

Shirley School District
199 School Drive
Shirley, AR 72153
501-723-8191
Aaron Wiggins, Superintendent

Rick Ward, K-12 Principal

Megan Berry, Dean of Students

November 8, 2022

Dear State Board of Education;

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

- (1) Shirley School District respectfully requests to petition a waiver from the average daily membership requirement of three hundred fifty (350) students. Please find attached a Resolution of the Shirley School Board of Directors dated September 26, 2022.
- (2) In Commissioner’s Memo COM-23-038 dated November 2, 2022, Shirley School District was placed on the Administrative Consolidation List by the Department of Elementary and Secondary Education (DESE). This publication also set forth a 30 day timeframe in which districts could request a waiver. This request is being made prior to the 30 day limit.
- (3) The average daily membership of Shirley School District:
 - (a) 2020-21 ADM (Qtrs. 1-3): 323.36
 - (b) 2021-22 ADM (Qtrs 1-3): 330.08
 - (c) 2021-22 ADM (Qtr 4): 317.63
 - (d) Attendance as of November 7, 2022: 327
- (4) As of June 30, 2022, Shirley School District was not in probationary status for any violation of the Standards of Accreditation of Arkansas Public School and School Districts. Please find attached Shirley School District 2021-22 Accreditation Report.
- (5) Please find attached a copy of:
 - (a) Shirley School District Board Resolution
 - (b) July 27, 2022 State Aid Notice
 - (c) 2021-22 Accreditation Report
 - (d) Level 1 Budget
 - (e) Budget Summary
 - (f) Fiscal Audits
 - (i) May 28, 2021

Shirley School Board
Samantha Shull, President
Robert Lanier, Vice President
Callie Davidson
Corey Murray
Kristina Tomasino

Shirley School District
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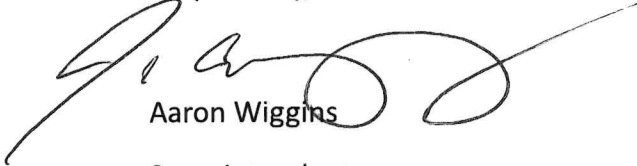
(ii) May 6, 2022

(g) Statement of Assurances-Aaron Wiggins, Superintendent

(6) Shirley School District is currently not classified as in need of Level 5-Intensive Support, and not in fiscal or facilities distress.

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

Respectfully,



Aaron Wiggins

Superintendent

Shirley School District

aaron.wiggins@shirley.k12.ar.us

(501) 723-8191-office

(501) 757-3223-work cell

Shirley School Board

Samantha Shull, President
Robert Lanier, Vice President
Callie Davidson
Corey Murray
Kristina Tomasino

SHIRLEY SCHOOL DISTRICT BOARD RESOLUTION
Petition to Request a Waiver from Minimum School District Size

WHEREAS: The Shirley School District (**DISTRICT**) has been notified by the Arkansas Division of Elementary and Secondary Education (**DESE**) that pursuant to Ark. Code Ann. § 6-13-1602(2), the District has been placed on the list of all school districts with fewer than three hundred fifty (350) students according to the school district average daily membership in each of the two school years immediately preceding the current school year; and

WHEREAS: Pursuant to Ark. Code Ann. § 6-13-1603, school districts appearing on this list must be administratively consolidated with or annexed to another school district or districts unless the school district has been granted a waiver under Ark. Code Ann. § 6-13-1613. Therefore, the **DISTRICT** is requesting a waiver from the average daily membership requirements of three hundred fifty (350) students, with proof that the **DISTRICT** meets criteria and submits the information set forth in the statute;

WHEREAS: The **DISTRICT** Board of Directors finds that it is in the best interest of the students in the **DISTRICT** to keep the school open due to the length of potential time spent on the bus by a student traveling to and from school should the **DISTRICT** be administratively reorganized, as assured by the **DISTRICT** Board of Directors, and therefore wishes to submit the waiver request to the Arkansas State Board of Education.

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

Section 1. The District wishes to petition the Arkansas State Board of Education to grant the waiver from the average daily membership requirement of three hundred fifty (350) students.

Section 2. The **DISTRICT** voted to approve this Resolution on **September 26, 2022**, during an open, regular scheduled meeting and further authorized the Superintendent to take such actions necessary to submit a copy of this Resolution along with supporting documentation to the Arkansas State Board of Education pursuant to Ark. Code Ann. § 6-13-1613.

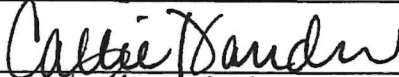
Board President



Vote:

yes

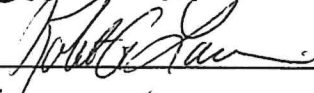
Board Secretary



Vote:

yes

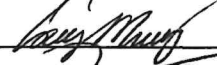
Board Vice-President



Vote:

Yes

Board Member



Vote:

yes

Board Member



Vote:

yes

LEA: 7104
County: VAN BUREN
District: SHIRLEY

Preliminary
State Aid Notice 2022-2023
July 27, 2022

Refer to corresponding Commissioner's
Memo for additional information.

| DATA | | | | | | | | | |
|------|---|----|--------------|-----|--|----|--|-----------|--|
| 1. | 2021 Real Assessment | \$ | 61,507,126 | 15. | Initial Per-Student Revenue | \$ | | 5,950.46 | |
| 2. | 2021 Personal Assessment | \$ | 14,470,145 | 16. | Initial Per-Student Foundation Funding Amount | \$ | | 7,413.00 | |
| 3. | 2021 Utility Assessment | \$ | 4,046,795 | 17. | Initial Per-Student State Foundation Funding Aid | \$ | | 1,462.54 | |
| 4. | 2021 Total Assessment | \$ | 80,024,066 | 18. | PY ALE FTEs (Qtrs. 1-4) | | | 2,5976.10 | |
| 5. | 98% of URT X Assessment | \$ | 1,960,589.62 | 19. | CY English Language Learner Students | | | | |
| 6. | Net Revenues | \$ | | 20. | PY ESA Students (NSL Free and Reduced) | | | 281 | |
| 7. | 2021 Calendar Year Calc. Misc. Funds ¹ - R | \$ | 3,539 | 21. | Adjusted 1/1/05 Scheduled Debt Payment | \$ | | 0.00 | |
| 8. | 2022 Calendar Year Calc. Misc. Funds ¹ - R | \$ | | 22. | State Wealth Index for Bonded Debt Assistance | | | 0.00000 | |
| 9. | 2020-21 ADM (Qtrs. 1-3 Avg.) | | 323.36 | 23. | PY ADM of Isolated School Area | | | | |
| 10. | 2021-22 ADM (Qtrs. 1-3 Avg.) | | 330.08 | 24. | Isolated Funding Amount Per Student 6-20-603 | \$ | | 0 | |
| 11. | 2021-22 ADM (Qtr. 4) for SGF | | 317.63 | 25. | District Square Miles | | | 93.40 | |
| 12. | 2022-23 ADM (Qtr. 1) for SGF | | | 26. | District Total Millage Rate in effect as of 1/1/21 | | | 35.50 | |
| 13. | 2022-23 ADM (Qtr. 2) for SGF | | | 27. | District Total Millage Rate in effect as of 1/1/22 | | | 35.50 | |
| 14. | 2022-23 ADM (Qtr. 3) for SGF | | | | | | | | |

| Funding Category | | FUNDING | | | | |
|------------------|---|-----------------------------|--|--------------|---------------|------|
| | Amount | Statutory Code/Acts of 2022 | Restricted | Revenue Code | Fund/SOF Code | |
| 28. | State Foundation Funding Aid (\$7,413) | \$ 482,754.00 | 6-20-2303, 6-20-2305, 6-20-2308, Act 111 | No | 31101 | 2001 |
| 29. | 98% of URT X Assessment less Net Revenues ² | \$ | 6-20-2303, 6-20-2305 | No | 31103 | 2001 |
| 30. | Educational Excellence Trust Funds ³ - R | \$ 198,279.00 | 6-5-301 et seq. | Yes | 32370 | 2275 |
| 31. | Alternative Learning Environment (\$4,890) - R | \$ 12,702.00 | 6-20-2303, 6-20-2305 | Yes | 32371 | 2276 |
| 32. | English Language Learners (\$366) - R | \$ | 6-20-2303, 6-20-2305 | Yes | 32381 | 2281 |
| 33. | ESA Funding ⁴ (\$538 / \$1,076 / \$1,613) - R | \$ 302,356.00 | 6-20-2303, 6-20-2305, Act 217 | Yes | 32381 | 2281 |
| 34. | ESA Rate - R | \$ 1,076.00 | 6-20-2305 | Yes | 32381 | 2281 |
| 35. | ESA Funding Withholding ⁴ | \$ | 6-20-2305 | | | |
| 36. | ESA Growth Funding ⁴ - R | \$ 0.00 | 6-20-2305 | Yes | 32381 | 2281 |
| 37. | Professional Development (\$37,50) - R | \$ 12,378.00 | 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) | No | 32249 | 2920 |
| 42. | Special Needs Isolated Transportation | \$ | 6-20-604 (h) | Yes | 32248 | 2228 |
| 43. | Declining Enrollment Funding ⁵ - 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 ⁵ - R | \$ | 6-20-2303 & 2305 | No | 31450 | 2217 |
| 46. | Enhanced Transportation Funding | \$ 15,509.00 | 6-20-2309 | No | 31400 | 2222 |
| 47. | Teacher Salary Equalization Funding (\$185) | \$ 61,065.00 | 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.

Shirley School District (7104000)

154 School Drive , Shirley, AR 72153

<http://shirley.k12.ar.us/>

| | |
|-----------------------|----------------------------------|
| Superintendent | Tyrene J Gardner |
| Email | tyrene.gardner@shirley.k12.ar.us |
| Phone | (501) 723-8191 |

| |
|--------------------------------------|
| District Accreditation Status |
| Accredited |

| |
|-----------------------------|
| District Information |
| Total Enrollment |
| 335 |

| FTE Information | |
|-----------------|--------------------------|
| Superintendent | Assistant Superintendent |
| 0.99 | |

ADE Standards Specialist(s)

| | | |
|-------------------|------------------------------------|--------------|
| Matthew Sutherlin | Matthew.Sutherlin@ade.arkansas.gov | 501-682-4379 |
| Thomas Coy | Thomas.Coy@ade.arkansas.gov | 501-682-4368 |

School Accreditation Status

| | | |
|---------|---------------------------|---------------|
| 7104014 | Shirley Elementary School | Status |
| 7104015 | Shirley High School | Accredited |
| | | Accredited |

County :VAN BUREN

| | Actual FY 21-22 | Budget FY 22-23 |
|--------------------------------|-----------------|-----------------|
| FUND 1 - Teacher Salary | | |
| Beginning Balance | 0.00 | 0.00 |
| Total Revenues | 0.00 | 0.00 |
| Total Expenditures | 1,504,622.40 | 1,383,549.75 |
| Total Transfers | 1,504,622.40 | 1,383,549.75 |
| Ending Balance | 0.00 | 0.00 |

| | | |
|---------------------------|---------------|---------------|
| FUND 2 - Operating | | |
| Beginning Balance | 1,003,325.30 | 807,815.62 |
| Total Revenues | 3,945,112.81 | 3,604,158.18 |
| Total Expenditures | 1,861,046.00 | 2,043,842.65 |
| Total Transfers | -2,279,576.49 | -1,557,624.75 |
| Ending Balance | 807,815.62 | 810,506.40 |

| | | |
|--------------------------|--------------|--------------|
| FUND 3 - Building | | |
| Beginning Balance | 4,148,286.39 | 4,760,224.98 |
| Total Revenues | 0.00 | 0.00 |
| Total Expenditures | 0.00 | 0.00 |
| Total Transfers | 611,938.59 | 0.00 |
| Ending Balance | 4,760,224.98 | 4,760,224.98 |

| | | |
|------------------------------|------------|------------|
| FUND 4 - Debt Service | | |
| Beginning Balance | 0.00 | 0.00 |
| Total Revenues | 0.00 | 0.00 |
| Total Expenditures | 167,140.50 | 178,575.00 |
| Total Transfers | 167,140.50 | 178,575.00 |
| Ending Balance | 0.00 | 0.00 |

| | | |
|--------------------------------|------|------|
| FUND 5 - Capital Outlay | | |
| Beginning Balance | 0.00 | 0.00 |
| Total Revenues | 0.00 | 0.00 |

| | Actual FY 21-22 | Budget FY 22-23 |
|--------------------------------|-----------------|-----------------|
| FUND 5 - Capital Outlay | | |
| Total Expenditures | 0.00 | 0.00 |
| Total Transfers | 0.00 | 0.00 |
| Ending Balance | 0.00 | 0.00 |
| FUND 6 - Federal Grants | | |
| Beginning Balance | 21,641.05 | 61,075.58 |
| Total Revenues | 1,172,277.99 | 1,615,142.21 |
| Total Expenditures | 1,144,676.80 | 1,615,142.21 |
| Total Transfers | 11,833.34 | 0.00 |
| Ending Balance | 61,075.58 | 61,075.58 |
| FUND 7 - Activity | | |
| Beginning Balance | 115,228.96 | 140,969.00 |
| Total Revenues | 103,227.02 | 0.00 |
| Total Expenditures | 77,486.98 | 0.00 |
| Total Transfers | 0.00 | 0.00 |
| Ending Balance | 140,969.00 | 140,969.00 |
| FUND 8 - Food Service | | |
| Beginning Balance | 14,924.77 | 64,352.09 |
| Total Revenues | 301,931.55 | 235,600.00 |
| Total Expenditures | 252,504.23 | 253,329.62 |
| Total Transfers | 0.00 | 0.00 |
| Ending Balance | 64,352.09 | 46,622.47 |
| FUND 9 - Fixed Asset | | |
| Beginning Balance | 2,699,731.60 | 2,699,731.60 |
| Total Revenues | 0.00 | 0.00 |
| Total Expenditures | 0.00 | 0.00 |
| Total Transfers | 0.00 | 0.00 |
| Ending Balance | 2,699,731.60 | 2,699,731.60 |

Budget Summary
SHIRLEY SCHOOL DISTRICT (7104000)

| FY23 as of 2022-11-10 | | | | |
|--------------------------|----------------|--------------------|---------------------|--------------------------|
| Beginning Balance | | | | Ending Balance |
| <u>7/1/2022</u> | | | | <u>10/31/2022</u> |
| | Revenue | | Expenditures | |
| 720,099.04 | 909,751.62 | | 997,882.85 | 631,967.81 |
| | | FY23 Budget | | |
| Beginning Balance | | | | Projected Balance |
| <u>7/1/2022</u> | | | | <u>6/30/2023</u> |
| | Revenue | | Expenditures | |
| 720,099.04 | 3,306,184.18 | | 3,270,420.55 | 755,862.67 |
| | | FY22 | | |
| Beginning Balance | | | | Ending Balance |
| <u>7/1/2021</u> | | | | <u>6/30/2022</u> |
| | Revenue | | Expenditures | |
| 771,158.98 | 3,644,864.81 | | 3,695,924.75 | 720,099.04 |
| | | FY21 | | |
| Beginning Balance | | | | Ending Balance |
| <u>7/1/2020</u> | | | | <u>6/30/2021</u> |
| | Revenue | | Expenditures | |
| 1,178,566.16 | 3,908,149.58 | | 4,315,556.76 | 771,158.98 |
| | | FY20 | | |
| Beginning Balance | | | | Ending Balance |
| <u>7/1/2019</u> | | | | <u>6/30/2020</u> |
| | Revenue | | Expenditures | |
| 726,915.11 | 3,672,901.1 | | 3,221,250.05 | 1,178,566.16 |

(88,131.23)

35,763.63

(51,059.94)

(407,407.18)

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

Nov 10, 2022

EXPENDITURES
SHIRLEY PUBLIC SCHOOLS

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 2022-11-10 | FY23 Budget | Variance in FY23 Budget and FY23 YTD |
|-----------------------------|-------------------------------|--------------|--------------|--------------|------------------------------|--------------|--|
| Salaries & Benefits Totals | 61110 CERT SALARY | 1,289,128.04 | 1,236,491.59 | 1,246,462.47 | 357,740.71 | 1,350,311.92 | (992,571.21) |
| | 61120 CLS SALARY | 477,898.49 | 430,855.46 | 455,493.89 | 163,718.73 | 458,133.50 | (294,414.77) |
| | 61320 CLASS OVERTIME | 2,055.35 | 2,392.28 | 5,200.74 | 1,354.69 | - | 1,354.69 |
| | 61510 BONUS/ADDITIONAL COMPE | 106,161.53 | 89,701.63 | 109,932.23 | 46,500.00 | - | 46,500.00 |
| | 61520 BONUS - CLASSIFIED | 17,500.00 | 16,500.00 | 16,860.00 | - | - | - |
| | 61710 CERT SUBSTITUTES | 4,487.35 | - | 231.00 | 3,927.00 | - | 3,927.00 |
| | 61720 CLS SUBSTITUTES | 1,892.65 | 2,840.00 | 3,180.00 | 2,152.00 | - | 2,152.00 |
| | 61810 CERT UNUSED SICK | - | - | 4,500.00 | - | - | - |
| | 61819 CERT UNUSED SICK LEAVE | - | 2,075.00 | 4,500.00 | - | - | - |
| | 61830 UNUSE VACA LEAVE | - | - | 9,900.85 | - | - | - |
| | 62210 CERT SOC SEC | 83,813.30 | 74,687.53 | 76,688.03 | 24,620.40 | 84,357.52 | (59,737.12) |
| | 62220 CLS SOC SEC | 29,237.78 | 27,488.35 | 28,660.24 | 10,110.95 | 27,797.65 | (17,686.70) |
| | 62260 CERT MEDICARE | 19,601.31 | 17,467.42 | 17,935.18 | 5,757.93 | 19,728.82 | (13,970.89) |
| | 62270 CLS MEDICARE | 6,837.97 | 6,428.72 | 6,702.92 | 2,364.72 | 7,389.25 | (5,024.53) |
| | 62310 CERT TCH RET-CONT | 199,548.99 | 174,239.55 | 189,342.28 | 60,999.52 | 202,546.79 | (141,547.27) |
| | 62320 CLS TCH RET - CONT | 71,075.94 | 75,887.68 | 73,202.78 | 25,309.89 | 68,721.83 | (43,411.94) |
| | 62520 CLS UNEMPLOY COMP | - | 317.20 | - | - | - | - |
| Salaries & Benefits Totals | 62610 CERT WKRS COMP | 3,701.50 | 3,289.00 | 2,082.13 | 493.17 | - | 493.17 |
| | 62620 CLS WKRS COMP | 3,701.50 | 3,289.00 | 2,485.48 | 508.03 | - | 508.03 |
| | 62710 CERT HEALTH BENEFITS | 37,126.18 | 36,702.11 | 35,205.98 | 8,820.16 | 57,939.01 | (49,118.85) |
| | 62711 CRT PREMIUM ASSISTNCE E | 1,764.94 | 1,884.46 | 2,760.28 | 770.27 | 2,437.98 | (1,667.71) |
| | 62720 CLS HEALTH BENEFITS | 16,584.72 | 17,036.53 | 19,864.25 | 6,305.67 | 35,481.67 | (29,176.00) |
| Salaries & Benefits Totals | 62721 CLS PREM ASSISTANCE EBD | 581.52 | 493.49 | 798.79 | 230.23 | 710.88 | (480.65) |
| | Salaries & Benefits Totals | 2,372,699.06 | 2,220,067.00 | 2,311,989.52 | 721,684.07 | 2,315,556.82 | (1,593,872.75) |

| | | | | | | | | |
|-------------|-------|-------------------------|------------|------------|------------|-----------|------------|--------------|
| Other | 63120 | MANAGEMENT SERVICES | - | - | 16,200.00 | 5,500.00 | 17,000.00 | (11,500.00) |
| Expenditure | 63130 | BOARD OF ED SERVICES | - | - | 185.00 | - | 200.00 | (200.00) |
| Totals | 63310 | PUPIL SERVICES | - | 350.00 | - | 480.00 | 350.00 | 130.00 |
| | 63320 | | - | - | - | 60.00 | - | 60.00 |
| | 63440 | LEGAL | 432.00 | 961.50 | 1,668.50 | 768.00 | 15,000.00 | (14,232.00) |
| | 63480 | SECURITY | - | 784.14 | 784.14 | 3,414.05 | 1,000.00 | 2,414.05 |
| | 63530 | SOFTWARE MAINT SUPPORT | 428.75 | 549.85 | 2,869.08 | - | 3,000.00 | (3,000.00) |
| | 63550 | NOVELL LICENSE RENEWAL | - | 5,274.65 | 6,308.50 | 516.17 | 6,980.00 | (6,463.83) |
| | 63590 | LICENSE | 6,394.75 | - | - | - | - | - |
| | 63900 | OTHER PURC PROF/TECH SV | 49,359.14 | 189,414.31 | 63,687.82 | 15,036.55 | 49,300.00 | (34,263.45) |
| | 64110 | WATER/SEWER | 6,917.05 | 5,851.03 | 5,839.56 | 2,383.95 | 10,000.00 | (7,616.05) |
| | 64210 | DISPOSAL/SANATATION | 11,554.79 | 9,789.32 | 9,783.85 | 3,832.52 | 14,000.00 | (10,167.48) |
| | 64240 | LAWN CARE | - | - | 2,144.00 | - | 2,500.00 | (2,500.00) |
| | 64310 | BLDG & GROUNDS | 33,958.27 | 24,735.81 | 8,111.83 | 5,082.46 | 17,000.00 | (11,917.54) |
| | 64420 | EQUIP & VEHICLES | 23,455.08 | 18,651.23 | 31,062.40 | 13,569.11 | 32,000.00 | (18,430.89) |
| | 65210 | PROPERTY INSURANCE | 41,421.09 | - | 43,492.14 | 50,740.83 | 50,750.00 | (9.17) |
| | 65220 | LIABILITY INSURANCE | 6,943.50 | 7,424.00 | 7,038.00 | - | 8,000.00 | (8,000.00) |
| | 65240 | FLEET INSURANCE | 5,749.12 | 5,563.59 | 5,187.62 | (1.02) | 6,000.00 | (6,001.02) |
| | 65250 | ACCIDENT INS FOR STUDEN | 2,668.00 | 2,668.00 | 2,668.00 | 2,668.00 | 3,000.00 | (332.00) |
| | 65290 | OTHER INSURANCE | 338.00 | 327.50 | 313.50 | - | 500.00 | (500.00) |
| | 65310 | TELEPHONE | 15,561.01 | 18,041.08 | 15,453.91 | 6,247.72 | 16,000.00 | (9,752.28) |
| | 65320 | POSTAGE | 1,911.66 | 1,680.55 | 1,791.90 | - | 5,000.00 | (5,000.00) |
| | 65340 | NETWORK/INTERNET | - | 3,800.00 | 5,325.94 | 93.33 | - | 93.33 |
| | 65400 | ADVERTISING | 654.90 | 747.75 | 630.36 | 665.35 | 4,500.00 | (3,834.65) |
| | 65610 | TO LEA'S WITHIN STATE | 11,960.00 | 5,048.50 | - | - | - | - |
| | 65810 | TRVL-CERT-IN DISTRICT | 1,890.97 | 667.99 | 1,194.75 | 579.70 | 2,500.00 | (1,920.30) |
| | 65820 | TRVL-CLS IN DISTRICT | 459.09 | 1,164.60 | 551.25 | 70.35 | 1,500.00 | (1,429.65) |
| | 65840 | TRVL CLS OUT DISTRICT | - | - | - | 140.00 | - | 140.00 |
| | 65870 | NON-EMP TRAVEL | 1,812.72 | 9,244.99 | 846.56 | 47.50 | 1,000.00 | (952.50) |
| | 65900 | MISC PURC SVS | - | - | - | - | - | - |
| | 65910 | SVS PURCHASED LOCALLY | 59,420.53 | 80,402.16 | 85,857.67 | 9,584.51 | 65,046.73 | (55,462.22) |
| | 65920 | PURC-OTHER LEA IN STATE | - | - | - | - | - | - |
| | 66100 | GEN SUPPLIES | 102,812.96 | 129,821.97 | 93,601.20 | 44,842.61 | 197,662.00 | (152,819.39) |
| | 66107 | EQUIP-LOW VALUE | 20,027.00 | - | - | - | - | - |
| | 66220 | ELECTRICITY | 97,814.67 | 96,808.08 | 124,451.01 | 52,290.89 | 130,000.00 | (77,709.11) |
| | 66230 | BOTTLED GAS | 12,671.40 | 16,334.05 | 24,482.42 | - | 25,000.00 | (25,000.00) |
| | 66260 | GASOLINE/DIESEL | 2,784.80 | 1,391.90 | 3,965.70 | 2,009.30 | 5,000.00 | (2,990.70) |
| | 66261 | FUEL ADDITIVES | - | 261.86 | - | - | - | - |
| | 66265 | DIESEL FUEL | 19,570.80 | 16,708.15 | 28,855.37 | 9,080.70 | 36,000.00 | (26,919.30) |
| | 66266 | DIESEL FUEL ADDITIVES | 364.20 | - | - | - | - | - |

| | | | | | | | |
|----------------------------|-------------------------|--------------|--------------|--------------|------------|--------------|----------------|
| 66269 | OIL FOR BUSES | - | 1,255.00 | 626.08 | - | 2,000.00 | (2,000.00) |
| 66410 | TEXTBOOKS | 6,555.55 | - | - | 15,765.35 | 13,000.00 | 2,765.35 |
| 66420 | LIBRARY BOOKS | 1,955.66 | 1,993.00 | 1,595.44 | 326.80 | 4,000.00 | (3,673.20) |
| 66430 | PERIODICALS | 34.00 | 45.00 | - | - | - | - |
| 66500 | TECHN SUPPLIES | - | 533.81 | - | 1,144.50 | - | 1,144.50 |
| 66510 | SOFTWARE | 486.00 | - | 550.00 | - | 1,000.00 | (1,000.00) |
| 66512 | TABLET COMPUTERS | 8,821.93 | - | - | - | - | - |
| 67320 | VEHICLES | 50,000.00 | 109,000.00 | - | - | - | - |
| 67330 | FURNITURE & FIXTURES | - | - | - | - | 11,000.00 | (11,000.00) |
| 67340 | TECH RELATED HARDWARE | - | - | - | 4,087.50 | 4,000.00 | 87.50 |
| 67341 | TECH EDUC DEVICE | - | - | - | 2,169.10 | - | 2,169.10 |
| 67390 | OTHER EQUIPMENT | 44,800.85 | - | - | 8,746.96 | - | 8,746.96 |
| 68100 | DUES AND FEES | 10,744.10 | 5,487.82 | 8,025.64 | 2,718.49 | 16,000.00 | (13,281.51) |
| 68300 | INTEREST | 60,210.00 | 46,802.50 | 11,847.50 | 11,537.50 | 23,075.00 | (11,537.50) |
| 69100 | REDEMPTION OF PRINCIPAL | 125,000.00 | 20,000.00 | 155,000.00 | - | 155,000.00 | (155,000.00) |
| 69330 | TO BUILDING FUND | - | 1,255,904.07 | 611,938.59 | - | - | - |
| 69400 | | 606.65 | - | - | - | - | - |
| Other Expenditure Totals | | 848,550.99 | 2,095,489.76 | 1,383,935.23 | 276,198.78 | 954,863.73 | (678,664.95) |
| Overall Expenditure Totals | | 3,221,250.05 | 4,315,556.76 | 3,695,924.75 | 997,882.85 | 3,270,420.55 | (2,272,537.70) |

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

Nov 10, 2022

Revenue
SHIRLEY PUBLIC SCHOOLS

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

10000:51999|52300-52399|52500:59999

| Account | Account Description | FY20 | FY21 | FY22 | FY23 YTD as of 2022-11-10 | FY23 Budget | Variance in FY23 Budget and FY23 YTD |
|---------|----------------------------|--------------|--------------|--------------|------------------------------|--------------|--|
| 11110 | PROPERTY TAXES-CURRENT | 1,389,065.63 | 1,368,409.92 | 1,294,963.76 | 612,556.62 | 1,294,963.76 | (682,407.14) |
| 11115 | PROPERTY TAX RELIEF | 20,519.12 | 183.78 | 5,273.14 | 3,176.28 | 2,500.00 | 676.28 |
| 11120 | PROPERTY TAX-40% BY 6/30 | 975,603.46 | 685,627.30 | 733,896.74 | - | 675,000.00 | (675,000.00) |
| 11125 | PROP TAX REL 40% PULLBACK | - | 368,187.30 | 381,037.49 | - | 370,000.00 | (370,000.00) |
| 11140 | PROPERTY TAX-DELINQUENT | 137,691.63 | 167,402.00 | 183,882.38 | 12,037.14 | 175,000.00 | (162,962.86) |
| 11150 | EXCESS COMMISSION | 3,485.30 | 18,998.11 | 19,187.62 | - | 18,500.00 | (18,500.00) |
| 11160 | LAND REDEMP-IN STATE SALE | 19,526.09 | 43,498.62 | 13,370.67 | - | 12,000.00 | (12,000.00) |
| 11400 | PENALTIES/INTEREST ON TAX | - | 391.40 | 474.64 | - | - | - |
| 15100 | INTEREST ON INVESTMENTS | 90,806.62 | 108,565.86 | 122,485.45 | 42,008.93 | 100,000.00 | (57,991.07) |
| 19200 | PRIVATE CONTRIBUTIONS | 24,983.00 | 133,168.45 | - | 24,962.00 | 24,962.00 | - |
| 19510 | OTHER LEA WITHIN STATE | 160.00 | - | - | - | - | - |
| 19800 | REFUNDS OF PRIOR YR EXPEN | 18,422.09 | 7,496.44 | 3,291.36 | 500.00 | - | 500.00 |
| 19900 | MISC REV FR LOCAL SOURCES | 3,666.63 | 41,781.55 | 3,150.00 | 1,050.00 | - | 1,050.00 |
| 31101 | FOUNDATION FUNDING | 604,046.00 | 556,916.00 | 440,102.00 | 160,920.00 | 482,754.00 | (321,834.00) |
| 31103 | 98% COLLECTION RATE GUARA | 74,703.00 | 7,988.00 | 84,090.00 | - | 15,000.00 | (15,000.00) |
| 31400 | TRANSPORTATION AID | 54,906.00 | 54,906.00 | 12,569.00 | 15,509.00 | 15,509.00 | - |
| 31450 | STUDENT GROWTH FUNDING | 11,539.00 | - | - | - | - | - |
| 31460 | DECLINING ENROLLMENT | - | 41,862.00 | 63,166.00 | - | - | - |
| 32204 | SALARY EQUALIZATION | - | - | - | 20,356.00 | 61,065.00 | (40,709.00) |
| 32219 | EISENHOWER MATH/SCIENCE | 44,460.00 | 44,460.00 | 97,812.00 | - | - | - |
| 32226 | HIGH PRIORITY BONUS | 79,112.30 | 55,840.74 | 76,285.01 | - | - | - |
| 32310 | HAND CHILD-SUPV/EXTEND YR | 1,500.57 | 1,735.51 | 1,567.07 | - | - | - |
| 32350 | EARLY CHILD/MEDICAID MATCH | - | 29,499.21 | 27,010.26 | 3,340.88 | 16,704.43 | (13,363.55) |

| | | | | | | | |
|----------------------|--------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|-----------------------|
| 32352 | 32350 | - | 10,474.38 | 9,590.62 | 1,186.26 | 5,931.30 | (4,745.04) |
| 32355 | EARLY CHILD PILOT PARENT | 39,777.95 | 42,813.30 | 23,071.81 | - | 31,794.69 | (31,794.69) |
| 32361 | INCENTIVE FUND | 100.00 | - | - | - | - | - |
| 32382 | NSL MATCHING GRANT | 37,000.95 | 25,141.20 | 27,785.30 | - | - | - |
| 32480 | VOC NEW PGM START-UP | 25,111.75 | 25,739.38 | - | - | - | - |
| 32901 | JUA MINI GRANT | - | 7,500.00 | - | - | - | - |
| 32902 | SCHOOL BASED HEALTH | - | - | 10,000.00 | - | - | - |
| 32920 | GAME & FISH GRANT | 1,788.31 | - | - | - | - | - |
| 42200 | FLOOD CONTROL | 7,062.54 | 6,950.33 | 4,650.74 | 10,450.02 | - | 10,450.02 |
| 42300 | MINERAL LEASES | 397.41 | 258.11 | 526.75 | 364.49 | - | 364.49 |
| 51100 | BONDED INDEBTEDNESS | - | 1,078.37 | - | - | - | - |
| 52900 | PASS THROUGH FUNDING | - | - | 4,125.00 | 1,125.00 | 4,500.00 | (3,375.00) |
| 53100 | SALE OF EQUIPMENT | 2,101.00 | - | 1,500.00 | - | - | - |
| 53400 | COMPEN-LOSS FIXED ASSETS | - | 50,176.39 | - | 209.00 | - | 209.00 |
| 53500 | REV NON FIXED ASSETS | 5,364.75 | 1,099.93 | - | - | - | - |
| Total Revenue | | 3,672,901.10 | 3,908,149.58 | 3,644,864.81 | 909,751.62 | 3,306,184.18 | (2,396,432.56) |

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

Nov 10, 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

May 28, 2021

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

We have audited the regulatory basis financial statements of each major governmental fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2020, and have issued our report thereon dated May 11, 2021. 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 and *Government Auditing Standards* 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 March 18, 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. No new accounting policies were adopted and the application of existing policies was not changed during the audit year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the Management Representation Letter dated May 11, 2021.

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 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



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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

May 6, 2022

To the Superintendent and School Board Members
Shirley 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 12, 2022. Ark. Code Ann. § 6-1-101(d) requires the District's board or governing body to review the audit report and any accompanying comments and recommendations at the first regularly scheduled meeting following receipt of the audit report if the audit report is received by the board or governing 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. The aforementioned Code also requires the board or governing body to take appropriate action relating to each finding and recommendation contained in the audit report and also requires documentation of this review and the action taken by the board or governing body in the minutes of the board or governing body. Audit findings are disclosed on pages 22 and 23 in the enclosed audit report. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our Engagement Letter to you dated January 13, 2022. Professional standards also require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. The District changed accounting policies related to the presentation of fiduciary fund types by adopting Statement of Governmental Accounting Standards no. 84, *Fiduciary Activities* in 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Material misstatements detected as a result of audit procedures and corrected by management are disclosed in the Schedule of Findings and Questioned Costs in the enclosed audit report.

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 12, 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

Shirley School District
199 School Drive
Shirley, AR 72153
501-723-8191
Aaron Wiggins, Superintendent

Rick Ward, K-12 Principal

Megan Berry, Dean of Students

November 8, 2022

Dear State Board of Education;

On November 2, 2022, Shirley School District was placed on the Administrative Consolidation List published by the Department of Elementary and Secondary Education (DESE). As per §6-13-1613, Shirley School District has submitted a petition for a waiver from the minimum school district size.

As part of the requirements set forth in §6-13-1613, this letter is to serve as a Statement of Assurances that Shirley School District is not currently classified as in need of Level 5-Intensive Support. This letter is also to assure that it is in the best interest of the students in the Shirley School District to keep our district open due to the length of potential time spent on the bus by students traveling to and from school should our school district be administratively reorganized.

Due to the COVID-19 pandemic, scores on the state assessments have dropped significantly at Shirley, as well as around the entire state. During this time, our district was on Level 4 support from the state department. However, as we transition back to normalcy from the pandemic, we scored better on state assessments, moving from Level 4 support to Level 3 support. While I understand that this is not ideal, we are moving forward in the right direction. To receive more help in getting to where we need to be, I am also requesting to continue to receive Level 4 support from the state department.

In the 2022-23 school year, our district has seen a change in administration, from Superintendent to principal and Dean of Students. Our district is also at the beginning stages of PLC implementation, focusing on identifying essential standards and moving through a data cycle. We are working with our educational cooperative, Arch Ford, as well as literacy specialists at DESE, to ensure that we are implementing our literacy curriculum and interventions with fidelity. We are excited about the changes we have made to the education of our students in the Shirley School District, and can't wait for you to see the improvements as well. Not only are we working on academic improvements, we also strive to ensure that our students are provided with a safe place to learn. Over the summer of 2022, the district removed outdated tile from the elementary building and replaced it with polished concrete. In the Spring, we are planning on repaving all parking areas throughout the district. We also received a School Based Health

Shirley School Board
Samantha Shull, President
Robert Lanier, Vice President
Callie Davidson
Corey Murray
Kristina Tomasino

Shirley School District
199 School Drive
Shirley, AR 72153
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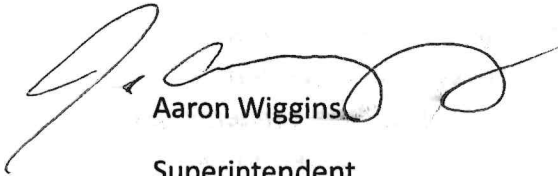
Aaron Wiggins, Superintendent

Rick Ward, K-12 Principal

Megan Berry, Dean of Students

Center grant, which we plan on having open to begin the 2023-24 school year. The district updated its social media page, as well as post regularly to keep the community informed about the happenings of the district. We also began live streaming monthly board meetings. We are always looking for ways to involve the community, and it is working as we have more people signing up to be substitutes than we ever had in the past decade. This district regularly maintains the bus fleet and it shows. Shirley School District is beginning to get students back who school choiced away, even some as long as 10 years ago. This truly is becoming "the place to be". We are excited about the vision of our district and believe that we will become a leader of education in Van Buren County, as well as the state of Arkansas. We respectfully request the State Board of Education grant our petition for a waiver from the minimum school district size. Thank you for your consideration in this matter.

Respectfully,



Aaron Wiggins

Superintendent

Shirley School District

aaron.wiggins@shirley.k12.ar.us

(501) 723-8191-office

(501) 757-3223-work cell

Shirley School Board

Samantha Shull, President
Robert Lanier, Vice President
Callie Davidson
Corey Murray
Kristina Tomasino

Shirley School District No. 3

Van Buren County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2021



SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN 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

Shirley School District No. 3 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 Shirley School District No. 3 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, as described in Note 1, to meet the requirements of the State of Arkansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinions on Regulatory Basis of Accounting

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

Emphasis of Matter

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

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Schedule of Capital Assets, and the Schedule of Selected Information for the Last Five Years – Regulatory Basis are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 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 12, 2022
EDSD38321

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

Shirley School District No. 3 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 Shirley School District No. 3 (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 12, 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 that we consider to be a material weakness.

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*.

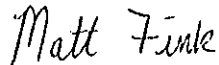
District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we express no opinion on it.

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 12, 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

Shirley School District No. 3 and School Board Members
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

We have audited the Shirley School District No. 3'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

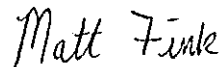
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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 12, 2022

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2021

Exhibit A

| | Governmental Funds | | |
|--|---------------------|--------------------|---------------------|
| | Major | | |
| | General | Special Revenue | Other Aggregate |
| ASSETS | | | |
| Cash | \$ 959,188 | | \$ 4,148,286 |
| Accounts receivable | | \$ 199,435 | |
| Due from other funds | 162,870 | | |
| Deposit with paying agent | | | 11,848 |
| TOTAL ASSETS | <u>\$ 1,122,058</u> | <u>\$ 199,435</u> | <u>\$ 4,160,134</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 13,638 | \$ 180 | |
| Due to other funds | | 162,870 | |
| Total Liabilities | <u>13,638</u> | <u>163,050</u> | |
| Fund Balances: | | | |
| Nonspendable | | | \$ 11,848 |
| Restricted | 366,269 | 36,385 | |
| Assigned | 115,229 | | 4,148,286 |
| Unassigned | 626,922 | | |
| Total Fund Balances | <u>1,108,420</u> | <u>36,385</u> | <u>4,160,134</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 1,122,058</u> | <u>\$ 199,435</u> | <u>\$ 4,160,134</u> |

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

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN 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 |
|--|---------------------|--------------------|---------------------|
| | General | Special Revenue | Aggregate |
| REVENUES | | | |
| Property taxes (including property tax relief trust distribution) | \$ 2,652,307 | | |
| State assistance | 1,238,344 | \$ 1,850 | |
| Federal assistance | 7,281 | 949,426 | |
| Activity revenues | 33,922 | | |
| Meal sales | | 8,695 | |
| Investment income | 107,713 | | \$ 127 |
| Other revenues | 11,038 | | |
| TOTAL REVENUES | 4,050,605 | 959,971 | 127 |
| EXPENDITURES | | | |
| Regular programs | 1,043,579 | 273,958 | |
| Special education | 350,832 | 90,320 | |
| Career education programs | 133,806 | | |
| Compensatory education programs | 22,497 | 214,343 | |
| Other instructional programs | 121,947 | | |
| Student support services | 129,810 | 79,723 | |
| Instructional staff support services | 99,064 | 47,200 | |
| General administration support services | 218,357 | | |
| School administration support services | 151,222 | | |
| Central services support services | 87,647 | 397 | |
| Operation and maintenance of plant services | 426,927 | 32,393 | |
| Student transportation services | 260,172 | 8,373 | |
| Other support services | 11,010 | | |
| Food services operations | | 247,768 | |
| Activity expenditures | 30,401 | | |
| Debt Service: | | | |
| Principal retirement | | | 20,000 |
| Interest and fiscal charges | | | 35,585 |
| Net debt issuance costs | | | 54,734 |
| TOTAL EXPENDITURES | 3,087,271 | 994,475 | 110,319 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 963,334 | (34,504) | (110,192) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | | | 1,321,405 |
| Transfers out | (1,321,405) | | |
| Proceeds from refunding bond issue | | | 2,455,000 |
| Payment to refunding bond escrow agent | | | (2,398,461) |
| Compensation for loss of capital assets | 51,276 | | |
| TOTAL OTHER FINANCING SOURCES (USES) | (1,270,129) | | 1,377,944 |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (306,795) | (34,504) | 1,267,752 |
| FUND BALANCES - JULY 1 | 1,415,215 | 70,889 | 2,892,382 |
| FUND BALANCES - JUNE 30 | \$ 1,108,420 | \$ 36,385 | \$ 4,160,134 |

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

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS

Exhibit C

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 | |
| REVENUES | | | | | | |
| Property taxes (including property tax relief trust distribution) | \$ 2,506,084 | \$ 2,652,307 | \$ 146,223 | | | |
| State assistance | 1,139,714 | 1,238,344 | 98,630 | \$ 1,500 | \$ 1,850 | \$ 350 |
| Federal assistance | | 7,281 | 7,281 | 752,174 | 949,426 | 197,252 |
| Activity revenues | | 33,922 | 33,922 | | | |
| Meal sales | | | | 28,400 | 8,695 | (19,705) |
| Investment income | 86,000 | 107,713 | 21,713 | | | |
| Other revenues | 165,000 | 11,038 | (153,962) | | | |
| TOTAL REVENUES | 3,896,798 | 4,050,605 | 153,807 | 782,074 | 959,971 | 177,897 |
| EXPENDITURES | | | | | | |
| Regular programs | 1,524,048 | 1,043,579 | 480,469 | | | |
| Special education | 354,317 | 350,832 | 3,485 | 52,482 | 273,958 | (221,476) |
| Career education programs | 169,735 | 133,806 | 35,929 | 98,124 | 90,320 | 7,804 |
| Compensatory education programs | 21,318 | 22,497 | (1,179) | | | |
| Other instructional programs | 126,366 | 121,947 | 4,419 | 248,364 | 214,343 | 34,021 |
| Student support services | 148,610 | 129,810 | 18,800 | | | |
| Instructional staff support services | 136,500 | 99,064 | 37,436 | 86,873 | 79,723 | 7,150 |
| General administration support services | 261,618 | 218,357 | 43,261 | 42,046 | 47,200 | (5,154) |
| School administration support services | 145,653 | 151,222 | (5,569) | | | |
| Central services support services | 88,325 | 87,647 | 678 | 1,000 | 397 | 603 |
| Operation and maintenance of plant services | 487,634 | 426,927 | 60,707 | 24,800 | 32,393 | (7,593) |
| Student transportation services | 264,532 | 260,172 | 4,360 | | 8,373 | (8,373) |
| Other support services | 8,000 | 11,010 | (3,010) | | | |
| Food services operations | | | | 245,870 | 247,768 | (1,898) |
| Community services operations | | | | 2,000 | | 2,000 |
| Activity expenditures | | | | | | |
| TOTAL EXPENDITURES | 3,736,656 | 3,087,271 | (30,401) | 801,559 | 994,475 | (192,916) |

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN 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 | \$ 160,142 | \$ 963,334 | \$ 803,192 | \$ (19,485) | \$ (34,504) | \$ (15,019) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 4,175,287 | | (4,175,287) | 23,305 | | (23,305) |
| Transfers out | (4,334,498) | (1,321,405) | 3,013,093 | (23,305) | | 23,305 |
| Compensation for loss of capital assets | | 51,276 | 51,276 | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | (159,211) | (1,270,129) | (1,110,918) | 0 | | 0 |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 931 | (306,795) | (307,726) | (19,485) | (34,504) | (15,019) |
| FUND BALANCES - JULY 1 | 1,434,243 | 1,415,215 | (19,028) | 66,329 | 70,889 | 4,560 |
| FUND BALANCES - JUNE 30 | \$ 1,435,174 | \$ 1,108,420 | \$ (326,754) | \$ 46,844 | \$ 36,385 | \$ (10,459) |

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

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Board of Education, a five 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 Shirley 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.

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.

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.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN 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 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:

| <u>Asset Class</u> | <u>Estimated Useful Life in Years</u> |
|-----------------------------|---------------------------------------|
| Improvements/infrastructure | 20 |
| Buildings | 50 |
| Equipment | 5-20 |

F. Property Taxes

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

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.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

H. Fund Balance Classifications

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

I. Budget and Budgetary Accounting

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

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

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

J. Stabilization Arrangements

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

K. Minimum Fund Balance Policies

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

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance Classification Policies and Procedures

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

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

M. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

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

| | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|----------------|----------------------------|-------------------------|
| Insured (FDIC) | <u>\$ 5,107,330</u> | <u>\$ 5,383,045</u> |

The above total deposits do not include cash of \$144 which was held in the Van Buren County Treasury.

3: ACCOUNTS RECEIVABLE

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

| | <u>Governmental Fund</u> |
|--------------------|----------------------------|
| | <u>Major</u> |
| <u>Description</u> | <u>Special Revenue</u> |
| Federal assistance | <u>\$ 199,435</u> |

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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:

| <u>Date of Issue</u> | <u>Date of Final Maturity</u> | <u>Rate of Interest</u> | <u>Amount Authorized and Issued</u> | <u>Debt Outstanding June 30, 2021</u> | <u>Maturities To June 30, 2021</u> |
|--------------------------|-----------------------------------|-----------------------------|---|---|--|
| <u>Bonds</u> | | | | | |
| 11/1/20 | 2/1/36 | .4 - 1.35% | <u>\$ 2,455,000</u> | <u>\$ 2,435,000</u> | <u>\$ 20,000</u> |

Changes in Long-term Debt

| | <u>Balance July 1, 2020</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance June 30, 2021</u> |
|---------------|---------------------------------|---------------------|-----------------------|----------------------------------|
| Bonds payable | <u>\$ 2,375,000</u> | <u>\$ 2,455,000</u> | <u>\$ 2,395,000</u> * | <u>\$ 2,435,000</u> |

* Includes \$2,375,000 early retirement of debt – See Note 6.

Future Principal and Interest Payments

| <u>Year Ended June 30,</u> | <u>Bonds</u> | | |
|--------------------------------|---------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2022 | \$ 155,000 | \$ 23,695 | \$ 178,695 |
| 2023 | 155,000 | 23,075 | 178,075 |
| 2024 | 160,000 | 22,378 | 182,378 |
| 2025 | 155,000 | 21,498 | 176,498 |
| 2026 | 160,000 | 20,490 | 180,490 |
| 2027-2031 | 810,000 | 81,752 | 891,752 |
| 2032-2036 | 840,000 | 33,785 | 873,785 |
| Totals | <u>\$ 2,435,000</u> | <u>\$ 226,673</u> | <u>\$ 2,661,673</u> |

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.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

5: ACCOUNTS PAYABLE

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

| Description | Governmental Funds | |
|-----------------|--------------------|-----------------|
| | Major | |
| | General | Special Revenue |
| Vendor payables | \$ 13,638 | \$ 180 |

6: DEBT REFUNDING

On November 1, 2020, the District issued refunding bonds of \$2,455,000 with interest rates of .4 to 1.35 percent to refund \$2,375,000 of outstanding bonds dated April 1, 2013. The interest rates of the bonds refunded were .75 to 2.9 percent. Net bond proceeds of \$2,398,461 were remitted to an escrow agent to provide all future debt service payments for the bonds refunded. These bonds were called on December 14, 2020. The remaining proceeds of \$1,805 (after payment of \$54,734 net bond issuance costs) will be utilized for subsequent debt payments. The issuance of these bonds will result in a savings of \$217,557 to the District over the life of the bonds.

7: INTERFUND TRANSFERS

The District transferred \$1,321,405 from the general fund to the other aggregate funds for debt related payments of \$65,501 and future capital projects of \$1,255,904.

8: RETIREMENT PLAN

Arkansas Teacher Retirement System

Plan Description

The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers employees of schools and education-related agencies, except certain non-teaching school employees. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201, by calling 1-800-666-2877, or by visiting the ATRS website at www.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 \$304,609, 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 \$4,102,609.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

9: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$2,455,000 issued on November 1, 2020. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$2,661,673, payable through February 1, 2036. Principal and interest paid for the current year and total property taxes pledged for debt service were \$54,955 and \$784,485, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 7.01 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 vehicles, board liability, and student accidents.

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.

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.

The District participates in the Arkansas Public School Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings and contents.

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

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 \$59,116 for the year ended June 30, 2021.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN 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: | | | |
| Nonspendable: | | | |
| Deposit with paying agent | | | \$ 11,848 |
| Restricted for: | | | |
| Alternative learning environment | \$ 468 | | |
| Enhanced student achievement funding | 223,501 | | |
| English-language learners | 704 | | |
| Professional development | 7,493 | | |
| Career education programs | 50,851 | | |
| Child nutrition programs | | \$ 14,925 | |
| Medical services | | 21,460 | |
| Special education programs | 15,066 | | |
| Enhanced student achievement match grant | 62,678 | | |
| Other purposes | 5,508 | | |
| Total Restricted | <u>366,269</u> | <u>36,385</u> | |
| Assigned to: | | | |
| Capital projects | | | 4,148,286 |
| Student activities | 115,229 | | |
| Total Assigned | <u>115,229</u> | | <u>4,148,286</u> |
| Unassigned | <u>626,922</u> | | |
| Totals | <u>\$ 1,108,420</u> | <u>\$ 36,385</u> | <u>\$ 4,160,134</u> |

13: COMPENSATION FOR LOSS OF CAPITAL ASSETS

During the year ended June 30, 2021, the District received insurance proceeds of \$51,276 for a bus totaled in a traffic accident.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 1

| | Balance June 30, 2021 |
|---------------------------------------|--------------------------|
| Nondepreciable capital assets: | |
| Land | \$ 61,415 |
| Depreciable capital assets: | |
| Buildings | 7,639,218 |
| Improvements/infrastructure | 288,715 |
| Equipment | 1,842,322 |
| Total depreciable capital assets | 9,770,255 |
| Less accumulated depreciation for: | |
| Buildings | 3,590,566 |
| Improvements/infrastructure | 277,235 |
| Equipment | 1,395,316 |
| Total accumulated depreciation | 5,263,117 |
| Total depreciable capital assets, net | 4,507,138 |
| Capital assets, net | \$ 4,568,553 |

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN 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 |
|--|---|--|------------------------------|-------------------------------|
| CHILD NUTRITION CLUSTER | | | | |
| <u>U. S. Department of Agriculture</u> | | | | |
| Arkansas Department of Education - School Breakfast Program | 10.553 | 7104 | | \$ 64,125 |
| National School Lunch Program (Note 3) | 10.555 | | | 3,998 |
| Arkansas Department of Education - National School Lunch Program | 10.555 | 7104 | | 117,742 |
| Arkansas Department of Human Services - National School Lunch Program (Note 4) | 10.555 | 7104000 | | 12,508 |
| Total for National School Lunch Program | | | | 134,248 |
| Arkansas Department of Education - Child Nutrition Discretionary Grants Limited Availability | 10.579 | 7104 | | 2,269 |
| Total U. S. Department of Agriculture | | | | 200,642 |
| TOTAL CHILD NUTRITION CLUSTER | | | | 200,642 |
| SPECIAL EDUCATION CLUSTER (IDEA) | | | | |
| <u>U. S. Department of Education</u> | | | | |
| Arkansas Department of Education - Special Education - Grants to States | 84.027A | 7104 | | 100,463 |
| Arkansas Department of Education - Special Education - Preschool Grants | 84.173A | 7104 | | 7,019 |
| Total U. S. Department of Education | | | | 107,482 |
| TOTAL SPECIAL EDUCATION CLUSTER (IDEA) | | | | 107,482 |
| OTHER PROGRAMS | | | | |
| <u>U. S. Department of Agriculture</u> | | | | |
| Arkansas Department of Education - Fresh Fruit and Vegetable Program | 10.582 | 7104 | | 4,866 |
| Total U. S. Department of Agriculture | | | | 4,866 |
| <u>U. S. Department of the Treasury</u> | | | | |
| Arkansas Department of Education - COVID-19 - Coronavirus Relief Fund | 21.019 | 7104 | | 1,310 |
| Total U.S. Department of the Treasury | | | | 1,310 |
| <u>U. S. Department of Education</u> | | | | |
| Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund | 84.425D | 7104 | | 133,492 |
| Total Education Stabilization Fund | | | | 133,492 |
| Arkansas Department of Education - Title I Grants to Local Educational Agencies | 84.010A | 7104 | | 193,757 |
| Rural Education | 84.358A | | | 20,839 |
| Arkansas Department of Education - Supporting Effective Instruction State Grants | 84.367A | 7104 | | 31,411 |
| Arkansas Department of Education - Student Support and Academic Enrichment Program | 84.424A | 7104 | | 17,802 |
| Total U. S. Department of Education | | | | 397,301 |

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN 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 |
|--|---|--|------------------------------|-------------------------------|
| <u>U. S. Department of Health and Human Services</u> | | | | |
| Arkansas Children's Hospital - Maternal, Infant, and Early Childhood Home Visiting Grant Program | 93.870 | 18323 | | \$ 171,800 |
| Arkansas Department of Education - COVID-19 - Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions of Schools | 93.981 | 7104 | | 10,000 |
| Total U. S. Department of Health and Human Services | | | | <u>181,800</u> |
| TOTAL OTHER PROGRAMS | | | | <u>585,277</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 0</u> | <u>\$ 893,401</u> |

The accompanying notes are an integral part of this schedule.

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 Shirley School District No. 3 (District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 4: Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.
- Note 5: The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 6: During the year ended June 30, 2021, the District received Medicaid funding of \$28,499 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN 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 checked="" type="checkbox"/> | yes | <input 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 |
|--|--------------------------|-----|-------------------------------------|----|

Identification of major federal programs:

| AL Number(s) | Name of Federal Program or Cluster |
|----------------------------|--|
| 10.553, 10.555, and 10.579 | Child Nutrition Cluster |
| 84.010A | Title I Grants to Local Educational Agencies |

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

\$ 750,000

| | | | | |
|--|--------------------------|-----|-------------------------------------|----|
| Auditee qualified as low-risk auditee? | <input type="checkbox"/> | yes | <input checked="" type="checkbox"/> | no |
|--|--------------------------|-----|-------------------------------------|----|

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 3

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2021-001. Misstatements not Detected by Internal Control System

Criteria: Financial accounting records should be accurate to ensure the preparation of reliable financial statements that are fairly presented in conformity with the regulatory basis of accounting.

Condition: The District's internal control system did not prevent or detect a significant error in the financial accounting records. Such records are utilized in the preparation of the District's financial statements. The District misclassified \$171,800 of revenues and expenditures of a federal grant in the general fund. The financial statements were subsequently corrected by an adjusting entry during audit fieldwork.

Cause: The District erroneously recorded a federal grant in the general fund and misclassified the revenue.

Effect: Misstatements were not detected by the District's internal control system.

Recommendation: To achieve accurate financial reporting, District management should implement procedures to ensure all financial activity is properly recorded.

Views of responsible officials: HIPPY funds were spent appropriately as pass through money. When we received the HIPPY from Clinton, we set it up in 2002 as Clinton told us that is how they set it up. We have since learned that HIPPY is a federal grant and should be coded as such. We made journal entries to move all revenue and expenditures that are associated with HIPPY to fund 6817.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SHIRLEY PUBLIC SCHOOLS

Board Members:

Samantha Shull
Lacey Sneed
Robert Lanier
Callie Davidson

Phone: 501-723-8191
Fax: 501-723-4020

199 School Drive
Shirley, Arkansas 72153
Tyrene Gardner, Superintendent

Schedule 4

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

FINANCIAL STATEMENT FINDINGS

There were no findings in the prior audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

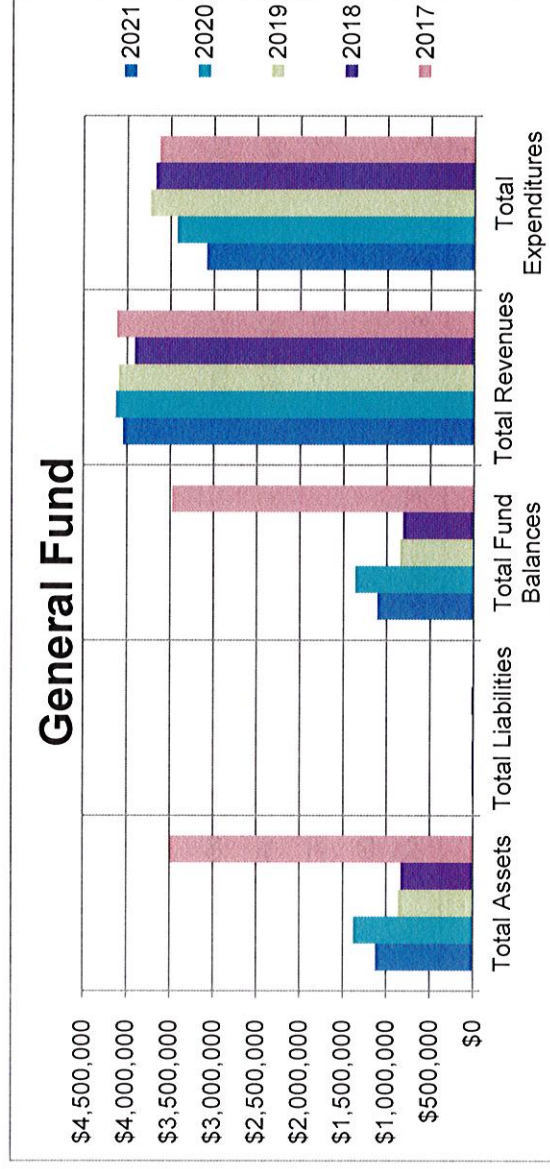
There were no findings in the prior audit.

BOARD OF EDUCATION President- Robert Lanier; Vice-President – Samantha Shull; Secretary- Rose Owen; Lacey Sneed, Andrea Brown

An Equal Opportunity Employer

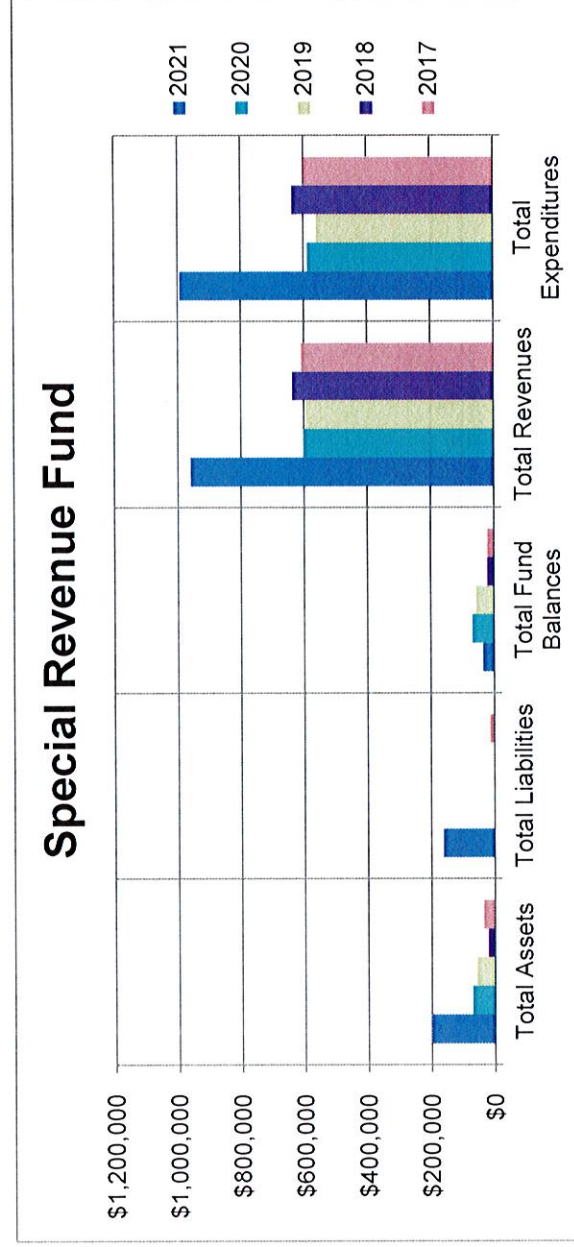
SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

| | Year Ended June 30, | | | | |
|--------------------------------------|---------------------|--------------|------------|-------------|--------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| General Fund | | | | | |
| Total Assets | \$ 1,122,058 | \$ 1,383,317 | \$ 860,751 | \$ 829,037 | \$ 3,486,211 |
| Total Liabilities | 13,638 | 18,887 | 16,110 | 18,608 | 10,752 |
| Total Fund Balances | 1,108,420 | 1,364,430 | 844,641 | 810,429 | 3,475,459 |
| Total Revenues | 4,050,605 | 4,133,337 | 4,096,101 | 3,911,870 | 4,118,377 |
| Total Expenditures | 3,087,271 | 3,427,863 | 3,731,301 | 3,673,090 | 3,626,009 |
| Total Other Financing Sources (Uses) | (1,270,129) | (185,685) | (330,588) | (2,903,810) | (194,239) |



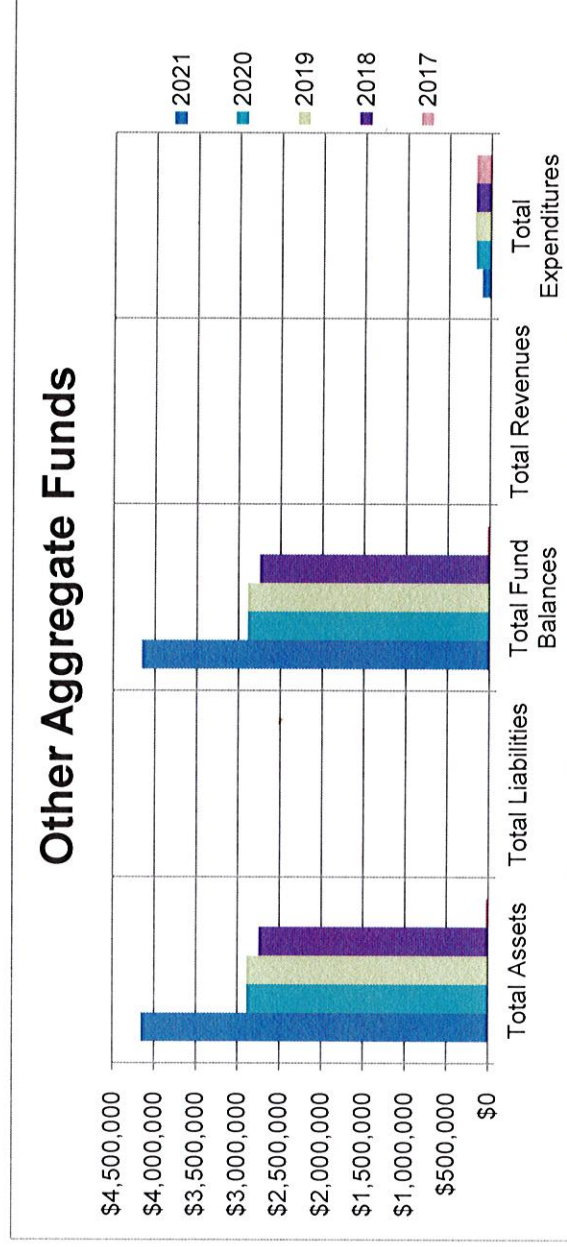
SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

| | Year Ended June 30, | | | | |
|--------------------------------------|---------------------|-----------|-----------|-----------|-----------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Special Revenue Fund | | | | | |
| Total Assets | \$ 199,435 | \$ 72,865 | \$ 57,729 | \$ 22,238 | \$ 36,126 |
| Total Liabilities | 163,050 | 1,976 | 17 | 256 | 14,567 |
| Total Fund Balances | 36,385 | 70,889 | 57,712 | 21,982 | 21,559 |
| Total Revenues | 959,971 | 601,922 | 595,541 | 638,610 | 609,433 |
| Total Expenditures | 994,475 | 588,745 | 559,811 | 637,633 | 598,587 |
| Total Other Financing Sources (Uses) | | | | (554) | 9,232 |



SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN 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 |
| Other Aggregate Funds | | | | | |
| Total Assets | \$ 4,160,134 | \$ 2,892,382 | \$ 2,892,382 | \$ 2,749,042 | \$ 34,042 |
| Total Liabilities | | | | | |
| Total Fund Balances | 4,160,134 | 2,892,382 | 2,892,382 | 2,749,042 | 34,042 |
| Total Revenues | 127 | | 11,906 | | |
| Total Expenditures | 110,319 | 185,685 | 199,154 | 188,810 | 185,007 |
| Total Other Financing Sources (Uses) | 1,377,944 | 185,685 | 330,588 | 2,903,810 | 185,007 |



Shirley School District No. 3

Van Buren County, Arkansas

Regulatory Basis Financial Statements And Other Reports

June 30, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
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JUNE 30, 2020

Independent Auditor's Report
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Financial Statements Performed in Accordance with *Government Auditing Standards*

REGULATORY BASIS FINANCIAL STATEMENTS

| | <u>Exhibit</u> |
|---|----------------|
| Balance Sheet – Regulatory Basis | A |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds - Regulatory Basis | B |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis | C |
| Notes to Financial Statements | |

SCHEDULES

| | <u>Schedule</u> |
|---|-----------------|
| Schedule of Capital Assets (Unaudited) | 1 |
| Schedule of Selected Information for the Last Five Years – Regulatory Basis (Unaudited) | 2 |

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

Shirley School District No. 3 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 Shirley School District No. 3 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, as described in Note 1, to meet the requirements of the State of Arkansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinions on Regulatory Basis of Accounting

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

Other Matters*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 Capital Assets and the Schedule of Selected Information for the Last Five Years – Regulatory Basis are presented for the purpose of additional analysis and are not a required part of the regulatory basis financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe that scope or our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
May 11, 2021
EDSD38320

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

Shirley School District No. 3 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 Shirley School District No. 3 (the "District"), as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated May 11, 2021. We have issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2020, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we consider 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 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 laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Roger A. Norman".

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

Little Rock, Arkansas
May 11, 2021

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2020

Exhibit A

| | Governmental Funds | | | |
|--|---------------------|--------------------|---------------------|------------------|
| | Major | | | Fiduciary |
| | General | Special Revenue | Other Aggregate | Fund Types |
| ASSETS | | | | |
| Cash | \$ 1,383,317 | \$ 18,840 | \$ 2,892,382 | \$ 51,009 |
| Accounts receivable | | 54,025 | | |
| TOTAL ASSETS | \$ 1,383,317 | \$ 72,865 | \$ 2,892,382 | \$ 51,009 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable and accrued liabilities | \$ 18,887 | \$ 1,976 | | \$ 224 |
| Due student groups | | | | 50,785 |
| Total Liabilities | 18,887 | 1,976 | | 51,009 |
| Fund Balances: | | | | |
| Restricted | 214,967 | 70,889 | | |
| Assigned | 61,052 | | \$ 2,892,382 | |
| Unassigned | 1,088,411 | | | |
| Total Fund Balances | 1,364,430 | 70,889 | 2,892,382 | |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 1,383,317 | \$ 72,865 | \$ 2,892,382 | \$ 51,009 |

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

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Exhibit B

| | Major | | Other |
|--|---------------------|--------------------|---------------------|
| | General | Special Revenue | Aggregate |
| REVENUES | | | |
| Property taxes (including property tax relief trust distribution) | \$ 2,545,891 | | |
| State assistance | 1,340,018 | \$ 1,738 | |
| Federal assistance | 7,397 | 573,975 | |
| Activity revenues | 69,200 | | |
| Meal sales | | 26,209 | |
| Investment income | 90,807 | | |
| Other revenues | 80,024 | | |
| TOTAL REVENUES | 4,133,337 | 601,922 | |
| EXPENDITURES | | | |
| Regular programs | 1,212,826 | 35,527 | |
| Special education | 365,463 | 97,542 | |
| Career education programs | 180,301 | | |
| Compensatory education programs | 832 | 117,274 | |
| Other instructional programs | 129,031 | | |
| Student support services | 111,014 | 62,022 | |
| Instructional staff support services | 119,357 | 10,286 | |
| General administration support services | 220,354 | | |
| School administration support services | 148,540 | | |
| Central services support services | 113,145 | 96 | |
| Operation and maintenance of plant services | 533,509 | 7,452 | |
| Student transportation services | 220,779 | | |
| Other support services | 8,671 | | |
| Food services operations | | 258,546 | |
| Activity expenditures | 64,041 | | |
| Debt Service: | | | |
| Principal retirement | | | \$ 125,000 |
| Interest and fiscal charges | | | 60,685 |
| TOTAL EXPENDITURES | 3,427,863 | 588,745 | 185,685 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 705,474 | 13,177 | (185,685) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | | | 185,685 |
| Transfers out | (185,685) | | |
| TOTAL OTHER FINANCING SOURCES (USES) | (185,685) | | 185,685 |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 519,789 | 13,177 | |
| FUND BALANCES - JULY 1 | 844,641 | 57,712 | 2,892,382 |
| FUND BALANCES - JUNE 30 | \$ 1,364,430 | \$ 70,889 | \$ 2,892,382 |

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

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

| | General | | Special Revenue | | Variance Favorable (Unfavorable) |
|---|------------------|------------------|-----------------|----------------|--|
| | Budget | Actual | Budget | Actual | |
| REVENUES | | | | | |
| Property taxes (including property tax relief trust distribution) | \$ 2,608,000 | \$ 2,545,891 | \$ (62,109) | | |
| State assistance | 1,183,869 | 1,340,018 | 156,149 | \$ 1,738 | \$ 238 |
| Federal assistance | 4,500 | 7,397 | 2,897 | 573,975 | (11,623) |
| Activity revenues | | 69,200 | 69,200 | | |
| Meal sales | | | | 26,209 | (3,127) |
| Investment income | 86,444 | 90,807 | 4,363 | | |
| Other revenues | 14,500 | 80,024 | 65,524 | | |
| TOTAL REVENUES | 3,897,313 | 4,133,337 | 236,024 | 601,922 | (14,512) |
| EXPENDITURES | | | | | |
| Regular programs | 1,374,341 | 1,212,826 | 161,515 | | |
| Special education | 325,960 | 365,463 | (39,503) | 35,527 | (1,201) |
| Career education programs | 140,452 | 180,301 | (39,849) | 97,542 | (9,474) |
| Compensatory education programs | 833 | 832 | 1 | | |
| Other instructional programs | 146,757 | 129,031 | 17,726 | 117,274 | 36,497 |
| Student support services | 123,976 | 111,014 | 12,962 | | |
| Instructional staff support services | 127,483 | 119,357 | 8,126 | 62,022 | (30,672) |
| General administration support services | 297,470 | 220,354 | 77,116 | 10,286 | 4,114 |
| School administration support services | 146,079 | 148,540 | (2,461) | | |
| Central services support services | 112,906 | 113,145 | (239) | 96 | (96) |
| Operation and maintenance of plant services | 592,955 | 533,509 | 59,446 | 7,452 | (7,452) |
| Student transportation services | 305,553 | 220,779 | 84,774 | | |
| Other support services | 8,000 | 8,671 | (671) | | |
| Food services operations | | | | 258,546 | (37,854) |
| Community services operations | | | | 2,000 | 2,000 |
| Non-programmed costs | 607 | | 607 | | |
| Activity expenditures | | 64,041 | (64,041) | | |
| TOTAL EXPENDITURES | 3,703,372 | 3,427,863 | 275,509 | 588,745 | (44,138) |

SHIRLEY SCHOOL DISTRICT NO. 3
 VAN BUREN COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2020

| | General | | Variance Favorable (Unfavorable) | Special Revenue | | Variance Favorable (Unfavorable) |
|---|-------------|--------------|--|-----------------|-----------|--|
| | Budget | Actual | | Budget | Actual | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | \$ 193,941 | \$ 705,474 | \$ 511,533 | \$ 71,827 | \$ 13,177 | \$ (58,650) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 4,678,129 | | (4,678,129) | | | |
| Transfers out | (4,923,849) | (185,685) | 4,738,164 | | | |
| TOTAL OTHER FINANCING SOURCES (USES) | (245,720) | (185,685) | 60,035 | | | |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (51,779) | 519,789 | 571,568 | 71,827 | 13,177 | (58,650) |
| FUND BALANCES - JULY 1 | 897,298 | 844,641 | (52,657) | 37,184 | 57,712 | 20,528 |
| FUND BALANCES - JUNE 30 | \$ 845,519 | \$ 1,364,430 | \$ 518,911 | \$ 109,011 | \$ 70,889 | \$ (38,122) |

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

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Board of Education, a five 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 Shirley School District (District). There are no component units.

B. Description of Funds

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

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

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

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

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

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

Fiduciary Fund types include the following:

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

C. Measurement Focus and Basis of Accounting

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

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

C. Measurement Focus and Basis of Accounting (Continued)

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

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

D. Revenue Recognition Policies

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

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at acquisition value when received. The District maintains a threshold level of \$1,000 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:

| <u>Asset Class</u> | <u>Estimated Useful Life in Years</u> |
|-----------------------------|---------------------------------------|
| Improvements/infrastructure | 20 |
| Buildings | 50 |
| Equipment | 5-20 |

F. Property Taxes

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

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (Continued)

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

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. 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.

H. 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.

I. 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.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Minimum Fund Balance Policies

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

K. 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.

L. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

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

| | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|----------------|----------------------------|-------------------------|
| Insured (FDIC) | <u>\$ 4,345,476</u> | <u>\$ 4,586,054</u> |

The above total deposits do not include cash of \$72 which was held in the Van Buren County Treasury.

3: ACCOUNTS RECEIVABLE

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

| | <u>Governmental Fund</u> |
|--------------------|--------------------------|
| | <u>Major</u> |
| | <u>Special</u> |
| <u>Description</u> | <u>Revenue</u> |
| Federal assistance | <u>\$ 54,025</u> |

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

4: COMMITMENTS

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

Long-term Debt Issued and Outstanding

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

| <u>Date of Issue</u> | <u>Date of Final Maturity</u> | <u>Rate of Interest</u> | <u>Amount Authorized and Issued</u> | <u>Debt Outstanding June 30, 2020</u> | <u>Maturities To June 30, 2020</u> |
|--------------------------|-----------------------------------|-----------------------------|---|---|--|
| <u>Bonds</u> | | | | | |
| 4/1/13 | 2/1/36 | .75 - 2.9% | <u>\$ 3,110,000</u> | <u>\$ 2,375,000</u> | <u>\$ 735,000</u> |

Changes in Long-term Debt

| | <u>Balance July 1, 2019</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance June 30, 2020</u> |
|---------------|---------------------------------|---------------|-------------------|----------------------------------|
| Bonds payable | <u>\$ 2,500,000</u> | <u>\$ 0</u> | <u>\$ 125,000</u> | <u>\$ 2,375,000</u> |

Future Principal and Interest Payments

| <u>Year Ended June 30,</u> | <u>Bonds</u> | | |
|--------------------------------|---------------------|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2021 | \$ 130,000 | \$ 58,023 | \$ 188,023 |
| 2022 | 130,000 | 55,747 | 185,747 |
| 2023 | 130,000 | 53,278 | 183,278 |
| 2024 | 135,000 | 50,807 | 185,807 |
| 2025 | 135,000 | 47,905 | 182,905 |
| 2026-2030 | 730,000 | 191,693 | 921,693 |
| 2031-2035 | 810,000 | 94,852 | 904,852 |
| 2036-2036 | 175,000 | 5,075 | 180,075 |
| Totals | <u>\$ 2,375,000</u> | <u>\$ 557,380</u> | <u>\$ 2,932,380</u> |

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.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

| Description | Governmental Funds | | Fiduciary Fund Types |
|--------------------------------------|--------------------|--------------------|----------------------------|
| | Major | | |
| | General | Special Revenue | |
| Vendor payables | \$ 18,876 | \$ 1,976 | \$ 224 |
| Payroll withholdings and matching | 11 | | |
| Totals | \$ 18,887 | \$ 1,976 | \$ 224 |

6: INTERFUND TRANSFERS

The District transferred \$185,685 from the general fund to the other aggregate funds for debt related payments.

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.

Funding Policy

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6.25% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14.25% of covered salaries. The District's contributions to ATRS for the year ended June 30, 2020 were \$323,395, equal to the required contributions.

Net Pension Liability

The Division of Elementary and Secondary Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement no. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2019 (actuarial valuation date and measurement date) was \$3,223,887.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

8: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$3,110,000 issued on April 1, 2013. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$2,932,380, payable through February 1, 2036. Principal and interest paid for the current year and total property taxes pledged for debt service were \$185,210 and \$753,010, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 24.60 percent.

9: 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 vehicles, board liability, and student accidents.

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.

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.

The District participates in the Arkansas Public School Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings and contents.

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

10: 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 \$64,175 for the year ended June 30, 2020.

SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

| Description | Governmental Funds | | |
|--------------------------------------|--------------------|------------------|--------------------|
| | Major | | |
| | General | Special Revenue | Other Aggregate |
| Fund Balances: | | | |
| Restricted for: | | | |
| Alternative learning environment | \$ 14,819 | | |
| Enhanced student achievement funding | 113,688 | | |
| Professional development | 10,621 | | |
| Child nutrition programs | | \$ 46,639 | |
| Medical services | | 24,250 | |
| Special education programs | 6,811 | | |
| Other purposes | 69,028 | | |
| Total Restricted | <u>214,967</u> | <u>70,889</u> | |
| Assigned to: | | | |
| Capital projects | | | \$2,892,382 |
| Student activities | 61,052 | | |
| Total Assigned | <u>61,052</u> | | <u>2,892,382</u> |
| Unassigned | <u>1,088,411</u> | | |
| Totals | <u>\$1,364,430</u> | <u>\$ 70,889</u> | <u>\$2,892,382</u> |

12: RESPONSE TO COVID-19

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

13: SUBSEQUENT EVENT

On November 1, 2020, the District issued refunding bonds of \$2,455,000.

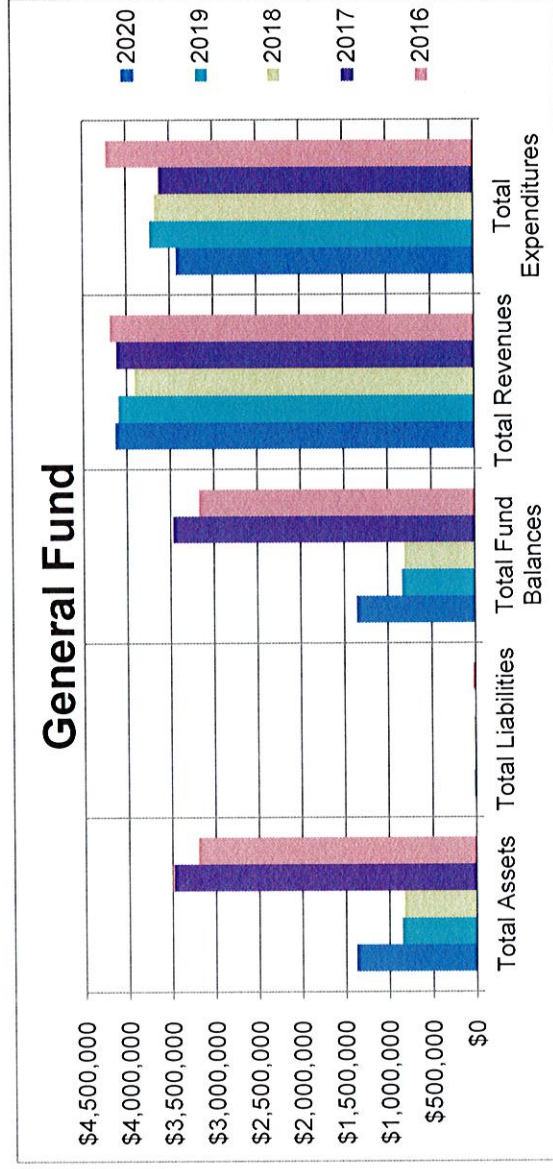
SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Schedule 1

| | Balance June 30, 2020 |
|---------------------------------------|----------------------------|
| Nondepreciable capital assets: | |
| Land | \$ 61,415 |
| Depreciable capital assets: | |
| Buildings | 7,639,218 |
| Improvements/infrastructure | 288,715 |
| Equipment | 1,684,717 |
| Total depreciable capital assets | <u>9,612,650</u> |
| Less accumulated depreciation for: | |
| Buildings | 3,424,457 |
| Improvements/infrastructure | 269,894 |
| Equipment | 1,326,533 |
| Total accumulated depreciation | <u>5,020,884</u> |
| Total depreciable capital assets, net | <u>4,591,766</u> |
| Capital assets, net | <u><u>\$ 4,653,181</u></u> |

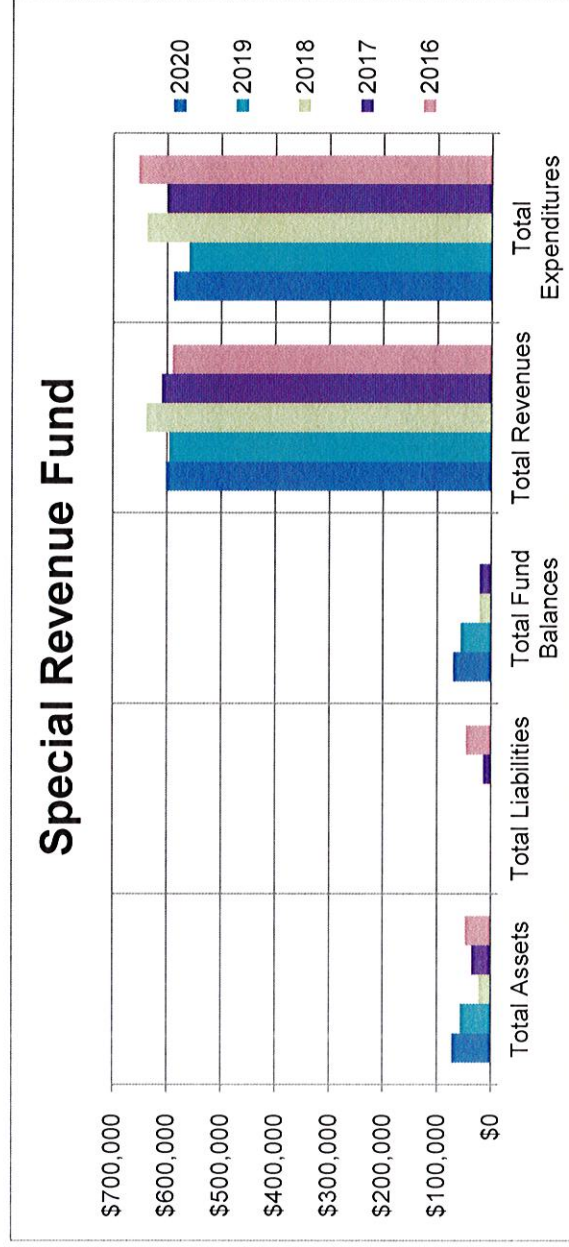
SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

| <u>General Fund</u> | Year Ended June 30, | | | | |
|--------------------------------------|---------------------|------------|-------------|--------------|--------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Total Assets | \$ 1,383,317 | \$ 860,751 | \$ 829,037 | \$ 3,486,211 | \$ 3,209,586 |
| Total Liabilities | 18,887 | 16,110 | 18,608 | 10,752 | 32,256 |
| Total Fund Balances | 1,364,430 | 844,641 | 810,429 | 3,475,459 | 3,177,330 |
| Total Revenues | 4,133,337 | 4,096,101 | 3,911,870 | 4,118,377 | 4,191,904 |
| Total Expenditures | 3,427,863 | 3,731,301 | 3,673,090 | 3,626,009 | 4,228,428 |
| Total Other Financing Sources (Uses) | (185,685) | (330,588) | (2,903,810) | (194,239) | (245,768) |



SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

| | Year Ended June 30, | | | | |
|--------------------------------------|---------------------|-----------|-----------|-----------|-----------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Special Revenue Fund | | | | | |
| Total Assets | \$ 72,865 | \$ 57,729 | \$ 22,238 | \$ 36,126 | \$ 48,055 |
| Total Liabilities | 1,976 | 17 | 256 | 14,567 | 46,574 |
| Total Fund Balances | 70,889 | 57,712 | 21,982 | 21,559 | 1,481 |
| Total Revenues | 601,922 | 595,541 | 638,610 | 609,433 | 589,747 |
| Total Expenditures | 588,745 | 559,811 | 637,633 | 598,587 | 653,250 |
| Total Other Financing Sources (Uses) | | | (554) | 9,232 | 59,561 |



SHIRLEY SCHOOL DISTRICT NO. 3
VAN BUREN COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

| | Year Ended June 30, | | | | |
|--------------------------------------|---------------------|--------------|--------------|-----------|-----------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Other Aggregate Funds | | | | | |
| Total Assets | \$ 2,892,382 | \$ 2,892,382 | \$ 2,749,042 | \$ 34,042 | \$ 34,042 |
| Total Liabilities | | | | | |
| Total Fund Balances | 2,892,382 | 2,892,382 | 2,749,042 | 34,042 | 34,042 |
| Total Revenues | | 11,906 | | | 5,719 |
| Total Expenditures | 185,685 | 199,154 | 188,810 | 185,007 | 191,926 |
| Total Other Financing Sources (Uses) | 185,685 | 330,588 | 2,903,810 | 185,007 | 186,207 |

