

# **Augusta School District No. 10**

**Woodruff County, Arkansas**

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

**June 30, 2019**



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WOODRUFF COUNTY, ARKANSAS  
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# Arkansas



**Sen. Jason Rapert**  
Senate Chair  
**Sen. Eddie Cheatham**  
Senate Vice Chair

**Rep. Richard Womack**  
House Chair  
**Rep. DeAnn Vaught**  
House Vice Chair

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

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

### INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Augusta School District No. 10 (the "District"), as of and for the year ended June 30, 2019, 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. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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, 2019, 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, 2019, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

**Other Matters**

*Supplementary and Other Information*

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
February 19, 2020  
EDSD40819

# Arkansas

**Sen. Jason Rapert**  
Senate Chair  
**Sen. Eddie Cheatham**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. DeAnn Vaught**  
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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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the Augusta School District No. 10 (the "District"), as of and for the year ended June 30, 2019, 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 February 19, 2020. 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, 2019, 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) to determine the 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 determination of financial statement amounts. 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



Patrick Nutt, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
February 19, 2020

# Arkansas

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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

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

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

We have audited the Augusta School District No. 10's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. 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, 2019.

#### **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



Patrick Nutt, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
February 19, 2020

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2019

Exhibit A

	Governmental Funds			
	Major			Fiduciary Fund Types
	General	Special Revenue	Other Aggregate	
<b>ASSETS</b>				
Cash	\$ 414,928	\$ 21,519	\$ 696,429	\$ 13,011
Investments	5,431			20,169
Accounts receivable		111,137		
Deposit with paying agent			59,357	
<b>TOTAL ASSETS</b>	<b>\$ 420,359</b>	<b>\$ 132,656</b>	<b>\$ 755,786</b>	<b>\$ 33,180</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 24,637	\$ 5,522	\$ 7,110	
Due student groups				\$ 12,209
<b>Total Liabilities</b>	<b>24,637</b>	<b>5,522</b>	<b>7,110</b>	<b>12,209</b>
<b>Fund Balances:</b>				
Nonspendable			59,357	20,169
Restricted	70,736	127,134		802
Assigned	12,464		689,319	
Unassigned	312,522			
<b>Total Fund Balances</b>	<b>395,722</b>	<b>127,134</b>	<b>748,676</b>	<b>20,971</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 420,359</b>	<b>\$ 132,656</b>	<b>\$ 755,786</b>	<b>\$ 33,180</b>

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

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit B

	Major		Other Aggregate
	General	Special Revenue	
<b>REVENUES</b>			
Property taxes (including property tax relief trust distribution)	\$ 2,325,763		
State assistance	1,680,943	\$ 1,947	
Federal assistance	33,651	1,031,856	
Activity revenues	56,535		
Meal sales		8,388	
Investment income	22		
Other revenues	22,497	19	
<b>TOTAL REVENUES</b>	<b>4,119,411</b>	<b>1,042,210</b>	
<b>EXPENDITURES</b>			
Regular programs	1,954,519		
Special education	161,104	182,345	
Career education programs	158,238	15,012	
Compensatory education programs	80,912	164,620	
Other instructional programs	39,002		
Student support services	128,702	88,930	
Instructional staff support services	269,888	214,111	
General administration support services	290,300	34,820	
School administration support services	201,182		
Central services support services	44,910		
Operation and maintenance of plant services	485,726		\$ 55,292
Student transportation services	230,299		
Other support services	33,337		
Food services operations		328,535	
Community services operations		5,299	
Facilities acquisition and construction services			1,064,049
Non-programmed costs	9,720	10,424	
Activity expenditures	47,898		
Debt Service:			
Principal retirement			140,000
Interest and fiscal charges			114,280
Net debt issuance costs			24,568
<b>TOTAL EXPENDITURES</b>	<b>4,135,737</b>	<b>1,044,096</b>	<b>1,398,189</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(16,326)</b>	<b>(1,886)</b>	<b>(1,398,189)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			278,566
Transfers out	(278,566)		
Proceeds from construction bond issue			530,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(278,566)</b>		<b>808,566</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(294,892)</b>	<b>(1,886)</b>	<b>(589,623)</b>
<b>FUND BALANCES - JULY 1</b>	<b>690,614</b>	<b>129,020</b>	<b>1,338,299</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 395,722</b>	<b>\$ 127,134</b>	<b>\$ 748,676</b>

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

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Property taxes (including property tax relief trust distribution)	\$ 2,225,000	\$ 2,325,763	\$ 100,763			
State assistance	1,842,034	1,680,943	(161,091)	\$ 2,000	\$ 1,947	\$ (53)
Federal assistance		33,651	33,651	1,016,632	1,031,856	15,224
Activity revenues		56,535	56,535			
Meal sales				6,150	8,388	2,238
Investment income		22	22			
Other revenues	18,000	22,497	4,497		19	19
<b>TOTAL REVENUES</b>	<b>4,085,034</b>	<b>4,119,411</b>	<b>34,377</b>	<b>1,024,782</b>	<b>1,042,210</b>	<b>17,428</b>
<b>EXPENDITURES</b>						
Regular programs	1,991,300	1,954,519	36,781			
Special education	172,525	161,104	11,421	132,106	182,345	(50,239)
Career education programs	180,156	158,238	21,918		15,012	(15,012)
Compensatory education programs	163	80,912	(80,749)	280,041	164,620	115,421
Other instructional programs	37,615	39,002	(1,387)			
Student support services	118,181	128,702	(10,521)	81,786	88,930	(7,144)
Instructional staff support services	292,754	269,888	22,866	166,731	214,111	(47,380)
General administration support services	303,898	290,300	13,598	34,542	34,820	(278)
School administration support services	199,600	201,182	(1,582)			
Central services support services	45,477	44,910	567	280		280
Operation and maintenance of plant services	727,318	485,726	241,592			
Student transportation services	271,820	230,299	41,521	4,302		4,302
Other support services	30,000	33,337	(3,337)			
Food services operations				339,039	328,535	10,504
Community services operations				4,059	5,299	(1,240)
Non-programmed costs		9,720	(9,720)	14,785	10,424	4,361
Activity expenditures		47,898	(47,898)			
<b>TOTAL EXPENDITURES</b>	<b>4,370,807</b>	<b>4,135,737</b>	<b>235,070</b>	<b>1,057,671</b>	<b>1,044,096</b>	<b>13,575</b>

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (285,773)	\$ (16,326)	\$ 269,447	\$ (32,889)	\$ (1,886)	\$ 31,003
OTHER FINANCING SOURCES (USES)						
Transfers in	5,683,075		(5,683,075)	51,691		(51,691)
Transfers out	(5,928,892)	(278,566)	5,650,326	(51,691)		51,691
TOTAL OTHER FINANCING SOURCES (USES)	(245,817)	(278,566)	(32,749)	0		0
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(531,590)	(294,892)	236,698	(32,889)	(1,886)	31,003
FUND BALANCES - JULY 1	808,269	690,614	(117,655)	123,890	129,020	5,130
FUND BALANCES - JUNE 30	\$ 276,679	\$ 395,722	\$ 119,043	\$ 91,001	\$ 127,134	\$ 36,133

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

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

**B. Description of Funds**

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

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

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

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

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

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

Fiduciary Fund types include the following:

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

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

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

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

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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

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

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

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

**D. Revenue Recognition Policies**

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

**E. Capital Assets**

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

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

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

**F. Property Taxes**

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

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2018 calendar year taxes collected by June 30, 2019 and 8 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, 2019 equaled or exceeded the 8 percent calculation.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**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:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 276,403	\$ 276,403
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	895,084	1,144,213
Total Deposits	\$ 1,171,487	\$ 1,420,616

The above total deposits include certificates of deposit of \$25,600 reported as investments and classified as nonparticipating contracts.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**3: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2019 were comprised of the following:

	Governmental Fund
Description	Major Special Revenue
Federal assistance	\$ 111,137

**4: COMMITMENTS**

The District was contractually obligated for the following at June 30, 2019:

A. Construction Contract

Project Name	Completion Date	Contract Balance
Multi-purpose building	July 30, 2019	\$ 137,104

B. Operating Lease (noncapital lease with initial noncancellable lease term in excess of one year)

General description of lease and leasing arrangements:

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

1. Future minimum rental payments (aggregate) at June 30, 2019: \$43,311
2. Future minimum rental payments for the succeeding years:

Year Ended June 30,	Amount
2020	\$ 10,950
2021	32,361
Total	\$ 43,311

Rental payments for the operating lease described above were approximately \$10,950 for the year ended June 30, 2019.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**4: COMMITMENTS (Continued)**

C. Long-term Debt Issued and Outstanding

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

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2019	Maturities To June 30, 2019
<u>Bonds</u>					
11/1/2015	2/1/2045	1 - 3.75%	\$ 2,070,000	\$ 1,930,000	\$ 140,000
9/1/2016	2/1/2042	1.05 - 3%	2,050,000	1,950,000	100,000
8/1/2018	2/1/2045	3.4%	530,000	510,000	20,000
Total Long-Term Debt			<u>\$ 4,650,000</u>	<u>\$ 4,390,000</u>	<u>\$ 260,000</u>

Changes in Long-term Debt

	Balance July 01, 2018	Issued	Retired	Balance June 30, 2019
Bonds payable	<u>\$ 4,000,000</u>	<u>\$ 530,000</u>	<u>\$ 140,000</u>	<u>\$ 4,390,000</u>

Future Principal and Interest Payments

Year Ended June 30,	Bonds		
	Principal	Interest	Total
2020	\$ 130,000	\$ 120,101	\$ 250,101
2021	140,000	118,254	258,254
2022	140,000	115,939	255,939
2023	140,000	113,555	253,555
2024	140,000	111,171	251,171
2025-2029	765,000	511,216	1,276,216
2030-2034	860,000	415,615	1,275,615
2035-2039	990,000	285,144	1,275,144
2040-2044	945,000	115,413	1,060,413
2045	140,000	5,145	145,145
Totals	<u>\$ 4,390,000</u>	<u>\$ 1,911,553</u>	<u>\$ 6,301,553</u>

Security for Debt Payments

Ark. Code Ann. § 6-20-1204 specifies procedures to be followed if a school district is delinquent in a payment to the paying agent for bonded debt. As additional security, any delinquent payment for bonded debt will be satisfied by the Arkansas Department of Education (ADE). Depending on the date of the bond issue, ADE 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.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities at June 30, 2019 were comprised of the following:

Description	Governmental Funds		
	Major		
	General	Special Revenue	Other Aggregate
Vendor payables	\$ 24,528	\$ 5,522	\$ 7,110
Payroll withholdings and matching	109		
<b>Totals</b>	<b>\$ 24,637</b>	<b>\$ 5,522</b>	<b>\$ 7,110</b>

**6: INTERFUND TRANSFERS**

The District transferred \$278,566 from the general fund to other aggregate funds for debt related payments of \$260,092 and future capital expenditures of \$18,474.

**7: RETIREMENT PLAN**

Arkansas Teacher Retirement System

Plan Description

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

Funding Policy

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% 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% of covered salaries. The District's contributions to ATRS for the year ended June 30, 2019 were \$431,110, equal to the required contributions.

Net Pension Liability

The Arkansas Department of 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, 2018 (actuarial valuation date and measurement date) was \$3,558,323.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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

ADDITIONS	
Interest	\$ <u>81</u>
CHANGE IN FUND BALANCE	81
FUND BALANCE - JULY 1	<u>20,890</u>
FUND BALANCE - JUNE 30	<u><u>\$ 20,971</u></u>

**9: PLEDGED REVENUES**

The District has pledged a portion of its property taxes to retire bonds of \$4,650,000 issued from November 1, 2015 to August 1, 2018. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$6,301,553, payable through February 1, 2045. Principal and interest paid for the current year and total property taxes pledged for debt service were \$253,196 and \$697,077, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 36.32 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 general liability, student accident, and business trip accidental death and dismemberment coverage.

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

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

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

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

**11: ON-BEHALF PAYMENTS**

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District’s employees, totaled \$91,335 for the year ended June 30, 2019.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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

Description	Governmental Funds		
	Major		
	General	Special Revenue	Other Aggregate
Fund Balances:			
Nonspendable:			
Deposit with paying agent			\$ 59,357
Restricted for:			
Alternative learning environment	\$ 4,208		
Educational programs - national school lunch state categorical funding	23,144		
English-language learners	269		
Professional development	4,347		
Child nutrition programs		\$ 116,218	
Medical services		6,377	
Special education programs	34,969		
Other purposes	3,799	4,539	
Total Restricted	<u>70,736</u>	<u>127,134</u>	
Assigned to:			
Capital projects			689,319
Student activities	12,464		
Total Assigned	<u>12,464</u>		<u>689,319</u>
Unassigned	<u>312,522</u>		
Totals	<u>\$ 395,722</u>	<u>\$ 127,134</u>	<u>\$ 748,676</u>

**13: MAGUIRE SCHOLARSHIP FUND**

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

**14: SUBSEQUENT EVENTS**

On October 1, 2019, the District issued refunding bonds of \$2,020,000.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2019  
(Unaudited)

Schedule 1

	Balance June 30, 2019
<i>Nondepreciable capital assets:</i>	
Land	\$ 86,886
Construction in progress	1,063,907
Total nondepreciable capital assets	1,150,793
 <i>Depreciable capital assets:</i>	
Buildings	4,854,168
Equipment	972,112
Total depreciable capital assets	5,826,280
 Less accumulated depreciation for:	
Buildings	2,514,377
Equipment	663,861
Total accumulated depreciation	3,178,238
Total depreciable capital assets, net	2,648,042
Capital assets, net	\$ 3,798,835

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>CHILD NUTRITION CLUSTER</b>				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - School Breakfast Program	10.553	7401		\$ 89,570
National School Lunch Program (Note 3)	10.555			7,114
Arkansas Department of Education - National School Lunch Program	10.555	7401		193,386
Arkansas Department of Human Services - National School Lunch Program (Note 4)	10.555	7401000		11,442
Total for National School Lunch Program				211,942
Total U. S. Department of Agriculture				301,512
<b>TOTAL CHILD NUTRITION CLUSTER</b>				301,512
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027	7401		153,036
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>				153,036
<b>TANF CLUSTER</b>				
<u>U. S. Department of Health and Human Services:</u>				
Arkansas Department of Career Education - Temporary Assistance for Needy Families	93.558	7401		15,012
<b>TOTAL TANF CLUSTER</b>				15,012
<b>OTHER PROGRAMS</b>				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - Fresh Fruit and Vegetable Program	10.582	7401		10,585
Total U. S. Department of Agriculture				10,585
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010	7401		302,790
Arkansas Department of Education - Twenty-First Century Community Learning Centers	84.287	7401		123,253
Arkansas Department of Education - Rural Education	84.358	7401		6,850
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367	7401		27,721
Arkansas Department of Education - Student Support and Academic Enrichment Program	84.424	7401		26,521
Total U. S. Department of Education				487,135
<b>TOTAL OTHER PROGRAMS</b>				497,720
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 0	\$ 967,280

The accompanying notes are an integral part of this schedule.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Augusta School District No. 10 (District) under programs of the federal government for the year ended June 30, 2019. 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, 2019, the District received Medicaid funding of \$45,692 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

Schedule 3

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

**FINANCIAL STATEMENTS**

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

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

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**FEDERAL AWARDS**

Internal control over major federal programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

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

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

Identification of major federal programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  yes  no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

No matters were reported.

# *Augusta School District*

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

Schedule 4

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2019**

### **FINANCIAL STATEMENT FINDINGS**

There were no findings in the prior audit.

### **FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

U.S. DEPARTMENT OF EDUCATION  
PASSED THROUGH ARKANSAS DEPARTMENT OF EDUCATION  
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

2018 – FINDING 2018-001: Title I Grants to Local Educational Agencies – CFDA Number 84.010

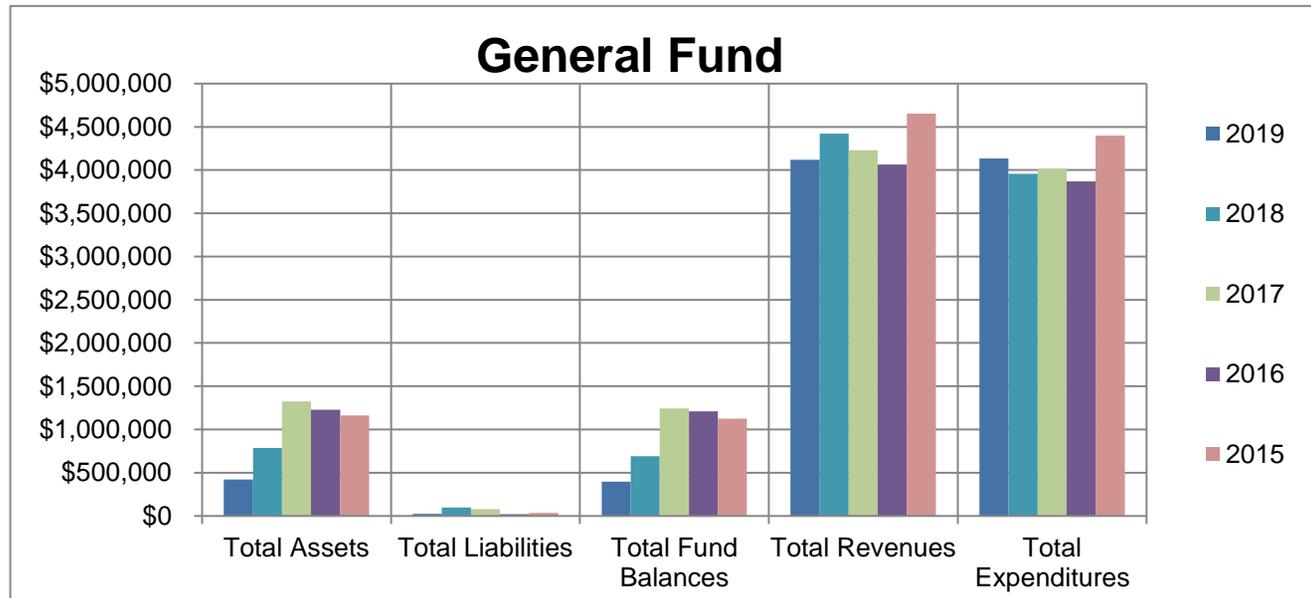
CONDITION: Unallowable costs paid from the Title I program totaling \$66,041 were detected for the audit year. These expenditures were for furniture (\$1,734), security cameras (\$2,872), student activity plaques (\$181), copy machine usage (\$7,607), and Technology Director salaries/benefits (\$53,647) that should have been recorded in the District's general fund.

CURRENT STATUS: Corrective action was taken.

AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(Unaudited)

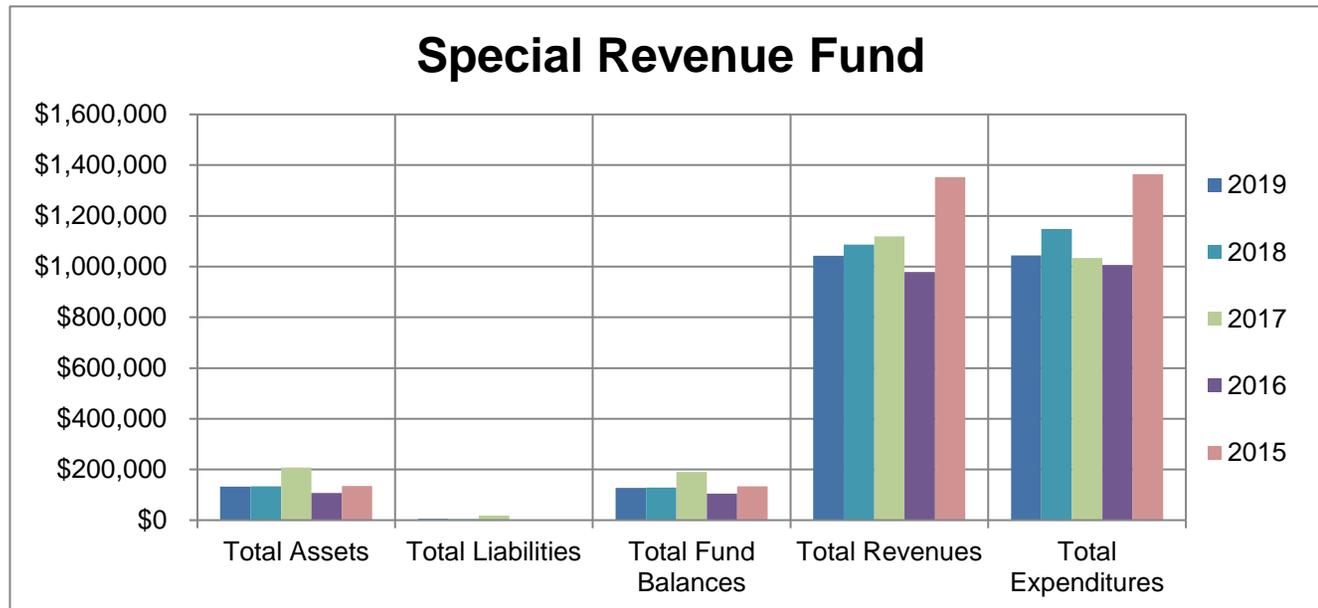
<b>General Fund</b>	Year Ended June 30,				
	2019	2018	2017	2016	2015
Total Assets	\$ 420,359	\$ 787,956	\$ 1,322,895	\$ 1,229,507	\$ 1,161,220
Total Liabilities	24,637	97,342	77,861	19,756	34,318
Total Fund Balances	395,722	690,614	1,245,034	1,209,751	1,126,902
Total Revenues	4,119,411	4,419,683	4,228,799	4,063,675	4,651,866
Total Expenditures	4,135,737	3,955,549	4,013,043	3,869,288	4,398,660
Total Other Financing Sources (Uses)	(278,566)	(1,018,554)	(180,473)	(111,538)	(140,610)



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(Unaudited)

<b>Special Revenue Fund</b>	Year Ended June 30,				
	2019	2018	2017	2016	2015
Total Assets	\$ 132,656	\$ 133,178	\$ 207,343	\$ 107,190	\$ 134,201
Total Liabilities	5,522	4,158	17,677	1,963	224
Total Fund Balances	127,134	129,020	189,666	105,227	133,977
Total Revenues	1,042,210	1,086,882	1,118,650	978,023	1,353,074
Total Expenditures	1,044,096	1,147,528	1,034,211	1,006,773	1,363,507
Total Other Financing Sources (Uses)					



AUGUSTA SCHOOL DISTRICT NO. 10  
WOODRUFF COUNTY, ARKANSAS

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(Unaudited)

<b>Other Aggregate Funds</b>	Year Ended June 30,				
	2019	2018	2017	2016	2015
Total Assets	\$ 755,786	\$ 1,352,708	\$ 759,297	\$ 1,815,128	\$ 30,180
Total Liabilities	7,110	14,409	67	85,501	
Total Fund Balances	748,676	1,338,299	759,230	1,729,627	30,180
Total Revenues					
Total Expenditures	1,398,189	384,081	1,204,365	430,196	110,430
Total Other Financing Sources (Uses)	808,566	963,150	233,968	2,129,643	140,610

