

**STRONG-HUTTIG SCHOOLS**

**PO BOX 735**

**STRONG, AR 71765**

**870-797-3040 (p) 870-797-3012 (f)**

**Elementary**

**870-797-2321 (p)**

**870-797-7633 (f)**

**High School**

**870-797-7322 (p)**

**870-797-2257 (f)**

Tuesday, November 8, 2022

To the Arkansas State Board of Education

The Strong-Huttig School District has received notification that our Average Daily Membership is below 350 students. Our district is in favor of applying for the waiver that is available under A.C.A. § 6-13-1613.

Our current enrollment is 309 for the 2022-2023 school year. We are working diligently to recover learning loss experienced during the Covid-19 Pandemic and providing opportunities for enrichment for all students in the Strong - Huttig School District.

We work closely with the Fiscal Support Team throughout the year to meet the financial obligations of our district. We are confident that we will meet the guidelines for financial, facilities, and academic approval. Our district did not have any reportable findings with our most recent audit.

Please accept this letter as our statement of assurance that: The Strong-Huttig School District is not in Level 5 Intensive Support, facility distress, or fiscal distress. Our buildings are well maintained, and we are making the necessary additions to safely operate during the Covid-19 pandemic and beyond. All of our academic facilities are safe, warm, dry, and secure for students and staff.

Included in this request you will find letters of support from our local community leaders, details about ongoing enrichment opportunities, and a resolution from the Strong - Huttig School Board in favor of this waiver request. If you have any questions please contact Superintendent Kimberly Thomas, at 870-797-7322 or by email at [kimberly.thomas@strong.scsc.k12.ar.us](mailto:kimberly.thomas@strong.scsc.k12.ar.us).

Sincerely,



Kimberly Thomas

Superintendent

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**870-797-7633 (f)**

**November 14, 2022**

**Resolution of Approval to Apply for  
Waiver Authorized by Act 377 of 2015**

**It is in the best interest of the students in the school district that the Strong-Huttig School Board support any and all efforts by the administration and staff to apply for the Under 350 Waiver for the 2023-2024 school year.**

**It is in the best interest of the students in Strong-Huttig School District to keep the school district open due to the length of potential time spent on the bus by a student traveling to and from school should the school district be administratively reorganized, as assured by the Board of Directors of the Strong-Huttig School District requesting the waiver.**

**Cindy Smith, Board President:**

*Cindy Smith*

**Fredrick Baker, Board Vice President:**

*Fredrick Baker*

**Terri Dollar, Board Secretary:**

*Terri Dollar*

**Edwin Boswell, Member:**

*Absent*

**Robbin Hogue, Member:**

*Robbin Hogue*

**Sonya Manning, Member:**

*Sonya Manning*

**LaKenya Taylor, Member:**

*LaKenya Taylor*

Strong Huttig School Board  
June 8,2022

Frederick Baker, Vice President (Zone 4)  
302 North Hickory Street  
PO Box 333  
Strong, AR 71765  
870-310-3123

Edwin Boswell (Zone 6)  
2599 Pigeon Hill Road  
Strong, AR 71765  
870-797-2269 870\*510-1502

Terri Dollar (Zone 1)  
7336 Huttig Hwy  
PO Box 321  
Huttig, AR 71747  
870-943-2349 870-310-2178

Robbin Hogue (Zone 7)  
3306 New London Road  
Strong, AR 71765  
870-951-0581

Sonya Manning (Zone 5)  
324 E. 4th Avenue  
Strong, AR 71765  
870-797-2951

LaKenya Riley (Zone 2)  
4325 Huttig Hwy  
Huttig, AR 71747  
870-310-4789

Cindy Smith, President (Zone 3)  
2134 Aurelle Road  
Strong, AR 71765  
870-310-7558

Mayor:

Linda J. Newbury

Recorder/Treasurer:

Shirley Gilmore

Public Works Supt.:

David Culp

## TOWN OF FELSENTHAL

1000 3<sup>rd</sup> Street

Huttig, AR 71747

Phone: 870-943-2454 FAX: 870-943-2447

[tofelsenthal@bayoucable.com](mailto:tofelsenthal@bayoucable.com)

<http://www.felsenthal-ar.com>

November 7, 2022

To Whom it may Concern:

The Mayor and Town Council of the Town of Felsenthal, Arkansas, Union County, with to support the Town of Strong in requesting a waiver to Arkansas Code Ann.6-13-1603. It is our belief that the students who live in our area would not be better served than currently by having to travel long distances to the school district(s) to which they would be assigned.

The nearest schools are in Eldorado, Crossett, or Hermitage, Arkansas—either of which would be at least a 45-minute drive for parents or much longer for bus drivers. Having students' days extended to accommodate the law would not be in their best interests, we believe.

Therefore, we would add our support to the Strong School District to request a waiver.

Regards,



Linda J. Newbury

Mayor, Town of Felsenthal, Arkansas

**Council Members:**

James Holland      Mary Seymore  
Amy Linder      Jack Newbury      Darnell Manning

*Tony Cole  
Mayor*

**City of Huttig**  
P.O. Box 406  
100 Frost Street  
(870) 943-2222 Phone/Fax  
Huttig, AR. 71747

*Becky Mathews  
Rec/Treas*

*November 17, 2022*

*Lori Freno  
General Counsel  
Arkansas Department of Education  
Division of Elementary and Secondary Education  
Four Capitol Mall  
Little Rock, AR*

*The Mayor and City Council of the City of Huttig, Arkansas, Union County, wish to support the Strong-Huttig School District in requesting a waiver to Arkansas Code Ann. 6-13-1603. It is our belief that the students who live in our area would not be better served by having to travel long distances to the school district to which they would be assigned.*

*The nearest schools are in El Dorado, Arkansas; Crossett, Arkansas; or Hermitage Arkansas; either of which would be at least a 45 minute drive for parents or much longer for bus drivers. We believe having students' days extended to accommodate the law would not be in their best interests.*

*Therefore, we would add our support to the Strong-Huttig School District to request a waiver.*

*Sincerely,*



*Tony Cole  
Mayor*

**CITY OF STRONG**

210 Pine St.

Strong, Ar 71765

870-797-7343

[strong.cityhall@yahoo.com](mailto:strong.cityhall@yahoo.com)

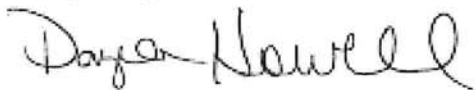
Arkansas Department of Education  
Division of Elementary and Secondary Education  
Four Capitol Mall  
Little Rock, Ar 72209

The Strong-Huttig School District's request for a waiver of Arkansas Code Ann. 6-13-1603 has the full support of the council members and mayor of Strong, Arkansas, in Union County. We are confident that saving the pupils from making a more than 20-mile trip to a different school district will significantly improve their performance.

The daily commute for pupils to the closest school districts, including El Dorado, Crossett, or Hermitage, Arkansas, would take close to two hours.

Therefore, we would lend the Strong-Huttig School District our support in its request for a waiver.

Regards,



Daryell Howell, Mayor of Strong

# 2023 Strong-Huttig School District (7009000)

## District Information

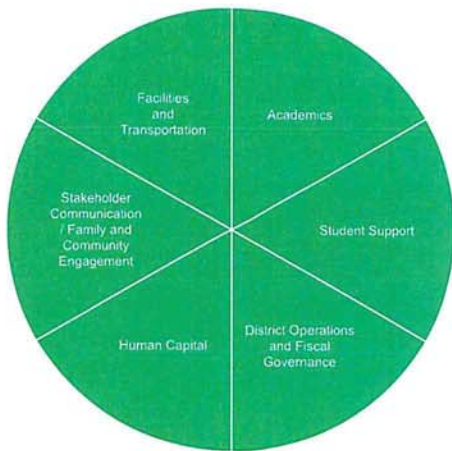
Accreditation Status: Accredited (Pending)  
Superintendent: Kimberly Thomas  
Asst. Superintendent:  
School: (All) v  
[Sort by LEA](#)

## Region 21 Accreditation Specialist(s)

Name: Barbara Means  
Phone: 501-682-2259  
Email: [Barbara.Means@ade.arkansas.gov](mailto:Barbara.Means@ade.arkansas.gov)  
Name: Matthew Sutherlin  
Phone: 501-682-4379  
Email: [Matthew.Sutherlin@ade.arkansas.gov](mailto:Matthew.Sutherlin@ade.arkansas.gov)

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# Annual Statistical Report 2020/2021

County: UNION

STRONG-HUTTIG SCHOOL DISTRICT

LEA: 7009000

	2020/2021 Actual	2021/2022 Budget		2020/2021 Actual	2021/2022 Budget	
1 Area In Square Miles	303		<b>CURRENT EXPENDITURES</b>			
2 ADA	282			<b>Instruction:</b>		
4 4 Qtr ADM	286			49 Regular Instruction	1,871,809	2,827,880
5 Prior Year 3 Qtr ADM	293			50 Special Education	198,277	348,970
6 Assessment	45,838,018			51 Career Education	0	0
7 M&O Mills	25.70			52 Adult Education	0	0
8 URT Mills	25.00			53 Compensatory Education	425,632	652,608
9 M&O Mills In Excess of URT	0.70			54 Other	20,867	25,527
10 Dedicated M&O Mills	0.00			<b>55 Total Instruction</b>	<b>2,516,584</b>	<b>3,854,985</b>
11 Debt Service Mills	13.30			<b>District Level Support:</b>		
12 Total Mills	39.00			56 General Administration	151,128	153,099
13 Total Debt Bond/Non Bond	730,000			57 Central Services	144,493	149,993
<b>State and Local Revenue</b>				58 Maintenance & Operations Of Plant	560,312	488,788
14 Property Tax Receipts (Incl URT)	1,844,156	1,843,000	59 Student Transportation	228,074	293,479	
15 Other Local Receipts	113,050	69,500	60 Othr District Level Support Service	11,758	12,000	
16 Revenue From Intern Srcs	11,783	12,000	<b>61 Total District Support Services</b>	<b>1,095,764</b>	<b>1,097,359</b>	
17.1 Foundation Funding (Exd URT)	937,051	883,568	<b>School Level Support:</b>			
17.2 98% of URT X Assessment less Net Revenues	95,513	0	62 Student Support Services	280,419	295,929	
18 Student Growth Funding	22,493	0	63 Instructional Staff Support Service	310,537	560,743	
19 Declining Enrollment Funding	0	29,482	64 School Administration	90,786	99,887	
20 Consolidation Incentive/Assistance	0	0	<b>65 Total District Support Services</b>	<b>681,742</b>	<b>956,560</b>	
21 Isolated Funding	0	0	<b>Non-Instructional Services:</b>			
22 Enhanced Transportation Funding	101,177	41,069	66 Food Service Operations	263,628	225,976	
23 Other Unrestricted State Funding	0	0	67 Other Enterprise Operations	0	0	
<b>24 Total Unrestricted Revenue from State and Local Sources</b>	<b>3,125,223</b>	<b>2,878,619</b>	68 Community Operations	0	2,000	
<b>Restricted Revenue from State Sources:</b>			69 Other Non-Instructional Services	0	0	
25 Adult Education	0	0	<b>70 Total Non-Instructional Services</b>	<b>263,628</b>	<b>227,976</b>	
<b>Regular Education:</b>			71 Facilities Acquisition And Const.	0	0	
26 Professional Development	10,530	10,235	72 Debt Service	82,598	86,353	
27 Other Regular Education	204,583	159,343	75 Other Non-Programmed Costs	0	0	
<b>Special Education:</b>			<b>76 Total Expenditures</b>	<b>4,640,317</b>	<b>6,223,232</b>	
28 Gifted And Talented	0	0	77 Less: Capital Expenditures	(9,295)	0	
29 Alt. Learning Environment (ALE)	0	0	78 Less: Debt Service	(82,598)	-86,353	
30 English Language Learner (ELL)	1,056	0	<b>79 Total Current Expenditures</b>	<b>4,548,423</b>	<b>6,136,879</b>	
31 Enhanced Student Achievement Funds (ESA)	425,520	436,756	80 Exclusions from Current Expenditures	(88,730)	-112,987	
32 Other Special Education	74,562	79,947	<b>81 Net Current Expenditures</b>	<b>4,459,693</b>	<b>6,023,893</b>	
33 Career Education	15,438	0	82 Per Pupil Expenditures	15,788		
34 School Food Service	1,420	1,400	83 Personnel - Non-Federal Licensed Classroom FTEs	31.14		
35 Educational Service Cooperatives	0	0	83.5 Total Salary - Non-Federal Licensed Classroom FTEs	1,418,480		
36 Early Childhood Programs	0	0	84 Avg Salary - Non-Federal Licensed Classroom FTEs	45,552		
37 Magnet School Programs	0	0	85 Personnel - Non-Federal Licensed FTEs	32.98		
38 Other Non-Instructional Program Aid	0	0	85.5 Total Salary - Non-Federal Licensed FTEs	1,548,522		
<b>39 Total Restricted Revenue from State Sources</b>	<b>733,109</b>	<b>687,682</b>	86 Avg Salary - Non-Federal Licensed FTEs	46,953		
<b>40 Total Restricted Revenue from Federal Sources</b>	<b>906,813</b>	<b>2,129,632</b>	87.1 Legal Balance (funds 1-2-4)	713,687	496,691	
<b>Other Sources of Funds:</b>			87.2 Categorical Fund Balance	44,435	0	
41 Financing Sources	0	0	87.3 Deposits With Paying Agents (QZAB)	0	0	
42 Balances Consol/Annexed District	0	0	87.4 Net Legal Bal (Excl Cat & QZAB)	669,251	496,691	
43 Indirect Cost Reimbursement	0	0	88 Building Fund Balance (fund 3)	533,097	283,097	
44 Gains & Losses - Sale Fixed Assets	0	0	89 Capital Outlay Balance/Dedicated M&O (fund 5)	0	0	
45 Compensation - Loss Of Fixed Assets	0	0				
46 Other	0	0				
<b>47 Total Other Sources of Funds</b>	<b>0</b>	<b>0</b>				
<b>48 Total Revenue and Other Sources of Funds from All Sources</b>	<b>4,765,145</b>	<b>5,695,933</b>				

	Amount	Statutory Code/Acts of 2022	Restricted	Revenue Code	Fund/SOF Code
DATA					
1. 2021 Real Assessment	\$ 25,077,519	15. Initial Per-Student Revenue		\$	3,971.90
2. 2021 Personal Assessment	\$ 16,869,062	16. Initial Per-Student Foundation Funding Amount		\$	7,413.00
3. 2021 Utility Assessment	\$ 5,321,344	17. Initial Per-Student State Foundation Funding Aid		\$	3,441.10
4. 2021 Total Assessment	\$ 47,267,925	18. PY ALE FTEs (Qtrs. 1-4)			0.000000
5. 98% of URT X Assessment	\$ 1,158,064.16	19. CY English Language Learner Students			281
6. Net Revenues	\$ 37,121	20. PY ESA Students (NSL Free and Reduced)		\$	0.00
7. 2021 Calendar Year Calc. Misc. Funds <sup>1</sup> - R	\$	21. Adjusted 1/1/05 Scheduled Debt Payment		\$	0.00000
8. 2022 Calendar Year Calc. Misc. Funds <sup>1</sup> - R	\$	22. State Wealth Index for Bonded Debt Assistance			
9. 2020-21 ADM (Qtrs. 1-3 Avg.)	\$ 284.30	23. PY ADM of Isolated School Area			
10. 2021-22 ADM (Qtrs. 1-3 Avg.)	\$ 300.91	24. Isolated Funding Amount Per Student 6-20-603		\$	668
11. 2021-22 ADM (Qtr. 4) for SGF	\$ 295.62	25. District Square Miles			303.29
12. 2022-23 ADM (Qtr. 1) for SGF		26. District Total Millage Rate in effect as of 1/1/21			39.00
13. 2022-23 ADM (Qtr. 2) for SGF		27. District Total Millage Rate in effect as of 1/1/22			39.00
14. 2022-23 ADM (Qtr. 3) for SGF					
FUNDING					
	Amount	Statutory Code/Acts of 2022	Restricted	Revenue Code	Fund/SOF Code
28. State Foundation Funding Aid (\$7,413)	\$ 1,035,461.00	6-20-2303, 6-20-2305, 6-20-2308, Act 111	No	31101	2001
29. 98% of URT X Assessment less Net Revenues <sup>2</sup>	\$	6-20-2303, 6-20-2305	No	31103	2001
30. Educational Excellence Trust Funds <sup>3</sup> - R	\$ 180,756.00	6-5-301 et seq.	Yes		
31. Alternative Learning Environment (\$4,890) - R	\$ 0.00	6-20-2303, 6-20-2305	Yes	32370	2275
32. English Language Learners (\$366) - R	\$	6-20-2303, 6-20-2305	Yes	32371	2276
33. ESA Funding <sup>4</sup> (\$538 / \$1,076 / \$1,613) - R	\$ 453,253.00	6-20-2303, 6-20-2305, Act 217	Yes	32381	2281
34. ESA Rate - R	\$ 1,613.00	6-20-2305	Yes	32381	2281
35. ESA Funding Withholding <sup>4</sup>	\$	6-20-2305			
36. ESA Growth Funding <sup>4</sup> - R	\$ 7,076.00	6-20-2305	Yes	32381	2281
37. Professional Development (\$37.50) - R	\$ 11,284.00	6-20-2303, 6-20-2305	Yes	32256	2223
38. Bonded Debt Assistance (\$18.03) - R	\$ 0.00	6-20-2503	Yes	32915	2001
39. Isolated Funding	\$	6-20-601, 6-20-603	Yes	31500	2212
40. Special Needs Isolated Funding	\$	6-20-604 (c), (d) & (e)	Yes	31500	2212
41. Special Needs Small District Funding	\$	6-20-604 (f)	Yes	32249	2920
42. Special Needs Isolated Transportation	\$	6-20-604 (h)	Yes	32248	2228
43. Declining Enrollment Funding <sup>5</sup> - R	\$ 0.00	6-20-2305	No	31460	2218
44. Declining Enrollment Adequacy	\$	6-20-2305	No	31460	2218
45. Student Growth - PYQtr.4 + CYQtrs. 1,2 & 3 <sup>5</sup> - R	\$ 50,677.00	6-20-2303 & 2305	No	31450	2217
46. Enhanced Transportation Funding	\$	6-20-2309	No	31400	2222
47. Teacher Salary Equalization Funding (\$185)	\$ 55,668.00	6-20-2305 (b) (6)	Yes	32204	2001

ACA-Arkansas code annotated, ADM-average daily membership, ALE-alternative learning environment, Avg.-average, Calc.-calculated, CY-current year, ESA-enhanced student achievement, FTE-full-time equivalent, FY-fiscal year, LEA-local education agency, Misc.-miscellaneous, NSL-national school lunch, PY-prior year, Qtr.-quarter, R-state board rule, SFFA-state foundation funding aid, SGF-student growth funding, SOF-source of fund, URT-uniform rate of tax

1) Miscellaneous funds are defined and calculated as per ACA § 6-20-2303 (12), ACA § 6-20-2308, and ACA § 6-20-2503 (a) (3).  
 2) Negative funding amounts for 98% of URT X assessment less net revenues indicate funds owed to the state. For those districts receiving SFFA, the negative amount is deducted from SFFA.  
 3) Educational excellence trust funds are included in foundation funding and are restricted pursuant to ACA § 6-5-307.  
 4) Line 33-ESA funding is inclusive of transitional funding. 2022-23 ESA funding is pursuant to Act 217 of 2022, Section 33, "for Fiscal Year 2023, a public school district shall not receive less Enhanced Student Achievement Funding than the amount it received in Fiscal Year 2022."  
 5) Eligible school districts shall receive the higher of student growth funding or declining enrollment funding. No school district shall receive both declining enrollment funding and student growth funding.  
 The initial state aid notice provides declining enrollment funding that has not been compared to student growth funding.

Revenue  
STRONG PUBLIC SCHOOL DISTRICT #83  
Period 5

**Unrestricted Funds**  
Fund/SOF 1000-1200|1206:1211|1213:1222|1224:1274|1277:1280|1282:1292|1294:1319|1321:1322|1324:1390|1392:1400|1405:1995  
Fund/SOF 2000-2200|2204:2206:2211|2213:2222|2224:2274|2277:2280|2282:2292|2294:2319|2321:2322|2324:2390|2392:2400|2405:2995  
Fund/SOF 4000:4999

Object Detail for Account  
10000:51999|52300-52399|52500:59999

Account	Account Description	FY20	FY21	FY22	FY23 YTD as of 2023	Budget Variance in FY23 Budget and FY23 YTD
11110	PROPERTY TAXES-CURRENT	975,759.16	932,804.33	797,501.59	31,857.16	940,000.00 (908,142.84)
11120	PROPERTY TAX-40% BY 6/30	0.00	0.00	17,669.29	238,900.13	400,000.00 (161,099.87)
11140	PROPERTY TAX-DELINQUENT	29,485.96	50,358.18	36,582.12	39,540.64	160,000.00 (120,459.36)
11150	EXCESS COMMISSION	0.00	0.00	458.98	0.00	47,200.00 (47,200.00)
15100	INTEREST ON INVESTMENTS	563.52	551.38	598.26	240.06	1,400.00 (1,159.94)
19120	OTHER RENT-LAND OWNED LEA	4,400.00	5,150.00	4,300.00	4,250.00	15,000.00 (10,750.00)
19200	PRIVATE CONTRIBUTIONS	0.00	0.00	0.00	0.00	0.00 0.00
19800	REFUNDS OF PRIOR YR EXPEN	0.00	0.00	0.96	6,678.75	0.00 6,678.75
19900	MISC REV FR LOCAL SOURCES	395.00	5,565.15	828.28	14.56	11,000.00 (10,985.44)
21200	SEVERANCE TAX	9,356.71	4,854.31	14,188.65	10,254.30	12,000.00 (1,745.70)
31101	STATE FOUNDATION FUNDING	362,320.00	387,805.00	368,155.00	345,152.00	1,035,461.00 (690,309.00)
31400	TRANSPORTATION AID	101,177.00	101,177.00	41,069.00	50,677.00	50,677.00 0.00
31450	STUDENT GROWTH FUNDING	0.00	0.00	0.00	0.00	20,979.00 (20,979.00)
32204	TEACH SAL EQ	0.00	0.00	0.00	18,556.00	55,668.00 (37,112.00)
32219	ED COMP FEFORM PROG	48,337.90	48,337.90	106,343.38	0.00	106,343.00 (106,343.00)
32226	RECRUITMENT/RETENTION	0.00	0.00	0.00	0.00	53,000.00 (53,000.00)
32310	HAND CHLD-SUPV/EXTEND YR	0.00	0.00	0.00	0.00	1,500.00 (1,500.00)
32350	EARLY CHLD/MEDICAID MATCH	0.00	6,163.38	7,670.61	3,062.48	25,510.00 (22,447.52)
32352	SPED EIDT	0.00	2,188.44	2,723.64	1,086.80	5,437.02 (4,350.22)
32355	EARLY CHILD PILOT PARENT	0.00	0.00	0.00	0.00	4,000.00 (4,000.00)
32382	NSL MATCHING GRANT	50,701.52	41,425.13	53,930.59	0.00	53,931.00 (53,931.00)
41300	REV IN LIEU OF TAXES	0.00	0.00	0.00	0.00	36,000.00 (36,000.00)
<b>Total Revenue</b>		<b>1,582,496.77</b>	<b>1,586,380.20</b>	<b>1,452,020.35</b>	<b>750,269.88</b>	<b>3,035,106.02 (2,284,836.14)</b>

(Excluding transfers from 52000-52299 and 52400-52499)

**EXPENDITURES**  
**STRONG PUBLIC SCHOOL DISTRICT #83**  
**Period 5**

**Unrestricted Funds**

Fund/SOF 1000-1200|1204|1206:1211|1213:1222|1224:1274|1277:1280|1282:1292|1294:1319|1321:1322|1324:1390|1392:1400|1405:1999  
 Fund/SOF 2000-2200|2204|2206:2211|2213:2222|2224:2274|2277:2280|2282:2292|2294:2319|2321:2322|2324:2390|2392:2400|2405:2999  
 Fund/SOF 4000:4999

**Object Detail for Account**

61000:69299|69330:69339|69350:69999

Account/Account Description	FY20	FY21	FY22	FY23 YTD as of 20	FY23 Budget	Variance in FY23 Budget and FY23 YTD
Salaries & Benefits	370,128.18	373,059.64	408,160.26	240,294.68	1,163,656.05	(923,361.37)
61120 CERT SALARY	114,345.55	108,598.17	131,343.13	106,078.29	463,127.60	(357,049.31)
61710 CERT SUBSTITUTES	0.00	0.00	0.00	37,755.16	281,868.51	(244,113.35)
61720 CLS SUBSTITUTES	14,735.08	18,540.00	5,809.16	963.94	800.00	163.94
61810 CERT UNUSED SICK	0.00	0.00	0.00	1,260.00	0.00	1,260.00
61820 CLS UNUSED SICK	0.00	5,400.00	0.00	0.00	0.00	0.00
62110 CERT GROUP INS	2,332.00	1,401.44	2,297.01	1,402.73	7,397.10	(5,994.37)
62120 CLS GROUP INS	1,356.17	996.22	1,625.34	1,090.89	4,926.89	(3,836.00)
62210 CERT SOC SEC	22,004.99	22,184.65	24,294.58	15,109.63	83,169.04	(68,059.41)
62220 CLS SOC SEC	7,619.77	7,889.03	8,104.25	8,024.95	37,415.30	(29,390.35)
62260 CERT MEDICARE	5,146.35	5,188.34	5,681.82	3,533.69	18,746.13	(15,212.44)
62270 CLS MEDICARE	1,782.01	1,845.03	1,895.35	1,876.79	8,935.77	(7,058.98)
62310 CERT TCH RET-CONT	52,761.12	54,111.81	60,410.19	38,382.75	192,441.39	(154,058.64)
62320 CLS TCH RET - CONT	18,376.25	19,199.97	20,023.53	19,570.20	99,309.78	(79,739.58)
62321 ATR BENEFIT CLS	608.44	901.08	1,534.47	205.96	2,471.52	(2,265.56)
62520 CLS UNEMPLOY COM	515.00	3,108.00	0.00	0.00	0.00	0.00
62610 CERT WKR'S COMP	0.00	0.00	0.00	0.00	3,820.25	(3,820.25)
62620 CLS WKR'S COMP	0.00	0.00	0.00	0.00	3,986.27	(3,986.27)
62710 CERT HEALTH BENEF	11,445.67	10,430.91	10,880.76	6,065.25	32,396.78	(26,331.53)
62711 CRT PREM ASSISTAN	1,052.56	964.44	1,167.44	552.61	2,940.24	(2,387.63)
62720 CLS HEALTH BENEFIT	4,329.12	3,918.87	3,800.38	2,523.94	10,111.20	(7,587.26)
62721 CLS PREM ASSISTAN	319.81	260.50	220.85	151.93	894.28	(742.35)
62920 OTHER BENEFITS-CL	0.00	0.00	0.00	0.00	0.00	0.00
<b>Salaries &amp; Benefits Totals</b>	<b>628,858.07</b>	<b>637,998.10</b>	<b>687,248.52</b>	<b>484,843.39</b>	<b>2,418,414.10</b>	<b>(1,933,570.71)</b>

Other Expenditure	63220	SUBTEACH-SUB PAY	18,576.86	9,894.12	20,912.00	18,208.15	65,000.00	(46,791.85)
	63221	SUBTEACH-SUB PAY	9,575.92	16,771.17	18,911.05	25,329.25	70,000.00	(44,670.75)
	63445	LEGAL-RESEARCH/O	0.00	0.00	150.00	0.00	6,500.00	(6,500.00)
	63900	OTHER PURC PROFIT	121,821.04	127,478.40	110,189.91	151,155.17	169,130.00	(17,974.83)
	64110	WATER/SEWER	1,720.44	1,596.55	1,007.35	1,388.59	3,000.00	(1,611.41)
	64200	CLEANING SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
	64210	DISPOSAL/SANITATI	0.00	0.00	2,339.97	2,846.36	10,000.00	(7,153.64)
	64230	CUSTODIAL	0.00	49,670.99	13,055.77	13,398.02	36,000.00	(22,601.98)
	64310	BLDG & GROUNDS	0.00	3,472.00	3,472.00	12,518.43	8,000.00	4,518.43
	64320	EQUIPMENT & VEHIC	0.00	0.00	0.00	149.12	0.00	149.12
	64420	EQUIP & VEHICLE LE	2,463.75	2,625.44	1,741.76	1,564.28	6,000.00	(4,435.72)
	65210	PROPERTY INSURAN	32,567.11	34,247.80	0.00	38,403.61	35,000.00	3,403.61
	65220	LIABILITY INSURAN	0.00	0.00	0.00	0.00	7,500.00	(7,500.00)
	65240	FLEET INSURANCE	3,961.46	4,061.36	0.00	4,397.05	8,500.00	(4,102.95)
	65250	ACCIDENT INS FOR S	6,181.00	6,181.00	6,181.00	6,181.00	6,181.00	0.00
	65310	TELEPHONE	9,535.85	10,025.35	11,362.20	42,901.10	58,000.00	(15,098.90)
	65320	POSTAGE	815.30	1,786.85	1,574.35	205.13	2,800.00	(2,594.87)
	65400	ADVERTISING	55.35	0.00	0.00	0.00	1,100.00	(1,100.00)
	65800	TRAVEL	0.00	0.00	0.00	1,005.28	4,200.00	(3,194.72)
	65810	TRVL-CERT-IN DISTR	1,675.56	1,230.84	2,298.00	4,789.88	10,400.00	(5,610.12)
	65820	TRVL-CLS IN DISTRIC	122.86	0.00	0.00	1,563.73	0.00	1,563.73
	65890	TRAVEL LODGING	0.00	0.00	0.00	0.00	6,500.00	(6,500.00)
	65910	SVS PURCHASED LO	7,800.93	3,305.27	36,766.39	12,194.91	78,549.80	(66,354.89)
	65911	SERV PURCH FROM	0.00	0.00	0.00	5,665.27	18,288.00	(12,622.73)
	66100	GEN SUPPLIES	42,394.63	60,001.53	57,871.40	66,042.72	134,415.00	(68,372.28)
	66210	NAT.GAS	1,126.26	949.77	1,384.22	1,510.07	30,000.00	(28,489.93)
	66220	ELECTRICITY	37,738.53	26,863.06	31,513.10	30,074.78	60,000.00	(29,925.22)
	66260	GASOLINE/DIESEL	1,375.23	1,175.89	1,295.73	1,780.25	14,000.00	(12,219.75)
	66265	DIESEL FUEL	8,072.51	80.00	7,991.92	15,098.00	45,000.00	(29,902.00)
	66410	TEXTBOOKS	8,038.68	2,952.74	1,053.21	0.00	5,500.00	(5,500.00)
	66523	NON-INSTRU TECHN	0.00	0.00	442.03	257.42	500.00	(242.58)
	67320	VEHICLES	0.00	0.00	0.00	0.00	72,095.00	(72,095.00)
	68100	DUES AND FEES	4,533.52	2,741.20	2,979.70	4,818.57	5,050.00	(231.43)
	68300	INTEREST	11,711.25	11,081.25	10,451.25	9,768.75	20,903.00	(11,134.25)
	69100	REDEMPTION OF PR	0.00	0.00	0.00	0.00	65,000.00	(65,000.00)
		Other Expenditure Totals	331,864.04	378,192.58	344,944.31	473,214.89	1,063,111.80	(589,896.91)
		Overall Expenditure Totals	960,722.11	1,016,190.68	1,032,192.83	958,058.28	3,481,525.90	(2,523,467.62)

(Excluding transfers to funds 1, 2 and 4 which is 69310-69329 abd 69340-69349)

**Budget Summary**  
**STRONG-HUTTIG SCHOOL DISTRICT(7009000)**

FY23 as of 2022-11-02			
<b>Beginning Balance</b> <u>7/1/2022</u>		<b>Ending Balance</b> <u>10/31/2022</u>	
387,697.36	<b>Revenue</b> <u>750,269.88</u>	958,058.28	<b>Expenditures</b> 179,908.96
FY23 Budget			
<b>Beginning Balance</b> <u>7/1/2022</u>		<b>Projected Balance</b> <u>6/30/2023</u>	
387,697.36	<b>Revenue</b> <u>3,035,106.02</u>	3,481,525.90	<b>Expenditures</b> -58,722.52
FY22			
<b>Beginning Balance</b> <u>7/1/2021</u>		<b>Ending Balance</b> <u>6/30/2022</u>	
669,251.2	<b>Revenue</b> 3,184,546	387,697.36	<b>Expenditures</b> 3,466,099.84
FY21			
<b>Beginning Balance</b> <u>7/1/2020</u>		<b>Ending Balance</b> <u>6/30/2021</u>	
631,565.75	<b>Revenue</b> 3,360,825.2	669,251.2	<b>Expenditures</b> 3,323,139.75
FY20			
<b>Beginning Balance</b> <u>7/1/2019</u>		<b>Ending Balance</b> <u>6/30/2020</u>	
568,859.84	<b>Revenue</b> 3,089,990.08	631,565.75	<b>Expenditures</b> 3,027,284.17

(Does not include Building, Categorical, Federal, Activity and Food Service Funds)

**Annual Financial Report (AFRB) Legal Balance  
(Teacher Salary, Operating and Debt Service Funds)  
SCHOOL YEAR: 2022 - 2023**

**LEA: 7009000  
COUNTY: UNION  
DISTRICT: STRONG-HUTTIG SCHOOL DISTRICT  
SCHOOL:**

**PAGE: 1  
RPT520 - SIS CERTIFIED  
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	<u>Actual FY 2021 - 2022</u>	<u>Budget FY 2022 - 2023</u>
<b>BEGINNING BALANCE</b>	713,686.67	437,539.12
<b>PLUS Total Operating &amp; Debt Service Funds Revenues*</b>	3,632,614.00	3,503,156.02
<b>PLUS Operating &amp; Debt Service Funds Transfers 'in' from other Funds</b>	0.00	0.00
<b>PLUS Operating &amp; Debt Service Funds Other Revenue ( Indirect Cost &amp; Other)</b>	0.00	0.00
<b>LESS Teacher Salary Fund Expenditures</b>	1,723,740.81	1,493,212.24
<b>LESS Operating Fund Expenditures</b>	2,098,679.24	1,955,450.08
<b>LESS Operating Transfers 'Out' (To Funds 3,5,6,7,8)</b>	0.00	0.00
<b>LESS Total Debt Service Fund Expenditures</b>	86,341.50	86,353.00
 <b>LEGAL BALANCE</b>	 <b>\$437,539.12</b>	 <b>\$405,679.82</b>
	=====	=====
*Accrued Revenue included in this total	\$0.00	\$0.00

Legal Balance includes restricted categorical balances as shown on the Categorical Fund Report. However, the categorical balances will be deducted from the Legal Balance reports for ADE and Legislature.

LEA: 7009000  
 COUNTY: UNION  
 DISTRICT: STRONG-HUTTIG SCHOOL DISTRICT  
 SCHOOL:

Annual Financial Report (AFRB) Level I  
 SCHOOL YEAR: 2022 - 2023

PAGE: 1  
 RPT510 - SIS CERTIFIED  
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	Actual FY 2021 - 2022	Budget FY 2022 - 2023
	-----	-----
<b>FUND 1 - Teacher Salary</b>		
Beginning Balance	\$0.00	\$0.00
Total Revenues	\$0.00	\$0.00
Total Expenditures	\$1,723,740.81	\$1,493,212.24
Total Transfers	\$1,723,740.81	\$1,493,212.24
	-----	-----
Ending Balance	\$0.00	\$0.00
<b>FUND 2 - Operating</b>		
Beginning Balance	\$713,686.67	\$437,539.12
Total Revenues	\$3,632,614.00	\$3,503,156.02
Total Expenditures	\$2,098,679.24	\$1,955,450.08
Total Transfers	-\$1,810,082.31	-\$1,579,565.24
	-----	-----
Ending Balance	\$437,539.12	\$405,679.82
<b>FUND 3 - Building</b>		
Beginning Balance	\$533,096.67	\$493,596.67
Total Revenues	\$0.00	\$0.00
Total Expenditures	\$39,500.00	\$59,000.00
Total Transfers	\$0.00	\$0.00
	-----	-----
Ending Balance	\$493,596.67	\$434,596.67
<b>FUND 4 - Debt Service</b>		
Beginning Balance	\$0.00	\$0.00
Total Revenues	\$0.00	\$0.00
Total Expenditures	\$86,341.50	\$86,353.00
Total Transfers	\$86,341.50	\$86,353.00
	-----	-----
Ending Balance	\$0.00	\$0.00



	Actual FY 2021 - 2022	Budget FY 2022 - 2023
	-----	-----
<b>FUND 5 - Capital Outlay</b>		
Beginning Balance	\$0.00	\$0.00
Total Revenues	\$0.00	\$0.00
Total Expenditures	\$0.00	\$0.00
Total Transfers	\$0.00	\$0.00
	-----	-----
Ending Balance	\$0.00	\$0.00
<b>FUND 6 - Federal Grants</b>		
Beginning Balance	\$29,283.42	\$53,860.55
Total Revenues	\$1,009,224.96	\$1,585,639.99
Total Expenditures	\$1,001,993.32	\$382,024.18
Total Transfers	\$17,345.49	\$0.00
	-----	-----
Ending Balance	\$53,860.55	\$1,257,476.36
<b>FUND 7 - Activity</b>		
Beginning Balance	\$35,235.16	\$20,817.09
Total Revenues	\$50,577.12	\$500.00
Total Expenditures	\$64,995.19	\$0.00
Total Transfers	\$0.00	\$0.00
	-----	-----
Ending Balance	\$20,817.09	\$21,317.09
<b>FUND 8 - Food Service</b>		
Beginning Balance	\$72,179.04	\$125,918.73
Total Revenues	\$311,836.03	\$189,482.00
Total Expenditures	\$258,096.34	\$254,647.78
Total Transfers	\$0.00	\$0.00
	-----	-----
Ending Balance	\$125,918.73	\$60,752.95

LEA: 7009000  
 COUNTY: UNION

STRONG-HUTTIG SCHOOL DISTRICT  
 ENROLLMENT BY DISTRICT ON OCT. 1  
 SCHOOL YEAR: 2022 - 2023

CYCLE: 2

GRADE	WHITE		BLACK		HISPANIC		ASIAN		NATIVE AMERICAN / ALASKAN NATIVE		HAWAIIAN / PACIFIC ISLANDER		TWO OR MORE RACES		GENDER TOTALS	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
K Enrollment	5	2	6	15						1			1		12	18
01 Enrollment	3	2	9	7										1	12	10
02 Enrollment	3	8	14	11											17	19
03 Enrollment	2	1	11	8									1		14	9
04 Enrollment	1	1	6	8	1										8	9
05 Enrollment	2		12	12											14	12
06 Enrollment	1	1	11	6											12	7
07 Enrollment	2	3	10	8											12	11
08 Enrollment			9	11		1			1						10	12
09 Enrollment	1		10	8											11	8
10 Enrollment	6	3	9	10	1										16	13
11 Enrollment	2	2	13	7											15	9
12 Enrollment	4	3	7	5											11	8
<b>TOTAL ENROLLMENT</b>	<b>32</b>	<b>26</b>	<b>127</b>	<b>116</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>164</b>	<b>145</b>

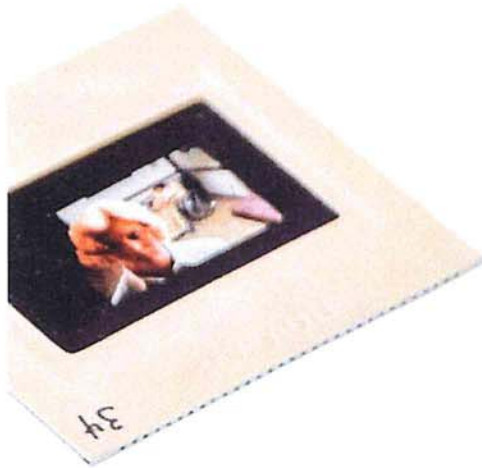


UNIVERSITY OF  
ARKANSAS

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**A+** HONORS COLLEGE  
**2022-2023**



# Moving Further, Aiming High

**By Nastajae Alderson**

Photos by Chieko Hara

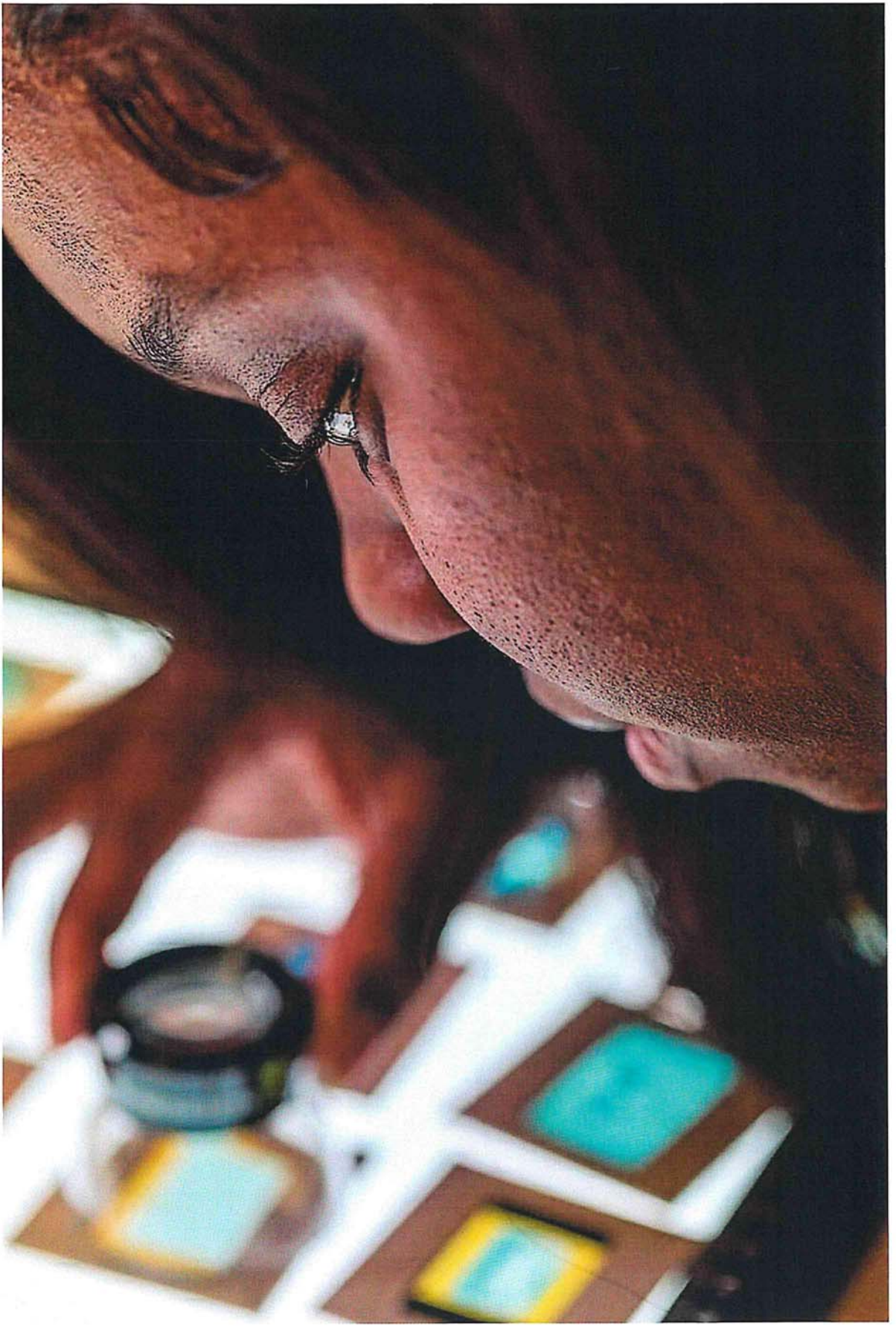
*Nastajae Alderson is an Honors College Path Scholar majoring in English education. An opportunity to interview and record the memories of her community's elders sparked her interest in researching and sharing the stories of people of color. Join her for a walk through her hometown.*

Just six miles from the Louisiana border in southern Arkansas there is a wooden sign that says, "Welcome to Huttig." Huttig is home to roughly 450 people, one thriving lumber company, one convenience store, one small library, one post office and the story of my life.

Upon entering town, you'll see the place where my story began, the Huttig School District: a basketball gym with doors no longer intact, two classroom buildings overgrown with weeds, and a faded painting of the United States on the concrete entry way. I attended school there until the second grade, when our district was forced to consolidate with a neighboring district due to low enrollment. During my short time at the school, there were two teachers that I looked up to who continue to inspire me to this day: Iris Lee-Barr and Brenda Daniels. I believe that they saw something in me at the time that I didn't see in myself, because they constantly encouraged me to be my best self in everything I did inside and outside of the classroom. Even though it was heartbreaking to leave, they sparked my love for education and inspired me to pursue a career in the teaching profession.

Further down the road lies the heartbeat of the town, West Fraser Lumber Mill, which helped found Huttig in 1906. For most of my life, my mother and father have been exceptional employees at West Fraser. On the hottest summer days and coldest winter nights, they work in a sawmill operating machinery to turn logs into dimensional lumber. Watching my parents made me realize that this was not where I wanted to be. I want my hard work to take me further, and they consistently told me that there was more life to experience beyond the mill.

Choosing a college after graduating high school was difficult at first, simply because I was afraid to leave. I decided to attend the University of Arkansas, which was five and a half hours away from everything and everyone I knew. The jump from living in a town with fewer than 500 people to a university with classrooms holding 400+ students at one time was not an easy one to make. I also struggled with feeling like I was turning my back on my family and community by going so far away.



One of the most rewarding opportunities I have had at the University of Arkansas was my summer internship with Arkansas Folk and Traditional Arts, where I was able to come back to my hometown to interview members of my community and give them a voice. They talked about their history, their town and shared their stories.

Being from such a small town, it is easy to feel like you're forgotten, and I



wanted to show my community that I see and hear them.

These interviews brought a sense of joy to the community that I hadn't seen before. I wanted to continue research on underrepresented people and give others a voice as well.

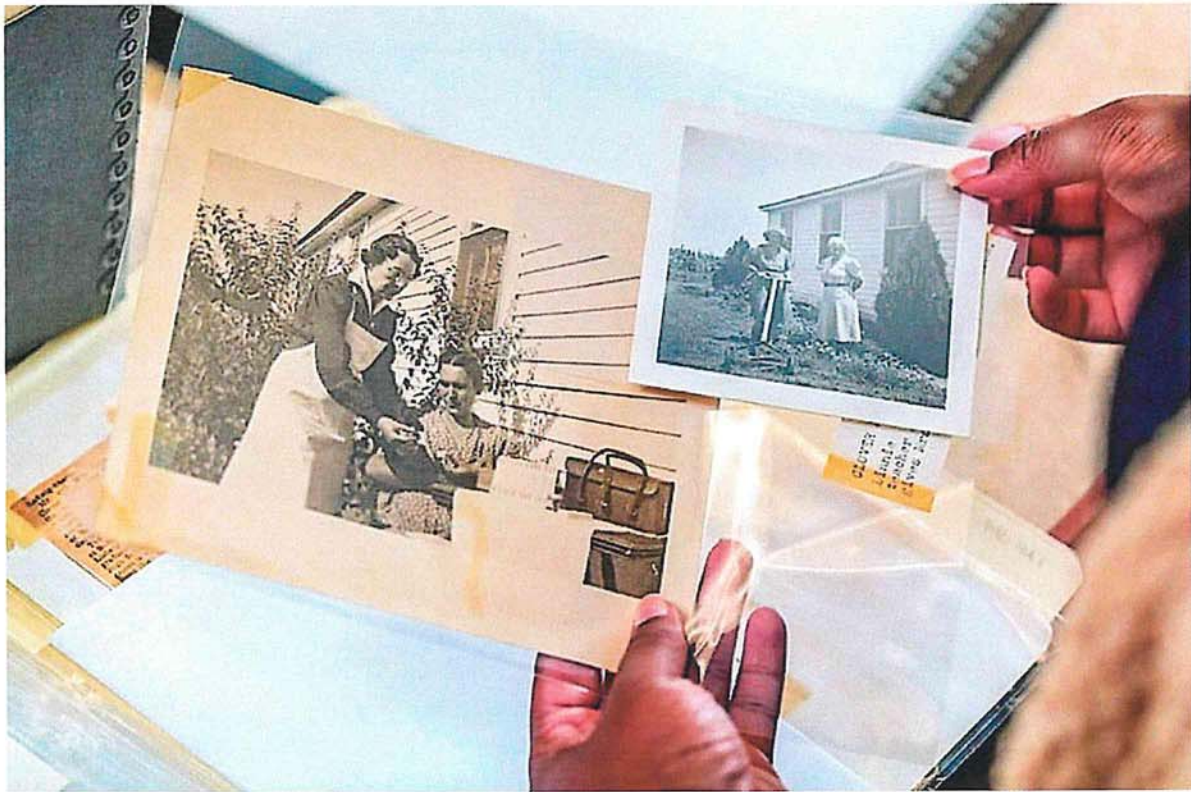
Last spring, I had the opportunity to intern with the University of Arkansas for Medical Sciences Historical Research Center assisting with a project on "Arkansas Women of Color in Medicine." I conducted graduate-level research on topics such as tuberculosis, midwifery, Arkansas women's rights, pediatrics and obstetrics. The saddest, hardest part of this work was discovering that women of color were at a disadvantage when it came to articles, newsletters, clippings and materials collected on them. There were some weeks that I would be stuck with just a photo of a woman of color, but

she would be listed under her husband's first and last names — cutting off the possibility of discovering more about her. Though they are not here to see their hard work being recognized, I helped give a platform to Annie Loggin, Chinan A. Fan, Virginia Cully and many more for their stories to be heard.

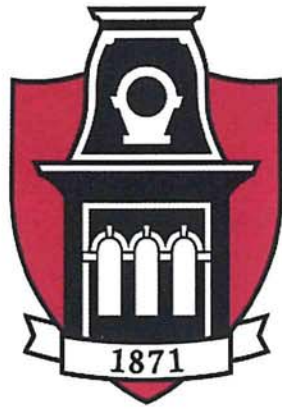
Like these women whose stories were forgotten, Huttig also has impactful figures whose names are worth remembering. As we continue our walk, we move across the abandoned car wash lot, the pond and the church lawn and pass the homes of Lenora Roach, Jefferson Davis-Holley and Joyce Mitchell — a few of our oldest living residents and culture bearers of the town. Past residents of Huttig didn't have the opportunity for their lives and experiences to be documented and remembered after their passing, but these residents will have that chance. Their interviews will be archived in the Arkansas Folk and Traditional Arts collection and the Special Collections Department in the University of Arkansas Libraries, which has open access to the public.

Finally, in sight is Daisy L. Gatson Bates Street, where I have lived most of my life, named in memory of the civil rights activist who was born in Huttig. The concept of "home" is one that I found myself struggling with when I moved away for college. I had to juggle two lives, two identities and two homes. As I grew older, I realized that it's not a matter of choosing one over the other, but a merging of the two. Here on this street is my childhood home, my siblings, my family, my motivation. My home here led me to my home in Fayetteville, which will eventually lead me on a much greater path to a new home one day. No matter where life takes me after college, Huttig will always be my first home.

*Alderson's work with Arkansas Folk and Traditional Arts was supported by an Honors College Domestic Internship Grant.*







## Honors College

244 Gearhart Hall  
1 University of Arkansas  
Fayetteville, Arkansas 72701

[Maps and Directions](#)

## Contact Us

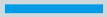
Tel: 479-575-7678  
Toll-Free: 1-866-594-4672  
Fax: 479-575-4882  
[honors@uark.edu](mailto:honors@uark.edu)



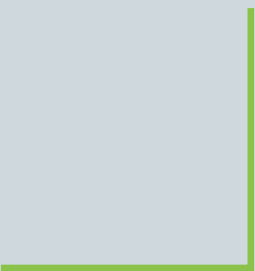
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# Strong - Huttig School District



2022 - 2023  
Minimum School District Size  
Waiver Request  
Act 377



# Academics

We are committed to the goal of providing a quality education daily for all students in the Strong - Huttig School District to ensure the excel and achieve.

---

# Facilities

All Buildings Are Safe & Secure

Arkansas School Board Association  
Insurance Recommendations and  
Coverage

The District is Committed to  
ensuring a safe and comfortable  
learning environment for all  
students.

---

# Finances

Projected Budgets are included in the packet

The District Complies with the State Legislative Audit Regulations

All Categorical Funds are used for their intended purpose

---

# Transportation



The District has 8 buses available

6 Daily Routes

All Route Buses have Video surveillance cameras installed for safety and contact tracing purposes

300 Square Miles

95% of our Students Require Bus Transportation Daily

All of our Routes are 60 minutes or greater

---

# Instructional Support



South Central Service Cooperative - Professional Development

RISE

PLC - Leadership Training

Eureka Math

RTI - Solution Tree

Arkansas Rural Education Network - NIET

STAR Academy

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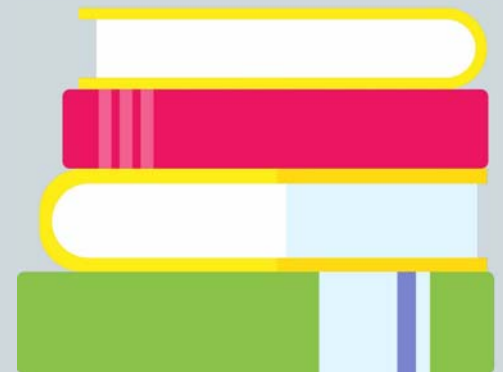
# #foreverstrong

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We are planting the seeds of knowledge that will grow for a lifetime.

We are the Heart Beat of our community.

We make a difference for every student, every day.







<https://www.strong.k12.ar.us/>

*We who live, work, and own property within the Strong Huttig School District, wish to preserve and improve our facilities, our financial stability, and the quality of our educational program(s). We shall strive to achieve and maintain academic competitiveness through the use of all available resources including technological advances. We will focus on preparing our students for a global economy by endorsing and preparing for higher education and will work diligently to promote community cohesiveness through improved communication.*

*Community of Strong Vision Statement*



# 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

TO: Auditee

FROM: Matt Fink, CPA  
Deputy Legislative Auditor

DATE: May 6, 2022

SUBJECT: Legislative Joint Auditing Committee Review of:

Strong-Huttig School District of Union County  
June 30, 2020

The Standing Committee on Educational Institutions will review this report at **1:30 p.m., on Thursday, May 12, 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.



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

## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

May 6, 2022

To the Superintendent and School Board Members  
Strong-Huttig 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 April 5, 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 December 14, 2021. 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 April 5, 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



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

Strong-Huttig School District (District) of Union 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.

**STRONG-HUTTIG SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2020 - 6/30/2021**

**Significant Accounting Policies Used in Preparing the SEFA**

Basis of Presentation (SEFA Note 1) - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Strong-Huttig School District No. 83 (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.

Summary of Significant Accounting Policies (SEFA Note 2) - 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.

**10% De Minimis Cost Rate**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. (SEFA Note 4)

**Nonmonetary Assistance (SEFA Note 3)**

Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.

**Medicaid Funding (SEFA Note 5)**

During the year ended June 30, 2021, the District received Medicaid funding of \$40,584 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.



**STRONG-HUTTIG SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2020 - 6/30/2021**

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
<b>DEPARTMENT OF AGRICULTURE</b>									
SCHOOL BREAKFAST PROGRAM	10.553		ARKANSAS DEPARTMENT OF EDUCATION	7009		\$38,700	\$38,700	CHILD NUTRITION CLUSTER	\$150,902
NATIONAL SCHOOL LUNCH PROGRAM	10.555		ARKANSAS DEPARTMENT OF EDUCATION	7009		\$102,839	\$112,202	CHILD NUTRITION CLUSTER	\$150,902
NATIONAL SCHOOL LUNCH PROGRAM	10.555		ARKANSAS DEPARTMENT OF HUMAN SERVICES	7009600		\$9,343	\$112,202	CHILD NUTRITION CLUSTER	\$150,902
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>						<u>\$150,902</u>			
<b>DEPARTMENT OF TREASURY</b>									
CORONAVIRUS RELIEF FUND	21.019	COVID-19	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$31,405	\$31,405	N/A	\$0
<b>TOTAL DEPARTMENT OF TREASURY</b>						<u>\$31,405</u>			
<b>DEPARTMENT OF EDUCATION</b>									
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	84.010A	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$202,364	\$202,364	N/A	\$0
SPECIAL EDUCATION GRANTS TO STATES	84.027	84.027A	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$84,483	\$84,483	SPECIAL EDUCATION CLUSTER (IDEA)	\$84,483
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS	84.367	84.367A	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$11,873	\$11,873	N/A	\$0
COMPREHENSIVE LITERACY DEVELOPMENT	84.371	84.371C	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$17,270	\$17,270	N/A	\$0
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424	84.424A	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$8,253	\$8,253	N/A	\$0
COVID-19 - EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425D	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$314,077	\$314,077	N/A	\$0
<b>TOTAL DEPARTMENT OF EDUCATION</b>						<u>\$638,620</u>			
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>							<u>\$820,927</u>		

**Please Note:**  
*Italiced award lines indicate pass-through funding*

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

Report Home

[ [Back to Account Home](#) ]

STRONG-HUTTIG SCHOOL DISTRICT, 2021    Type of Entity: Local Government (Edit/Update)    Report ID: 927758    Version: 1    Form Type: Uniform Guidance

Audit Form

This page allows you to view submission status, as well as, complete submission steps for this single audit report.

Audit Report (PDF)

Report Access

Activate/Deactivate Report User

Update User Role

Add User

Help

	Completion Status	Completion Date/Time	Completed By (E-mail Address)
<a href="#">STEP 1. Enter and Finalize Form SF-SAC</a>		5/9/2022 7:38:28 AM	DCF@ARKLEGAUDIT.GOV
<a href="#">STEP 2. Upload and Finalize Audit Report</a>		5/9/2022 7:38:57 AM	DCF@ARKLEGAUDIT.GOV
<a href="#">STEP 3a. Auditee Certification</a>		5/20/2022 9:21:15 AM	KIMBERLY.THOMAS@STRONG.SCSC.K12.AR.US
<a href="#">STEP 3b. Auditor Certification</a>		5/9/2022 7:39:06 AM	DCF@ARKLEGAUDIT.GOV
<a href="#">STEP 4. Submit to FAC for Processing</a>		5/20/2022 9:21:46 AM	KIMBERLY.THOMAS@STRONG.SCSC.K12.AR.US

If you need assistance, please contact us.

If you are experiencing technical issues, please ensure that you are using the latest version of your web browser, or try visiting our website using a different browser (Internet Explorer, Mozilla Firefox, Google Chrome, etc.).

**PART II: FEDERAL AWARDS**

**PART III: INFORMATION FROM THE SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**1. Federal Awards Expended During Fiscal Period**

Schedule of Expenditures of Federal Awards																					
Row Number (auto-generated)	a	b	c	d	e	f	g	h	i		j		k	l	m	n		o	p		
									Federal Awarding Agency Prefix <sup>1</sup>	CFDA #	Additional Award Identification <sup>1</sup>	Federal Program Name				Amount Expended (\$)	Cluster Name		Federal Program Total <sup>4</sup> (auto-generated) (\$)	Cluster Total <sup>5</sup> (auto-generated) (\$)	Loan/Loan Guarantee (Loan) Y/N
1	10	553		SCHOOL BREAKFAST PROGRAM	\$38,700	CHILD NUTRITION CLUSTER	\$38,700	\$150,902	N		N		ARKANSAS DEPARTMENT OF EDUCATION 7009	7009		N		N			0
2	10	555		NATIONAL SCHOOL LUNCH PROGRAM	\$102,859	CHILD NUTRITION CLUSTER	\$112,202	\$150,902	N		N		ARKANSAS DEPARTMENT OF EDUCATION 7009	7009		N		N			0
3	10	555		NATIONAL SCHOOL LUNCH PROGRAM	\$9,343	CHILD NUTRITION CLUSTER	\$112,202	\$150,902	N		N		ARKANSAS DEPARTMENT OF HUMAN SERVICES 7009000	7009000		N		N			0
4	84	027	84-027A	SPECIAL EDUCATION GRANTS TO STATES	\$84,483	SPECIAL EDUCATION CLUSTER (IDEA)	\$84,483	\$84,483	N		N		ARKANSAS DEPARTMENT OF EDUCATION 7009	7009		N		N			0
5	21	019	COVID-19	CORONAVIRUS RELIEF FUND	\$31,405	N/A	\$31,405		N		N		ARKANSAS DEPARTMENT OF EDUCATION 7009	7009		N		N		U	0
6	84	425	COVID-19, 84-425D	COVID-19 - EDUCATION STABILIZATION FUND	\$314,077	N/A	\$314,077		N		N		ARKANSAS DEPARTMENT OF EDUCATION 7009	7009		N		N		U	0
7	84	010	84-010A	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	\$202,364	N/A	\$202,364		N		N		ARKANSAS DEPARTMENT OF EDUCATION 7009	7009		N		N			0
8	84	367	84-367A	SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS	\$11,873	N/A	\$11,873		N		N		ARKANSAS DEPARTMENT OF EDUCATION 7009	7009		N		N			0
9	84	371	84-371C	COMPREHENSIVE LITERACY DEVELOPMENT	\$17,570	N/A	\$17,570		N		N		ARKANSAS DEPARTMENT OF EDUCATION 7009	7009		N		N			0

10	84	424	84-424A	STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	\$8,253	N/A	\$8,253	N	N	7009	N	N	0
				Total Federal Awards Expended =	\$920,927								

1. See Appendix 1 of instructions for valid Federal awarding agency two-digit prefixes.
2. Three-digit CFDA extensions listed in the Catalog of Federal Domestic Assistance (CFDA - beta.sam.gov). If the extension is unknown, see instructions.
3. Used to collect other data or information to identify the award which is not a CFDA number (e.g., program year, contract number). This item is optional if Part II, Item 1(b) has a valid CFDA extension.
4. The system will provide total Federal awards expended for each Federal program by summing the individual CFDA lines which have the same CFDA number.
5. The system will provide total Federal awards expended for each cluster of programs by summing the individual CFDA lines which have the same Cluster Name.
6. Used to collect the loan or loan guarantee (loan) balances outstanding at the end of the audit period for loan programs as identified in Part II, Item 1(i) (2 CFR 200.510(b)(5)). Enter "N/A" for loans made to students of an institution of higher education (IHE) where the IHE does not make the loans (2 CFR 200.502(c)).
7. If no identifying number was assigned, enter "N/A".
8. If Major Program is marked "v", enter only one letter (U = Unmodified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report. If Major Program is marked "N", leave item blank.

**PART III: INFORMATION FROM THE SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued****2. Financial Statements**

a. What were the results of the auditor's determination of whether the financial statements of the auditee were prepared in accordance with generally accepted accounting principles (GAAP)?

Select any combination of the following five options:

- Unmodified opinion  
 Qualified opinion  
 Adverse opinion  
 Disclaimer of opinion  
 Financial statements were not prepared in accordance with GAAP but were prepared in accordance with a special purpose framework

If the financial statements of the auditee were prepared in accordance with GAAP, proceed to question b.

i. What was the special purpose framework used? (Select only one)

- Cash basis  
 Tax basis  
 Regulatory basis  
 Contractual basis  
 Other basis

ii. Was the special purpose framework used as a basis of accounting required by state law?

Yes  No

iii. What was the auditor's opinion on the special purpose framework? (Select any combination)

- Unmodified opinion  
 Qualified opinion  
 Adverse opinion  
 Disclaimer of opinion

b. Is a "going concern" emphasis-of-matter paragraph included in the auditor's report?

Yes  No

c. Is a significant deficiency in internal control disclosed?

Yes  No

d. Is a material weakness in internal control disclosed?

Yes  No

e. Is a material noncompliance disclosed?

Yes  No

**3. Federal Programs**

a. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending Federal awards which are not included in this audit? (AICPA Audit Guide)

Yes  No

b. What is the dollar threshold used to distinguish Type A and Type B programs? (2 CFR 200.518(b)(1))

\$750,000

c. Did the auditee qualify as a low-risk auditee? (2 CFR 200.520)

Yes  No

d. Indicate which Federal Agency(ies) have prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding. List the appropriate Federal agency prefix(es), or enter "None".

00

**Part V: CERTIFICATIONS****1. Auditee Certification Statement**

I certify that, to the best of my knowledge and belief, the auditee has:

ensured that the Form SF-SAC data and reporting package do not include protected personally identifiable information (Protected PII)<sup>1</sup>, or if they do, the Federal Audit Clearinghouse (FAC) is authorized to publicly post all information contained in the Form SF-SAC data and the reporting package;

ensured that the Form SF-SAC data and reporting package do not include business identifiable information (BII)<sup>2</sup>, or if they do, the FAC is authorized to publicly post all information contained in the Form SF-SAC data and the reporting package;

complied with the requirements of 2 CFR Part 200 Subpart F specific to the auditee;

prepared the data in this Form SF-SAC in accordance with 2 CFR Part 200 Subpart F and the accompanying instructions to this Form SF-SAC;

included all information required to be reported in this Form SF-SAC in its entirety and such information is accurate and complete;

engaged an auditor to perform an audit in accordance with 2 CFR Part 200 Subpart F for the period described in Part I, Items 1 and 3;

ensured the auditor has completed such audit and issued the signed audit report required by 2 CFR 200.515 which states that the audit was conducted in accordance with the audit requirements of the Uniform Guidance; and

authorized the FAC to make the Form SF-SAC data and reporting package publicly available on a website.

Auditee Certification Date

5/20/2022  
(MM/DD/YYYY)

Name of certifying official

KIMBERLY THOMAS

Title of certifying official

SUPERINTENDENT

**2. Auditor Statement**

I acknowledge that:

the data elements and information included in this Form SF-SAC are limited to those prescribed by the Office of Management and Budget;

the information in Part II of this Form SF-SAC is the responsibility of the auditee and is based on information included in the reporting package required by the Uniform Guidance;

the information included in Part III of this Form SF-SAC, except for Part III, Item 3(d), and Items 4(a)-(d) (when there are audit findings), was transferred by the auditor from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports;

the auditor has not performed any auditing procedures since the date of the auditor's report(s) or any additional auditing procedures in connection with the completion of this Form SF-SAC; and

a copy of the reporting package required by the Uniform Guidance, which includes the complete auditor's report(s), may be made available by the Federal Audit Clearinghouse (FAC) on the FAC website or from the auditee at the address listed in Part I of this Form SF-SAC.

Auditor Signature Date

5/9/2022  
(MM/DD/YYYY)

1. 2 CFR 200.79 and 2 CFR 200.82.

2. BII consists of information defined in the Freedom of Information Act (FOIA) as "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential." (5 U.S.C.552(b)(4)). This information is exempt from automatic release under the (b)(4) FOIA exemption. "Commercial" is not confined to records that reveal "basic commercial operations" but includes any records or information in which the submitter has a commercial interest, and can include information submitted by a nonprofit entity.

# **Strong-Huttig School District No. 83**

**Union County, Arkansas**

## **Regulatory Basis Financial Statements and Other Reports**

**June 30, 2021**



STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS  
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# 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

### INDEPENDENT AUDITOR'S REPORT

Strong-Huttig School District No. 83 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 Strong-Huttig School District No. 83 (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 *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, 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 April 5, 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  
April 5, 2022  
EDSD43121

# 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

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

Strong-Huttig School District No. 83 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 Strong-Huttig School District No. 83 (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 April 5, 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



Matt Fink, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
April 5, 2022

# 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**

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

### **INDEPENDENT AUDITOR'S REPORT**

Strong-Huttig School District No. 83 and School Board Members  
Legislative Joint Auditing Committee

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

We have audited the Strong-Huttig School District No. 83'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**

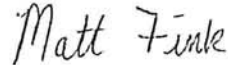
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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  
April 5, 2022

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION 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	\$ 577,560		\$ 533,097	
Investments				\$ 5,801
Accounts receivable		\$ 268,180		
Due from other funds	165,561			
<b>TOTAL ASSETS</b>	<u>\$ 743,121</u>	<u>\$ 268,180</u>	<u>\$ 533,097</u>	<u>\$ 5,801</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 11,652	\$ 1,156		
Due to other funds		165,561		
Total Liabilities	<u>11,652</u>	<u>166,717</u>		
Fund Balances:				
Restricted	100,882	101,463		\$ 5,801
Assigned	29,434		\$ 533,097	
Unassigned	601,153			
Total Fund Balances	<u>731,469</u>	<u>101,463</u>	<u>533,097</u>	<u>5,801</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 743,121</u>	<u>\$ 268,180</u>	<u>\$ 533,097</u>	<u>\$ 5,801</u>

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

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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		Other Aggregate
	General	Special Revenue	
<b>REVENUES</b>			
Property taxes (including property tax relief trust distribution)	\$ 1,844,157		
State assistance	1,887,923	\$ 1,420	
Federal assistance	36,791	868,903	
Activity revenues	42,336		
Meal sales		37,244	
Investment income	1,516		
Other revenues	42,982	717	
<b>TOTAL REVENUES</b>	<b>3,855,705</b>	<b>908,284</b>	
<b>EXPENDITURES</b>			
Regular programs	1,556,265	288,397	
Special education	191,836	6,441	
Compensatory education programs	401,737	23,895	
Other instructional programs	20,867		
Student support services	102,419	177,924	
Instructional staff support services	139,846	171,536	
General administration support services	133,228	17,757	
School administration support services	90,786		
Central services support services	133,866	9,427	
Operation and maintenance of plant services	505,434	8,850	\$ 44,761
Student transportation services	218,555	10,902	
Other support services	11,803		
Food services operations		263,178	
Activity expenditures	24,198		
Debt Service:			
Principal retirement			60,000
Interest and fiscal charges			22,599
<b>TOTAL EXPENDITURES</b>	<b>3,530,840</b>	<b>978,307</b>	<b>127,360</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>324,865</b>	<b>(70,023)</b>	<b>(127,360)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		100,000	182,599
Transfers out	(282,599)		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(282,599)</b>	<b>100,000</b>	<b>182,599</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>42,266</b>	<b>29,977</b>	<b>55,239</b>
<b>FUND BALANCES - JULY 1</b>	<b>689,203</b>	<b>71,486</b>	<b>477,858</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 731,469</b>	<b>\$ 101,463</b>	<b>\$ 533,097</b>

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



STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
<b>REVENUES</b>							
Property taxes (including property tax relief trust distribution)	\$ 1,592,000	\$ 1,844,157	\$ 252,157	\$	\$ 1,420	\$ 420	
State assistance	1,647,339	1,887,923	240,584		868,903	(112,401)	
Federal assistance	40,000	36,791	(3,209)	981,304			
Activity revenues		42,336	42,336	50,000	37,244	(12,756)	
Meal sales	1,500	1,516	16				
Investment income	38,000	42,982	4,982		717	717	
Other revenues							
<b>TOTAL REVENUES</b>	<b>3,318,839</b>	<b>3,855,705</b>	<b>536,866</b>	<b>1,032,304</b>	<b>908,284</b>	<b>(124,020)</b>	
<b>EXPENDITURES</b>							
Regular programs	1,606,539	1,556,265	50,274	80,035	288,397	(208,362)	
Special education	216,095	191,836	24,259	37,294	6,441	30,853	
Career education programs	26,188	26,188	26,188	39,384		39,384	
Compensatory education programs	374,083	401,737	(27,654)		23,895	(23,895)	
Other instructional programs	21,188	20,867	321				
Student support services	115,888	102,419	13,469	212,937	177,924	35,013	
Instructional staff support services	170,521	139,846	30,675	418,555	171,536	247,019	
General administration support services	144,708	133,228	11,480	9,265	17,757	(8,492)	
School administration support services	105,922	90,786	15,136	16,792		7,365	
Central services support services	104,300	133,866	(29,566)		9,427	(8,850)	
Operation and maintenance of plant services	394,820	505,434	(110,614)		8,850	(8,850)	
Student transportation services	297,833	218,555	79,278		10,902	(10,902)	
Other support services	18,000	11,803	6,197				
Food services operations				287,825	263,178	24,647	
Community services operations				2,000		2,000	
Activity expenditures							
<b>TOTAL EXPENDITURES</b>	<b>3,596,085</b>	<b>3,530,840</b>	<b>65,245</b>	<b>1,104,087</b>	<b>978,307</b>	<b>125,780</b>	

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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	\$ (277,246)	\$ 324,865	\$ 602,111	\$ (70,023)	\$ 1,760	
OTHER FINANCING SOURCES (USES)						
Transfers in	4,628,329		(4,628,329)		100,000	100,000
Transfers out	(4,431,693)	(282,599)	4,149,094			
TOTAL OTHER FINANCING SOURCES (USES)	196,636	(282,599)	(479,235)		100,000	100,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(80,610)	42,266	122,876	(71,783)	29,977	101,760
FUND BALANCES - JULY 1	708,858	689,203	(19,655)	71,936	71,486	(450)
FUND BALANCES - JUNE 30	\$ 628,248	\$ 731,469	\$ 103,221	\$ 153	\$ 101,463	\$ 101,310

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

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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 Strong-Huttig 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.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION 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 \$1,000 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
Improvements/infrastructure	15-20
Buildings	10-50
Equipment	3-25

**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.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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. 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.
2. 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.
3. 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.

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.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

**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:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 255,801	\$ 255,801
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	860,657	1,030,899
Total Deposits	\$ 1,116,458	\$ 1,286,700

The above total deposits include certificates of deposit of \$5,801 reported as investments and classified as nonparticipating contracts.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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 Fund Major Special Revenue
Federal assistance	\$ 268,180

**4: COMMITMENTS**

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

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>					
12/1/11	2/1/31	.75% - 3.25%	\$ 1,255,000	\$ 730,000	\$ 525,000

Changes in Long-term Debt

	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021
Bonds payable	\$ 790,000	\$ 0	\$ 60,000	\$ 730,000

Future Principal and Interest Payments

Year Ended June 30,	Bonds		
	Principal	Interest	Total
2022	\$ 65,000	\$ 20,903	\$ 85,903
2023	65,000	19,538	84,538
2024	70,000	17,913	87,913
2025	70,000	16,163	86,163
2026	70,000	14,413	84,413
2027-2031	390,000	38,613	428,613
Totals	\$ 730,000	\$ 127,543	\$ 857,543

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**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, 2021 were comprised of the following:

Description	Governmental Funds	
	Major	
	General	Special Revenue
Vendor payables	\$ 11,652	\$ 1,156

**6: INTERFUND TRANSFERS**

The District transferred \$182,599 from the general fund to the other aggregate funds for debt related payments of \$82,599 and \$100,000 for future capital projects. Additionally, the District transferred \$100,000 from the general fund to special revenue fund to supplement its food service operations.

**7: 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.artrs.gov](http://www.artrs.gov).

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 \$341,214, 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 \$4,096,468.



STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

ADDITIONS	
Interest	\$ 38
	<hr/>
CHANGE IN FUND BALANCE	38
	<hr/>
FUND BALANCE - JULY 1	5,763
	<hr/>
FUND BALANCE - JUNE 30	\$ 5,801
	<hr/> <hr/>

**9: PLEDGED REVENUES**

The District has pledged a portion of its property taxes to retire bonds of \$1,255,000 issued on December 1, 2011. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$857,543, payable through February 1, 2031. Principal and interest paid for the current year and total property taxes pledged for debt service were \$82,163 and \$628,905, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 13.06 percent.

**10: 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 legal liability, student accident, and athletic injury 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.

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.

**11: 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 \$68,563 for the year ended June 30, 2021.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

Description	Governmental Funds		
	Major		
	General	Special Revenue	Other Aggregate
<b>Fund Balances:</b>			
Restricted for:			
Alternative learning environment	\$ 9		
Enhanced student achievement funding	11,332		
English-language learners	2,436		
Professional development	30,659		
Child nutrition programs		\$ 72,179	
Medical services		29,284	
Special education programs	40,870		
Other purposes	15,576		
Total Restricted	<u>100,882</u>	<u>101,463</u>	
Assigned to:			
Capital projects			\$ 533,097
Student activities	29,434		
Total Assigned	<u>29,434</u>		<u>533,097</u>
Unassigned	<u>601,153</u>		
Totals	<u>\$ 731,469</u>	<u>\$ 101,463</u>	<u>\$ 533,097</u>

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION COUNTY, ARKANSAS  
 SCHEDULE OF CAPITAL ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2021  
 (Unaudited)

Schedule 1

	Balance June 30, 2021
Nondepreciable capital assets:	
Land	\$ 161,247
Depreciable capital assets:	
Buildings	5,616,460
Equipment	1,107,669
Total depreciable capital assets	6,724,129
Less accumulated depreciation for:	
Buildings	4,060,996
Equipment	933,765
Total accumulated depreciation	4,994,761
Total depreciable capital assets, net	1,729,368
Capital assets, net	\$ 1,890,615

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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	7009		\$ 38,700
Arkansas Department of Education - National School Lunch Program	10.555	7009		102,859
Arkansas Department of Human Services - National School Lunch Program (Note 3)	10.555	7009000		9,343
Total for National School Lunch Program				112,202
Total U. S. Department of Agriculture				150,902
<b>TOTAL CHILD NUTRITION CLUSTER</b>				150,902
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027A	7009		84,483
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>				84,483
<b>OTHER PROGRAMS</b>				
<u>U.S. Department of the Treasury</u>				
Arkansas Department of Education - COVID-19 - Coronavirus Relief Fund	21.019	7009		31,405
Total U.S. Department of the Treasury				31,405
<u>U. S. Department of Education</u>				
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	7009		314,077
Total Education Stabilization Fund				314,077
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010A	7009		202,364
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367A	7009		11,873
Arkansas Department of Education - Comprehensive Literacy Development	84.371C	7009		17,570
Arkansas Department of Education - Student Support and Academic Enrichment Program	84.424A	7009		8,253
Total U. S. Department of Education				554,137
<b>TOTAL OTHER PROGRAMS</b>				585,542
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 0	\$ 820,927

The accompanying notes are an integral part of this schedule.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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 Strong-Huttig School District No. 83 (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 Arkansas Department of Human Services.
- Note 4: The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 5: During the year ended June 30, 2021, the District received Medicaid funding of \$40,584 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION 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:

<input checked="" type="radio"/> Material weakness(es) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no
<input checked="" type="radio"/> Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no

**FEDERAL AWARDS**

Internal control over major federal programs:

<input checked="" type="radio"/> Material weakness(es) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no
<input checked="" type="radio"/> Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	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)?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no
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Identification of major federal programs:

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

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>750,000</u>
--	-------------------

Auditee qualified as low-risk auditee?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no
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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

No matters were reported.

**STRONG-HUTTIG SCHOOLS  
PO BOX 735  
STRONG, AR 71765**

**UNION COUNTY, ARKANSAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

**SCHEDULE 4**

**FINANCIAL STATEMENT FINDINGS**

There were no findings in the prior audit.

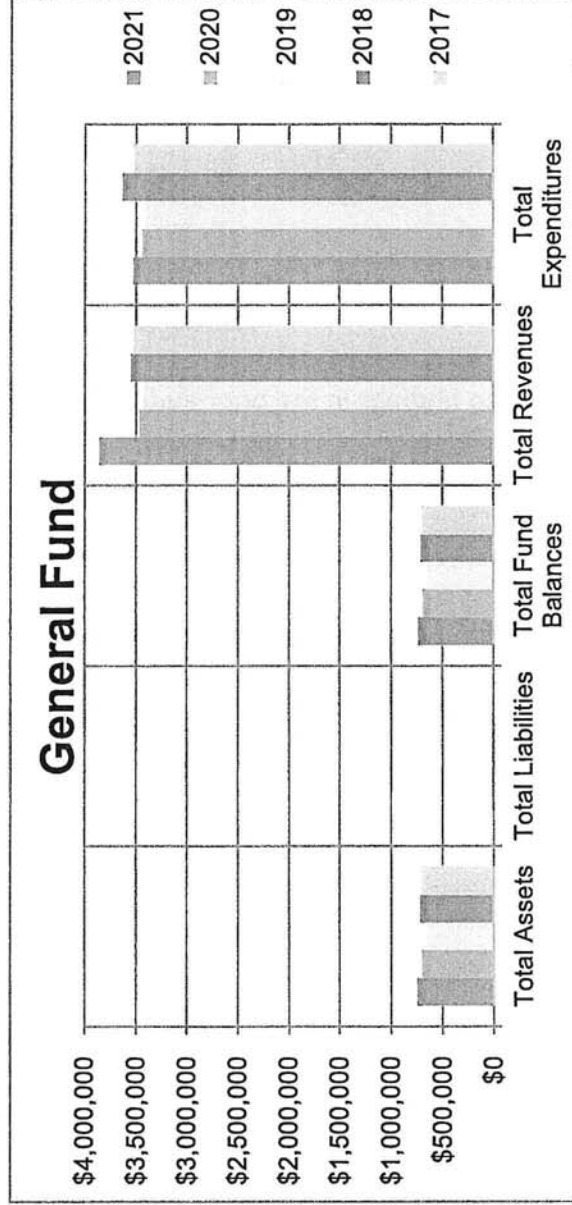
**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no findings in the prior audit.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

General Fund	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 743,121	\$ 702,106	\$ 652,482	\$ 719,963	\$ 702,947
Total Liabilities	11,652	13,892	11,903	8,397	4,254
Total Fund Balances	731,469	688,214	640,579	711,566	698,693
Total Revenues	3,855,705	3,469,286	3,431,821	3,554,293	3,531,526
Total Expenditures	3,530,840	3,443,792	3,408,278	3,636,227	3,527,909
Total Other Financing Sources (Uses)	(282,599)	22,141	(94,530)	94,807	(508,096)

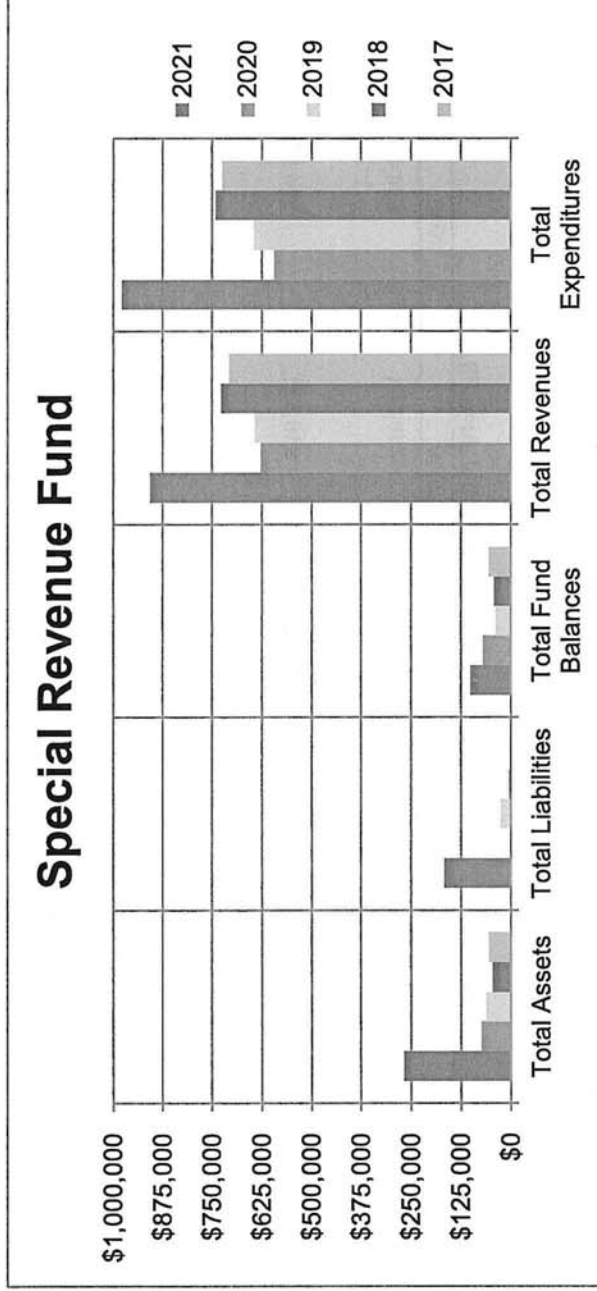




STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS

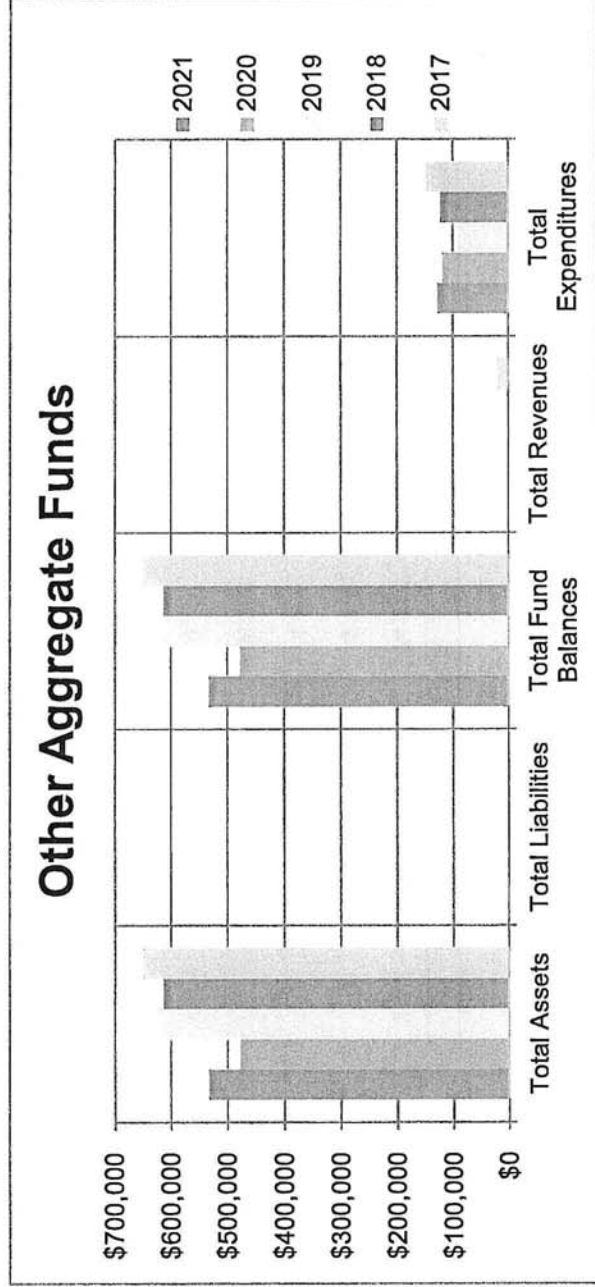
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

	Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>Special Revenue Fund</b>					
Total Assets	\$ 268,180	\$ 74,212	\$ 63,555	\$ 46,489	\$ 56,471
Total Liabilities	166,717	2,726	25,543	4,664	1,101
Total Fund Balances	101,463	71,486	38,012	41,825	55,370
Total Revenues	908,284	626,580	642,174	727,884	707,527
Total Expenditures	978,307	593,107	645,987	741,429	724,770
Total Other Financing Sources (Uses)	100,000				



STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 533,097	\$ 477,858	\$ 618,521	\$ 614,022	\$ 650,054
Total Liabilities					
Total Fund Balances	533,097	477,858	618,521	614,022	650,054
Total Revenues					18,612
Total Expenditures	127,360	118,521	90,031	122,140	147,366
Total Other Financing Sources (Uses)	182,599	(22,141)	94,530	86,108	508,096



**STRONG-HUTTIG SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2020 - 6/30/2021**

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
<b>DEPARTMENT OF AGRICULTURE</b>									
SCHOOL BREAKFAST PROGRAM	10.553		ARKANSAS DEPARTMENT OF EDUCATION	7009		\$38,700	\$38,700	CHILD NUTRITION CLUSTER	\$150,902
NATIONAL SCHOOL LUNCH PROGRAM	10.555		ARKANSAS DEPARTMENT OF EDUCATION	7009		\$102,859	\$112,202	CHILD NUTRITION CLUSTER	\$150,902
NATIONAL SCHOOL LUNCH PROGRAM	10.555		ARKANSAS DEPARTMENT OF HUMAN SERVICES	7009000		\$9,343	\$112,202	CHILD NUTRITION CLUSTER	\$150,902
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>						<u>\$150,902</u>			
<b>DEPARTMENT OF TREASURY</b>									
CORONAVIRUS RELIEF FUND	21.019	COVID-19	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$31,405	\$31,405	N/A	\$0
<b>TOTAL DEPARTMENT OF TREASURY</b>						<u>\$31,405</u>			
<b>DEPARTMENT OF EDUCATION</b>									
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	84.010A	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$202,364	\$202,364	N/A	\$0
SPECIAL EDUCATION GRANTS TO STATES	84.027	84.027A	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$84,483	\$84,483	SPECIAL EDUCATION CLUSTER (IDEA)	\$84,483
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS	84.387	84.387A	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$11,873	\$11,873	N/A	\$0
COMPREHENSIVE LITERACY DEVELOPMENT	84.371	84.371C	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$17,570	\$17,570	N/A	\$0
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424	84.424A	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$8,253	\$8,253	N/A	\$0
COVID-19 - EDUCATION STABILIZATION FUND	84.425	COVID-19, 84.425D	ARKANSAS DEPARTMENT OF EDUCATION	7009		\$314,077	\$314,077	N/A	\$0
<b>TOTAL DEPARTMENT OF EDUCATION</b>						<u>\$638,620</u>			
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>						<u>\$820,927</u>			

Please Note:  
 Italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

SBE Waiver Information and Considerations

April 2022

Type of Waiver	What is allowed/ not allowed	Examples	Considerations
<p>1 year waiver from the <u>Standards for Accreditation</u></p>	<p>The State Board of Education may grant a waiver of any Standard for Accreditation for no longer than one (1) school year.</p> <ul style="list-style-type: none"> <li>• no curricula, student performance, school performance, or any standard required by law may be waived under this provision</li> </ul>	<p>class size, teaching load, 178 days of student/teacher interaction</p>	<ul style="list-style-type: none"> <li>• Actions the districts is taking to correct the situation</li> <li>• Does the district have other viable options?</li> <li>• Has the district been proactive in trying to uphold the standards and meet the needs of students?</li> </ul>
<p><u>Act 1240</u></p>	<p>A district <b>may</b> petition the State Board of Education for all or some of the waivers granted to an open-enrollment public charter school</p> <ul style="list-style-type: none"> <li>• Districts may only request waivers that <i>enhance student learning opportunities, promote innovation, or increase equitable access to effective teachers.</i></li> <li>• Waivers requested for the sole purpose of avoiding violations of the Standards for Accreditation shall not be granted.</li> <li>• Waivers may be requested for: <ul style="list-style-type: none"> <li>▪ Standards for Accreditation</li> <li>▪ Division Rules;</li> <li>▪ Statutes of the Arkansas Code.</li> </ul> </li> </ul> <p>A district <b>may not</b> request any of the following waivers:</p> <ul style="list-style-type: none"> <li>○ Monitoring compliance with Title 6 of the Arkansas Code, as determined by the Commissioner;</li> <li>○ Public school accountability under Title 6 of the Arkansas Code;</li> <li>○ High school graduation requirements as established by the State Board;</li> </ul>	<p>Licensure (teacher and LMS), class size, teaching load, Library Media program, instructional day,</p>	<ul style="list-style-type: none"> <li>• Is the request solely to avoid a violation of SFA?</li> <li>• Has the district provided information in the request to justify how student learning opportunities will be enhanced?</li> <li>• Has the district described the innovation that the waiver request will allow them to pursue?</li> <li>• How will the request provide increased access to effective teachers?</li> </ul>

SBE Waiver Information and Considerations

April 2022

<p><b>Licensure Exceptions</b> (State Board approved through licensure rules)</p>	<ul style="list-style-type: none"> <li>o Special education programs as provided by Title 6 of the Arkansas Code;</li> <li>o Conducting criminal background checks for employees as provided by Title 6 of the Arkansas Code;</li> <li>o Health and safety codes as established by the State Board and local governmental entities;</li> <li>o Arkansas Qualified Teacher Requirements;</li> <li>o Ethical guidelines and prohibitions as established by Ark. Code Ann. §6-24-101 et seq., and any other controlling state or federal law regarding ethics or conflicts of interest; and</li> <li>o Reporting through the Arkansas Public School Computer Network applications as provided under Title 6 of the Arkansas Code.</li> </ul>		
	<ul style="list-style-type: none"> <li>• Additional Licensure Plan (ALP)</li> <li>• Long-term sub (LTS)</li> <li>• Emergency Teaching Permit (ETP)- may be granted for 1 year and extended for AQT</li> <li>• Provisional Professional Teaching License (PPTL)</li> </ul>	<p>ALP- Certified Teachers adding areas of endorsement;</p> <p>LTS- Individuals who are subbing for a Teacher of Record for more than 30 days</p> <p>ETP-Individuals with at least a bachelor's degree, content-area expertise that are filling a vacancy;</p> <p>PPTL- Licensure pathway for degreed career changes who have content expertise and working toward meeting licensure requirements</p>	<p>Have these options been exhausted when a district requests an Act 1240 waiver?</p>



Kimberly Thomas <kimberly.thomas@strong.scsc.k12.ar.us>

## Strong - Huttig Certify

1 message

Haley Smith <Haley.Smith@arklegaudit.gov>  
To: Kimberly Thomas <kimberly.thomas@strong.scsc.k12.ar.us>

Mon, May 16, 2022 at 1:49 PM

Good Afternoon,

The audit is ready for you to certify. A hard copy of the instructions on how to certify should have come in the mail with the audit report, but below is the snippet of the instructions.

*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).*

Please do this at your earliest convenience.

Thank you,

*Haley Smith, CPA*

Staff Auditor

Arkansas Legislative Audit



Kimberly Thomas <kimberly.thomas@strong.scsc.k12.ar.us>

---

**Single Audit Submission - Auditor Completed Certification for STRONG-HUTTIG SCHOOL DISTRICT -  
Report ID: 927758**

1 message

---

**Federal Audit Clearinghouse** <govs.fac.ides@census.gov>  
To: DCF@arklegaudit.gov, KIMBERLY.THOMAS@strong.scsc.k12.ar.us

Mon, May 9, 2022 at 6:39 AM

05/09/2022

AUDITEE NAME: STRONG-HUTTIG SCHOOL DISTRICT  
REPORT ID: 927758  
FISCAL YEAR END DATE: 06/30/2021

The auditor has electronically certified (signed) the Form SF-SAC for the above referenced organization.

After the auditor and auditee have both certified the Form SF-SAC, please complete the final step and submit the Single Audit package.

Sincerely,  
Federal Audit Clearinghouse  
<https://facides.census.gov>  
govs.fac.ides@census.gov



Kimberly Thomas <kimberly.thomas@strong.scsc.k12.ar.us>

---

**Single Audit Submission - Ready for Certification for STRONG-HUTTIG SCHOOL DISTRICT - Report ID: 927758**

1 message

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Federal Audit Clearinghouse <govs.fac.ides@census.gov>  
To: KIMBERLY.THOMAS@strong.scsc.k12.ar.us

Mon, May 9, 2022 at 6:38 AM

05/09/2022

AUDITEE NAME: STRONG-HUTTIG SCHOOL DISTRICT  
REPORT ID: 927758  
FISCAL YEAR END DATE: 06/30/2021

The Form SF-SAC and Single Audit reporting package for the above referenced organization are now ready to be certified by the auditor certifying official and auditee certifying official.

You are listed as the Auditee Certifier. Please follow the steps below.

- 1) Access <https://facides.census.gov>
- 2) Follow the prompts to log in, or create/reset your password
- 3) Click "Continue/Certify" \*
- 4) Select your audit
- 5) Click "Step 3a: Auditee Certification" and follow the steps to certify \*\*

\* If you are unable to click "Continue/Certify" it is because the email address you logged in with does not match the one listed for you on the submission. Please contact your auditee or auditor to correct this.

\*\* If you are unable to click "Step 3a: Auditee Certification", please click "Report Access" on the left side, and look under "Update User Roles" to verify that you are the auditee certifier. Make appropriate changes on the screen if needed.

Sincerely,  
Federal Audit Clearinghouse  
<https://facides.census.gov>  
[govs.fac.ides@census.gov](mailto:govs.fac.ides@census.gov)



**Data Collection Form for Reporting on**  
**AUDITS OF STATES, LOCAL GOVERNMENTS, INDIAN TRIBES,**  
**INSTITUTIONS OF HIGHER EDUCATION, AND NONPROFIT ORGANIZATIONS**  
**for Fiscal Period Ending Dates in 2019, 2020, or 2021**

**PART I: GENERAL INFORMATION**

REPORT ID: 927758 VERSION: 1

**1. Fiscal Period**a. Start Date   
(MM/DD/YYYY)b. End Date   
(MM/DD/YYYY)**2. Type of Uniform Guidance Audit** Single audit  
 Program-specific audit**3. Audit Period Covered** Annual  
 Biennial  
Other: Number of Months **4. Auditee Identification Numbers**

## a. Auditee Employer Identification Number (EIN)

## d. Auditee Data Universal Numbering System (DUNS) Number

## b. Are multiple EINs covered in this report?

 Yes  No

## e. Are multiple DUNS numbers covered in this report?

 Yes  No

## c. If Part I, Item 4b is Yes, complete the attached Auditee EIN Continuation Sheet

## f. If Part I, Item 4e is Yes, complete the attached Auditee DUNS Continuation Sheet

**5. Auditee Information**

## a. Auditee Name

**6. Primary Auditor Information**

## a. Audit Firm/Organization Name

## b. Audit Firm/Organization EIN

## b. Auditee Address

## Number and Street

City

State

Zip Code

## c. Audit Firm/Organization Address

## Number and Street

City

State

Zip Code

## c. Auditee Contact

## Name

## Title

## d. Auditor Contact

## Name

## Title

## d. Auditee Contact Telephone

## e. Auditor Contact Telephone

## e. Auditee Contact E-mail

## f. Auditor Contact E-mail

## g. Was a secondary auditor used?

 Yes  No

## h. If Part I, Item 6g is Yes, complete the attached Secondary Auditors' Contact Information Sheet

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS  
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JUNE 30, 2021

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# 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

### INDEPENDENT AUDITOR'S REPORT

Strong-Huttig School District No. 83 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 Strong-Huttig School District No. 83 (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 *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, 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 April 5, 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  
April 5, 2022  
EDSD43121

# 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

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

Strong-Huttig School District No. 83 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 Strong-Huttig School District No. 83 (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 April 5, 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.

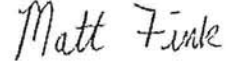
### **Compliance and Other Matters**

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



Matt Fink, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
April 5, 2022

# 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

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

### INDEPENDENT AUDITOR'S REPORT

Strong-Huttig School District No. 83 and School Board Members  
Legislative Joint Auditing Committee

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

We have audited the Strong-Huttig School District No. 83'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**

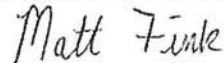
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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  
April 5, 2022



STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION 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	\$ 577,560		\$ 533,097	
Investments				\$ 5,801
Accounts receivable		\$ 268,180		
Due from other funds	165,561			
<b>TOTAL ASSETS</b>	<u>\$ 743,121</u>	<u>\$ 268,180</u>	<u>\$ 533,097</u>	<u>\$ 5,801</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 11,652	\$ 1,156		
Due to other funds		165,561		
Total Liabilities	<u>11,652</u>	<u>166,717</u>		
Fund Balances:				
Restricted	100,882	101,463		\$ 5,801
Assigned	29,434		\$ 533,097	
Unassigned	601,153			
Total Fund Balances	<u>731,469</u>	<u>101,463</u>	<u>533,097</u>	<u>5,801</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 743,121</u>	<u>\$ 268,180</u>	<u>\$ 533,097</u>	<u>\$ 5,801</u>

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

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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		Other Aggregate
	General	Special Revenue	
<b>REVENUES</b>			
Property taxes (including property tax relief trust distribution)	\$ 1,844,157		
State assistance	1,887,923	\$ 1,420	
Federal assistance	36,791	868,903	
Activity revenues	42,336		
Meal sales		37,244	
Investment income	1,516		
Other revenues	42,982	717	
<b>TOTAL REVENUES</b>	<b>3,855,705</b>	<b>908,284</b>	
<b>EXPENDITURES</b>			
Regular programs	1,556,265	288,397	
Special education	191,836	6,441	
Compensatory education programs	401,737	23,895	
Other instructional programs	20,867		
Student support services	102,419	177,924	
Instructional staff support services	139,846	171,536	
General administration support services	133,228	17,757	
School administration support services	90,786		
Central services support services	133,866	9,427	
Operation and maintenance of plant services	505,434	8,850	\$ 44,761
Student transportation services	218,555	10,902	
Other support services	11,803		
Food services operations		263,178	
Activity expenditures	24,198		
Debt Service:			
Principal retirement			60,000
Interest and fiscal charges			22,599
<b>TOTAL EXPENDITURES</b>	<b>3,530,840</b>	<b>978,307</b>	<b>127,360</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>324,865</b>	<b>(70,023)</b>	<b>(127,360)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		100,000	182,599
Transfers out	(282,599)		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(282,599)</b>	<b>100,000</b>	<b>182,599</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>42,266</b>	<b>29,977</b>	<b>55,239</b>
<b>FUND BALANCES - JULY 1</b>	<b>689,203</b>	<b>71,486</b>	<b>477,858</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 731,469</b>	<b>\$ 101,463</b>	<b>\$ 533,097</b>

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

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
<b>REVENUES</b>							
Property taxes (including property tax relief trust distribution)	\$ 1,592,000	\$ 1,844,157	\$ 252,157	\$ 1,000	\$ 1,420	\$ 420	
State assistance	1,647,339	1,887,923	240,584	981,304	868,903	(112,401)	
Federal assistance	40,000	36,791	(3,209)				
Activity revenues		42,336	42,336	50,000	37,244	(12,756)	
Meal sales							
Investment income	1,500	1,516	16				
Other revenues	38,000	42,982	4,982		717	717	
<b>TOTAL REVENUES</b>	<b>3,318,839</b>	<b>3,855,705</b>	<b>536,866</b>	<b>1,032,304</b>	<b>908,284</b>	<b>(124,020)</b>	
<b>EXPENDITURES</b>							
Regular programs	1,606,539	1,556,265	50,274	80,035	288,397	(208,362)	
Special education	216,095	191,836	24,259	37,294	6,441	30,853	
Career education programs	26,188	26,188	26,188	39,384		39,384	
Compensatory education programs	374,083	401,737	(27,654)		23,895	(23,895)	
Other instructional programs	21,188	20,867	321				
Student support services	115,888	102,419	13,469	212,937	177,924	35,013	
Instructional staff support services	170,521	139,846	30,675	418,555	171,536	247,019	
General administration support services	144,708	133,228	11,480	9,265	17,757	(8,492)	
School administration support services	105,922	90,786	15,136				
Central services support services	104,300	133,866	(29,566)	16,792	9,427	7,365	
Operation and maintenance of plant services	394,820	505,434	(110,614)		8,850	(8,850)	
Student transportation services	297,833	218,555	79,278		10,902	(10,902)	
Other support services	18,000	11,803	6,197				
Food services operations				287,825	263,178	24,647	
Community services operations				2,000		2,000	
Activity expenditures							
<b>TOTAL EXPENDITURES</b>	<b>3,596,085</b>	<b>3,530,840</b>	<b>65,245</b>	<b>1,104,087</b>	<b>978,307</b>	<b>125,780</b>	

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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	\$ (277,246)	\$ 324,865	\$ 602,111	\$ (71,783)	\$ (70,023)	\$ 1,760
OTHER FINANCING SOURCES (USES)						
Transfers in	4,628,329		(4,628,329)		100,000	100,000
Transfers out	(4,431,693)	(282,599)	4,149,094			
TOTAL OTHER FINANCING SOURCES (USES)	196,636	(282,599)	(479,235)		100,000	100,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(80,610)	42,266	122,876	(71,783)	29,977	101,760
FUND BALANCES - JULY 1	708,858	689,203	(19,655)	71,936	71,486	(450)
FUND BALANCES - JUNE 30	\$ 628,248	\$ 731,469	\$ 103,221	\$ 153	\$ 101,463	\$ 101,310

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

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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 Strong-Huttig 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.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION 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 \$1,000 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
Improvements/infrastructure	15-20
Buildings	10-50
Equipment	3-25

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.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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. 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.
2. 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.
3. 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.

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.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

**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:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 255,801	\$ 255,801
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	860,657	1,030,899
Total Deposits	\$ 1,116,458	\$ 1,286,700

The above total deposits include certificates of deposit of \$5,801 reported as investments and classified as nonparticipating contracts.



STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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 Fund
	Major Special Revenue
Federal assistance	\$ 268,180

**4: COMMITMENTS**

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

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>					
12/1/11	2/1/31	.75% - 3.25%	\$ 1,255,000	\$ 730,000	\$ 525,000

Changes in Long-term Debt

	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021
Bonds payable	\$ 790,000	\$ 0	\$ 60,000	\$ 730,000

Future Principal and Interest Payments

Year Ended June 30,	Bonds		
	Principal	Interest	Total
2022	\$ 65,000	\$ 20,903	\$ 85,903
2023	65,000	19,538	84,538
2024	70,000	17,913	87,913
2025	70,000	16,163	86,163
2026	70,000	14,413	84,413
2027-2031	390,000	38,613	428,613
Totals	\$ 730,000	\$ 127,543	\$ 857,543

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

**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, 2021 were comprised of the following:

Description	Governmental Funds	
	Major	
	General	Special Revenue
Vendor payables	\$ 11,652	\$ 1,156

**6: INTERFUND TRANSFERS**

The District transferred \$182,599 from the general fund to the other aggregate funds for debt related payments of \$82,599 and \$100,000 for future capital projects. Additionally, the District transferred \$100,000 from the general fund to special revenue fund to supplement its food service operations.

**7: 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.artss.gov](http://www.artss.gov).

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 \$341,214, 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 \$4,096,468.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

ADDITIONS	
Interest	\$ 38
	<hr/>
CHANGE IN FUND BALANCE	38
	<hr/>
FUND BALANCE - JULY 1	5,763
	<hr/>
FUND BALANCE - JUNE 30	\$ 5,801
	<hr/> <hr/>

**9: PLEDGED REVENUES**

The District has pledged a portion of its property taxes to retire bonds of \$1,255,000 issued on December 1, 2011. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$857,543, payable through February 1, 2031. Principal and interest paid for the current year and total property taxes pledged for debt service were \$82,163 and \$628,905, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 13.06 percent.

**10: 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 legal liability, student accident, and athletic injury 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.

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.

**11: 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 \$68,563 for the year ended June 30, 2021.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

12: 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	\$ 9		
Enhanced student achievement funding	11,332		
English-language learners	2,436		
Professional development	30,659		
Child nutrition programs		\$ 72,179	
Medical services		29,284	
Special education programs	40,870		
Other purposes	15,576		
Total Restricted	<u>100,882</u>	<u>101,463</u>	
Assigned to:			
Capital projects			\$ 533,097
Student activities	29,434		
Total Assigned	<u>29,434</u>		<u>533,097</u>
Unassigned	<u>601,153</u>		
Totals	<u>\$ 731,469</u>	<u>\$ 101,463</u>	<u>\$ 533,097</u>

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
 UNION COUNTY, ARKANSAS  
 SCHEDULE OF CAPITAL ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2021  
 (Unaudited)

Schedule 1

	Balance June 30, 2021
Nondepreciable capital assets:	
Land	\$ 161,247
Depreciable capital assets:	
Buildings	5,616,460
Equipment	1,107,669
Total depreciable capital assets	6,724,129
Less accumulated depreciation for:	
Buildings	4,060,996
Equipment	933,765
Total accumulated depreciation	4,994,761
Total depreciable capital assets, net	1,729,368
Capital assets, net	\$ 1,890,615

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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	7009		\$ 38,700
Arkansas Department of Education - National School Lunch Program	10.555	7009		102,859
Arkansas Department of Human Services - National School Lunch Program (Note 3)	10.555	7009000		9,343
Total for National School Lunch Program				<u>112,202</u>
Total U. S. Department of Agriculture				<u>150,902</u>
TOTAL CHILD NUTRITION CLUSTER				<u>150,902</u>
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027A	7009		84,483
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				<u>84,483</u>
<b>OTHER PROGRAMS</b>				
<u>U.S. Department of the Treasury</u>				
Arkansas Department of Education - COVID-19 - Coronavirus Relief Fund	21.019	7009		31,405
Total U.S. Department of the Treasury				<u>31,405</u>
<u>U. S. Department of Education</u>				
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	7009		314,077
Total Education Stabilization Fund				<u>314,077</u>
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010A	7009		202,364
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367A	7009		11,873
Arkansas Department of Education - Comprehensive Literacy Development	84.371C	7009		17,570
Arkansas Department of Education - Student Support and Academic Enrichment Program	84.424A	7009		8,253
Total U. S. Department of Education				<u>554,137</u>
TOTAL OTHER PROGRAMS				<u>585,542</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 0</u>	<u>\$ 820,927</u>

The accompanying notes are an integral part of this schedule.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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 Strong-Huttig School District No. 83 (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 Arkansas Department of Human Services.
- Note 4: The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 5: During the year ended June 30, 2021, the District received Medicaid funding of \$40,584 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION 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
21.019	COVID-19 - Coronavirus Relief Fund
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.



**STRONG-HUTTIG SCHOOLS  
PO BOX 735  
STRONG, AR 71765**

**UNION COUNTY, ARKANSAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

**SCHEDULE 4**

**FINANCIAL STATEMENT FINDINGS**

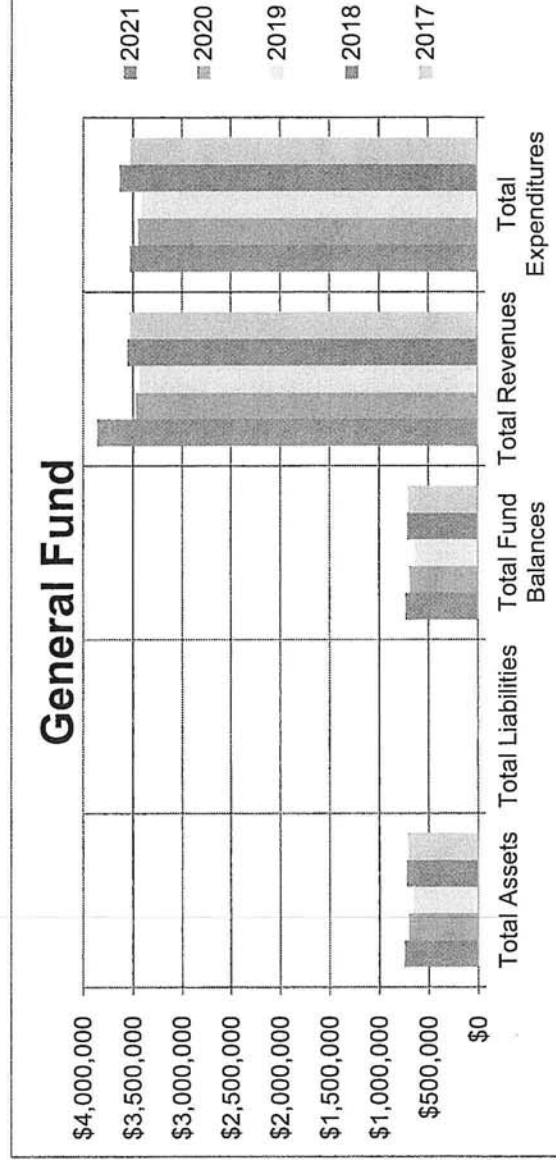
There were no findings in the prior audit.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no findings in the prior audit.

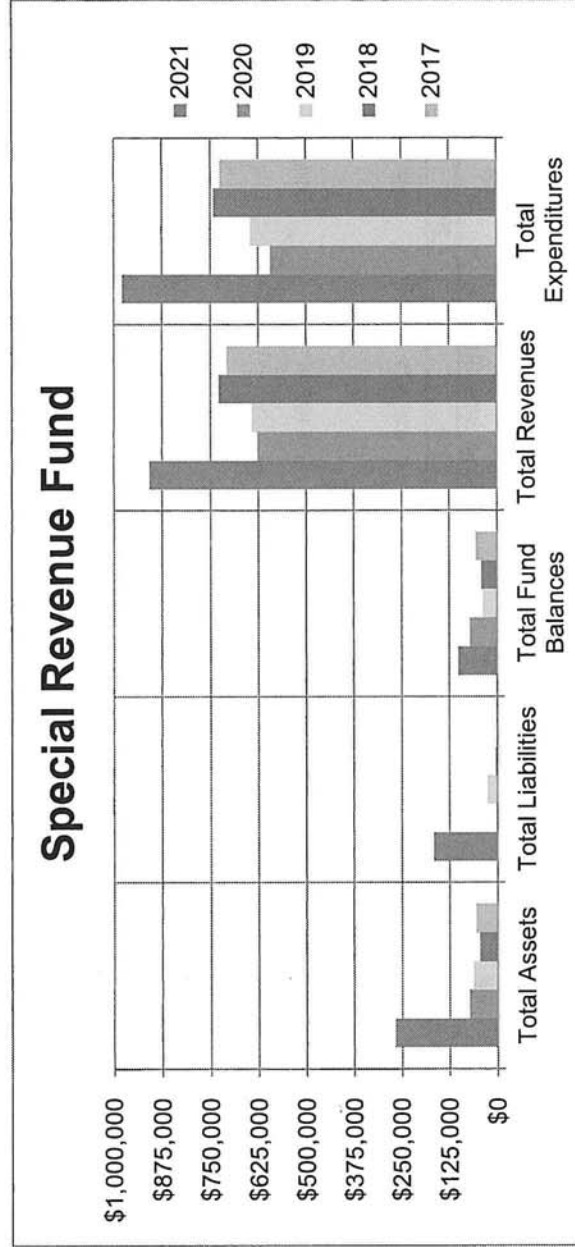
STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

	Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>General Fund</b>					
Total Assets	\$ 743,121	\$ 702,106	\$ 652,482	\$ 719,963	\$ 702,947
Total Liabilities	11,652	13,892	11,903	8,397	4,254
Total Fund Balances	731,469	688,214	640,579	711,566	698,693
Total Revenues	3,855,705	3,469,286	3,431,821	3,554,293	3,531,526
Total Expenditures	3,530,840	3,443,792	3,408,278	3,636,227	3,527,909
Total Other Financing Sources (Uses)	(282,599)	22,141	(94,530)	94,807	(508,096)



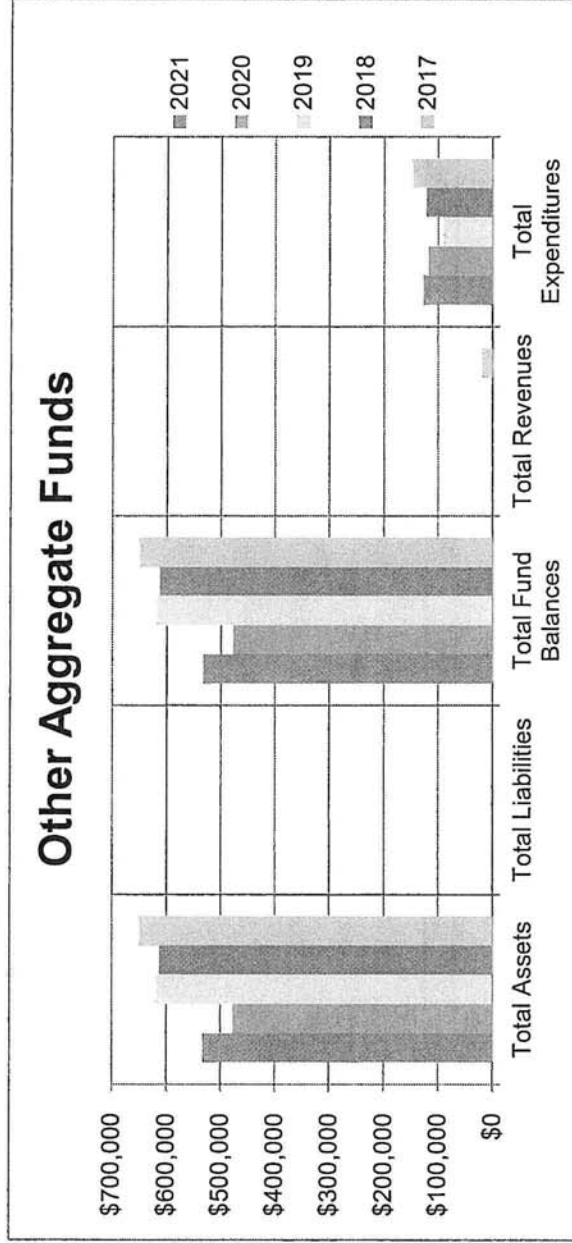
STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

	Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>Special Revenue Fund</b>					
Total Assets	\$ 268,180	\$ 74,212	\$ 63,555	\$ 46,489	\$ 56,471
Total Liabilities	166,717	2,726	25,543	4,664	1,101
Total Fund Balances	101,463	71,486	38,012	41,825	55,370
Total Revenues	908,284	626,580	642,174	727,884	707,527
Total Expenditures	978,307	593,107	645,987	741,429	724,770
Total Other Financing Sources (Uses)	100,000				



STRONG-HUTTIG SCHOOL DISTRICT NO. 83  
UNION COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

	Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>Other Aggregate Funds</b>					
Total Assets	\$ 533,097	\$ 477,858	\$ 618,521	\$ 614,022	\$ 650,054
Total Liabilities					
Total Fund Balances	533,097	477,858	618,521	614,022	650,054
Total Revenues					18,612
Total Expenditures	127,360	118,521	90,031	122,140	147,366
Total Other Financing Sources (Uses)	182,599	(22,141)	94,530	86,108	508,096



District LEA	School LEA	Building Name	Building #	Academic Space	Construction Year	School ft2	Depreciated Building Value	Inspection Status	Inspection Completed
7009000	7009048	Elementary or Primary	700904801	TRUE	1981	36607	18	Completed	9/28/2022

Report # \_\_\_\_\_ Type Initial \_\_\_\_\_  
 (District LEA / Campus LEA / # of visits to District)

1. District name Strong-Huttig School District Date 9/28/2022

2. Building (facility) Elementary or Primary (700904801) 4. Academic or Non-Academic? Academic  
 LEA # 7009048

3. Grade Configuration K-6 5. Walk-thru of facility conducted? Yes

6. GPS Coordinates of Facility Yes  
 North 33.1019873  
 West -92.3556160

Total SF of facility 36607 SF

**7. Corrective Maintenance / Preventative Maintenance items observed - 2 Step Process**  
 STEP #1 - ( **Checked** = Visual inspection of system or component, **N/A** = Not Applicable, **N/C** = Not Checked)  
 STEP #2 - **Select Outcome** on second line

<u>N/C</u> <u>Roofs</u>	<u>Type of Roof</u>
	<u>Membrane</u>
<u>Checked</u> <u>Exit Lights</u> <u>System/Component Appears OK</u>	<u>Checked</u> <u>Plumbing</u> <u>System/Component Appears OK</u>
<u>Checked</u> <u>HVAC System</u> <u>System/Component Appears OK</u>	<u>Checked</u> <u>Fire Safety</u> <u>System/Component Appears OK</u>
<u>Checked</u> <u>Hot Water Boilers &amp; Heaters</u> <u>System/Component Appears OK</u>	<u>Checked</u> <u>Electrical System</u> <u>See Comment in "Action Item Requested"</u>
<u>Checked</u> <u>Doors / Windows</u> <u>See Comment in "Action Item Requested"</u>	<u>Checked</u> <u>Interior / Exterior Lighting</u> <u>System/Component Appears OK</u>
<u>Checked</u> <u>Emergency Lighting</u> <u>System/Component Appears OK</u>	<u>Checked</u> <u>Floor Coverings</u> <u>System/Component Appears OK</u>
<u>Checked</u> <u>Grounds Maintenance</u> <u>System/Component Appears OK</u>	<u>Checked</u> <u>Fire Extinguishers</u> <u>System/Component Appears OK</u>
<u>Checked</u> <u>Kitchen / Equipment</u> <u>System/Component Appears OK</u>	<u>Checked</u> <u>Fire Alarm</u> <u>System/Component Appears OK</u>
<u>Checked</u> <u>Playground Equipment</u> <u>System/Component Appears OK</u>	<u>N/A</u> <u>Stairwells</u>
<u>N/A</u> <u>Fire Sprinkler Systems</u>	<u>N/A</u> <u>Athletic Field Maintenance</u>
<u>N/A</u> <u>Elevators &amp; Wheelchair Lifts</u>	<u>Checked</u> <u>Kitchen Hood Vent / Suppression Systems</u> <u>System/Component Appears OK</u>
<u>Checked</u> <u>Interior / Exterior Finishes</u> <u>System/Component Appears OK</u>	<u>Checked</u> <u>Masonry &amp; Concrete Building Exteriors</u> <u>System/Component Appears OK</u>
<u>Checked</u> <u>Compliance, Fire Lanes, Bus / Car Unloading Areas</u> <u>System/Component Appears OK</u>	<u>Checked</u> <u>Sidewalks, Driveways, Parking Areas, &amp; Paved Play Areas</u> <u>System/Component Appears OK</u>
<u>N/A</u> <u>Shop Equipment</u>	

**8. Custodial including Equipment and Storage - 2 Step Process**  
 STEP #1 - ( **Checked** = Visual inspection of system or component, **N/A** = Not Applicable, **N/C** = Not Checked)

**STEP #2 - Select Outcome on second line**

<u>Checked</u> <b>Storage Areas</b> System/Component Appears OK	<u>Checked</u> <b>Restrooms</b> System/Component Appears OK
<u>Checked</u> <b>Hallways / Classrooms / Offices</b> System/Component Appears OK	<u>N/A</u> <b>Gymnasiums / Locker Rooms</b>

**ACTION ITEMS - Follow-up required. Add additional pages, if necessary.**

9. Action Items Requested (See items noted above in the "Corrective Maintenance / Preventative Maintenance" section)  
All corrective and preventative maintenance items checked appear to be well maintained except:

A	Replace broken electrical outlet cover by rear exit door.
B	Remove all door hold open devices on exterior doors.
C	
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*All observations are external. No performance tests were conducted.  
Any noted observations were reported to District personnel.*

**Additional Comments**

The Strong ES has made great improvements this past year. Playgrounds equipment has new fall materials and barriers. Interior hallway lighting is all new. The kitchen is very clean. And the classrooms all look very good this year. Keep up the good work.

**INSTRUCTIONS TO DISTRICT PERSONNEL**

Please (#1) create a Work Order in C.M.M.S. (SchoolDude) for all appropriate item(s) noted, then (#2) e-mail the Work Order number(s) to the Division Representative so progress toward completion may be tracked.

Division Representative	<u>Jeremy Poole</u>	Position <u>Area Project Manager</u>
School District Representative	<u>John Michael Sutterfield</u>	Position <u>Maintenance Staff</u>

*Please contact the Division Representative if you have any questions or concerns about this report.  
Thank you, in advance, for your cooperation.*