

Western Yell County Schools



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Dear State Board of Education,

11/30/22

The Western Yell County School Board has received notice that the district's average daily membership (ADM) is below 350 and has been for the previous 3 school years. The Western Yell County School District (WYCSO) would like to apply for a waiver, in accordance with Ark. Code Ann. § 6-13-1613. Please find the following documents enclosed:

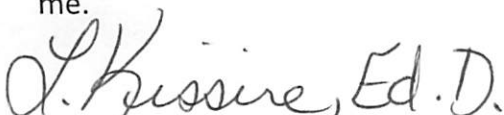
1. The most recent 2 audit reports, showing no findings (other than segregation of duties, which is normal in small districts, and we believe to be remedied, in our corrective action plan, even given our limited number of faculty and staff.)
2. The 2022 Final Accreditation report, showing the district is fully accredited, not in probationary status and not in violation of any standards for accreditation.
3. A statement of Assurances that the district meets all financial and facility demands, as well as the standards for accreditation, and continued school improvement progress.
4. A resolution approved by the WYCSO Board of Directors.

Additionally, please note letters and financial documents submitted from DESE indicating the following:

1. WYCSO is financially sound and is meeting all fiscal requirements - Dr. Eric Saunders' office
2. WYCSO has been recognized as a "School on the Move Toward Excellence," showing significant progress in our Public School Ratings and ESSA School Index Reports - Mrs. Tiffany Grayer's office

The Western Yell County School District and its communities would be pleased if you would grant this waiver, allowing us to continue to operate as a public school in the State of Arkansas. We believe this is in the best interest of our students.

If you need any further information or have any questions, please do not hesitate to contact me.


Dr. Lisa Kissire, Superintendent

Western Yell County School District No. 9

Yell County, Arkansas

Regulatory Basis Financial Statements And Other Reports

June 30, 2020

LEGISLATIVE JOINT AUDITING COMMITTEE



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YELL 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

Western Yell County School District No. 9 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 Western Yell County School District No. 9 (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 March 18, 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
March 18, 2021
EDSD41720

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

Western Yell County School District No. 9 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 Western Yell County School District No. 9 (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 March 18, 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 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 certain deficiency in internal control, described below in the Audit Findings section of this report 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 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*.

AUDIT FINDING

Material Weakness

Internal control is a process consisting of five interrelated components - control environment, risk assessment, information and communication, control activities, and monitoring. Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Deficiencies in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was a reasonable possibility that a material misstatement of the District's financial statements would not be prevented or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees. Specifically, the same employee initiates, records and processes payroll transactions with minimal compensating controls.

District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees, did not effectively address the deficiencies in internal control. The District's ability to initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weaknesses in the above internal control component. District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements and that will safeguard District assets.

Management Response: We concur with the recommendation and will implement corrective procedures to the extent possible.

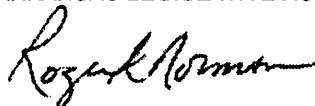
District's Response to Finding

The District's response to the finding identified in our audit is described previously. 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



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

Little Rock, Arkansas
March 18, 2021

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2020

Exhibit A

	Governmental Funds			
	Major			Fiduciary
	General	Special Revenue	Other Aggregate	Fund Types
ASSETS				
Cash	\$ 725,505	\$ 88,175	\$ 580,258	\$ 22,834
Investments				200,000
Accounts receivable	822	14,065		
TOTAL ASSETS	<u>\$ 726,327</u>	<u>\$ 102,240</u>	<u>\$ 580,258</u>	<u>\$ 222,834</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 11,342	\$ 1,392		
Due student groups				\$ 17,145
Total Liabilities	<u>11,342</u>	<u>1,392</u>		<u>17,145</u>
Fund Balances:				
Nonspendable				200,000
Restricted	21,199	100,848		5,689
Assigned	33,090		\$ 580,258	
Unassigned	660,696			
Total Fund Balances	<u>714,985</u>	<u>100,848</u>	<u>580,258</u>	<u>205,689</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 726,327</u>	<u>\$ 102,240</u>	<u>\$ 580,258</u>	<u>\$ 222,834</u>

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

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WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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)	\$ 1,195,313		
State assistance	2,264,806	\$ 1,719	
Federal assistance	91,288	620,440	
Activity revenues	53,611		
Meal sales		24,460	
Investment income	5,405	218	
Other revenues	27,332	1,587	
TOTAL REVENUES	3,637,755	648,424	
EXPENDITURES			
Regular programs	1,300,501	3,638	
Special education	111,629	7,609	
Career education programs	116,543		
Compensatory education programs	48,105	58,092	
Other instructional programs	61,585		
Student support services	175,058	83,968	
Instructional staff support services	401,560	136,671	
General administration support services	128,932	669	
School administration support services	132,218		
Central services support services	101,765	414	
Operation and maintenance of plant services	432,791	891	\$ 4,113
Student transportation services	214,270		
Other support services	16,060		
Food services operations	5,515	276,628	
Community services operations		17	
Non-programmed costs		6,102	
Activity expenditures	43,610		
Debt Service:			
Principal retirement	80,953		125,000
Interest and fiscal charges	13,176		50,295
TOTAL EXPENDITURES	3,384,271	574,699	179,408
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	253,484	73,725	(179,408)
OTHER FINANCING SOURCES (USES)			
Transfers in			175,295
Transfers out	(175,295)		
Proceeds from installment contract	21,643		
TOTAL OTHER FINANCING SOURCES (USES)	(153,652)		175,295
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	99,832	73,725	(4,113)
FUND BALANCES - JULY 1	615,153	27,123	584,371
FUND BALANCES - JUNE 30	\$ 714,985	\$ 100,848	\$ 580,258

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

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 1,143,000	\$ 1,195,313	\$ 52,313			
State assistance	2,151,572	2,264,806	113,234	\$ 2,000	\$ 1,719	\$ (281)
Federal assistance	77,000	91,288	14,288	675,787	620,440	(55,347)
Activity revenues		53,611	53,611			
Meal sales				43,300	24,460	(18,840)
Investment income	5,000	5,405	405		218	218
Other revenues	23,642	27,332	3,690		1,587	1,587
TOTAL REVENUES	3,400,214	3,637,755	237,541	721,087	648,424	(72,663)
EXPENDITURES						
Regular programs	1,245,400	1,300,501	(55,101)		3,638	(3,638)
Special education	148,063	111,629	36,434	25,373	7,609	17,764
Career education programs	114,978	116,543	(1,565)			
Compensatory education programs	47,612	48,105	(493)	96,283	58,092	38,191
Other instructional programs	37,934	61,585	(23,651)			
Student support services	138,675	175,058	(36,383)	164,326	83,968	80,358
Instructional staff support services	402,657	401,560	1,097	123,052	136,671	(13,619)
General administration support services	131,210	128,932	2,278		669	(669)
School administration support services	135,627	132,218	3,409			
Central services support services	97,374	101,765	(4,391)		414	(414)
Operation and maintenance of plant services	461,727	432,791	28,936		891	(891)
Student transportation services	217,432	214,270	3,162			
Other support services	26,633	16,060	10,573			
Food services operations	4,800	5,515	(715)	319,412	276,628	42,784
Community services operations				2,500	17	2,483
Non-programmed costs				6,113	6,102	11
Activity expenditures		43,610	(43,610)			
Debt Service:						
Principal retirement	78,648	80,953	(2,305)			
Interest and fiscal charges	12,687	13,176	(489)			
TOTAL EXPENDITURES	3,301,457	3,384,271	(82,814)	737,059	574,699	162,360

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 98,757	\$ 253,484	\$ 154,727	\$ (15,972)	\$ 73,725	\$ 89,697
OTHER FINANCING SOURCES (USES)						
Transfers in	4,219,065		(4,219,065)	36,978		(36,978)
Transfers out	(4,319,372)	(175,295)	4,144,077	(36,978)		36,978
Proceeds from installment contract		21,643	21,643			
TOTAL OTHER FINANCING SOURCES (USES)	(100,307)	(153,652)	(53,345)	0		0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,550)	99,832	101,382	(15,972)	73,725	89,697
FUND BALANCES - JULY 1	849,943	615,153	(234,790)	27,122	27,123	1
FUND BALANCES - JUNE 30	\$ 848,393	\$ 714,985	\$ (133,408)	\$ 11,150	\$ 100,848	\$ 89,698

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

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WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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 Western Yell County School District (District). There are no component units.

B. Description of Funds

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

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

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

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

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

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

Fiduciary Fund types include the following:

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

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

C. Measurement Focus and Basis of Accounting

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

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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. 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.

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.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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)	\$ 450,000	\$ 450,000
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	<u>1,164,580</u>	<u>1,275,450</u>
Total Deposits	<u>\$ 1,614,580</u>	<u>\$ 1,725,450</u>

The above total deposits do not include cash of \$1,992 which was held in the Yell County Treasury and cash on hand of \$200. The above total deposits include certificates of deposit of \$200,000 reported as investments and classified as nonparticipating contracts.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

3: ACCOUNTS RECEIVABLE

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

Description	Governmental Funds	
	Major	
	General	Special Revenue
Federal assistance		\$ 14,065
Activity fund accounts	\$ 364	
Other	458	
Totals	<u>\$ 822</u>	<u>\$ 14,065</u>

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:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2020	Maturities To June 30, 2020
Bonds					
11/1/16	2/1/38	1.1 - 2.75%	\$ 1,990,000	\$ 1,775,000	\$ 215,000
1/1/15	2/1/29	1 - 2.65%	645,000	425,000	220,000
Total Bonds			<u>2,635,000</u>	<u>2,200,000</u>	<u>435,000</u>
Direct Borrowings					
12/21/11	5/1/21	4.95%	75,000	7,500	67,500
12/21/11	5/1/21	4.95%	99,000	9,900	89,100
6/26/15	6/26/25	2.99%	205,500	110,360	95,140
6/30/16	6/30/24	3.19%	128,863	68,504	60,359
10/27/16	10/27/24	3.24%	209,255	124,282	84,973
11/22/19	11/22/24	4.00%	21,643	19,338	2,305
Total Direct Borrowings			<u>739,261</u>	<u>339,884</u>	<u>399,377</u>
Total Long-Term Debt			<u>\$ 3,374,261</u>	<u>\$ 2,539,884</u>	<u>\$ 834,377</u>

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

4: COMMITMENTS (Continued)

Changes in Long-term Debt

	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
Bonds payable	\$ 2,325,000		\$ 125,000	\$ 2,200,000
<u>Direct Borrowings</u>				
Certificates of indebtedness	34,800		17,400	17,400
Installment contracts	364,394	\$ 21,643	63,553	322,484
Total Direct Borrowings	399,194	21,643	80,953	339,884
Total Long-Term Debt	\$ 2,724,194	\$ 21,643	\$ 205,953	\$ 2,539,884

Future Principal and Interest Payments

Year Ended June 30,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 125,000	\$ 47,885	\$ 172,885	\$ 84,670	\$ 10,590	\$ 95,260
2022	130,000	46,095	176,095	69,442	7,556	76,998
2023	135,000	44,005	179,005	71,684	5,314	76,998
2024	145,000	41,845	186,845	73,998	3,000	76,998
2025	130,000	39,278	169,278	40,090	785	40,875
2026-2030	675,000	154,248	829,248			
2031-2035	515,000	86,087	601,087			
2036-2038	345,000	19,250	364,250			
Totals	\$ 2,200,000	\$ 478,693	\$ 2,678,693	\$ 339,884	\$ 27,245	\$ 367,129

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.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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	
	Major	
	General	Special Revenue
Vendor payables	\$ 11,221	\$ 1,392
Payroll withholdings and matching	121	
Totals	<u>\$ 11,342</u>	<u>\$ 1,392</u>

6: INTERFUND TRANSFERS

The District transferred \$175,295 from the general fund to 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.arts.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 \$333,254, 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 \$3,316,632.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

8: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS

ADDITIONS	
Interest	\$ 1,703
	<hr/>
CHANGE IN FUND BALANCE	1,703
	<hr/>
FUND BALANCE - JULY 1	203,986
	<hr/>
FUND BALANCE - JUNE 30	\$ 205,689
	<hr/>

9: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$2,635,000 issued from January 1, 2015 to November 1, 2016. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$2,678,693, payable through February 1, 2038. Principal and interest paid for the current year and total property taxes pledged for debt service were \$174,420 and \$425,137, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 41.03 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 board liability and business trip accidental death and dismemberment coverage.

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

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

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 vehicles.

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.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 \$82,355 for the year ended June 30, 2020.

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

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Fund Balances:			
Restricted for:			
Enhanced student achievement funding	\$ 263		
English-language learners	1,054		
Child nutrition programs		\$ 83,964	
Medical services		16,884	
Other purposes	19,882		
Total Restricted	<u>21,199</u>	<u>100,848</u>	
Assigned to:			
Capital projects			\$ 580,258
Student activities	33,090		
Total Assigned	<u>33,090</u>		<u>580,258</u>
Unassigned	<u>660,696</u>		
Totals	<u>\$ 714,985</u>	<u>\$ 100,848</u>	<u>\$ 580,258</u>

13: ENDOWMENT FUND

On October 29, 2006, the George and Irene Cowger Scholarship Fund was established by donation of \$200,000. The interest earned on the endowment is to be used for scholarships. The unexpended interest at June 30, 2020, was \$5,689. The endowed portion is maintained in a certificate of deposit classified as a nonparticipating contract.

14: RESPONSE TO COVID-19

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

15: SUBSEQUENT EVENT

On December 1, 2020, the District issued refunding bonds of \$1,850,000 with interest rates of 0.4 to 1.4 percent. The proceeds will be utilized to refund the bond issue dated November 1, 2016. The November 1, 2016 bonds will be called on January 11, 2021.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

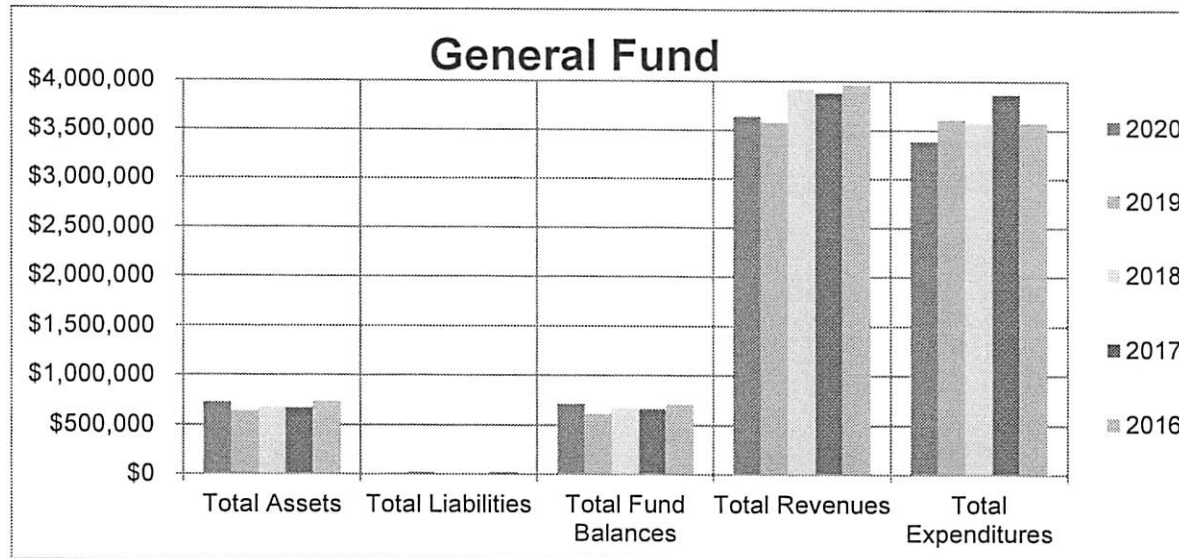
Schedule 1

	Balance June 30, 2020
Nondepreciable capital assets:	
Land	\$ 53,589
Depreciable capital assets:	
Buildings	8,792,357
Improvements/infrastructure	399,908
Equipment	1,898,720
Total depreciable capital assets	<u>11,090,985</u>
Less accumulated depreciation for:	
Buildings	2,749,786
Improvements/infrastructure	291,137
Equipment	1,559,547
Total accumulated depreciation	<u>4,600,470</u>
Total depreciable capital assets, net	<u>6,490,515</u>
Capital assets, net	<u>\$ 6,544,104</u>

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Schedule 2

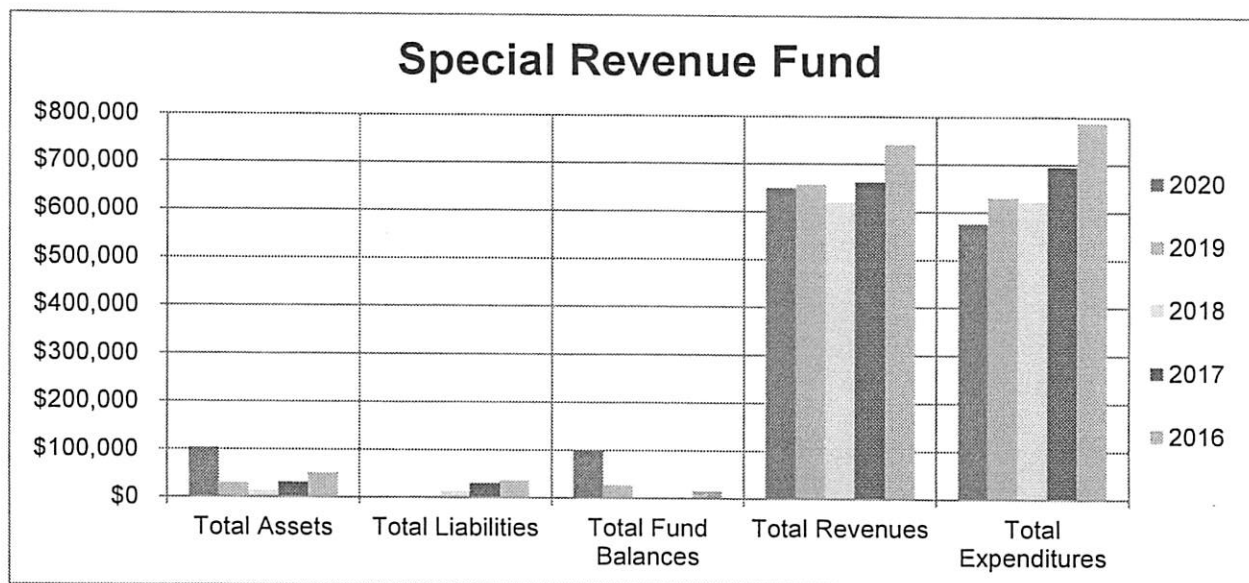
General Fund	Year Ended June 30,				
	2020	2019	2018	2017	2016
Total Assets	\$ 726,327	\$ 637,578	\$ 678,254	\$ 670,647	\$ 736,017
Total Liabilities	11,342	22,425	10,589	9,395	22,787
Total Fund Balances	714,985	615,153	667,665	661,252	713,230
Total Revenues	3,637,755	3,575,259	3,913,781	3,876,367	3,957,823
Total Expenditures	3,384,271	3,606,891	3,573,472	3,861,508	3,577,684
Total Other Financing Sources (Uses)	(153,652)	(20,880)	(333,896)	(66,837)	(430,480)



WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Schedule 2

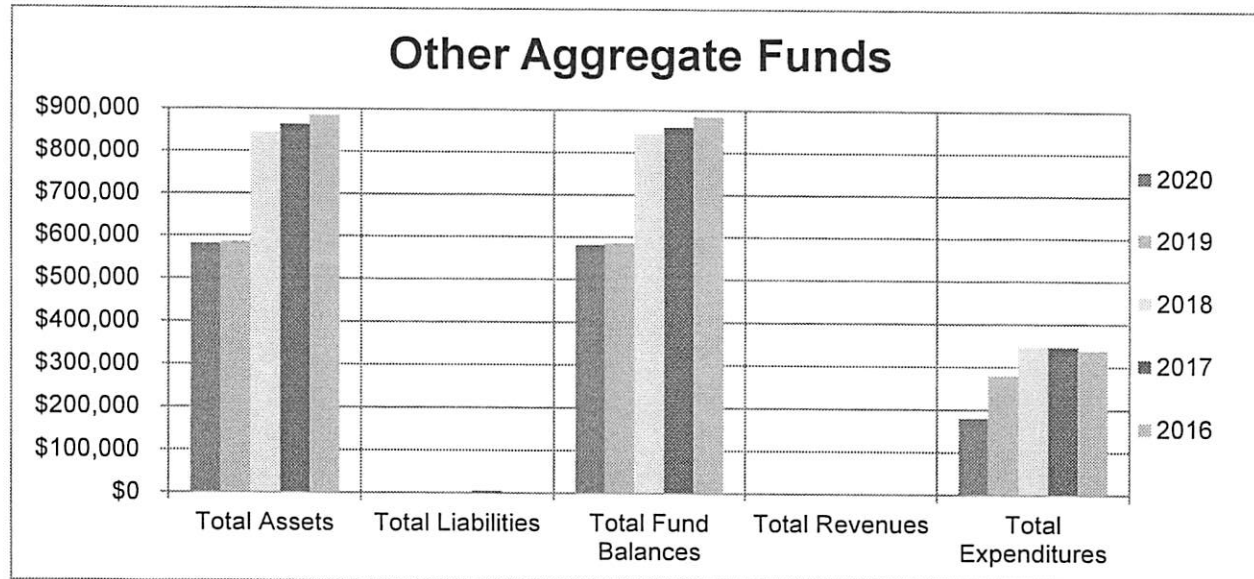
<u>Special Revenue Fund</u>	Year Ended June 30,				
	2020	2019	2018	2017	2016
Total Assets	\$ 102,240	\$ 29,400	\$ 14,426	\$ 31,606	\$ 51,024
Total Liabilities	1,392	2,277	13,991	30,637	36,145
Total Fund Balances	100,848	27,123	435	969	14,879
Total Revenues	648,424	656,712	618,619	662,127	740,852
Total Expenditures	574,699	630,024	621,283	695,220	787,047
Total Other Financing Sources (Uses)			2,130	19,183	11,095



WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Schedule 2

Other Aggregate Funds	Year Ended June 30,				
	2020	2019	2018	2017	2016
Total Assets	\$ 580,258	\$ 584,371	\$ 842,903	\$ 863,220	\$ 885,694
Total Liabilities				4,095	1,201
Total Fund Balances	580,258	584,371	842,903	859,125	884,493
Total Revenues				1,446	
Total Expenditures	179,408	279,412	347,759	346,673	337,336
Total Other Financing Sources (Uses)	175,295	20,880	331,537	319,859	540,975



Arkansas

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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

TO: Auditee

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

DATE: April 9, 2021

SUBJECT: Legislative Joint Auditing Committee Review of:

Western Yell County School District of Yell County
June 30, 2020

With the approval of the Chairs of the Legislative Joint Auditing Committee, we are early releasing the report listed above on April 14, 2021. This report will be presented at a future meeting of the Standing Committee on Educational Institutions at the call of the Chairs. You will be notified of the meeting date.

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

Arkansas

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



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Legislative Auditor

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House Chair
Rep. Nelda Speaks
House Vice Chair

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Western Yell County School District (District) of Yell County

Dear Superintendent:

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

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

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

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

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

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

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

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

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

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

Arkansas



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Senate Chair
Sen. Gary Stubblefield
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

April 9, 2021

To the Superintendent and School Board Members
Western Yell County School District (District)

We have audited the regulatory basis financial statements of each major governmental fund and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2020, and have issued our report thereon dated March 18, 2021. Ark. Code Ann. § 6-1-101(d) requires the District's board or governing body to review the audit report and any accompanying comments and recommendations at the first regularly scheduled meeting following receipt of the audit report if the audit report is received by the board or governing 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. An audit finding is disclosed on page 4 in the enclosed audit report. 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 February 1, 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. No such misstatements were detected during the audit.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the Management Representation Letter dated March 18, 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

Western Yell County School District No. 9

Yell County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2021



WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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

Western Yell County School District No. 9 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 Western Yell County School District No. 9 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinions on Regulatory Basis of Accounting

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

Emphasis of Matter

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

Other Matters

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 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

Arkansas

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



Rep. Richard Womack
House Chair
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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

Western Yell County School District No. 9 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 Western Yell County School District No. 9 (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 March 7, 2022. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2021, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

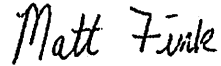
Compliance and Other Matters

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

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT

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

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 7, 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

Western Yell County School District No. 9 and School Board Members
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

We have audited the Western Yell County School District No. 9'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

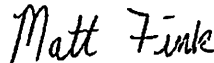
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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
March 7, 2022

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2021

Exhibit A

	Governmental Funds			
	Major			Fiduciary Fund Types
	General	Special Revenue	Other Aggregate	
ASSETS				
Cash	\$ 816,718	\$ 121,800	\$ 924,577	\$ 6,655
Investments				200,000
Accounts receivable	2,328	56,111		
TOTAL ASSETS	\$ 819,046	\$ 177,911	\$ 924,577	\$ 206,655
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 12,311	\$ 20	\$ 6,260	
Fund Balances:				
Nonspendable				\$ 200,000
Restricted	126,267	177,891	94	6,655
Assigned	45,610		918,223	
Unassigned	634,858			
Total Fund Balances	806,735	177,891	918,317	206,655
TOTAL LIABILITIES AND FUND BALANCES	\$ 819,046	\$ 177,911	\$ 924,577	\$ 206,655

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

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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)	\$ 1,220,869		
State assistance	2,299,708	\$ 2,026	
Federal assistance	74,335	866,925	\$ 130,783
Activity revenues	42,096		
Meal sales		247	
Investment income	3,043	244	94
Other revenues	32,644	4,024	
TOTAL REVENUES	3,672,695	873,466	130,877
EXPENDITURES			
Regular programs	1,216,188	117,921	
Special education	136,683	2,093	43,521
Career education programs	102,159		
Compensatory education programs	34,753	170,625	
Other instructional programs	96,508	645	
Student support services	118,260	86,173	18,517
Instructional staff support services	298,596	86,757	1,100
General administration support services	141,342		
School administration support services	143,839		
Central services support services	96,340	5,692	
Operation and maintenance of plant services	431,419	13,840	10,743
Student transportation services	179,357	1,343	67,645
Other support services	13,718		
Food services operations	178	301,936	
Facilities acquisition and construction services			3,163
Non-programmed costs		9,398	
Activity expenditures	46,098		
Debt Service:			
Principal retirement	84,670		65,000
Interest and fiscal charges	10,589		32,752
Net debt issuance costs			53,864
TOTAL EXPENDITURES	3,150,697	796,423	296,305
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	521,998	77,043	(165,428)
OTHER FINANCING SOURCES (USES)			
Transfers in			447,393
Transfers out	(447,393)		
Payment to refunding bond escrow agent			(1,793,906)
Proceeds from refunding bond issue			1,850,000
TOTAL OTHER FINANCING SOURCES (USES)	(447,393)		503,487
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	74,605	77,043	338,059
FUND BALANCES - JULY 1 RESTATED	732,130	100,848	580,258
FUND BALANCES - JUNE 30	\$ 806,735	\$ 177,891	\$ 918,317

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

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 1,136,000	\$ 1,220,869	\$ 84,869			
State assistance	2,236,151	2,299,708	63,557	\$ 2,000	\$ 2,026	\$ 26
Federal assistance	80,000	74,335	(5,665)	905,231	866,925	(38,306)
Activity revenues		42,096	42,096			
Meal sales						
Investment income	5,000	3,043	(1,957)	28,000	247	(27,753)
Other revenues	22,739	32,644	9,905		244	244
				500	4,024	3,524
TOTAL REVENUES	3,479,890	3,672,695	192,805	935,731	873,466	(62,265)
EXPENDITURES						
Regular programs	1,298,960	1,216,188	82,772	65,287	117,921	(52,634)
Special education	115,985	136,683	(20,698)	92,110	2,093	90,017
Career education programs	108,402	102,159	6,243	119,350		119,350
Compensatory education programs	74,731	34,753	39,978		170,625	(170,625)
Other instructional programs	99,847	96,508	3,339		645	(645)
Student support services	141,871	118,260	23,611	198,979	86,173	112,806
Instructional staff support services	344,265	298,596	45,669	112,511	86,757	25,754
General administration support services	133,510	141,342	(7,832)	22,018		22,018
School administration support services	137,679	143,839	(6,160)	14,679		14,679
Central services support services	98,134	96,340	1,794		5,692	(5,692)
Operation and maintenance of plant services	470,109	431,419	38,690	6,000	13,840	(7,840)
Student transportation services	218,388	179,357	39,031		1,343	(1,343)
Other support services	22,720	13,718	9,002			
Food services operations	12,200	178	12,022	369,459	301,936	67,523
Community services operations				2,500		2,500
Non-programmed costs	94,844		94,844	6,518	9,398	(2,880)
Activity expenditures		46,098	(46,098)			
Debt Service:						
Principal retirement		84,670	(84,670)			
Interest and fiscal charges		10,589	(10,589)			
TOTAL EXPENDITURES	3,371,645	3,150,697	220,948	1,009,411	796,423	212,988

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 108,245	\$ 521,998	\$ 413,753	\$ (73,680)	\$ 77,043	\$ 150,723
OTHER FINANCING SOURCES (USES)						
Transfers in	4,080,493		(4,080,493)	36,545		(36,545)
Transfers out	(4,275,926)	(447,393)	3,828,533	(36,545)		36,545
TOTAL OTHER FINANCING SOURCES (USES)	(195,433)	(447,393)	(251,960)	0		0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(87,188)	74,605	161,793	(73,680)	77,043	150,723
FUND BALANCES - JULY 1 RESTATED	946,147	732,130	(214,017)	100,848	100,848	0
FUND BALANCES - JUNE 30	\$ 858,959	\$ 806,735	\$ (52,224)	\$ 27,168	\$ 177,891	\$ 150,723

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

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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 Western Yell County School District (District). There are no component units.

B. Description of Funds

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

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

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

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

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

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

Fiduciary Fund types include the following:

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

C. Measurement Focus and Basis of Accounting

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

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

C. **Measurement Focus and Basis of Accounting (Continued)**

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

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

D. **Revenue Recognition Policies**

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

E. **Capital Assets**

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

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

<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.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

F. **Property Taxes (Continued)**

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

G. **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.

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.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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)	\$ 450,000	\$ 450,000
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	<u>1,619,712</u>	<u>1,726,820</u>
Total Deposits	<u>\$ 2,069,712</u>	<u>\$ 2,176,820</u>

The above total deposits do not include cash on hand of \$38. The above total deposits include certificates of deposit of \$200,000 reported as investments and classified as nonparticipating contracts.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

3: ACCOUNTS RECEIVABLE

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

Description	Governmental Funds	
	Major	
	General	Special Revenue
Federal assistance		\$ 56,111
Other	\$ 2,328	
Totals	<u>\$ 2,328</u>	<u>\$ 56,111</u>

4: COMMITMENTS

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

Long-term Debt Issued and Outstanding

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

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2021	Maturities To June 30, 2021
<u>Bonds</u>					
1/1/15	2/1/29	1 - 2.65%	\$ 645,000	\$ 385,000	\$ 260,000
12/1/20	2/1/38	.4 - 1.4%	1,850,000	1,825,000	25,000
Total Bonds			<u>2,495,000</u>	<u>2,210,000</u>	<u>285,000</u>
<u>Direct Borrowings</u>					
6/26/15	6/26/25	2.99%	205,500	89,578	115,922
6/30/16	6/30/24	3.19%	128,863	52,183	76,680
10/27/16	10/27/24	3.24%	209,255	98,196	111,059
11/22/19	11/22/24	4.00%	21,643	15,257	6,386
Total Direct Borrowings			<u>565,261</u>	<u>255,214</u>	<u>310,047</u>
Total Long-Term Debt			<u>\$ 3,060,261</u>	<u>\$ 2,465,214</u>	<u>\$ 595,047</u>

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4: COMMITMENTS (Continued)

Changes in Long-term Debt

	Balance July 1, 2020	Issued	Retired	Balance June 30, 2021
Bonds payable	\$ 2,200,000	\$ 1,850,000	\$ 1,840,000 *	\$ 2,210,000
<u>Direct Borrowings</u>				
Certificates of indebtedness	17,400		17,400	
Installment contracts	322,484		67,270	255,214
Total Direct Borrowings	339,884		84,670	255,214
Total Long-Term Debt	\$ 2,539,884	\$ 1,850,000	\$ 1,924,670	\$ 2,465,214

* Includes \$1,775,000 early retirement of debt – See Note 6.

Future Principal and Interest Payments

Year Ended June 30,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 145,000	\$ 28,038	\$ 173,038	\$ 69,442	\$ 7,556	\$ 76,998
2023	150,000	26,738	176,738	71,684	5,314	76,998
2024	160,000	25,260	185,260	73,999	3,000	76,999
2025	145,000	23,655	168,655	40,089	785	40,874
2026	145,000	21,875	166,875			
2027-2031	685,000	78,005	763,005			
2032-2036	545,000	38,365	583,365			
2037-2038	235,000	4,970	239,970			
Totals	\$ 2,210,000	\$ 246,906	\$ 2,456,906	\$ 255,214	\$ 16,655	\$ 271,869

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.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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		Other Aggregate
	General	Special Revenue	
Vendor payables	\$ 12,311	\$ 20	\$ 6,260

6: DEBT REFUNDING

On December 1, 2020, the District issued refunding bonds of \$1,850,000 with interest rates of .4 to 1.4 percent to refund \$1,775,000 of outstanding bonds dated November 1, 2016. The interest rates of the bonds refunded were 1.1 to 2.75 percent. Net bond proceeds of \$1,793,906 were remitted to an escrow agent to provide all future debt service payments for the bonds refunded. These bonds were called on January 11, 2021. The remaining proceeds of \$2,230 (after payment of \$53,864 net bond issuance costs) will be utilized for subsequent debt payments. The issuance of these bonds will result in a savings of \$127,104 to the District over the life of the bonds.

7: INTERFUND TRANSFERS

The District transferred \$447,393 from the general fund to the other funds in the aggregate for \$95,522 of debt related payments and \$351,871 for future capital projects.

8: RETIREMENT PLAN

Arkansas Teacher Retirement System

Plan Description

The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers employees of schools and education-related agencies, except certain non-teaching school employees. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201, by calling 1-800-666-2877, or by visiting the ATRS website at www.arts.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 \$322,856, 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 \$4,227,683.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

9: CHANGES IN PRIVATE-PURPOSE FUNDS

ADDITIONS	
Interest	\$ 966
CHANGE IN FUND BALANCE	
	966
FUND BALANCE - JULY 1	<u>205,689</u>
FUND BALANCE - JUNE 30	<u>\$ 206,655</u>

10: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$2,495,000 issued from January 1, 2015 to December 1, 2020. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$2,456,906, payable through February 1, 2038. Principal and interest paid for the current year and total property taxes pledged for debt service were \$96,913 and \$434,227, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 22.32 percent.

11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for board liability.

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

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

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 vehicles.

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.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

12: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Division of Elementary and Secondary Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$79,531 for the year ended June 30, 2021.

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

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Fund Balances:			
Restricted for:			
Enhanced student achievement funding	\$ 112,309		
Professional development	1,098		
Child nutrition programs		\$ 114,843	
Debt service			\$ 94
Medical services		46,041	
Special education programs	1,046		
Education stabilization fund (COVID-19)		757	
Other purposes	11,814	16,250	
Total Restricted	<u>126,267</u>	<u>177,891</u>	<u>94</u>
Assigned to:			
Capital projects			918,223
Student activities	45,610		
Total Assigned	<u>45,610</u>		<u>918,223</u>
Unassigned	<u>634,858</u>		
Totals	<u>\$ 806,735</u>	<u>\$ 177,891</u>	<u>\$ 918,317</u>

14: PRIOR YEAR RESTATEMENT

The general fund beginning fund balance was increased by \$17,145 due to the reclassification of custodial fund activity accounts previously reported as fiduciary fund types.

15: ENDOWMENT FUND

On October 29, 2006, the George and Irene Cowger Scholarship Fund was established by donation of \$200,000. The interest earned on the endowment is to be used for scholarships. The unexpended interest at June 30, 2021 was \$6,655. The endowed portion is maintained in a certificate of deposit classified as a nonparticipating contract.

16: SUBSEQUENT EVENT

On September 29, 2021, the District entered into an installment contract with Chambers Bank for \$80,000 to purchase an electronic marquee.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 1

	Balance June 30, 2021
Nondepreciable capital assets:	
Land	\$ 53,589
Depreciable capital assets:	
Buildings	8,792,357
Improvements/infrastructure	399,908
Equipment	2,049,157
Total depreciable capital assets	<u>11,241,422</u>
Less accumulated depreciation for:	
Buildings	2,919,663
Improvements/infrastructure	307,003
Equipment	1,618,113
Total accumulated depreciation	<u>4,844,779</u>
Total depreciable capital assets, net	<u>6,396,643</u>
Capital assets, net	<u>\$ 6,450,232</u>

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL 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	7509		\$ 93,399
National School Lunch Program (Note 3)	10.555			5,736
Arkansas Department of Education - National School Lunch Program	10.555	7509		165,943
Arkansas Department of Human Services - National School Lunch Program (Note 4)	10.555	7509000		27,375
Total for National School Lunch Program				199,054
Total U. S. Department of Agriculture				292,453
TOTAL CHILD NUTRITION CLUSTER				292,453
SPECIAL EDUCATION CLUSTER (IDEA)				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027A	7509		130,784
Arkansas Department of Education - Special Education - Preschool Grants	84.173A	7509		2,093
Total U. S. Department of Education				132,877
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				132,877
OTHER PROGRAMS				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - Fresh Fruit and Vegetable Program	10.582	7509		8,014
Total U. S. Department of Agriculture				8,014
<u>U.S. Department of the Treasury</u>				
Arkansas Department of Education - COVID-19 - Coronavirus Relief Fund	21.019	7509		12,876
Total U.S. Department of the Treasury				12,876
<u>U. S. Department of Education</u>				
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	7509		183,811
Total Education Stabilization Fund				183,811
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010A	7509		183,482
Rural Education	84.358A			18,702
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367A	7509		23,891
Arkansas Department of Education - Comprehensive Literacy Development	84.371C	7509		19,994
Arkansas Department of Education - Student Support and Academic Enrichment Program	84.424A	7509		12,752
Total U. S. Department of Education				442,632
TOTAL OTHER PROGRAMS				463,522
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 0	\$ 888,852

The accompanying notes are an integral part of this schedule.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Western Yell County School District No. 9 (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 \$45,980 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

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

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major federal programs:

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

AL Number(s)	Name of Federal Program or Cluster
10.553 and 10.555	Child Nutrition Cluster
84.027A and 84.173A	Special Education Cluster (IDEA)

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

\$ 750,000

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

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



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Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2021

Financial Statement Findings

2020 Finding 2020-001: Internal Control

Deficiencies in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was a reasonable possibility that a material misstatement of the District's financial statements would not be prevented or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees. Specifically, the same employee initiates, records, and processes payroll transactions with minimal compensating controls.

Current Status: The Western Yell County School District has addressed the lack of segregation for financial accounting duties in fiscal year 2021 related to payroll processing. Corrective action was taken.

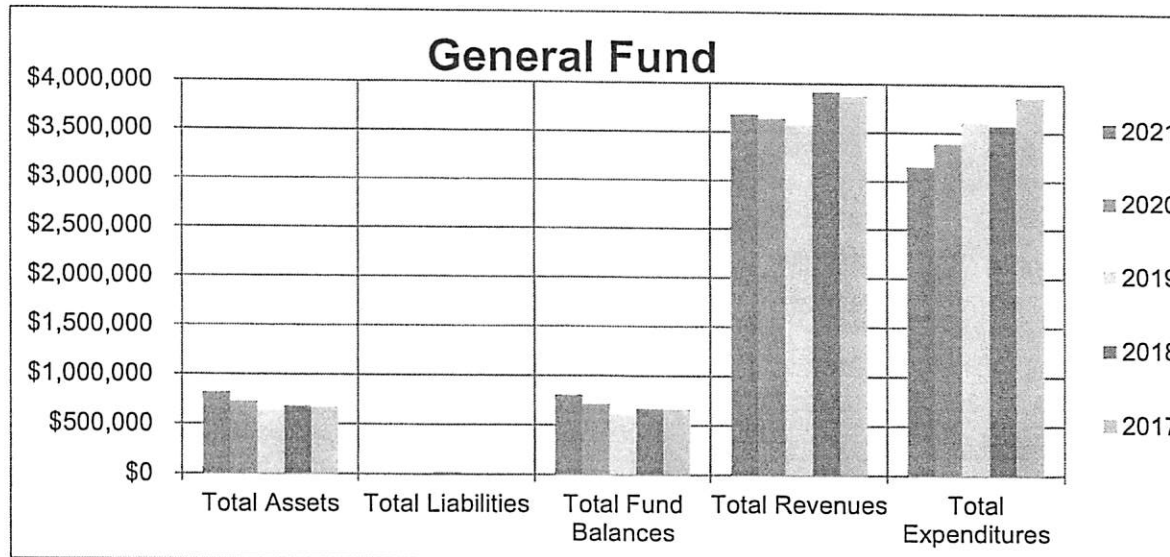
Federal Award Findings and Questioned Costs

There were no findings in the prior audit.

WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 5

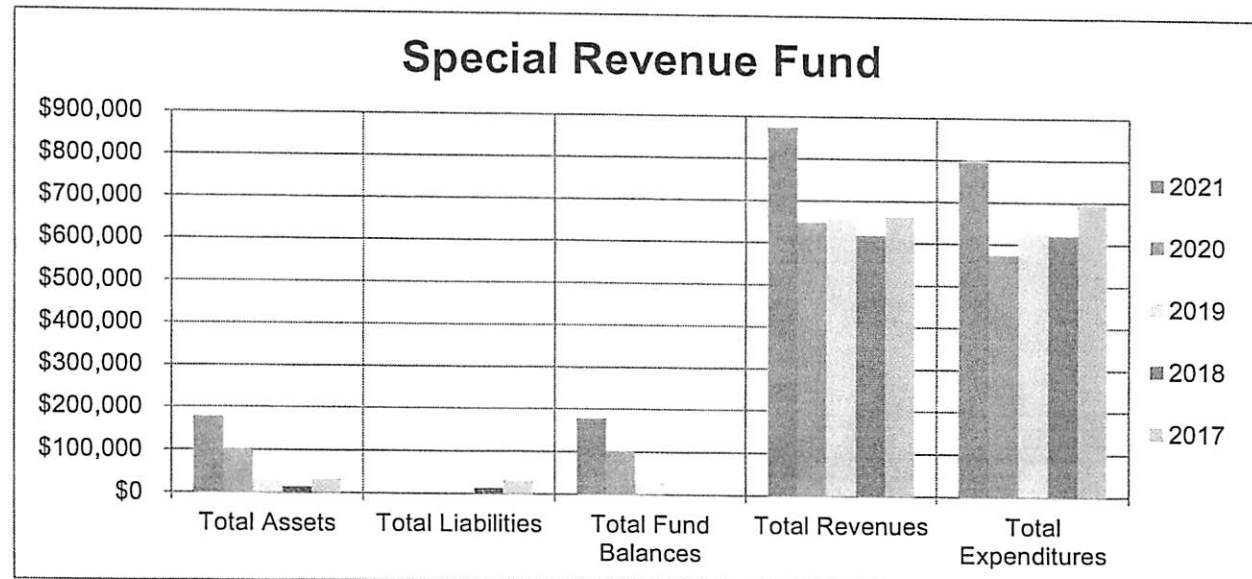
<u>General Fund</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 819,046	\$ 726,327	\$ 637,578	\$ 678,254	\$ 670,647
Total Liabilities	12,311	11,342	22,425	10,589	9,395
Total Fund Balances	806,735	714,985	615,153	667,665	661,252
Total Revenues	3,672,695	3,637,755	3,575,259	3,913,781	3,876,367
Total Expenditures	3,150,697	3,384,271	3,606,891	3,573,472	3,861,508
Total Other Financing Sources (Uses)	(447,393)	(153,652)	(20,880)	(333,896)	(66,837)



WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 5

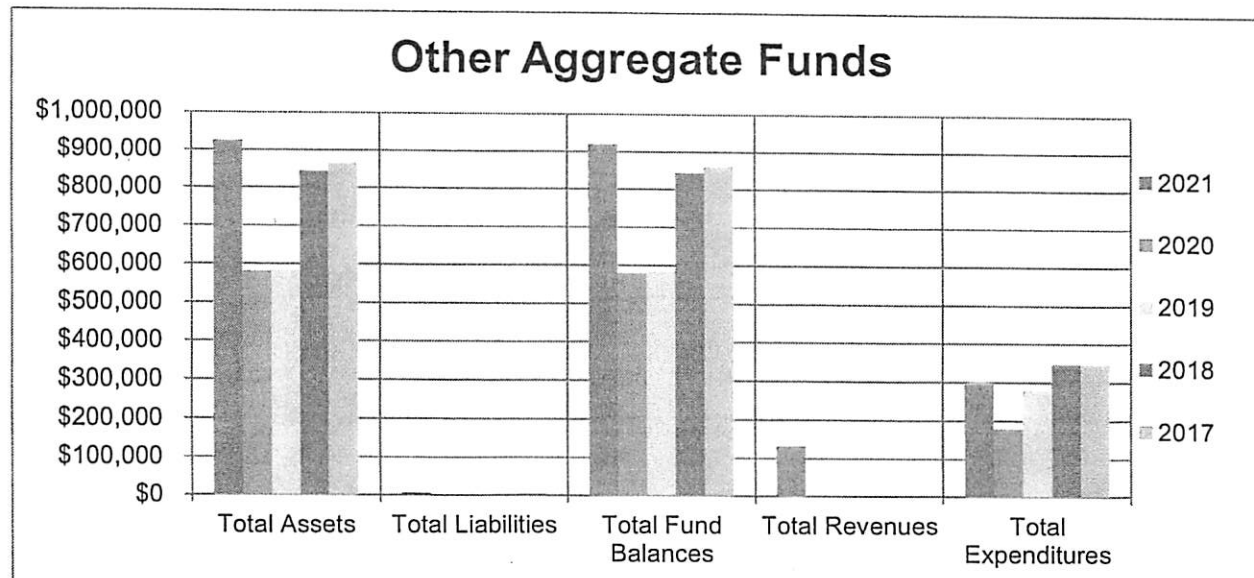
<u>Special Revenue Fund</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 177,911	\$ 102,240	\$ 29,400	\$ 14,426	\$ 31,606
Total Liabilities	20	1,392	2,277	13,991	30,637
Total Fund Balances	177,891	100,848	27,123	435	969
Total Revenues	873,466	648,424	656,712	618,619	662,127
Total Expenditures	796,423	574,699	630,024	621,283	695,220
Total Other Financing Sources (Uses)				2,130	19,183



WESTERN YELL COUNTY SCHOOL DISTRICT NO. 9
YELL COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 5

<u>Other Aggregate Funds</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 924,577	\$ 580,258	\$ 584,371	\$ 842,903	\$ 863,220
Total Liabilities	6,260				4,095
Total Fund Balances	918,317	580,258	584,371	842,903	859,125
Total Revenues	130,877				1,446
Total Expenditures	296,305	179,408	279,412	347,759	346,673
Total Other Financing Sources (Uses)	503,487	175,295	20,880	331,537	319,859



Arkansas

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



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

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

TO: Auditee

FROM: Matt Fink, CPA
Deputy Legislative Auditor

DATE: April 1, 2022

SUBJECT: Legislative Joint Auditing Committee Review of:

Western Yell County School District of Yell County
June 30, 2021

The Standing Committee on Educational Institutions will review this report at **1:30 p.m., on Thursday, April 7, 2022, in Conference Room 138**, State Capitol Building, Little Rock, Arkansas.

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

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

Arkansas

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



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

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House Chair
Rep. Nelda Speaks
House Vice Chair

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Western Yell County School District (District) of Yell County

Dear Superintendent:

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

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

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

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

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

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

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

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

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

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

Arkansas

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Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

April 1, 2022

To the Superintendent and School Board Members
Western Yell County 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 March 7, 2022. Ark. Code Ann. § 6-1-101(d) requires the District's board or governing body to review the audit report at the first regularly scheduled meeting following receipt of the audit report if the audit report is received by the board or governing party prior to 10 days before the regularly scheduled meeting. If the audit report is received by the board or governing body within 10 days before a regularly scheduled meeting, the audit report may be reviewed at the next regularly scheduled meeting after the 10 day period. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our Engagement Letter to you dated December 13, 2021. Professional standards also require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the Management Representation Letter dated March 7, 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

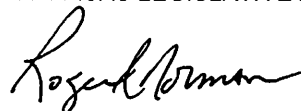
We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompanies the financial statements but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of 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

Western Yell Co. School Dist. (7509000)

#1 Wolverine Dr , Havana, AR 72842

www.wycschools.com

Superintendent Lisa Kissire
Email kissirel@wycschools.com
Phone (479) 476-4116

District Accreditation Status

Accredited

District Information

Total Enrollment

321

FTE Information

Superintendent

1.00

Assistant Superintendent

ADE Standards Specialist(s)

Matthew Sutherlin	Matthew.Sutherlin@ade.arkansas.gov	501-682-4379
Stacey Jones	Stacey.Jones@ade.arkansas.gov	501-682-1293
Tonya Gibson	Tonya.Gibson@ade.arkansas.gov	501-683-1022

School Accreditation Status

7509030	Western Yell Co. Elem. School
7509033	Western Yell Co. High School

Status

Accredited
Accredited

Western Yell Co. Elem. School (7509030)

30 North Grand Ave , Belleville, AR 72824

Principal Taunya Parsons
Email parsonst@wycschools.com
Phone (479) 493-4100

School Accreditation Status

Accredited

School Information

Grades Served	Total Enrollment	Expenditure Media Center	Total Book Volume
K - 06	179	0.00	5200

FTE Information

Counselor	Principal	Assistant Principal	Library / Media Specialist
1.00	1.00		0.50

Western Yell Co. High School (7509033)

1 Wolverine Dr , Havana, AR 72842

Principal LORNE SMITH
Email smiths@wycschools.com
Phone (479) 476-4113

School Accreditation Status

Accredited

School Information

FTE Information

Grades Served	Total Enrollment	Expenditure Media Center	Total Book Volume	Counselor	Principal	Assistant Principal	Library / Media Specialist
07 - 12	142	0.00	5907	1.00	1.00		1.00

DRAFT

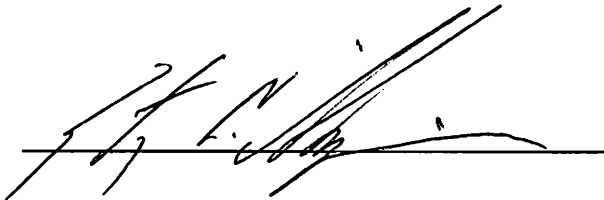
Western Yell County Schools

Board Resolution

November Regular Meeting

November 18th, 2022

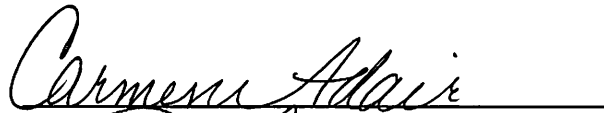
Be it here resolved that it is in the best interest of the students of the Western Yell County School District to keep the school operating, due to the potential for longer bus routes/travel time for students should the district be consolidated.

A handwritten signature in black ink, appearing to read 'Stacy Gillespie', written over a horizontal line.

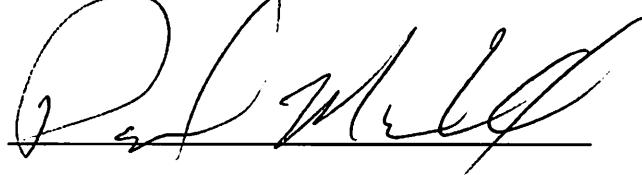
Stacy Gillespie - President

A handwritten signature in black ink, appearing to read 'Brian Chestnut', written over a horizontal line.

Brian Chestnut - Secretary

A handwritten signature in black ink, appearing to read 'Carmen Adair', written over a horizontal line.

Carmen Adair - Vice President

A handwritten signature in black ink, appearing to read 'David Marshall', written over a horizontal line.

David Marshall - Board Member

A handwritten signature in black ink, appearing to read 'Lindsey Shelton', written over a horizontal line.

Lindsey Shelton - Board Member



Taunya Parsons, Elem. Principal
Phone: (479) 493-4100
e-mail: parsonst@wycschools.com

#1 Wolverine Drive - P.O. Box 214
Havana, Arkansas 72842
Dr. Lisa Kissire, Superintendent
Phone: (479) 476-4116
e-mail: kissirel@wycschools.com
Fax: (479) 476-4115

Scott Smith, High School Principal
Phone: (479) 476-4100
e-mail: smiths@wycschools.com

11/30/22

WYCSD Statement of Assurances for District Size Waiver

I, Dr. Lisa Kissire, the undersigned Superintendent for Western Yell County School District, do hereby certify and assure the Arkansas Department of Elementary and Secondary Education (DESE) that:

1. The Western Yell County School District, (WYCSD) is in good financial standing, free of fiscal distress.
2. The WYCSD facilities are structurally in good standing, free of facility distress.
3. The WYCSD is in compliance with all DESE Standards for accreditation and is fully accredited.
4. The WYCSD is not only not in need of level 5 intensive support, but has been recognized for showing notable growth in school improvement, being named a "School on the Move Toward Excellence," for its significant progress toward our Public School Ratings and ESSA School Index Reports.

Sincerely,

Dr. Lisa Kissire
Superintendent

Cell: (501) 282-8923

Website: <http://wycschools.com>