ 111,445		
State assistance	1,581,261	1,478,528	(102,733)		
Federal assistance	38,000	32,791	(5,209)	\$ 1,900	\$ 2,070
Activity revenues		30,449	30,449	1,498,307	2,512,187
Meal sales					
Other revenues	15,800	68,059	52,259	5,050	3,055
<b>TOTAL REVENUES</b>	<b>3,907,561</b>	<b>3,993,772</b>	<b>86,211</b>	<b>1,505,257</b>	<b>1,012,055</b>
<b>EXPENDITURES</b>					
Regular programs	1,441,225	1,424,160	17,065		
Special education	200,188	125,327	74,861	25,000	379,610
Career education programs	76,578	75,114	1,464	101,832	188,546
Compensatory education programs	83,799	80,436	3,363		1,526
Other instructional programs	135,416	132,661	2,755	288,103	184,508
Student support services	93,718	89,635	4,083		
Instructional staff support services	300,794	317,803	(17,009)	26,811	129,994
General administration support services	225,813	226,247	(434)	392,347	438,008
School administration support services	145,062	143,663	1,399	24,071	35,717
Central services support services	46,130	46,540	(410)	5,300	1,808
Operation and maintenance of plant services	468,397	358,264	110,133	16,529	2,715
Student transportation services	238,063	192,085	45,978	22,634	567,306
Other support services	35,000	25,365	9,635		95,546
Food services operations				316,057	351,878
Community services operations				6,000	6,851
Non-programmed costs				18,658	8,851
Activity expenditures					14,822
<b>TOTAL EXPENDITURES</b>	<b>3,490,183</b>	<b>3,268,732</b>	<b>221,451</b>	<b>1,243,342</b>	<b>(1,144,507)</b>

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

	General		Variance Favorable (Unfavorable)	Special Revenue		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 417,378	\$ 725,040	\$ 307,662	\$ 261,915	\$ 129,463	\$ (132,452)
OTHER FINANCING SOURCES (USES)						
Transfers in	4,276,928		(4,276,928)	118,640		(118,640)
Transfers out	(4,432,870)	(742,800)	3,690,070	(118,640)		118,640
TOTAL OTHER FINANCING SOURCES (USES)	(155,942)	(742,800)	(586,858)	0		0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	261,436	(17,760)	(279,196)	261,915	129,463	(132,452)
FUND BALANCES - JULY 1	822,223	773,655	(48,568)	73,794	109,524	35,730
FUND BALANCES - JUNE 30	\$ 1,083,659	\$ 755,895	\$ (327,764)	\$ 335,709	\$ 238,987	\$ (96,722)

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



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Reporting Entity**

The Board of Education, a seven member group, is the level of government, which has responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Augusta School District (District). There are no component units.

B. **Description of Funds**

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Private-purpose Funds - Private-purpose funds are used to report all other arrangements under which principal and income benefit individuals, private organizations, or other governments.

C. **Measurement Focus and Basis of Accounting**

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c) and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Major governmental funds are defined as general and special revenue, and such funds are presented separately in the financial statements. All other governmental funds are presented in the aggregate. Fiduciary fund types are presented in a separate column in the Balance Sheet – Regulatory Basis. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private-purpose funds will be reflected in the notes to financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at acquisition value when received. The District maintains a threshold level of \$1,500 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Buildings	10-50
Equipment	5-20

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (Continued)

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. Interfund Receivables and Payables

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

H. Fund Balance Classifications

1. Nonspendable fund balance – represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
2. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
3. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.
4. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis. Additionally, the District routinely budgets restricted federal programs as part of the special revenue fund. Significant variances may result in the budgetary comparison of the revenues and expenditures of the special revenue fund because of the reclassification of those federal programs primarily utilized for capital projects to the other aggregate funds for reporting purposes.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Stabilization Arrangements**

The District's Board of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

**K. Minimum Fund Balance Policies**

The District's Board of Education has not formally adopted a minimum fund balance policy.

**L. Fund Balance Classification Policies and Procedures**

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The District's Board of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balances when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

**M. Encumbrances**

The District does not utilize encumbrance accounting.

**2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 276,610	\$ 276,550
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	<u>1,485,226</u>	<u>1,591,696</u>
Total Deposits	<u>\$ 1,761,836</u>	<u>\$ 1,868,246</u>

The above total deposits do not include cash of \$2,606 which was held in the Monroe County Treasury. The above total deposits include certificates of deposit of \$25,644 reported as investments and classified as nonparticipating contracts.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

3: **ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2021 were comprised of the following:

Description	Governmental Funds	
	Major	
	General	Special Revenue
Federal assistance		\$ 437,881
Other	\$ 15,234	
Totals	\$ 15,234	\$ 437,881

4: **COMMITMENTS**

The District was contractually obligated for the following at June 30, 2021:

A. Construction Contract

Project Name	Completion Date	Contract Balance
HVAC Upgrades	November 20, 2021	\$ 144,136

B. Operating Leases (noncapital leases with initial noncancellable lease terms in excess of one year)

General description of leases and leasing arrangements:

On March 26, 2020, the District executed an operating lease for two buses. The agreement stipulated three yearly payments of \$35,000.

On September 25, 2020, the District executed an operating lease for one bus. The agreement stipulated three yearly payments of \$17,500.

1. Future minimum rental payments (aggregate) at June 30, 2021: \$70,000
2. Future minimum rental payments for the succeeding years:

Year Ended June 30,	Amount
2022	\$ 52,500
2023	17,500
Total	\$ 70,000

Rental payments for the operating leases described above were approximately \$52,500 for the year ended June 30, 2021.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

4: COMMITMENTS (Continued)

C. Long-term Debt Issued and Outstanding

The District is presently paying on the following long-term debt:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2021	Maturities To June 30, 2021
<u>Bonds</u>					
8/1/2018	2/1/2045	3.4%	\$ 530,000	\$ 485,000	\$ 45,000
10/1/2019	2/1/2045	1.62 - 2.6%	2,020,000	1,985,000	35,000
10/1/2020	2/1/2042	.5 - 1.75%	1,960,000	1,960,000	
Total Long-Term Debt			<u>\$ 4,510,000</u>	<u>\$ 4,430,000</u>	<u>\$ 80,000</u>

Changes in Long-term Debt

	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021
Bonds payable	<u>\$ 4,405,000</u>	<u>\$ 1,960,000</u>	<u>\$ 1,935,000 *</u>	<u>\$ 4,430,000</u>

\* Includes \$1,885,000 early retirement of debt – See Note 6.

Future Principal and Interest Payments

Year Ended June 30,	Bonds		
	Principal	Interest	Total
2022	\$ 155,000	\$ 87,113	\$ 242,113
2023	165,000	85,188	250,188
2024	160,000	83,213	243,213
2025	170,000	81,103	251,103
2026	170,000	78,597	248,597
2027-2031	890,000	350,537	1,240,537
2032-2036	990,000	264,652	1,254,652
2037-2041	1,095,000	157,567	1,252,567
2042-2045	635,000	39,045	674,045
Totals	<u>\$ 4,430,000</u>	<u>\$ 1,227,015</u>	<u>\$ 5,657,015</u>

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

4: **COMMITMENTS (Continued)**

C. Long-term Debt Issued and Outstanding (Continued)

Security for Debt Payments

Ark. Code Ann. § 6-20-1204 specifies procedures to be followed if a school district is delinquent in a payment to the paying agent for bonded debt. As additional security, any delinquent payment for bonded debt will be satisfied by the Division of Elementary and Secondary Education (DESE). Depending on the date of the bond issue, DESE will recover the full amount of any delinquency payment through the withholding of a school district's state funding or a direct payment from the school district. There were no delinquent bond payments incurred by the District during the audit period.

5: **ACCOUNTS PAYABLE**

Accounts payable at June 30, 2021 were comprised of the following:

Description	Governmental Funds	
	Major	
	General	Special Revenue
Vendor payables	\$ 32,082	\$ 16,211

6: **DEBT REFUNDING**

On October 1, 2020, the District issued refunding bonds of \$1,960,000 with interest rates of .5 to 1.75 percent to refund \$1,885,000 of outstanding bonds dated September 1, 2016. The interest rates of the bonds refunded were 1.05 to 3 percent. Net bond proceeds of \$1,898,125 were remitted to an escrow agent to provide all future debt service payments for the bonds refunded. These bonds were called on November 9, 2020. The remaining proceeds of \$961 (after payment of \$60,914 net bond issuance costs) will be utilized for subsequent debt payments. The issuance of these bonds will result in a savings of \$148,442 to the District over the life of the bonds.

7: **INTERFUND TRANSFERS**

The District transferred \$742,800 from the general fund to the other aggregate funds for debt related payments of \$120,294 and \$622,506 for future capital projects.

8: **RETIREMENT PLAN**

Arkansas Teacher Retirement System

Plan Description

The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers employees of schools and education-related agencies, except certain non-teaching school employees. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201, by calling 1-800-666-2877, or by visiting the ATRS website at [www.arters.gov](http://www.arters.gov).

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**8: RETIREMENT PLAN (Continued)**

**Funding Policy**

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6.50% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14.50% of covered salaries. The District's contributions to ATRS for the year ended June 30, 2021 were \$411,093, equal to the required contributions.

**Net Pension Liability**

The Division of Elementary and Secondary Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement no. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2020 (actuarial valuation date and measurement date) was \$5,349,928.

**9: CHANGES IN PRIVATE-PURPOSE FUNDS**

ADDITIONS	
Interest	\$ 82
CHANGE IN FUND BALANCE	82
FUND BALANCE - JULY 1	21,053
FUND BALANCE - JUNE 30	\$ 21,135

**10: PLEDGED REVENUES**

The District has pledged a portion of its property taxes to retire bonds of \$4,510,000 issued from August 1, 2018 to October 1, 2020. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$5,657,015, payable through February 1, 2045. Principal and interest paid for the current year and total property taxes pledged for debt service were \$142,354 and \$714,516, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 19.92 percent.

**11: RISK MANAGEMENT**

The District 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 District carries commercial insurance for general liability, student accident, and business trip accidental death and dismemberment coverage.

The District participates in the Arkansas School Boards Association – Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**11: RISK MANAGEMENT (Continued)**

Additionally, the District participates in the Arkansas School Boards Association – Risk Management Program (the Association), a self-insurance program voluntarily established on February 1, 1984 pursuant to state law. The Association is responsible for obtaining and administering insurance coverage for property and vehicles for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Association is responsible for monitoring, negotiating, and settling claims that have been filed against member districts. The District pays an annual premium for its coverage of buildings, contents, and vehicles.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to \$300,000 with a \$2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

Settled claims have not exceeded coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

**12: ON-BEHALF PAYMENTS**

The allocation of the health insurance premiums paid by the Division of Elementary and Secondary Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$81,471 for the year ended June 30, 2021.



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

13: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Fund Balances:			
Restricted for:			
Alternative learning environment	\$ 16,413		
English-language learners	269		
Professional development	5,379		
Child nutrition programs		\$ 77,297	
Debt service			\$ 40,261
Medical services		23,436	
Special education programs	714		
Title I programs		90,662	
Education stabilization fund (COVID-19)		27,470	
Other purposes	12,602	20,122	
Total Restricted	<u>35,377</u>	<u>238,987</u>	<u>40,261</u>
Assigned to:			
Capital projects			1,112,986
Student activities	32,775		
Total Assigned	<u>32,775</u>		<u>1,112,986</u>
Unassigned	<u>687,743</u>		
Totals	<u>\$ 755,895</u>	<u>\$ 238,987</u>	<u>\$1,153,247</u>

14: MAGUIRE SCHOLARSHIP FUND

On February 3, 1992, the District received \$11,783 to endow the Maguire Scholarship Fund. The agreement stipulated interest earnings not utilized to fund scholarships would be added to the endowed amount each year. The endowment balance is maintained as cash and a certificate of deposit.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

Schedule 1

	Balance June 30, 2021
Nondepreciable capital assets:	
Land	\$ 86,886
Depreciable capital assets:	
Buildings	5,990,494
Equipment	1,109,769
Total depreciable capital assets	<u>7,100,263</u>
Less accumulated depreciation for:	
Buildings	2,728,329
Equipment	797,740
Total accumulated depreciation	<u>3,526,069</u>
Total depreciable capital assets, net	<u>3,574,194</u>
Capital assets, net	<u>\$ 3,661,080</u>

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>CHILD NUTRITION CLUSTER</b>				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - School Breakfast Program	10.553	7401		\$ 90,023
National School Lunch Program (Note 3)	10.555			6,499
Arkansas Department of Education - National School Lunch Program	10.555	7401		168,860
Arkansas Department of Human Services - National School Lunch Program (Note 4)	10.555	7401000		10,035
Total for National School Lunch Program				185,394
Total U. S. Department of Agriculture				275,417
<b>TOTAL CHILD NUTRITION CLUSTER</b>				275,417
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027A	7401		151,329
Arkansas Department of Education - Special Education - Preschool Grants	84.173A	7401		16,236
Total U. S. Department of Education				167,565
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>				167,565
<b>OTHER PROGRAMS</b>				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - Fresh Fruit and Vegetable Program	10.582	7401		10,994
Total U. S. Department of Agriculture				10,994
<u>U.S. Department of the Treasury</u>				
Arkansas Department of Education - COVID-19 - Coronavirus Relief Fund	21.019	7401		63,714
Total U.S. Department of the Treasury				63,714
<u>U. S. Department of Education</u>				
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	7401		1,291,155
Total Education Stabilization Fund				1,291,155
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010A	7401		233,500
Arkansas Department of Education - Migrant Education - State Grant Program	84.011A	7401		4,101
Arkansas Department of Education - Twenty-First Century Community Learning Centers	84.287C	7401		114,703
Arkansas Department of Education - Rural Education	84.358B	7401		6,830
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367A	7401		67,663
Arkansas Department of Education - Student Support and Academic Enrichment Program	84.424A	7401		51,177
Total U. S. Department of Education				1,769,129
<b>TOTAL OTHER PROGRAMS</b>				1,843,837
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				
			\$ 0	\$ 2,286,819

The accompanying notes are an integral part of this schedule.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Augusta School District No. 10 (District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 4: Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.
- Note 5: The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 6: During the year ended June 30, 2021, the District received Medicaid funding of \$68,335 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued on whether the financial statements audited were prepared in accordance with:

Generally accepted accounting principles (GAAP) - adverse  
Regulatory basis - unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no  
Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

FEDERAL AWARDS

Internal control over major federal programs:

Material weakness(es) identified? ☐ yes ☒ no  
Significant deficiency(ies) identified? ☐ yes ☒ none reported

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

Any audit findings disclosed that are required to be reported in  
accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major federal programs:

AL Number(s)	Name of Federal Program or Cluster
84.425D	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

*Augusta School District*

#10 Red Devil Dr.  
Augusta, AR 72006  
(870)347-2241 – Phone  
(870)347-5423 – Fax

Schedule 4

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021

**Financial Statement Findings**

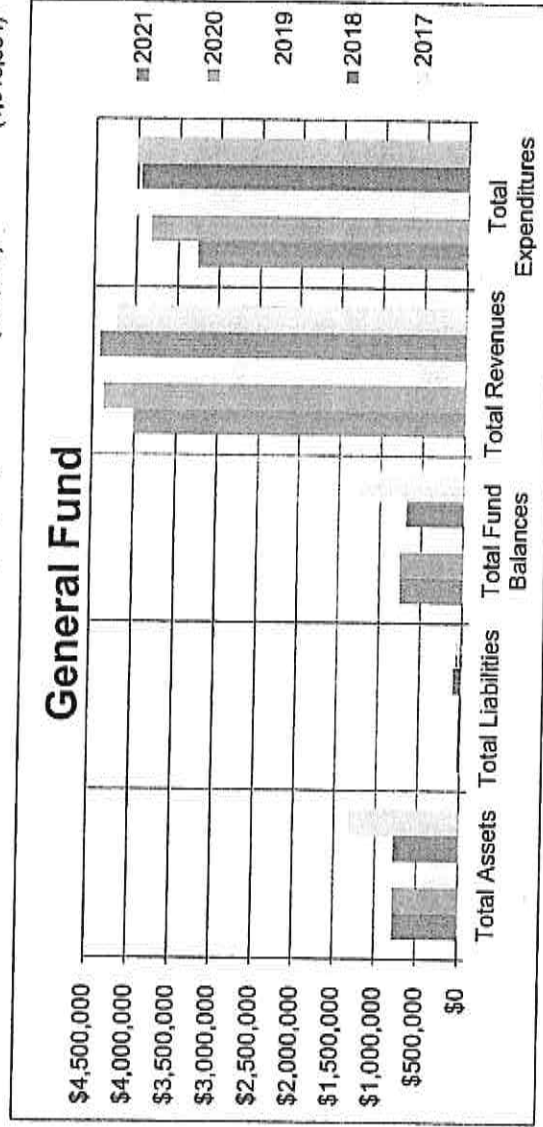
There were no findings in the prior audit.

**Federal Award Findings and Questioned Costs**

There were no findings in the prior audit.

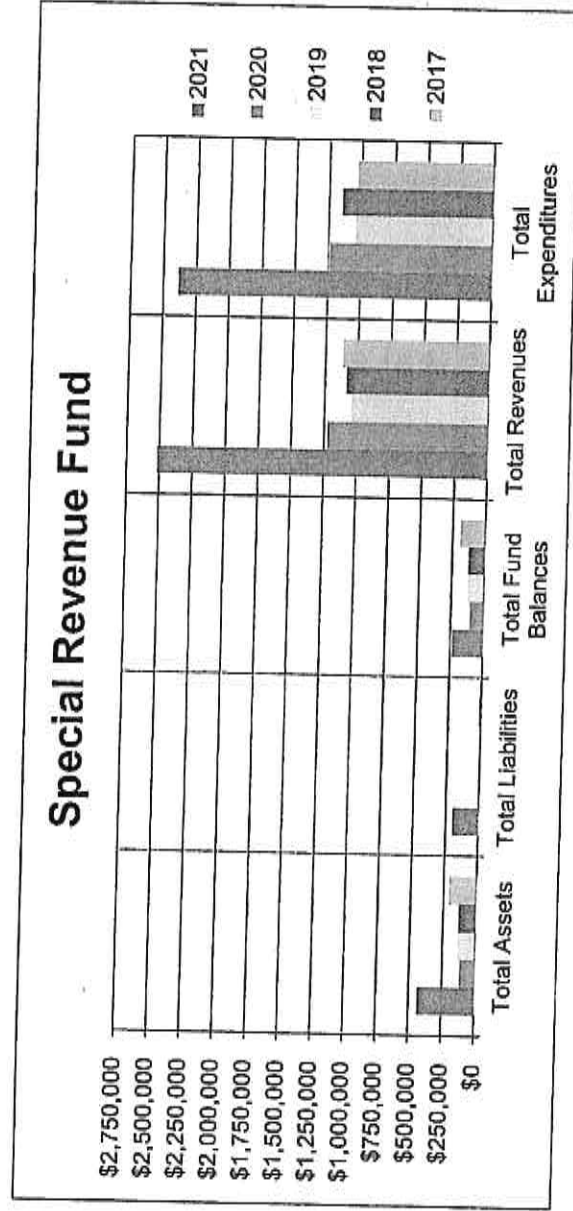
AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

<u>General Fund</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 787,977	\$ 788,979	\$ 420,359	\$ 787,956	\$ 1,322,895
Total Liabilities	32,082	30,210	24,637	97,342	77,861
Total Fund Balances	755,895	758,769	395,722	690,614	1,245,034
Total Revenues	3,993,772	4,367,906	4,119,411	4,419,683	4,228,799
Total Expenditures	3,268,732	3,830,943	4,135,737	3,955,549	4,013,043
Total Other Financing Sources (Uses)	(742,800)	(173,916)	(278,566)	(1,018,554)	(180,473)



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

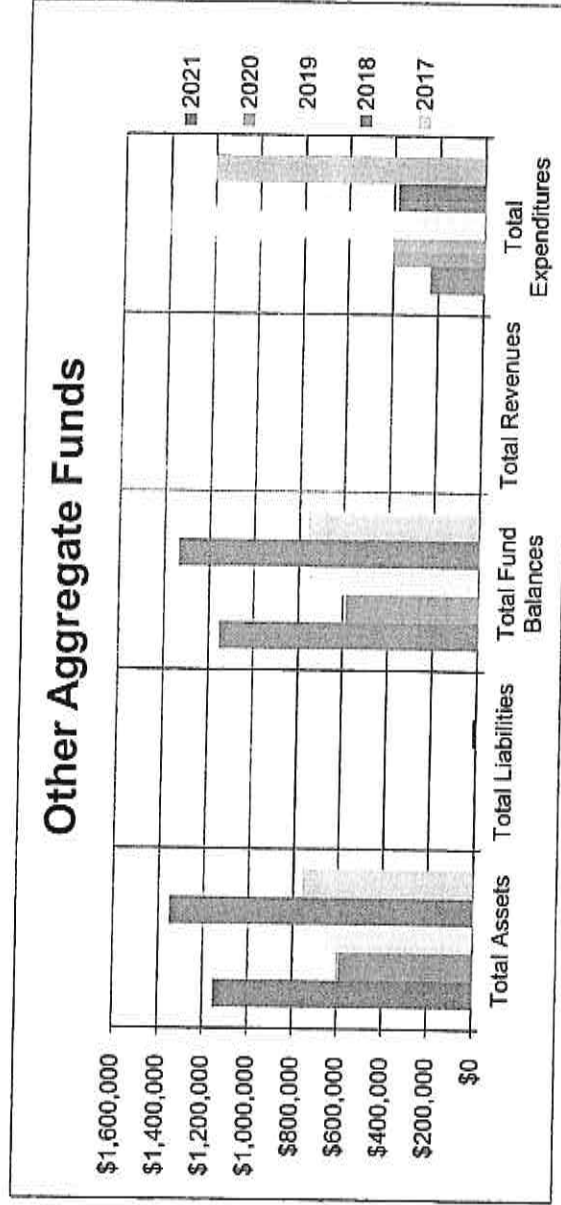
Special Revenue Fund	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 437,881	\$ 116,746	\$ 132,656	\$ 133,178	\$ 207,343
Total Liabilities	198,894	7,219	5,522	4,158	17,677
Total Fund Balances	238,987	109,524	127,134	129,020	189,666
Total Revenues	2,517,312	1,220,968	1,042,210	1,086,882	1,118,650
Total Expenditures	2,387,849	1,238,578	1,044,096	1,147,528	1,034,211
Total Other Financing Sources (Uses)					





AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

Other Aggregate Funds	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 1,153,247	\$ 593,235	\$ 755,786	\$ 1,352,708	\$ 759,297
Total Liabilities		6,200	7,110	14,409	67
Total Fund Balances	1,153,247	587,035	748,676	1,338,299	759,230
Total Revenues	2	2,732			
Total Expenditures	238,465	406,961	1,398,189	384,081	1,204,365
Total Other Financing Sources (Uses)	804,675	242,588	808,566	963,150	233,968



# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Rep. Richard Womack  
House Chair  
Rep. Nelda Speaks  
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

March 12, 2021

To the Superintendent and School Board Members  
Augusta School District (District)

We have audited the regulatory basis financial statements of each major governmental fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2020, and have issued our report thereon dated March 2, 2021. Ark. Code Ann. § 6-1-101(d) requires the District's board or governing body to review the audit report and any accompanying comments and recommendations at the first regularly scheduled meeting following receipt of the audit report if the audit report is received by the board or governing body prior to 10 days before the regularly scheduled meeting. If the audit report is received by the board or governing body within 10 days before a regularly scheduled meeting, the audit report may be reviewed at the next regularly scheduled meeting after the 10 day period. The aforementioned Code also requires the board or governing body to take appropriate action relating to each finding and recommendation contained in the audit report and also requires documentation of this review and the action taken by the board or governing body in the minutes of the board or governing body. Audit findings are disclosed on page 7 in the enclosed audit report. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our Engagement Letter to you dated November 19, 2020. Professional standards also require that we provide you with the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the audit year. We noted no transactions entered into by the District during the 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.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the Management Representation Letter dated March 2, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, an accountant may consult with other accountants to obtain information about accounting principles or certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We have not discovered a variety of improper inclusion the acquisition of accounting principles and auditing standards with management's own work. However, there is a discussion of accounting in the management letter of the independent relationship.

### *Other Matters*

We were not required to report on the Schedule of Expenditures of Federal Awards, which accompanies the financial statements. We were not required to report on the Schedule of Expenditures of Federal Awards, which accompanies the financial statements.

been subjected to the auditing procedures applied in the audit of the regularly issued financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### *Restriction on Use*

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

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



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Rep. Richard Womack  
House Chair  
Rep. Nelda Speaks  
House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Augusta School District (District) of Woodruff County

Dear Superintendent:

Form SF-SAC (Data Collection Form) and the Single Audit reporting package for your District are required to be submitted online using the Federal Audit Clearinghouse (FAC) Internet Data Entry System. Below you will find the instructions to be utilized by the District's certifying official (the person designated by the District during audit fieldwork) for completing the District's responsibilities in this process.

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200) requires the District to prepare a **corrective action plan** that addresses each audit finding reflected in the District's audit report in Schedule 3, Schedule of Findings and Questioned Costs, Sections II (Financial Statement Findings) and III (Federal Award Findings and Questioned Costs). If there are no audit findings reported in Schedule 3, the District **does not** need to prepare a corrective action plan. **If a corrective action plan is required, it must be prepared on District letterhead.** The corrective action plan should provide the following for each finding:

- the reference number the auditor has assigned to each finding in Schedule 3;
- the name(s) of the contact person(s) responsible for corrective action;
- the corrective action planned; and
- the anticipated completion date.

If you do not agree with the audit findings or believe corrective action is not required, then the corrective action plan must contain an explanation and specific reasons why you disagree. Please submit the District's corrective action plan via email to Arkansas Legislative Audit (ALA) at the following address: [dcf@arklegaudit.gov](mailto:dcf@arklegaudit.gov). The plan should be in an attachment to your email and prepared in Microsoft Word or Excel. The plan can be a PDF document, however all PDFs must be text-searchable, unencrypted and unlocked. If you fail to meet these requirements, the District's reporting package will not be accepted by the FAC. Instructions on how to create a compliant PDF are in Appendix III of the *Internet Data Entry System (IDES) Instructions* (Uniform Guidance) FY 2019-2021, beginning on page 77, which can be accessed on the FAC website or by utilizing the following internet address: <https://harvester.census.gov/facides/Files/IDES%202019-2021%20UG%20User%20Manual.pdf>.

The corrective action plan should be submitted within 2 days of receipt of this letter. **Please include the words "Corrective Action Plan" in the heading of the document and in the subject line of your email.** Once we receive the District's corrective action plan, we will attach it and a PDF version of the District's audit to the online Data Collection Form, **which we will prepare.** After we attach the audit report and corrective action plan to the online data collection form, the District's certifying official will receive an email from the FAC stating that the certification process is ready for his/her action and he/she will need to log into the submission **using his/her email address and the password that he/she established.** **The District's certifying official does not need to log into the submission until he/she receives an email requesting that he/she do so.** After logging in, to review and certify the form:

- Click the **Continue/Certify** button on the left-hand side of the **Account Home** page.
- Click the **Select** link (last column) associated with fiscal year 2020 and the name of the District.
- Select the drop-down menu for **Audit Form** on the left-hand side of the **Report Home** page.
- Click on **View/Print Form SF-SAC.** A window will appear which will allow the District's certifying official to open or save the file. The Data Collection Form will appear in Excel format by default.

- Review the applicable tabs of the document. **IMPORTANT:** If any errors or necessary changes are discovered during the review of the form, please contact the ALA supervisor for the District's audit and he/she will make the necessary changes for the District. Return to the **Report Home** page by clicking on the "X" in the upper right-hand corner of the Excel document after the review has been completed.
- Click the **STEP 3a. Auditee Certification** button on the **Report Home** page.
- Read the two certification statements and select the appropriate statement.
- After selecting the applicable statement, the District's certifying official will see the remaining certification criteria. Please carefully read the criteria, and check the checkbox next to each item to signify agreement.
- The certifying official should then enter his/her title in the **Title of Certifying Official** field.
- Click the **Agree to Auditee Certification Statement** button to complete the certification.

After completing the above process, the District's certifying official will then be returned to the Report Home page. Please do not click the **STEP 4 Submit to FAC for Processing** button. ALA will complete this step and submit the form on behalf of the District. **IMPORTANT:** Log out by clicking the **[Sign Out]** button in the top right-hand corner of the page (in the American flag picture).

If you would like further information regarding the certification process, instructions can be accessed at the internet address reflected in the first page of this letter. The certification process is explained in section 6.0 (beginning on page 55).

The District is no longer required to send a copy of its audit report and corrective action plan to pass-through entities. As per 2 CFR § 200.512, all federal agencies, pass-through entities and others interested in a reporting package and data collection form must obtain it by accessing the FAC.

# Arkansas

**Sen. Ronald Caldwell**  
Senate Chair  
**Sen. Gary Stubblefield**  
Senate Vice Chair



**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

**Rep. Richard Womack**  
House Chair  
**Rep. Nelda Speaks**  
House Vice Chair

## **LEGISLATIVE JOINT AUDITING COMMITTEE** **ARKANSAS LEGISLATIVE AUDIT**

**TO:** Auditee

**FROM:** Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

**DATE:** March 12, 2021

**SUBJECT:** Legislative Joint Auditing Committee Review of:

Augusta School District of Woodruff County  
June 30, 2020

With the approval of the Chairs of the Legislative Joint Auditing Committee, we are early releasing the report listed above on March 17, 2021. This report will be presented at a future meeting of the Standing Committee on Educational Institutions at the call of the Chairs. You will be notified of the meeting date.

If you should have any questions or comments regarding this matter, please feel free to contact us.



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WOODRUFF COUNTY, ARKANSAS  
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# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Roger A. Norman, JD, CPA, CFE, CFF  
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House Chair  
Rep. Nelda Speaks  
House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Augusta School District No. 10 and School Board Members  
Legislative Joint Auditing Committee

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Augusta School District No. 10 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, as described in Note 1, to meet the requirements of the State of Arkansas. Management is also responsible 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the State of Arkansas, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2020, or the changes in financial position for the year then ended.

### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2020, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

### ***Other Matters***

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Schedule of Capital Assets, and the Schedule of Selected Information for the Last Five Years – Regulatory Basis are presented for the purposes of additional analysis and are not a required part of the regulatory basis 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 regulatory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis 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 regulatory basis financial statements as a whole.

The Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years – Regulatory Basis have not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2021 on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

#### **ARKANSAS LEGISLATIVE AUDIT**



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
March 2, 2021  
EDSD40820

# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Rep. Richard Womack  
House Chair  
Rep. Nelda Speaks  
House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

Augusta School District No. 10 and School Board Members  
Legislative Joint Auditing Committee

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 each major governmental fund and the aggregate remaining fund information of the Augusta School District No. 10 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated March 2, 2021. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2020, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the regulatory basis financial statements, we considered the District'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 regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District's regulatory basis financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and 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*.

We noted a certain matter that we reported to management of the District in a separate letter dated March 2, 2021.

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

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
March 2, 2021

# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Rep. Richard Womack  
House Chair  
Rep. Nelda Speaks  
House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

### INDEPENDENT AUDITOR'S REPORT

Augusta School District No. 10 and School Board Members  
Legislative Joint Auditing Committee

#### **Report on Compliance for Each Major Federal Program**

We have audited the Augusta School District No. 10's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

#### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
March 2, 2021

# Arkansas

Sen. Ronald Caldwell  
Senate Chair  
Sen. Gary Stubblefield  
Senate Vice Chair



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Rep. Richard Womack  
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House Vice Chair

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

Augusta School District No. 10 and School Board Members  
Legislative Joint Auditing Committee

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

During our examination of payroll records, we noted the following discrepancies:

- One employee was overpaid \$886 due to clerical error.
- The salary for one employee tested did not agree with salary schedules because schedules were not updated to reflect increases in minimum wage.
- The District paid a "high priority" bonus payment of \$2,270 to an employee that was not eligible to receive the bonus, which resulted in an unequal nonrecurring salary payment to this employee without approval by the board of directors and a majority of the licensed personnel as required by Ark. Code Ann. § 6-20-412 (c).

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script, reading "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
March 2, 2021



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2020

Exhibit A

	Governmental Funds			
	Major			Fiduciary
	General	Special Revenue	Other Aggregate	Fund Types
<b>ASSETS</b>				
Cash	\$ 783,328	\$ 52,583	\$ 540,768	\$ 15,770
Investments	5,453			20,169
Accounts receivable		64,160		
Due from other funds	198			
Deposit with paying agent			52,467	
<b>TOTAL ASSETS</b>	<b>\$ 788,979</b>	<b>\$ 116,743</b>	<b>\$ 593,235</b>	<b>\$ 35,939</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 30,210	\$ 7,021	\$ 6,200	
Due student groups				\$ 14,886
Due to other funds		198		
<b>Total Liabilities</b>	<b>30,210</b>	<b>7,219</b>	<b>6,200</b>	<b>14,886</b>
Fund Balances:				
Nonspendable			52,467	20,169
Restricted	136,703	109,524	9,520	884
Assigned	18,554		525,048	
Unassigned	603,512			
<b>Total Fund Balances</b>	<b>758,769</b>	<b>109,524</b>	<b>587,035</b>	<b>21,053</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 788,979</b>	<b>\$ 116,743</b>	<b>\$ 593,235</b>	<b>\$ 35,939</b>

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

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020

Exhibit B

	Major		Other
	General	Special Revenue	Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	\$ 2,446,544		
State assistance	1,729,607	\$ 1,832	
Federal assistance	72,857	1,214,576	
Activity revenues	62,788		
Meal sales		4,560	
Investment income	22		
Other revenues	56,088		\$ 2,732
<b>TOTAL REVENUES</b>	<b>4,367,906</b>	<b>1,220,968</b>	<b>2,732</b>
EXPENDITURES			
Regular programs	1,671,394		
Special education	243,696	196,432	
Career education programs	72,646		
Compensatory education programs	7,736	238,572	
Other instructional programs	116,029		
Student support services	122,546	77,509	
Instructional staff support services	304,163	274,468	
General administration support services	286,022	20,096	
School administration support services	145,783	50,248	
Central services support services	36,348		
Operation and maintenance of plant services	508,359		19,786
Student transportation services	211,622	17,250	
Other support services	43,598		
Food services operations		360,407	
Community services operations		3,596	
Facilities acquisition and construction services			144,486
Activity expenditures	61,001		
Debt Service:			
Principal retirement			75,000
Interest and fiscal charges			105,805
Net debt issuance costs			61,884
<b>TOTAL EXPENDITURES</b>	<b>3,830,943</b>	<b>1,238,578</b>	<b>406,961</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>536,963</b>	<b>(17,610)</b>	<b>(404,229)</b>
OTHER FINANCING SOURCES (USES)			
Transfers in			173,916
Transfers out	(173,916)		
Payment to refunding bond escrow agent			(1,951,328)
Proceeds from refunding bond issue			2,020,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(173,916)</b>		<b>242,588</b>

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020

Exhibit B

	Major		Other
	General	Special Revenue	Aggregate
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 363,047	\$ (17,610)	\$ (161,641)
FUND BALANCES - JULY 1	395,722	127,134	748,676
FUND BALANCES - JUNE 30	<u>\$ 758,769</u>	<u>\$ 109,524</u>	<u>\$ 587,035</u>

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

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020

Exhibit C

	General		Variance Favorable (Unfavorable)	Special Revenue		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
<b>REVENUES</b>						
Property taxes (including property tax relief trust distribution)	\$ 2,329,846	\$ 2,446,544	\$ 116,698			
State assistance	1,582,291	1,729,607	147,316			
Federal assistance	38,564	72,857	34,293	\$ 1,900	\$ 1,832	\$ (68)
Activity revenues	8,000	62,788	54,788	1,137,041	1,214,576	77,535
Meal sales						
Investment income		22	22	7,550	4,560	(2,990)
Other revenues	33,923	56,088	22,165			
<b>TOTAL REVENUES</b>	<b>3,992,624</b>	<b>4,367,906</b>	<b>375,282</b>	<b>1,146,491</b>	<b>1,220,968</b>	<b>74,477</b>
<b>EXPENDITURES</b>						
Regular programs	1,639,426	1,671,394	(31,968)			
Special education	224,595	243,696	(19,101)			
Career education programs	73,798	72,646	1,152	113,583	196,432	(82,849)
Compensatory education programs		7,736	(7,736)	284,228	238,572	45,656
Other instructional programs	120,026	116,029	3,997			
Student support services	117,978	122,546	(4,568)	74,612	77,509	(2,897)
Instructional staff support services	380,915	304,163	76,752	296,255	274,468	21,787
General administration support services	291,921	286,022	5,899	19,843	20,096	(253)
School administration support services	151,288	145,783	5,505		50,248	(50,248)
Central services support services	48,991	36,348	12,643			
Operation and maintenance of plant services	585,972	508,359	77,613			
Student transportation services	235,129	211,622	23,507	13,000	17,250	(4,250)
Other support services	33,000	43,598	(10,598)			
Food services operations						
Community services operations				299,220	360,407	(61,187)
Non-programmed costs				4,000	3,596	404
Activity expenditures				7,065		7,065
<b>TOTAL EXPENDITURES</b>	<b>8,000</b>	<b>61,001</b>	<b>(53,001)</b>	<b>1,111,806</b>	<b>1,238,578</b>	<b>(126,772)</b>
	<b>3,911,039</b>	<b>3,830,943</b>	<b>80,096</b>			

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020

	General		Variance Favorable (Unfavorable)	Special Revenue		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 81,585	\$ 536,613	\$ 455,378	\$ 34,685	\$ (17,610)	\$ (52,295)
OTHER FINANCING SOURCES (USES)						
Transfers in	4,988,347		(4,988,347)	57,486		(57,486)
Transfers out	(5,251,498)	(173,316)	5,077,582	(57,486)		57,486
TOTAL OTHER FINANCING SOURCES (USES)	(263,151)	(173,316)	89,235	0		0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(181,566)	363,297	544,613	34,685	(17,610)	(52,295)
FUND BALANCES - JULY 1	452,897	395,322	(57,175)	120,846	127,134	6,288
FUND BALANCES - JUNE 30	\$ 271,331	\$ 758,639	\$ 487,438	\$ 155,531	\$ 109,524	\$ (46,007)

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

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Reporting Entity**

The Board of Education, a seven member group, is the level of government, which has responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Augusta School District (District). There are no component units.

B. **Description of Funds**

Major governmental funds (per the regulatory basis of accounting) are defined as General and Special Revenue.

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Fund includes federal revenues and related expenditures, restricted for specific educational programs or projects, including the District's food services operations. The Special Revenue Fund also includes required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

Other governmental funds, presented in the aggregate, consist of the following:

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. The Capital Projects Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Fiduciary Fund types include the following:

Agency Funds - Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Private-purpose Trust Funds - Private-purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

C. **Measurement Focus and Basis of Accounting**

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by Ark. Code Ann. § 10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separately and all other funds included in the audit presented in the aggregate. The law also stipulates that the financial statements consist of a balance sheet; a statement of revenues, expenditures, and changes in fund balances; a comparison of the final adopted budget to the actual expenditures for the general fund and special revenue funds of the entity; notes to financial statements; and a supplemental schedule of capital assets, including land, buildings, and equipment. The law further stipulates that the State Board of Education shall promulgate the rules necessary to administer the regulatory basis of presentation.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, inclusion of the net pension liability in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and capital leases are reported as other financing sources. Changes in private purpose trust funds will be reflected in the notes to financial statements.

D. Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Note 1 F below).

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at acquisition value when received. The District maintains a threshold level of \$1,500 for capitalizing equipment. Library holdings are not capitalized.

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Asset Class	Estimated Useful Life in Years
Buildings	20-50
Equipment	5-20

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2019 calendar year taxes collected by June 30, 2020 and 4 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue property taxes or the option to accrue property taxes was not applicable because the amount of property taxes collected by June 30, 2020 equaled or exceeded the 4 percent calculation.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. **Property Taxes (Continued)**

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Ark. Code Ann. § 26-80-101 provides the uniform rate of tax (URT) shall be assessed and collected in the same manner as other school property taxes, but the net revenues from the URT shall be remitted to the State Treasurer and distributed by the State to the county treasurer of each county for distribution to the school districts in that county. For reporting purposes, URT revenues are considered property taxes.

G. **Interfund Receivables and Payables**

Interfund receivables and payables result from services rendered from one fund to another or from interfund loans.

H. **Fund Balance Classifications**

1. **Nonspendable fund balance** – represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
2. **Restricted fund balance** – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
3. **Assigned fund balance** – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.
4. **Unassigned fund balance** – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. **Budget and Budgetary Accounting**

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis. Additionally, the District routinely budgets restricted federal programs as part of the special revenue fund. Significant variances may result in the budgetary comparison of the revenues and expenditures of the special revenue fund because of the reclassification of those federal programs primarily utilized for capital projects to the other aggregate funds for reporting purposes.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

J. **Stabilization Arrangements**

The District's Board of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

K. **Minimum Fund Balance Policies**

The District's Board of Education has not formally adopted a minimum fund balance policy.

L. **Fund Balance Classification Policies and Procedures**

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The District's Board of Education has not adopted a formal policy addressing this authorization.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balances when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

M. **Encumbrances**

The District does not utilize encumbrance accounting.

2: **CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 276,507	\$ 276,507
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	<u>1,141,564</u>	<u>1,223,442</u>
<b>Total Deposits</b>	<u><u>\$ 1,418,071</u></u>	<u><u>\$ 1,499,949</u></u>

The above total deposits include certificates of deposit of \$25,622 reported as investments and classified as nonparticipating contracts.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**3: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2020 were comprised of the following:

<u>Description</u>	<u>Governmental Fund</u>	
	<u>Major</u>	<u>Special Revenue</u>
Federal assistance	\$	64,160

**4: COMMITMENTS**

The District was contractually obligated for the following at June 30, 2020:

A. Operating Leases (noncapital leases with initial noncancellable lease terms in excess of one year)

General description of leases and leasing arrangements:

On January 18, 2018, the District executed an operating lease for one bus. The agreement stipulated three yearly payments of \$10,950 and a final payment of \$32,361.

On March 26, 2020, the District executed an operating lease for two buses. The agreement stipulated three yearly payments of \$35,000.

1. Future minimum rental payments (aggregate) at June 30, 2020: \$102,361

2. Future minimum rental payments for the succeeding years:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 67,361
2022	35,000
Total	<u>\$ 102,361</u>

Rental payments for the operating leases described above were approximately \$45,950 for the year ended June 30, 2020.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**4: COMMITMENTS (Continued)**

**B. Long-term Debt Issued and Outstanding**

The District is presently paying on the following long-term debt:

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding June 30, 2020</u>	<u>Maturities To June 30, 2020</u>
<u>Bonds</u>					
9/1/2016	2/1/2042	1.05 - 3%	\$ 2,050,000	\$ 1,885,000	\$ 165,000
8/1/2018	2/1/2045	3.4%	530,000	500,000	30,000
10/1/2019	2/1/2045	1.62 - 2.6%	2,020,000	2,020,000	
Total Long-Term Debt			<u>\$ 4,600,000</u>	<u>\$ 4,405,000</u>	<u>\$ 195,000</u>

Changes in Long-term Debt:

	<u>Balance July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
Bonds payable	<u>\$ 4,390,000</u>	<u>\$ 2,020,000</u>	<u>\$ 2,005,000 *</u>	<u>\$ 4,405,000</u>

\* Includes \$1,930,000 early retirement of debt – See Note 6.

**Future Principal and Interest Payments**

<u>Year Ended June 30,</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 120,000	\$ 105,175	\$ 225,175
2022	150,000	103,125	253,125
2023	150,000	100,595	250,595
2024	150,000	98,065	248,065
2025	160,000	95,395	255,395
2026-2030	825,000	428,980	1,253,980
2031-2035	930,000	333,935	1,263,935
2036-2040	1,050,000	211,700	1,261,700
2041-2045	870,000	65,000	935,000
Totals	<u>\$ 4,405,000</u>	<u>\$ 1,541,970</u>	<u>\$ 5,946,970</u>

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**4: COMMITMENTS (Continued)**

Security for Debt Payments

Ark. Code Ann. § 6-20-1204 specifies procedures to be followed if a school district is delinquent in a payment to the paying agent for bonded debt. As additional security, any delinquent payment for bonded debt will be satisfied by the Division of Elementary and Secondary Education (DESE). Depending on the date of the bond issue, DESE will recover the full amount of any delinquency payment through the withholding of a school district's state funding or a direct payment from the school district. There were no delinquent bond payments incurred by the District during the audit period.

**5: ACCOUNTS PAYABLE**

Accounts payable at June 30, 2020 were comprised of the following:

Description	Governmental Funds		
	Major		
	General	Special Revenue	Other Aggregate
Vendor payables	\$ 30,210	\$ 7,021	\$ 6,200

**6: DEBT REFUNDING**

On October 1, 2019, the District issued refunding bonds of \$2,020,000 with interest rates of 1.6 to 2.6 percent to refund \$1,930,000 of outstanding bonds dated November 1, 2015. The interest rates of the bonds refunded were 1 to 3.75 percent. Net bond proceeds of \$1,951,328 were remitted to an escrow agent to provide all future debt service payments for the bonds refunded. These bonds were called on November 29, 2019. The remaining proceeds of \$6,788 (after payment of \$61,884 net bond issuance costs) will be utilized for subsequent debt payments. The issuance of these bonds will result in a savings of \$180,880 to the District over the life of the bonds.

**7: INTERFUND TRANSFERS**

The District transferred \$173,916 from the general fund to other aggregate funds for debt related payments.

**8: RETIREMENT PLAN**

Arkansas Teacher Retirement System

Plan Description

The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers employees of schools and education-related agencies, except certain non-teaching school employees. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201, by calling 1-800-666-2877, or by visiting the ATRS website at [www.arts.gov](http://www.arts.gov).

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**8: RETIREMENT PLAN (Continued)**

Arkansas Teacher Retirement System (Continued)

Funding Policy

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6.25% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14.25% of covered salaries. The District's contributions to ATRS for the year ended June 30, 2020 were \$421,490, equal to the required contributions.

Net Pension Liability

The Division of Elementary and Secondary Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement no. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2019 (actuarial valuation date and measurement date) was \$4,173,778.

**9: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS**

ADDITIONS

Interest

\$ 82

CHANGE IN FUND BALANCE

82

FUND BALANCE - JULY 1

20,971

FUND BALANCE - JUNE 30

\$ 21,053

**10: PLEDGED REVENUES**

The District has pledged a portion of its property taxes to retire bonds of \$4,600,000 issued from September 1, 2016 to October 1, 2019. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$5,946,970, payable through February 1, 2045. Principal and interest paid for the current year and total property taxes pledged for debt service were \$180,491 and \$733,278, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 24.61 percent.

**11: RISK MANAGEMENT**

The District 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 District carries commercial insurance for general liability, student accident, and business trip accidental death and dismemberment coverage.

The District participates in the Arkansas School Boards Association - Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Trust is responsible for monitoring, negotiating and settling claims that have been filed on behalf of and against member districts. The District contributes annually to this program.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**11: RISK MANAGEMENT (Continued)**

Additionally, the District participates in the Arkansas School Boards Association – Risk Management Program (the Association), a self-insurance program voluntarily established on February 1, 1984 pursuant to state law. The Association is responsible for obtaining and administering insurance coverage for property and vehicles for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Association is responsible for monitoring, negotiating, and settling claims that have been filed against member districts. The District pays an annual premium for its coverage of buildings, contents, and vehicles.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to \$300,000 with a \$2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

Settled claims have not exceeded coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

**12: ON-BEHALF PAYMENTS**

The allocation of the health insurance premiums paid by the Division of Elementary and Secondary Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$87,293 for the year ended June 30, 2020.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

**13: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE**

Description	Governmental Funds		
	Major		
	General	Special Revenue	Other Aggregate
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Deposit with paying agent			\$ 52,467
<b>Restricted for:</b>			
Alternative learning environment	\$ 14,100		
Enhanced student achievement funding	85,258		
English-language learners	269		
Professional development	6,272		
Child nutrition programs		\$ 98,990	
Medical services			5,920
Medical services		5,994	
Special education programs	18,973		
Other purposes	11,831	4,540	
<b>Total Restricted</b>	<u>136,703</u>	<u>109,524</u>	<u>9,520</u>
<b>Assigned to:</b>			
Capital projects			525,048
Student activities	18,554		
<b>Total Assigned</b>	<u>18,554</u>		<u>525,048</u>
<b>Unassigned</b>	<u>603,512</u>		
<b>Totals</b>	<u>\$ 758,769</u>	<u>\$ 109,524</u>	<u>\$ 587,035</u>

**14: RESPONSE TO COVID-19**

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19). A mandatory, two week, statewide closure for all schools was announced on March 15, 2020 by the Governor. On April 6, 2020, the Governor announced that on-site instruction for all Arkansas public schools would be discontinued until the 2020-2021 school year and school districts would continue alternative methods of instruction (AMI) through the remainder of the 2019-2020 school year.

**15: MAGUIRE SCHOLARSHIP FUND**

On February 3, 2002, the District received \$11,719 to endow the Maguire Scholarship Fund. The agreement stipulated interest earnings not utilized to fund scholarships would be added to the endowed amount each year. The endowment balance is maintained as cash and a certificate of deposit.

**16: SUBSEQUENT EVENT**

On October 1, 2020, the District issued refunding bonds of \$1,960,000 to refund the September 1, 2016 bond issue.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020  
(Unaudited)

Schedule 1

	Balance June 30, 2020
Nondepreciable capital assets:	
Land	\$ 86,886
Depreciable capital assets:	
Buildings	
Equipment	5,990,494
Total depreciable capital assets	990,745
	<u>6,981,239</u>
Less accumulated depreciation for:	
Buildings	
Equipment	2,625,344
Total accumulated depreciation	726,036
	<u>3,351,380</u>
Total depreciable capital assets, net	<u>3,629,859</u>
Capital assets, net	<u>\$ 3,716,745</u>



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>CHILD NUTRITION CLUSTER</b>				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - School Breakfast Program	10.553	7401		\$ 81,147
Arkansas Department of Education - COVID-19 - School Breakfast Program	10.553	7401		22,205
Total for School Breakfast Program				<u>103,352</u>
National School Lunch Program (Note 3)	10.555			9,453
Arkansas Department of Education - National School Lunch Program	10.555	7401		165,595
Arkansas Department of Human Services - National School Lunch Program (Note 4)	10.555	7401000		13,460
Arkansas Department of Education - COVID-19 - National School Lunch Program	10.555	7401		35,325
Total for National School Lunch Program				<u>223,833</u>
Total U. S. Department of Agriculture				<u>327,185</u>
<b>TOTAL CHILD NUTRITION CLUSTER</b>				<u>327,185</u>
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027	7401		156,216
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>				<u>156,216</u>
<b>OTHER PROGRAMS</b>				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - Fresh Fruit and Vegetable Program	10.582	7401		7,012
Total U. S. Department of Agriculture				<u>7,012</u>
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010	7401		441,135
Arkansas Department of Education - Twenty-First Century Community Learning Centers	84.287	7401		132,758
Arkansas Department of Education - Rural Education	84.358	7401		7,704
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367	7401		45,000
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	7401		5,937
Total U. S. Department of Education				<u>632,534</u>
<b>TOTAL OTHER PROGRAMS</b>				<u>639,546</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 0</u>	<u>\$ 1,122,947</u>

The accompanying notes are an integral part of this schedule.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Schedule 2

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Augusta School District No. 10 (District) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 4: Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.
- Note 5: The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 6: During the year ended June 30, 2020, the District received Medicaid funding of \$77,988 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020

Schedule 3

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Types of auditor's reports issued on whether the financial statements audited were prepared in accordance with:

Generally accepted accounting principles (GAAP) - adverse  
Regulatory basis - unmodified

Internal control over financial reporting:

☒ Material weakness(es) identified?

☐ yes ☒ no

☒ Significant deficiency(ies) identified?

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

**FEDERAL AWARDS**

Internal control over major federal programs:

☒ Material weakness(es) identified?

☐ yes ☒ no

☒ Significant deficiency(ies) identified?

☐ yes ☒ none reported

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

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

☐ yes ☒ no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

# *Augusta School District*

#10 Red Devil Dr.  
Augusta, AR 72006  
(870) 347-2241  
Fax (870) 347-5423

Schedule 4

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2020

### FINANCIAL STATEMENT FINDINGS

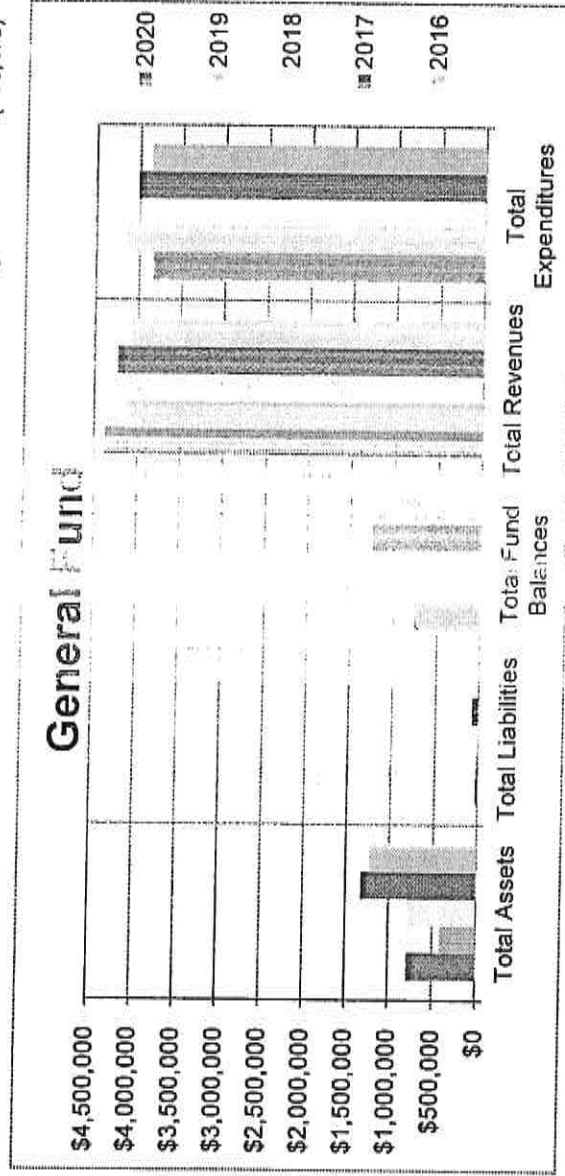
There were no findings in the prior audit.

### FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings in the prior audit.

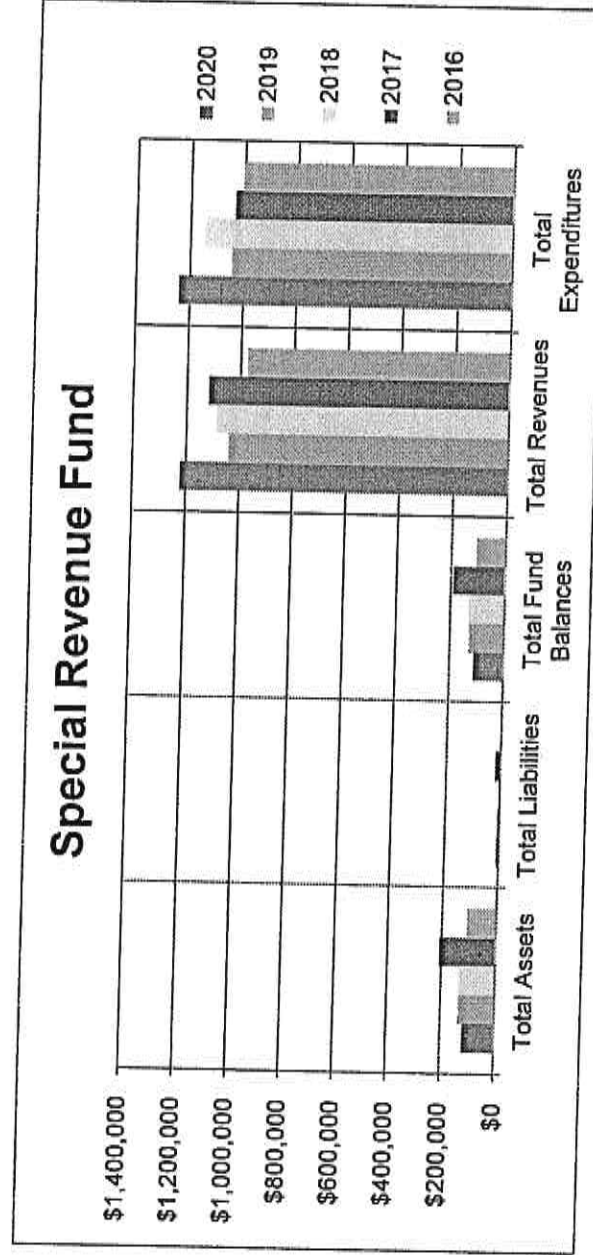
AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020  
(Unaudited)

General Fund	Year Ended June 30,				
	2020	2019	2018	2017	2016
Total Assets	\$ 788,979	\$ 420,359	\$ 787,956	\$ 1,322,895	\$ 1,229,507
Total Liabilities	30,210	24,637	97,342	77,861	19,756
Total Fund Balances	758,769	395,722	690,614	1,245,034	1,209,751
Total Revenues	4,367,906	4,110,411	4,419,683	4,228,799	4,063,675
Total Expenditures	3,830,943	4,135,737	3,955,549	4,013,043	3,869,288
Total Other Financing Sources (Uses)	(173,916)	(274,566)	(1,018,554)	(180,473)	(111,538)



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020  
(Unaudited)

	Year Ended June 30,				
	2020	2019	2018	2017	2016
<b>Special Revenue Fund</b>					
Total Assets	\$ 116,743	\$ 132,656	\$ 133,178	\$ 207,343	\$ 107,190
Total Liabilities	7,219	5,522	4,158	17,677	1,963
Total Fund Balances	109,524	127,134	129,020	189,666	105,227
Total Revenues	1,220,968	1,042,210	1,086,882	1,118,650	978,023
Total Expenditures	1,238,578	1,044,096	1,147,528	1,034,211	1,006,773
Total Other Financing Sources (Uses)					



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020  
(Unaudited)

Other Aggregate Funds	Year Ended June 30,				
	2020	2019	2018	2017	2016
Total Assets	\$ 593,235	\$ 755,786	\$ 1,352,708	\$ 759,297	\$ 1,815,128
Total Liabilities	6,200	7,110	14,409	67	85,501
Total Fund Balances	587,035	748,676	1,338,299	759,230	1,729,627
Total Revenues	2,732				
Total Expenditures	406,961	1,398,189	384,081	1,204,365	430,196
Total Other Financing Sources (Uses)	242,588	808,566	963,150	233,968	2,129,643

