

Fourche Valley School District No. 13

Yell County, Arkansas

General Purpose Financial Statements and Other Reports June 30, 2000

LEGISLATIVE JOINT AUDITING COMMITTEE



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YELL COUNTY, ARKANSAS
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JUNE 30, 2000

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Sen. Kevin A. Smith
Senate Co-Chair
Rep. Danny W. Ferguson
House Co-Chair
Sen. Henry "Hank" Wilkins, IV
Senate Co-Vice Chair
Rep. Tommy Roebuck
House Co-Vice Chair

Arkansas



Charles L. Robinson, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Fourche Valley School District No. 13 and School Board Members
Legislative Joint Auditing Committee

We have audited the accompanying general purpose financial statements of the Fourche Valley School District No. 13 (the "District"), as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of district management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The District did not maintain adequate fixed asset accounting records for equipment; accordingly, we were unable to verify the equipment balance as of the date of the financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to verify the equipment balance, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2000, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in blue ink, appearing to read "Charles L. Robinson".

Charles L. Robinson, CPA, CFE
Legislative Auditor

Little Rock, Arkansas
June 12, 2001
EDSD41400

Sen. Kevin A. Smith
Senate Co-Chair
Rep. Danny W. Ferguson
House Co-Chair
Sen. Henry "Hank" Wilkins, IV
Senate Co-Vice Chair
Rep. Tommy Roebuck
House Co-Vice Chair

Arkansas



Charles L. Robinson, CPA, CFE
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

COMBINED REPORT(S) ON COMPLIANCE, INTERNAL CONTROLS AND OTHER MATTERS

Fourche Valley School District No. 13 and School Board Members
Legislative Joint Auditing Committee

We have audited the general purpose financial statements of the Fourche Valley School District No. 13 (the "District") as of and for the year ended June 30, 2000, and have issued our report thereon dated June 12, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws and regulations, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are disclosed below in the Audit Findings section of this letter.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are disclosed below in the Audit Findings section of this letter.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider the finding numbers 1 and 2 below to be material weaknesses.

AUDIT FINDINGS

As a management service, we would like to bring to your attention the following compliance and/or internal control matter(s) that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and achieve adequate internal controls. These matters were discussed previously with district officials during the course of our audit fieldwork and at the exit conference.

1. The District had inadequate control over cash transactions because of insufficient segregation of duties due to a limited number of personnel.
2. Subsidiary equipment records were again inadequate and were not updated during the fiscal year for additions and deletions.

This report is intended for the information and use of the Legislative Joint Auditing Committee, state executive and oversight management and district management and is not intended to be and should not be used by anyone other than these specific parties. However, this report is a matter of public record and its distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT



William R. Baum, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
June 12, 2001

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
YELL COUNTY, ARKANSAS
COMBINED BALANCE SHEET - GOVERNMENTAL AND FIDUCIARY FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000

Exhibit A

	Governmental Fund Types			Fiduciary	Account Groups		Totals
	General	Special Revenue	Capital Projects	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)
ASSETS							
Cash	\$ 122,512	\$ 30,398	\$ 31,680	\$ 7,569			\$ 192,159
Investments	311,238						311,238
Accounts receivable		10,467					10,467
Interfund receivables	183						183
Land					\$ 6,495		6,495
Buildings					849,610		849,610
Improvements other than buildings					41,584		41,584
Equipment					686,651		686,651
Amount to be provided for retirement of general long-term debt						\$ 231,751	231,751
TOTAL ASSETS	<u>\$ 433,933</u>	<u>\$ 40,865</u>	<u>\$ 31,680</u>	<u>\$ 7,569</u>	<u>\$ 1,584,340</u>	<u>\$ 231,751</u>	<u>\$ 2,330,138</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$ 13,161						\$ 13,161
Due student groups				\$ 7,569			7,569
Interfund payables			\$ 183				183
Bonds payable						\$ 200,600	200,600
Certificates of indebtedness						27,000	27,000
Capital leases						4,151	4,151
Total Liabilities	<u>13,161</u>		<u>183</u>	<u>7,569</u>		<u>231,751</u>	<u>252,664</u>
Fund Equity:							
Investment in general fixed assets					\$ 1,584,340		1,584,340
Fund balances:							
Unreserved:							
Undesignated	420,772	\$ 40,865	31,497				493,134
Total Fund Equity	<u>420,772</u>	<u>40,865</u>	<u>31,497</u>		<u>1,584,340</u>		<u>2,077,474</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 433,933</u>	<u>\$ 40,865</u>	<u>\$ 31,680</u>	<u>\$ 7,569</u>	<u>\$ 1,584,340</u>	<u>\$ 231,751</u>	<u>\$ 2,330,138</u>

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

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
 YELL COUNTY, ARKANSAS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

Exhibit B

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
REVENUES					
Current taxes	\$ 128,939			\$ 15,724	\$ 144,663
Delinquent taxes and land redemption	10,626				10,626
State assistance	658,744	\$ 738			659,482
Federal assistance	342,749	163,047			505,796
Activity revenues	32,701				32,701
Meal sales		12,299			12,299
Interest on investments	30,554				30,554
Other revenues	16,661				16,661
TOTAL REVENUES	1,220,974	176,084		15,724	1,412,782
EXPENDITURES					
Regular programs	558,820	16,133		1,375	576,328
Special education	58,955	830			59,785
Vocational education	64,283				64,283
Adult education		1,173			1,173
Compensatory education	4,696	29,753			34,449
Other instructional programs	11,816				11,816
Support services	402,493	123,739		1,491	527,723
Non-program charges		8,896			8,896
Activity expenditures	34,048				34,048
Capital outlay				64,967	64,967
Debt service:					
Principal retirement	10,407		\$ 10,000		20,407
Interest and fiscal charges	1,697		10,835		12,532
TOTAL EXPENDITURES	1,147,215	180,524	20,835	67,833	1,416,407

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
 YELL COUNTY, ARKANSAS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

Exhibit B

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 73,759	\$ (4,440)	\$ (20,835)	\$ (52,109)	\$ (3,625)
OTHER FINANCING SOURCES (USES)					
Transfers in		35,077	20,835		55,912
Transfers out	(55,912)				(55,912)
Sale of fixed assets	3,436				3,436
Compensation for loss of fixed assets	73,397				73,397
Value of capital lease	4,981				4,981
TOTAL OTHER FINANCING SOURCES (USES)	25,902	35,077	20,835		81,814
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	99,661	30,637		(52,109)	78,189
FUND BALANCES - JULY 1	321,111	10,228		83,606	414,945
FUND BALANCES - JUNE 30	\$ 420,772	\$ 40,865	\$ 0	\$ 31,497	\$ 493,134

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

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
YELL COUNTY, ARKANSAS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000

Exhibit C

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Current taxes	\$ 140,900	\$ 144,663	\$ 3,763
Delinquent taxes and land redemption	16,237	10,626	(5,611)
State assistance	662,017	659,482	(2,535)
Federal assistance	352,709	505,796	153,087
Activity revenues		32,701	32,701
Meal sales		12,299	12,299
Interest on investments	24,610	30,554	5,944
Other revenues	75,927	16,661	(59,266)
TOTAL REVENUES	1,272,400	1,412,782	140,382
EXPENDITURES			
Regular programs	505,275	576,328	(71,053)
Special education	56,725	59,785	(3,060)
Vocational education	77,251	64,283	12,968
Adult Education		1,173	(1,173)
Compensatory education	31,627	34,449	(2,822)
Other instructional programs	11,867	11,816	51
Support services	451,156	527,723	(76,567)
Non-program charges	6,700	8,896	(2,196)
Activity expenditures		34,048	(34,048)
Capital outlay	19,000	64,967	(45,967)
Debt service:			
Principal retirement	10,000	20,407	(10,407)
Interest and fiscal charges	12,085	12,532	(447)
TOTAL EXPENDITURES	1,181,686	1,416,407	(234,721)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	90,714	(3,625)	(94,339)
OTHER FINANCING SOURCES (USES)			
Transfers in		55,912	55,912
Transfers out	(25,500)	(55,912)	(30,412)
Sale of fixed assets		3,436	3,436
Compensation for loss of fixed assets		73,397	73,397
Value of capital lease		4,981	4,981
TOTAL OTHER FINANCING SOURCES (USES)	(25,500)	81,814	107,314
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	65,214	78,189	12,975
FUND BALANCES - JULY 1	405,634	414,945	9,311
FUND BALANCES - JUNE 30	\$ 470,848	\$ 493,134	\$ 22,286

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

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Board of Education, a five (5) 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 Fourche Valley School District (District). The District is a member of the Arch Ford Educational Cooperative located in Plumerville, Arkansas.

The District's financial statements reflect all funds and accounts directly under the control of the District. There are no component units.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt. The following types of funds and account groups are recognized in the accompanying financial statements.

Governmental Funds

General Fund - The General Fund is the general operating fund and is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the entity in a trustee capacity or as an agent for individuals, other governmental units, and other funds.

Account Groups

General Fixed Assets - This group of accounts is established to account for all fixed assets of the entity.

General Long-term Debt - This group of accounts is established to account for all long-term debt of the entity.

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

Basis of Accounting refers to when revenues and expenditures or expenses are recognized and reported in the financial statements. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are generally recognized under the modified accrual basis when the related fund liability is incurred. Exceptions to the general rule include: (1) principal and interest on general long-term debt which is recognized when due; and (2) prepaid expenses, which are not recorded. Federal grants and entitlements are recognized as revenues when received, with the unearned, unexpended balance recognized as a fund balance for financial statement presentation purposes, except for federal grants that are recognized as revenues when earned.

D. General Fixed Assets

General fixed assets purchased are recorded as expenditures at the time of purchase. Such assets are capitalized at cost, including ancillary costs (such as professional fees and costs, freight costs, preparation or setup costs and installation costs) in the general fixed assets group of accounts. Gifts or contributions are generally recorded in the general fixed assets group of accounts at fair market value at the time received. Library holdings and textbooks are not capitalized by the District. No depreciation has been provided on general fixed assets.

E. Property Taxes

Property taxes are levied in November based on property assessment made between January 1 and May 31 and are an enforceable lien on January 1 for real property and June 1 for personal property. The tax records are opened on the first business day of March of the year following the levy date and are considered delinquent after October 10 of the same calendar year. No accrual or recognition of taxes receivable is reflected in the financial statements as the amount measurable and available is considered to be immaterial.

F. Investments

Investments consist of certificates of deposits classified as nonparticipating contracts and are reported at cost.

G. Inventories

Inventory items are considered expenditures when purchased. This is an acceptable alternative due to the insignificant amounts involved.

H. Interfund Receivables and Payables

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

I. Liability for Compensated Absences

Generally accepted accounting principles require an employer to accrue a liability for employees' rights to receive compensation for future absences if certain conditions are met. The accompanying financial statements do not provide for this liability as the small number of district personnel eligible for compensated absences indicates an immaterial obligation on the part of the District.

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Fund Equity

Fund Balance - Undesignated Fund Balance indicates that portion of fund equity not reserved or designated.

K. Budget and Budgetary Accounting

The District is required by the State Department of Education to prepare a budget. The budget is prepared on the modified accrual basis of accounting, which is in accordance with generally accepted accounting principles. The District also is required to budget certain portions of local taxes, which are collected in the succeeding fiscal year. This procedure, while not in accordance with generally accepted accounting principles, does not have a material effect on the financial statements taken as a whole.

The following policies and procedures are established by the State Department of Education for preparing and utilizing the annual budget:

1. Prior to September 15, the District is required to submit a proposed budget for the upcoming year.
2. Upon approval by the State Department of Education, the District adopts the budget and integrates it into their accounting and reporting system as a management control device.
3. The District is legally required to have a budget although it is not intended to be legally restrictive.
4. Budget amendments are not required to be submitted for approval to the Department of Education.
5. The District is not required to budget the revenues and expenditures of the food services funds and the activity funds. Certain transfers among funds are also not budgeted.

L. Encumbrances

Encumbrances are defined as commitments related to unperformed contracts for goods or services. The District does not record encumbrances in its accounting system and none are recorded in the accompanying financial statements.

NOTE 2: Memorandum Totals

Combined financial statements of fund types and account groups have a "total" column that aggregates the columnar statements by fund type and account group. The total column is captioned "Memorandum Only" because the total column on a combined financial statement is not comparable to a consolidation.

NOTE 3: Budget Versus Actual - Exhibit C

Exhibit C includes revenues and expenditures of the activity and food services funds and certain transfers among funds. However, the District does not budget these activities.

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
 YELL COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 4: Public Fund Deposits

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/FSLIC)	\$ 100,000	\$ 100,000
Uninsured, Collateralized	91,959	241,624
Total Deposits	\$ 191,959	\$ 341,624

The above total deposits do not include cash on hand in the amount of \$200.

NOTE 5: Public Fund Investments

The District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the District's name.

Type of Investment	Category			Carrying Amount	Market Value
	1	2	3		
Certificate of Deposit	\$ 311,238	\$ 0	\$ 0	\$ 311,238	\$ 311,238

NOTE 6: Changes in General Fixed Assets

A summary of changes in general fixed assets is as follows:

	Balance July 1, 1999	Additions	Deletions	Reclassi- fications	Balance June 30, 2000
Land	\$ 6,495				\$ 6,495
Buildings	849,610				849,610
Improvements other than buildings	41,584				41,584
Equipment	584,625	\$ 102,026			686,651
Totals	\$ 1,482,314	\$ 102,026	\$ 0	\$ 0	\$ 1,584,340

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 7: Long-term Debt Issued and Outstanding

Long-term liabilities are payable out of future income of the District. In order to liquidate the principal and interest on the bonded debt, the District has pledged 4.2 mills of the total 29.2 mill tax levy of the District. 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, 2000	Maturities To June 30, 2000
12/1/93	6-1-13	5.00%	\$ 240,600	\$ 200,600	\$ 40,000
4/16/99	11-1-02	6.00%	36,000	27,000	9,000
5/12/00	4-12-01	N/A	4,981	4,151	830
Totals			<u>\$ 281,581</u>	<u>\$ 231,751</u>	<u>\$ 49,830</u>

NOTE 8: Changes in Long-term Debt

The changes in long-term debt are as follows:

	Balance July 1, 1999	Issued	Retired	Balance June 30, 2000
Bonds payable	\$ 210,600		\$ 10,000	\$ 200,600
Certificates of indebtedness	36,000		9,000	27,000
Capital leases	577	\$ 4,981	1,407	4,151
Totals	<u>\$ 247,177</u>	<u>\$ 4,981</u>	<u>\$ 20,407</u>	<u>\$ 231,751</u>

Total long-term debt principal and interest payments are as follows:

Year Ended June 30,	Principal	Interest	Total
2001	\$ 23,151	\$ 11,382	\$ 34,533
2002	19,600	10,342	29,942
2003	24,000	9,272	33,272
2004	15,000	8,250	23,250
2005	15,000	7,500	22,500
To Maturity	<u>135,000</u>	<u>32,251</u>	<u>167,251</u>
Totals	<u>\$ 231,751</u>	<u>\$ 78,997</u>	<u>\$ 310,748</u>

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
 YELL COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 9: Capital Leases

The District has executed the following capital leases:

Class of Property	Asset Balance June 30, 2000
Cannon C210 Laser Printer - Copy Machine	\$ 4,981
	June 30, 2000
Total Minimum Lease Payments	\$ 4,151
Less: Amount Representing Interest	0
Total Present Value of Net Minimum Lease Payments	\$ 4,151

NOTE 10: Retirement Plans

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 all Arkansas public school employees, except certain nonteachers hired prior to July 1, 1989. ATRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and non-contributory plans. Contributory members are required by code to contribute 6% of their salary. Each participating employer is required by code to contribute at a rate established by the Arkansas General Assembly. The current employer rate is 12%. Effective July 1, 1996, the District paid the employer contribution rate for any eligible employee in accordance with rules and regulations established by the Teacher Retirement Board of Directors. The District's contribution to ATRS for nonfederally funded employees for the years ended June 30, 2000, 1999 and 1998 were \$78,899, \$79,382 and \$76,428, respectively. The District's contributions to ATRS for federally funded employees for the years ended June 30, 2000, 1999 and 1998 were \$4,050, \$4,380 and \$4,062, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

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

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
YELL COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 10: Retirement Plans (Continued)

Arkansas Public Employees Retirement System (Continued)

Funding Policy. PERS has contributory and non-contributory plans. Contributory members are required by code to contribute 6% of their salary. Each participating employer is required by code to contribute at a rate established by the Arkansas General Assembly. The current statutory employer rate is 4% of annual covered payroll. The District's contributions to PERS for the years ended June 30, 2000, 1999 and 1998 were \$176, \$167 and \$168, respectively, equal to the required contributions for each year.

FOURCHE VALLEY SCHOOL DISTRICT NO. 13
 YELL COUNTY, ARKANSAS
 EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2000

Schedule 1

Federal Grantor/Pass Through Grantor/Program Cluster Title	Federal CFDA Number	Federal Expenditures
CHILD NUTRITION CLUSTER		
<u>U. S. Department of Agriculture</u>		
Passed Through State Department of Education:		
School Breakfast Program	10.553	\$ 11,395
National School Lunch Program	10.555	30,872
Total State Department of Education		42,267
Passed Through State Department of Human Services:		
National School Lunch Program (Note 2)	10.555	4,025
TOTAL CHILD NUTRITION CLUSTER		46,292
 OTHER PROGRAMS		
<u>U. S. Department of Education</u>		
Passed Through State Department of Education:		
Title I Grants - LEA	84.010	30,130
Migrant Education - Basic State Grant Program	84.011	15,821
Special Education - Grant to States	84.027	12,610
Goals 2000 - State and Local Educational Systemic Improvement Grants	84.276	403
Innovative Education Program Strategies	84.298	1,173
Technology Literacy Challenge Fund Grants	84.318	1,350
Title VI Class Size Reduction	84.340	1,105
School Reform Demonstration Grant		33,552
H. A. T. Tobacco Education and Prevention		738
Total U. S. Department of Education		96,882
 <u>U. S. Department of Health and Human Services</u>		
Passed Through State Department of Human Services		
Acquired Immunodeficiency Syndrome (AIDS) .	93.118	760
TOTAL OTHER PROGRAMS		97,642
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 143,934

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Fourche Valley School District No. 13 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Note 2: Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.