

**FORT SMITH SCHOOL DISTRICT #100**  
**REGULATORY BASIS FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2023**



# FORT SMITH SCHOOL DISTRICT #100

JUNE 30, 2023

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## **Independent Auditor's Report**

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To the School Board  
Fort Smith School District #100  
Fort Smith, Arkansas

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of each major governmental fund, and the aggregate remaining fund information of the Fort Smith School District #100 (the District), as of and for the year ended June 30, 2023, 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.

#### ***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 Fort Smith School District #100, as of June 30, 2023, 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 Arkansas Code Annotated § 10-4-413(c) as provided by Act 2201 of 2005 described in Note 1.

#### ***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 section of our report, the accompanying 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 Fort Smith School District #100, as of June 30, 2023, or the changes in financial position for the year then ended.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fort Smith Public School District #100 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Arkansas Code Annotated § 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, to meet the requirements of the State of Arkansas. 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 and pervasive.

### ***Responsibilities of Management 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 Arkansas Code Annotated § 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.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Supplementary 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Schedule of Expenditures of State Awards, are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The 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 schedules are fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the report. The other information comprises the Schedule of Capital Assets and the school lunch information but does not include the regulatory basis financial statements, supplementary information, and our auditor's report thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the regulatory basis financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2024, on our consideration of the District's internal control over financial reporting and 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.



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**January 22, 2024**

***REGULATORY BASIS FINANCIAL STATEMENTS***

# FORT SMITH SCHOOL DISTRICT #100

## BALANCE SHEET - REGULATORY BASIS

AS OF JUNE 30, 2023

	Governmental Funds					
	Major					
	General Fund	Special Revenue	Other Aggregate		Fiduciary Type	
<b>Assets</b>						
Cash and temporary investments	\$ 2,795,504	\$ 4,380,128	\$ 11,166,464	\$	1,396,649	
Deposits with paying agent	-	-	17,656,731		-	
Investments	10,174,104	-	-		-	
Receivables:						
Intergovernmental	109,448	6,710,957	-		-	
Other	8,215	-	-		-	
<b>Total Assets</b>	<b>\$ 13,087,271</b>	<b>\$ 11,091,085</b>	<b>\$ 28,823,195</b>	<b>\$</b>	<b>1,396,649</b>	
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 39,936	\$ 118,333	\$ -	\$	-	
Payroll withholdings	2,166,148	-	-		-	
Due to student groups	-	-	-		1,396,649	
<b>Total Liabilities</b>	<b>2,206,084</b>	<b>118,333</b>	<b>-</b>		<b>1,396,649</b>	
<b>Fund Balances</b>						
Restricted	-	10,972,752	28,823,195		-	
Assigned	1,905,432	-	-		-	
Unassigned	8,975,755	-	-		-	
<b>Total Fund Balances</b>	<b>10,881,187</b>	<b>10,972,752</b>	<b>28,823,195</b>		<b>-</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,087,271</b>	<b>\$ 11,091,085</b>	<b>\$ 28,823,195</b>	<b>\$</b>	<b>1,396,649</b>	

See accompanying notes.



# FORT SMITH SCHOOL DISTRICT #100

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2023

	Major		
	General Fund	Special Revenue	Other Aggregate
<b>Revenues</b>			
Local property taxes	\$ 65,134,457	\$ -	\$ -
Meal sales	-	1,033,627	-
Interest	824,664	54,874	1,788,428
Contributions	105,932	958,339	-
Other local revenues	160,704	458,810	-
State assistance	63,046,446	19,015,219	-
Unrestricted federal aid	18,128	-	-
Restricted federal aid	-	40,944,061	-
<b>Total Revenues</b>	<b>129,290,331</b>	<b>62,464,930</b>	<b>1,788,428</b>
<b>Expenditures</b>			
Current:			
Regular programs	53,287,509	9,528,470	-
Special education	7,961,126	3,439,278	-
Vocational education	4,008,419	631,629	-
Adult education	-	1,609,810	-
Compensatory education	2,494	2,964,115	-
Other instructional programs	1,025,788	3,048,541	-
Support services	50,646,806	20,812,747	-
Food service	314,603	10,329,001	-
Community services	163,269	560,288	-
Capital outlay	1,840,673	9,007,805	1,432,009
Debt service:			
Principal	15,307	-	5,341,787
Interest	-	-	4,673,573
Paying agent's fees	-	-	12,217
<b>Total Expenditures</b>	<b>119,265,994</b>	<b>61,931,684</b>	<b>11,459,586</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>10,024,337</b>	<b>533,246</b>	<b>(9,671,158)</b>
<b>Other Financing Sources (Uses)</b>			
Indirect cost reimbursement	462,576	(462,576)	-
Proceeds on sale of asset	1,175,000	-	-
Proceeds from the sale of used or damaged commodities	255,848	-	-
Insurance recoveries	239,086	-	-
Proceeds from issuance of debt	-	-	-
Operating transfers in (out)	(12,154,448)	780,995	11,373,453
<b>Total Other Financing Sources (Uses)</b>	<b>(10,021,938)</b>	<b>318,419</b>	<b>11,373,453</b>
<b>Excess of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>2,399</b>	<b>851,665</b>	<b>1,702,295</b>
<b>Fund Balance at Beginning of Year</b>	<b>10,878,788</b>	<b>10,121,087</b>	<b>27,120,900</b>
<b>Fund Balance at End of Year</b>	<b>\$ 10,881,187</b>	<b>\$ 10,972,752</b>	<b>\$ 28,823,195</b>

See accompanying notes.

# FORT SMITH SCHOOL DISTRICT #100

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2023

			VARIANCE FAVORABLE (UNFAVORABLE)
Revenues	BUDGET	ACTUAL	
Local property taxes	\$ 64,862,000	\$ 65,134,457	\$ 272,457
Interest	119,000	824,664	705,664
Contributions	410,950	105,932	(305,018)
Other local revenues	255,973	160,704	(95,269)
State assistance	63,070,622	63,046,446	(24,176)
Unrestricted federal aid	15,000	18,128	3,128
<b>Total Revenues</b>	<b>128,733,545</b>	<b>129,290,331</b>	<b>556,786</b>
<b>Expenditures</b>			
Current:			
Regular programs	55,623,633	53,287,509	2,336,124
Special education	8,160,987	7,961,126	199,861
Vocational education	4,016,459	4,008,419	8,040
Compensatory education	3,150	2,494	656
Other instructional programs	1,158,896	1,025,788	133,108
Support services	50,328,320	50,646,806	(318,486)
Food service	250,000	314,603	(64,603)
Community service	46,716	163,269	(116,553)
Capital outlay	2,019,036	1,840,673	178,363
Debt service:			
Principal	50,000	15,307	34,693
<b>Total Expenditures</b>	<b>121,657,197</b>	<b>119,265,994</b>	<b>2,391,203</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>7,076,348</b>	<b>10,024,337</b>	<b>2,947,989</b>
<b>Other Financing Sources (Uses)</b>			
Indirect cost reimbursement	634,198	462,576	(171,622)
Proceeds on sale of asset	-	1,175,000	1,175,000
Insurance recoveries	-	239,086	239,086
Proceeds from the sale of used or damaged commodities	-	255,848	255,848
Operating transfers	(8,157,892)	(12,154,448)	(3,996,556)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,523,694)</b>	<b>(10,021,938)</b>	<b>(2,498,244)</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(447,346)</b>	<b>2,399</b>	<b>449,745</b>
<b>Fund Balance at Beginning of Year</b>	<b>10,878,788</b>	<b>10,878,788</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 10,431,442</b>	<b>\$ 10,881,187</b>	<b>\$ 449,745</b>

See accompanying notes.

# FORT SMITH SCHOOL DISTRICT #100

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2023

			VARIANCE FAVORABLE (UNFAVORABLE)
Revenues	BUDGET	ACTUAL	
Meal sales	\$ 261,500	\$ 1,033,627	\$ 772,127
Interest	10,000	54,874	44,874
Contributions	-	958,339	958,339
Other local revenues	214,760	458,810	244,050
State assistance	18,351,451	19,015,219	663,768
Restricted federal aid	70,623,013	40,944,061	(29,678,952)
<b>Total Revenues</b>	<b>89,460,724</b>	<b>62,464,930</b>	<b>(26,995,794)</b>
<b>Expenditures</b>			
Current:			
Regular programs	11,943,973	9,528,470	2,415,503
Special education	4,962,472	3,439,278	1,523,194
Vocational education	611,096	631,629	(20,533)
Adult education	1,753,881	1,609,810	144,071
Compensatory education	3,443,257	2,964,115	479,142
Other instructional programs	3,113,199	3,048,541	64,658
Support services	30,309,472	20,812,747	9,496,725
Food service	9,901,022	10,329,001	(427,979)
Community services	842,142	560,288	281,854
Capital outlay	30,363,775	9,007,805	21,355,970
<b>Total Expenditures</b>	<b>97,244,289</b>	<b>61,931,684</b>	<b>35,312,605</b>
<b>Excess of Revenues Over (Under)</b>			
<b>Expenditures</b>	<b>(7,783,565)</b>	<b>533,246</b>	<b>8,316,811</b>
<b>Other Financing Sources (Uses)</b>			
Indirect cost reimbursement	(649,317)	(462,576)	186,741
Operating transfers	10,000	780,995	770,995
<b>Total Other Financing Sources (Uses)</b>	<b>(639,317)</b>	<b>318,419</b>	<b>957,736</b>
<b>Excess of Revenues and Other Sources Over</b>			
<b>(Under) Expenditures and Other Uses</b>	<b>(8,422,882)</b>	<b>851,665</b>	<b>9,274,547</b>
<b>Fund Balance at Beginning of Year</b>	<b>10,121,087</b>	<b>10,121,087</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,698,205</b>	<b>\$ 10,972,752</b>	<b>\$ 9,274,547</b>

See accompanying notes.

# **FORT SMITH SCHOOL DISTRICT #100**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

### **1. Summary of Significant Accounting Policies**

#### **a. Financial Reporting Entity**

The Fort Smith School District #100 (the District) is a political subdivision of the Arkansas Department of Education, governed by an elected seven-member school board. The statements reflect all funds and accounts directly under the control of the District. Using the criteria of financial accountability, there are no component units that should be included in the District's reporting entity.

#### **b. Measurement Focus and Basis of Accounting**

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA), which is an Other Comprehensive Basis of Accounting (OCBOA). This basis of accounting is prescribed by Arkansas Code Annotated 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 the 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.

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP requires that basic financial statements present government-wide financial statements. Additionally, GAAP requires 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, leases, 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 financed purchases are reported as other financing sources. Changes in private-purpose trust funds will be reflected in the notes to the financial statements.

# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 1. Summary of Significant Accounting Policies (continued)

#### c. 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 the general operating fund and is used to account for all financial resources except those required to be 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 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 expenditures for principal and interest.

Fiduciary Funds types include the following:

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

#### d. Interfund Receivables and Payables

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

# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 1. Summary of Significant Accounting Policies (continued)

#### e. Capital Assets

Information on capital assets and related depreciation is reported in the accompanying schedule of capital assets. 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 capitalizes all capital assets with the exception of library holdings.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Land	N/A
Land improvements	15-20 years
Building and improvements	7-50 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	8-10 years

#### f. Fund Balance Classifications

Fund balances are categorized as follows:

**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.

**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.

**Committed Fund Balance** - represents amounts that can be used only for the specific purposes determined by formal action of the District's highest level of decision making authority (the Board of Education).

**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.

**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.

# **FORT SMITH SCHOOL DISTRICT #100**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

### **1. Summary of Significant Accounting Policies (continued)**

#### **g. Fund Balance 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 the 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.

#### **h. Revenue Recognition Policies**

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

#### **i. Property Taxes**

Property taxes are levied in November based on property assessments made between January 1 and May 31 and are an enforceable lien on January 1 for real property and June 1 for personal property. The tax records are opened on 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.

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. Arkansas Code Annotated 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 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.

# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 1. Summary of Significant Accounting Policies (continued)

#### j. Budgetary Information

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.

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.

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

#### k. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

#### l. Non-Monetary Transactions

Non-monetary transactions are reflected in these financial statements at their fair value. During the fiscal year ended June 30, 2023, commodities were received by the District in the amount of \$596,333.

#### m. 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.

#### n. Minimum Fund Balance Policies

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



# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 2. Cash Deposits with Financial Institutions

The District maintains its operating bank accounts in three area banks. The Federal Deposit Insurance Corporation ("FDIC") insures accounts at these institutions. In addition, deposits are collateralized by the bank through the pledging of securities. At June 30, 2023, the District all of the District's deposits were insured or collateralized.

	Carrying Amount	Bank Balance
Insured	\$ 250,000	\$ 250,000
Collateralized - held by pledging bank or pledging bank's trust department in the District's name	19,488,445	20,919,161
Cash on hand	300	-
Total Deposits	\$ 19,738,745	\$ 21,169,161

### 3. Cash Deposits with Paying Agent

Cash deposits with paying agent includes funds held in escrow totaling \$17,656,731 that represent sinking fund deposits for Qualified Zone Academy Bonds and Qualified School Construction Bonds and are required to be used for future principal payments. The balance is held at several financial institutions.

### 4. Investment

The District's investments of \$10,174,104 are held in a government money market account which invests primarily in U.S. Treasury obligations backed by the full faith and credit of the U.S. government.

#### Interest Rate Risk

Interest rate risk is the risk the changes in interest of debt investments will adversely affect the fair value of an investment. The weighted average maturity of the District's investments is less than 50 days.

### 5. Accounts Receivable

Accounts receivable at June 30, 2023 were comprised of the following:

Description	General Fund	Special Revenue Fund	Other Aggregate
Federal / State Assistance	\$ 109,448	\$ 6,710,957	\$ -
Rebates	8,215	-	-
Total	\$ 117,663	\$ 6,710,957	\$ -

# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 6. Commitments

The District was contractually obligated for the following at June 30, 2023:

#### Construction Contracts

At June 30, 2023, the District was contractually obligated for construction contracts totaling \$21,020,849.

#### Lease Liability

On August 3, 2020 the District executed a lease for the purchase of four lawn mowers for \$52,255. Under the terms of the lease, the District makes monthly payments of \$1,276, with interest at 0%, for 3 years. The asset is being depreciated over the lease term.

The following is a summary of the assets held under leases:

<b>As of June 30, 2023</b>		
Lawn mowers	\$	52,255
Less: accumulated depreciation		(50,804)
Net Book Value	\$	1,451

The District paid \$15,307 during the year ended June 30, 2023. The lease liability at June 30, 2023, is \$7,611, all due within the fiscal year ended June 30, 2024.

#### Bonds

The District issues general obligation bonds to provide funds for the acquisition, construction, and operation of major capital facilities and to refund general obligation bonds. General obligation bonds are direct obligations and are secured by the full faith, credit and resources of the District and all its revenues from whatever source derived (which are legally pledgeable). Each issue contains an option requiring bonds to be called in inverse numerical order for redemption prior to maturity.

The District is required with the 2005, 2011, and 2012 QZAB issues and all of the QSCB issues to establish a sinking fund that will be funded on the anniversary date of the issues as prescribed in the agreements. The District deposits specified amounts annually into each sinking fund for the term of the bonds. These amounts plus interest earned will be used to retire the debt when due.

The following is a summary of the District's long-term debt activity for the year ended June 30, 2023:

	Balance July 1, 2022	Debt Additions	Debt Retirements	Balance June 30, 2023	Due Within One Year
<b>General Obligation Bonds Dated:</b>					
May 1, 2012	\$ 1,040,000	\$ -	\$ 1,040,000	\$ -	-
December 1, 2012	2,355,000	-	215,000	2,140,000	220,000

# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 6. Commitments (continued)

#### Bonds (continued)

	Balance July 1, 2022	Debt Additions	Debt Retirements	Balance June 30, 2023	Due Within One Year
July 1, 2015	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -	\$ -
April 1, 2016	4,385,000	-	455,000	3,930,000	460,000
September 12, 2017	7,940,000	-	395,000	7,545,000	400,000
May 30, 2019	7,495,000	-	390,000	7,105,000	400,000
June 16, 2020	29,375,000	-	710,000	28,665,000	745,000
August 24, 2021	93,395,000	-	665,000	92,730,000	2,820,000
Total General Obligation Bonds	147,235,000	-	5,120,000	142,115,000	5,045,000
<b>Other Long-term Debt</b>					
<b>Qualified Zone Academy Bonds dated:</b>					
October 2, 2007	221,787	-	221,787	-	-
October 6, 2011	3,885,000	-	-	3,885,000	215,833
November 5, 2012	12,570,000	-	-	12,570,000	546,522
<b>Qualified School Construction Bonds dated:</b>					
November 4, 2009	5,125,000	-	-	5,125,000	320,312
December 1, 2010	7,940,000	-	-	7,940,000	417,895
October 6, 2011	1,115,000	-	-	1,115,000	61,944
Total Other Long-term Debt	30,856,787	-	221,787	30,635,000	1,562,506
Total	\$ 178,091,787	\$ -	\$ 5,341,787	\$ 172,750,000	\$ 6,607,506

Annual debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 6,607,506	\$ 4,567,240	\$ 11,174,746
2025	6,742,506	444,890	7,187,396
2026	10,991,568	4,348,211	15,339,779
2027	6,577,193	4,160,246	10,737,439
2028	6,657,193	4,081,252	10,738,445
2029-2033	39,369,252	16,784,241	56,153,493
2034-2038	34,419,782	11,793,308	46,213,090
2039-2043	25,360,000	7,244,977	32,604,977
2044-2048	28,390,000	3,633,095	32,023,095
2049-2050	7,635,000	261,775	7,896,775
Total	\$ 172,750,000	\$ 57,319,235	\$ 230,069,235

# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 6. Commitments (continued)

A summary of each bond issue is as follows:

Date of Issue	Amount of Original Issue (\$)	Interest Rate Percent	Range of Payment Dues	Range of Annual Maturities (\$)
10/1/2010	3,255,000	1.00-3.00	2-2011/2-2024	\$45,000 - \$290,000
6/1/2011	6,690,000	2.00-2.75	8-2011/2-2024	\$185,000 - \$675,000
12/1/2012	4,120,000	1.00-2.00	2-2014/2-2032	\$170,000 - \$260,000
4/1/2016	6,410,000	2.00-2.25	12-2016/12-2030	\$300,000 - \$525,000
9/12/2017	9,165,000	2.00-3.25	6-2018/12-2038	\$75,000 - \$560,000
5/30/2019	8,030,000	2.00-3.00	2-2021/2-2038	\$145,000 - \$575,000
6/16/2020	31,000,000	2.00-5.00	2-2021/2-2050	\$675,000 - \$1,450,000
8/14/2021	93,395,000	1.00-3.00	8-2022/2-2049	\$665,000 - \$4,775,000
QZAB 10/6/2011	3,885,000	4.30	4-2012/10-2029	\$215,833
QSCB 11/4/2009	5,125,000	2.17	11-2010/11-2025	\$320,313
QSCB 12/1/2010	7,940,000	5.125	12-2011/12-2029	\$417,895
QSCB 10/6/2011	1,115,000	4.375	4-2012/10-2029	\$61,944
QZAB 11/5/2012	12,570,000	3.90	11-2013/11-2035	\$546,522

### Security for Bond Payments

Arkansas Code Annotated § 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.

### 7. Fund Balance Reporting

Fund Balance Description	Governmental Funds		
	Major		
	General	Special Revenue	Other Aggregate
<b>Restricted:</b>			
Debt service	\$ -	\$ -	\$ 17,656,731
Capital projects	-	-	10,411,564
Capital project encumbrances	-	-	754,900
Federal programs	-	(9,836,615)	-
Federal program encumbrances	-	20,809,367	-

# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 7. Fund Balance Reporting (continued)

Fund Balance Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
<b>Assigned:</b>			
School operation encumbrances	\$ 1,205,432	\$ -	\$ -
Insurance deductibles	200,000	-	-
Unemployment benefits	500,000	-	-
<b>Unassigned</b>	8,975,755	-	-
<b>Totals</b>	\$ 10,881,187	\$ 10,972,752	\$ 28,823,195

Under Arkansas Act 376 of 1977, the District has elected to reimburse the State's Employment Security Division for unemployment benefits the state might pay for District employees. The District has designated a portion of the General Fund's fund balance, in the amount of \$500,000, to meet any possible future liability for unemployment benefit claims.

The District has also designated a portion of the General Fund's fund balance in the amount of \$200,000 for future liability due to increases in insurance deductibles.

### 8. Interfund Transfers

Interfund transfers are used to fund operations in various accounts. The composition of interfund transfers as of June 30, 2023, are as follows:

	Transfers In	Transfers Out	Net Transfers
General Fund	\$ -	\$ 12,154,448	\$ (12,154,448)
Special Revenue Fund	780,995	-	780,995
Other Aggregate			
Capital Projects Fund	1,161,439	-	1,161,439
Debt Service Fund	10,212,014	-	10,212,014
<b>Total</b>	\$ 12,154,448	\$ 12,154,448	\$ -

### 9. Pledged Revenues

The District has pledged a portion of its property taxes to retire bonds totaling \$143,575,000 from November 4, 2009 through August 24, 2021. The bonds were issued for various capital projects. The principal and interest remaining on the bonds is \$182,939,937, payable through February 1, 2050. Principal and interest paid for the current year and total property taxes pledged for debt service were \$6,241,917 and \$29,138,141 respectively. The percentage of property taxes pledged for the current year for principal and interest payments was approximately 40.6%

# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 10. Insurance Recoveries

The District received insurance recoveries totaling \$239,086 during the year for flood damage at Southside High School and the Peak Innovation Center.

### 11. Employee Retirement Systems and Plans

The District participates in two employee defined benefit pension plans as follows:

#### **Arkansas Teacher Retirement System**

The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired prior to July 1, 1989. ATRS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit and contribution 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. The report may be obtained by writing to ATRS, 1400 West Third Street, Little Rock, AR 72201 or by calling (800) 666-2877.

Funding policy: ATRS has contributory and non-contributory plans. Contributory members are required by law to contribute 7.00% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current employer rate is 15.00%. The District's contributions to ATRS for the years ended June 30, 2023, 2022 and 2021 were \$15,684,805, \$15,146,769, and \$14,846,154, respectively.

Net pension liability: The Arkansas Department of Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Standards Board Statement No. 68 would be limited to disclosure of the District's proportionate share of the collective pension liability. The District's proportionate share of the collective net pension liability at June 30, 2022 (most recent actuarial valuation date and measurement date) was \$159,416,889.

#### **Arkansas Public Employees Retirement System**

The District participates in the Arkansas Public Employees Retirement Districts (APERS). APERS is a cost-sharing, multiple employer, defined benefit pension plan that covers certain nonteaching Arkansas public school employees hired before July 1, 1989. APERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement system issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, One Union National Plaza, 124 W. Capitol, Little Rock, Arkansas 72201 or by calling (800) 682-7377.

# FORT SMITH SCHOOL DISTRICT #100

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

### 11. Employee Retirement Systems and Plans (continued)

#### **Arkansas Public Employees Retirement System (continued)**

Funding Policy: APERS has contributory and non-contributory plans. Contributory members are required by law to contribute 5% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current statutory employer rate is 4% of annual covered payroll. The District's contributions to APERS for the years ended June 30, 2023, 2022, and 2021, were \$4,107, \$4,301, and \$5,935, respectively.

Net pension liability: The Arkansas Department of Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Standards Board Statement No. 68 would be limited to disclosure of the District's proportionate share of the collective pension liability. The District's proportionate share of the collective net pension liability at June 30, 2022 (most recent actuarial valuation date and measurement date) was \$36,222.

### 12. On-Behalf Payments

The allocation of the health insurance premiums paid by the Arkansas Department of education to the Employee benefits Division, on behalf of the District's employees, totaled \$4,674,722 for the year ended June 30, 2023.

### 13. 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 for which the District carries commercial insurance.

The District participates in the Arkansas School Board 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.

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 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 building and contents.

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.

# **FORT SMITH SCHOOL DISTRICT #100**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

### **14. Related Party Transactions**

A School Board member owns a portion of a construction company. Prior to this individual's election to the School Board, the District was under contract with this company for renovations at the Peak Innovation Center. The District paid \$578,290 to the company during the fiscal year for the balance due under contract. The District has not entered into any additional contracts or had subsequent transactions with the company subsequent to the project's completion.

### **15. Vision 2023 Capital Improvement Plan**

The District commenced the renovations, additions, and improvements to the Southside and Northside High School campuses during the 2019-2020 school year. These projects were part of the Vision 2023 strategic plan named the "Vision 2023 Capital Improvement Plan" (V23CIP). Improvements and renovations include new secure entry/office and media; ninth grade centers; new cafeterias and kitchens; and remodeling of existing administrative space, media centers and cafeterias to classrooms; enclosed corridor between buildings; the addition of four storm shelters; and new competition arenas at both campuses.

The Vision 2023 strategic plan also includes the reconfiguration of grades within the District effective the 2021-2022 school year. Ninth grade students successfully moved to the ninth grade centers on the high school campuses. The four junior high schools were renamed as middle schools and added sixth grade students.

Funding for the renovations and improvements include the \$90 million bond issue of August 2018 that was refunded in August 2021 and the \$31 million bond issue of June 2020. Both bond issues were funded by the 2018 voter-approved millage increase. Other funding sources included Arkansas "partnership" program funds, interest earnings, debt service savings from bond refinancing, and a variety of grants and contributions from the community. The total cost of the V23CIP was almost \$134 million with the District incurring approximately \$30 million of costs during the fiscal year ended June 30, 2022, and the remaining \$0.6 million paid during the year ended June 30, 2023. The V23CIP was placed into service as a completed project in October 2022.

### **16. COVID-19**

The Coronavirus Disease 2019 (COVID), declared by the World Health Organization as a pandemic in March 2020, continues to cause worldwide economic disruption and uncertainty. The related adverse public health developments, including orders to shelter-in-place, travel restrictions, and mandated business closures, have adversely affected workforces, organizations, their customers, economies, and financial markets globally, leading to increased market volatility and disruptions in normal business operations everywhere.



# **FORT SMITH SCHOOL DISTRICT #100**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

### **16. COVID-19 (continued)**

Arkansas public school districts received federal funds known as Elementary and Secondary School Emergency Relief (ESSER) funds. ESSER funds are released under federal legislation that included the Coronavirus Aid, Relief and Economic Security Act of 2020 (CARES Act), the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan (ARP) Act of 2021. Funds from these Acts were allocated to the District as ESSER, ESSER II and ESSER III respectfully. The total allocation exceeded \$59 million to be obligated and spent in a time period that covers fiscal years ending June 30, 2020 through June 30, 2024.

These ESSER funds are allocated to reimburse the District for a variety of costs including the sanitation and cleaning of schools, technology for remote learning, the recovery any student "loss of learning" and a variety of other qualifying expenditures. The District is and has been targeting these allocations purposefully over these school years, adhering to federal and state regulations.

### **17. Subsequent Events**

The District has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2023 through January 22, 2024, the date the financial statements were available to be issued.

## ***SUPPLEMENTARY INFORMATION***

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF CAPITAL ASSETS (UNAUDITED)

**AS OF JUNE 30, 2023**

**Nondepreciable Capital Assets:**

Land	\$	8,505,459
Construction in process		4,782,716
<b>Total Nondepreciable Capital Assets</b>		<b>13,288,175</b>

**Depreciable Capital Assets:**

Land improvements		6,382,325
Buildings and improvements		330,631,009
Furniture, fixtures and equipment		56,247,847
Vehicles		10,614,905
<b>Total Depreciable Capital Assets</b>		<b>403,876,086</b>
<b>Total Capital Assets</b>		<b>417,164,261</b>

**Less Accumulated Depreciation for:**

Land improvements		4,240,901
Buildings and improvements		111,674,981
Furniture, fixtures and equipment		36,452,904
Vehicles		5,962,292
<b>Total Accumulated Depreciation</b>		<b>158,331,078</b>
<b>Capital Assets, net</b>	<b>\$</b>	<b>258,833,183</b>

See independent auditor's report.

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Department or Division/Pass-Through Agency/Program Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Federal Expen- ditures
<b>U.S. Department of Agriculture</b>			
<b>Child Nutrition Cluster</b>			
<b>Arkansas Department of Education</b>			
School Breakfast Program - Cash Assistance	6501	10.553	\$ 2,116,448
National School Lunch Program - Cash Assistance	6501	10.555	5,071,243
National School Lunch Program - Supply Chain Assistance Funds	6501	10.555	393,823
<b>Arkansas Department of Human Services</b>			
National School Lunch Program - Non-Cash Assistance	6501	10.555	596,333
<b>Total Child Nutrition Cluster</b>			<b>8,177,847</b>
<b>Arkansas Department of Human Services</b>			
Child and Adult Care Food Program - Cash Assistance	6501	10.558	64,686
<b>Arkansas Department of Education</b>			
Fresh Fruit and Vegetable Program	6501	10.582	63,210
<b>Total U.S. Department of Agriculture</b>			<b>8,305,743</b>
<b>U.S. Department of Army</b>			
ROTC		12.357	104,283
<b>Total U.S. Department of Army</b>			<b>104,283</b>
<b>U.S. Department of the Treasury</b>			
Federal Communications Commission Emergency Connectivity Fund		32.009	119,640
<b>Total U.S. Department of the Treasury</b>			<b>119,640</b>
<b>U.S. Department of Education</b>			
<b>Special Ed Cluster</b>			
<b>Arkansas Department of Education</b>			
E.S.E.A. Title VI, Grants to States	6501	84.027	3,640,960
Special Education, Preschool	6501	84.173A	91,563
<b>Total Special Ed Cluster</b>			<b>3,732,523</b>

See independent auditor's report.

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**FOR THE YEAR ENDED JUNE 30, 2023**

Department or Division/Pass-Through Agency/Program Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Federal Expen- ditures
<b>U.S. Department of Education (continued)</b>			
<b>Arkansas Department of Career Education</b>			
Adult Education, Basic Grants to States	6501	84.002A	232,163
Federal Adult Ed	6501	84.002A	25,440
Adult Education - EL Civics	6501	84.002A	27,005
Career and Technical Education - Basic Grants to States	6501	84.048	433,466
<b>Arkansas Department of Education</b>			
Title I, Grants to Local Educational Agencies	6501	84.010	6,395,110
(Title I - School Improvement Sub 4%)	6501	84.010	151,055
Title I School Improvement Section 1003, Planning Grant	6501	84.010	56,604
E.S.E.A. Title I, Part D Neglected and Delinquent Children	6501	84.010	41,668
Title I, Migrant Education	6501	84.011	121,511
Education For Homeless Children & Youth	6501	84.196A	25,000
English Language Acquisition Grants	6501	84.365	354,263
Supporting Effective Instruction State Grants	6501	84.367	876,633
Elementary and Secondary School			
Emergency Relief Fund	6501	84.425D	12,268
Emergency Relief Fund II	6501	84.425D	9,209,567
Emergency Relief Fund III - ARPA	6501	84.425U	3,966,440
ARP ESSER MIECHV	6501	84.425U	3,891
Arkansas Thrive	6501	84.425U	1,536
American Rescue Plan Act			
ARPA II - Homeless Children and Youth	6501	84.425W	22,217
Indian Education, Grants to Local Education Agencies		84.060A	103,506
<b>Total U.S. Department of Education</b>			<b>25,791,866</b>
<b>U.S. Department of Health and Human Services</b>			
<b>Arkansas Department of Human Services</b>			
School Health Surveillance		93.079	532
Epidemiology and Laboratory Capacity for			
Child Care and Development Fund Cluster			
Child Care and Development Block Grant	6501	93.575	782,462
Child Care and Development Block Grant - ARRA	6501	93.575	300,015
Child Care and Development Block Grant -			
ARPA Sustainability	6501	93.575	803,415

See independent auditor's report.

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

Department or Division/Pass-Through Agency/Program Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Federal Expen- ditures
<b>U.S. Department of Health and Human Services (continued)</b>			
<b>Arkansas Department of Human Services</b>			
Child Care Mandatory and Matching Funds	6501	93.596	111,000
Temporary Assistance for Needy Families	6501	93.558	504,421
Temporary Assistance for Needy Families COVID-19	6501	93.558	14,909
<b>Total U.S. Department of Health and Human Services</b>			2,516,754
<b>Total Federal Awards</b>			\$ 36,838,286

### Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Fort Smith Public Schools under programs of the federal government for the fiscal year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Fort Smith Public Schools, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

### Note B - Summary of Significant Accounting Policies

1. This schedule of expenditures of federal awards includes the federal program activity of Fort Smith Public Schools and is presented 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.
2. Fort Smith Public Schools has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
3. Non-monetary assistance is reported at the approximate values as provided by the Arkansas Department of Human Services.

### Note C - Subrecipient Awards

Of the federal expenditures presented in this schedule, Fort Smith School District #100 provided federal awards to subrecipients as follows:

<u>Program</u>	<u>Assistance Listing Number</u>	<u>Subrecipient</u>	<u>Amount Provided</u>
No awards were provided to subrecipients			

See independent auditor's report.

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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**FOR THE YEAR ENDED JUNE 30, 2023**

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### **Note D - Supplemental Disclosure of Governmental Assistance Information**

Title XIX - Medicaid

Medical Assistance Program (MEDICAID CATASTROPHIC)

\$ 245,789

Total Medicaid

\$ 245,789

See independent auditor's report.

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF STATE ASSISTANCE

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**FOR THE YEAR ENDED JUNE 30, 2023**

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### Arkansas Department of Education

State Foundation Funding	\$ 61,690,080
98% Uniform Rate Of Tax Actual Collection Adjustment	1,271,601
Debt Service Funding	33,693
Board Of Teaching Standards	717,503
Professional Development Funding	518,193
Special Education Services	80,849
Special Education - Catastrophic Occurrences	221,595
Residential Centers / Juvenile Detention	938,685
National School Lunch Student Funding	10,858,992
National School Lunch Match Program	66,481
Arkansas Better Chance Program	1,849,622
Limited English Proficiency Allocation	1,119,594
Early Childhood Special Ed	302,716
Early Intervention Day Treatment Special Ed Services	107,486
School Based Health Centers	103,420
School Recognition	169,950
Computer Science	28,009
Gifted & Talented - Advance Placement	42,541
Alternative Learning	480,531
Food Service State Matching	45,551
Project Lead the Way	400,000
School Safety	86,715
<b>Total Arkansas Department of Education</b>	<b>81,133,807</b>

### Arkansas Department of Workforce Education

Adult Basic Education	456,413
Adult General Education	420,375
<b>Total Arkansas Department of Workforce Education</b>	<b>876,788</b>

### Arkansas Department of Public Safety

Public Safety Equipment Grant	49,372
<b>Total Arkansas Department of Public Safety</b>	<b>49,372</b>
<b>Total State Assistance</b>	<b>\$ 82,059,967</b>

See independent auditor's report.



# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF MEAL AND MILK SALES

FOR THE YEAR ENDED JUNE 30, 2023

	Student Breakfast	Student Lunch	Adult Breakfast	Adult Lunch	Snack Bar Ala Carte Milk and Juice	Total
Ballman	\$ 14,397	\$ 26,077	\$ 101	\$ 840	\$ 51	\$ 41,466
Barling	8,949	22,430	53	1,880	297	33,607
Beard	12,906	18,925	12	1,041	130	33,013
Belle Point	876	2,428	7	233	47	3,590
Bonneville	14,649	22,750	-	889	293	38,581
Carnall	4,475	9,927	14	656	295	15,366
Cavanaugh	14,708	22,044	-	64	139	36,954
Chaffin	10,494	58,129	-	638	18,919	88,180
Cook	15,057	45,268	-	26	144	60,495
Darby	4,483	27,096	11	2,323	7,791	41,704
Euper Lane	30,125	27,173	5	135	296	57,734
Fairview	8,796	23,854	-	3,647	116	36,413
Howard	2,679	10,692	47	210	10	13,637
Kimmons	5,656	25,950	16	390	16,321	48,332
Morrison	2,260	8,997	34	935	22	12,248
Northside	16,980	87,833	263	2,468	37,082	144,626
Orr	15,982	19,423	71	1,189	65	36,731
Pike	7,064	13,003	16	815	155	21,052
Ramsey	12,997	44,410	90	1,920	20,692	80,110
Southside	26,591	114,577	205	4,823	81,786	227,981
Spradling	2,970	9,469	25	400	3	12,865
Sunnymede	10,441	15,356	106	460	39	26,403
Sutton	5,757	15,291	55	591	6	21,699
Tilles	5,828	9,710	68	1,669	388	17,663
Trusty	2,544	7,411	45	761	3	10,764
Woods	13,918	45,938	36	-	305	60,197
Total Sales	\$ 271,582	\$ 734,163	\$ 1,278	\$ 29,000	\$ 185,390	\$ 1,221,413

See independent auditor's report.

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF SCHOOL BREAKFASTS SERVED

FOR THE YEAR ENDED JUNE 30, 2023

	Student Free	Student Reduced	Student Paid	Adult Paid	Total
Ballman	22,918	4,966	10,326	44	38,254
Barling	18,042	5,446	5,852	23	29,363
Beard	22,044	6,590	8,743	5	37,382
Belle Point	3,929	466	589	3	4,987
Bonneville	17,378	6,327	10,201	-	33,906
Carnall	15,831	3,311	2,785	6	21,933
Cavanaugh	18,359	5,731	10,391	-	34,481
Chaffin	12,656	5,095	7,172	-	24,923
Cook	19,495	3,566	11,190	-	34,251
Darby	21,939	2,682	2,943	5	27,569
Euper Lane	24,281	7,829	22,221	2	54,333
Fairview	23,358	4,909	5,859	-	34,126
Howard	15,090	2,038	1,654	20	18,802
Kimmons	33,939	4,823	3,367	7	42,136
Morrison	15,282	2,264	1,265	15	18,826
Northside	39,349	5,964	12,153	117	57,583
Orr	25,666	7,462	10,995	31	44,154
Pike	37,229	5,412	4,352	7	47,000
Ramsey	23,058	5,677	9,035	40	37,810
Southside	28,026	7,174	19,551	91	54,842
Spradling	22,512	2,532	1,768	10	26,822
Sunnymede	54,698	10,915	5,733	44	71,390
Sutton	30,439	4,439	3,540	23	38,441
Tilles	37,146	4,081	3,683	29	44,939
Trusty	19,720	2,614	1,408	20	23,762
Woods	7,748	2,892	10,440	16	21,096
Total Breakfasts	610,132	125,205	187,216	559	923,112

See independent auditor's report.

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF SCHOOL LUNCHES SERVED

FOR THE YEAR ENDED JUNE 30, 2023

	Student Free	Student Reduced	Student Paid	Adult Paid	Total
Ballman	27,053	5,842	9,496	223	42,614
Barling	24,255	8,268	7,649	501	40,673
Beard	22,843	6,576	6,518	278	36,215
Belle Point	5,203	770	771	62	6,806
Bonneville	17,522	5,782	8,175	237	31,716
Carnall	22,136	4,918	3,184	175	30,413
Cavanaugh	19,284	5,510	7,936	17	32,747
Chaffin	28,981	11,639	19,445	170	60,235
Cook	27,647	5,751	17,187	7	50,592
Darby	56,866	8,072	8,679	619	74,236
Euper Lane	19,019	5,371	10,010	36	34,436
Fairview	37,893	7,136	8,400	972	54,401
Howard	30,634	3,510	3,715	56	37,915
Kimmons	71,017	10,961	7,842	104	89,924
Morrison	31,455	5,024	2,795	249	39,523
Northside	94,743	14,288	29,861	658	139,550
Orr	23,407	6,271	6,766	315	36,759
Pike	41,031	5,889	4,259	217	51,396
Ramsey	38,977	10,128	14,676	512	64,293
Southside	57,524	15,285	39,441	1,286	113,536
Spradling	38,347	5,240	2,949	106	46,642
Sunnymede	51,685	9,753	4,582	122	66,142
Sutton	51,861	7,639	4,894	157	64,551
Tilles	39,293	4,001	3,244	443	46,981
Trusty	31,490	3,972	2,329	203	37,994
Woods	17,929	7,302	17,207	-	42,438
Total Lunches	928,095	184,898	252,010	7,725	1,372,728
Total Breakfasts and Lunches	1,538,227	310,103	439,226	8,284	2,295,840

See independent auditor's report.

***ADDITIONAL REQUIRED REPORTS***



**Independent Auditor's Report On Internal Control Over Financial Reporting  
And On Compliance And Other Matters Based On An Audit Of Financial  
Statements Performed In Accordance With *Government Auditing Standards***

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To the School Board  
Fort Smith School District #100  
Fort Smith, Arkansas

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 Fort Smith School District #100 (the District), as of and for the year ended June 30, 2023, 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 January 22, 2024. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of the 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 and pervasive. However, the financial statements present fairly, in all material respects, the respective regulatory basis of accounting financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2023, 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.

**Report on 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.

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[www.selectlanding.com](http://www.selectlanding.com)

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 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 those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on 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.



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**January 22, 2024**



## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

---

To the School Board  
Fort Smith School District #100  
Fort Smith, Arkansas

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

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

We have audited the Fort Smith School District #100's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. 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.

In our opinion, Fort Smith School District #100 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, 2023.

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

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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



## Report on Internal Control Over Compliance

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

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

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

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



Przybysz & Associates, CPAs, P.C.  
Fort Smith, Arkansas  
January 22, 2024

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

### Section I - Summary of Auditor's Results

#### Financial Statements

Types of auditor's report issued:

GAAP basis of reporting - adverse  
Regulatory basis opinion units - unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ yes  x  no

Significant deficiency(ies) identified?

\_\_\_ yes  x  none reported

Noncompliance material to financial statements noted?

\_\_\_ yes  x  no

#### Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

\_\_\_ yes  x  no

Significant deficiency(ies) identified?

\_\_\_ yes  x  none reported

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

Unmodified

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

\_\_\_ yes  x  no

Identification of major programs:

#### CFDA Number(s)

10.553, 10.555, 10.556, 10.559 and 10.582  
84.027 and 84.173  
84.425  
93.489, 93.575 and 93.596

#### Name of Federal Program or Cluster

Child Nutrition Cluster  
Special Education Cluster  
Elementary and Secondary School Emergency Fund  
Child Care and Development Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$1,105,149

Auditee qualified as a low-risk auditee?

x  yes \_\_\_ no

### Section II - Financial Statement Findings

#### **Material Weaknesses/Significant Deficiencies**

None

#### **Material Weaknesses/Significant Deficiencies - Prior Year**

None

### Section III - Federal Award Findings and Questioned Costs

#### **Material Weaknesses/Significant Deficiencies**

None

#### **Material Weaknesses/Significant Deficiencies - Prior Year**

None

# FORT SMITH SCHOOL DISTRICT #100

## SUPPLEMENTAL DATA SHEET AS REQUIRED BY ARKANSAS DEPARTMENT OF HUMAN SERVICES

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**JUNE 30, 2023**

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**Name:** Fort Smith School District #100

**Address:** 3205 Jenny Lind, P.O. Box 1948, Fort Smith, AR 72902-1948

**EIN Number:** 71-6020978

**Phone Number:** (479) 785-2501

**Administrative Officer:** Dr. Terry Morawski

**Contact Person:** Charles Warren, CPA

**Audit Firm:** Przybysz & Associates, CPAs, P.C.

**Lead Auditor:** Marc Lux, CPA



## **Independent Auditor's Report On Compliance With Arkansas State Requirements**

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To the School Board  
Fort Smith School District #100  
Fort Smith, Arkansas

We have examined management's assertions that the Fort Smith School District #100 substantially complied with the requirements of Arkansas Code Annotated §6-1-101 and applicable laws and regulations listed on Arkansas Department of Education form OCI 95-96 during the year ended June 30, 2023. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2023.

This report is intended solely for the information and used of the School Board, management, and the Arkansas Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**January 22, 2024**

# FORT SMITH SCHOOL DISTRICT #100

## SCHEDULE OF STATUTES REQUIRED BY ARKANSAS DEPARTMENT OF EDUCATION TO BE ADDRESSED IN INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

JUNE 30, 2023

<b>DESCRIPTION</b>	<b>STATUTES</b>
<b>Bidding &amp; Purchasing Commodities</b>	6-21-301 - 6-21-305
<b>Ethical Guidelines and Prohibitions</b>	6-13-628; 6-24-101 et seq.
<b>Collateralization &amp; Investment of Funds</b>	6-20-222; 19-1-504
<b>Deposit of Funds</b>	19-8-104; 19-8-106
<b>District Finances</b>	6-20-402
• Bonded & Non-bonded Debt, District School Bonds	6-20-1201 - 6-20-1208; 6-20-1210
• Petty Cash	6-20-409
• Changes in Pullback (no deferrals - declining accrual percentages)	6-20-401
• Investment of Funds	19-1-504
<b>Management of Schools</b>	
• Board of Directors	6-13-604; 6-13-606; 6-13-608; 6-13-611 - 6-13-613; 6-13-617 - 6-13-620; 6-24-101 et seq.
• District Treasurer	6-13-701
◦ Warrant/checks	6-17-918; 6-17-919; 6-20-403
<b>Management Letter for Audit</b>	14-75-101 - 14-75-104
<b>Nonrecurring Salary Payments</b>	6-20-412
<b>Revolving Loan Fund</b>	6-19-114; 6-20-801 et seq.
<b>Salary Laws - Classified</b>	6-17-2201 et seq.; 6-17-2301 et seq.
<b>School Elections</b>	6-13-622; 6-13-630; 6-13-631; 6-13-634; 6-14-106; 6-14-109; 6-14-118
<b>Teachers and Employees</b>	
• Personnel Policies	6-17-201 et seq., 6-17-2301
• Employment and Assignment	6-17-301 et seq.
• Teacher's License Requirement	6-17-401 et seq.
• Contracts	6-17-801 et seq.
• Certification Requirements	6-17-309; 6-17-401
• Fair Dismissal Act	6-17-1501 et seq.; 6-17-1701 et seq.
• Sick Leave Policies	6-17-1201 et seq.; 6-17-1301 et seq.
• Minimum Wage Act	11-4-213, 11-4-218, 11-4-403, 11-4-405
<b>Teacher Salaries and Foundation Funding Aid</b>	6-17-803; 6-17-907; 6-17-908; 6-17-911 - 6-17-913; 6-17-918; 6-17-919
<b>Trust Funds (Education Excellence)</b>	6-5-307
<b>Use of Contractors, Improvement Contracts</b>	22-9-201 - 22-9-205
<b>Use of DM&amp;O Millage</b>	26-80-110
<b>On Behalf Payments</b>	The amounts of funds paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of District employees.

## **FORT SMITH SCHOOL DISTRICT #100**

### **SCHEDULE OF STATUTES REQUIRED BY ARKANSAS DEPARTMENT OF EDUCATION TO BE ADDRESSED IN INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE**

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**JUNE 30, 2023**

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<b><u>DESCRIPTION</u></b>	<b><u>STATUTES</u></b>
<b>Regulatory Basis of Accounting</b>	10-4-413(c)
<b>Real Estate and Personal Property Tax Appeals</b>	26-35-802
<b>Arkansas Procurement Law</b>	19-11-201 et. Seq.
<b>Fiscal Accountability</b>	6-20-1901, et. Seq.
<b>Enhanced Student Achievement Funding ESA</b>	6-20-2305(B)(4)(F)(I)
<b>Limitation on Fund Balances</b>	6-20-2210
<b>Cares Act (COVID-19) Education Funding</b>	Commissioner's Memo LS-20-089
<b>Charter Facilities Funding</b>	6-23-908