

Omaha School District No. 6

Boone County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2025



OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
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JUNE 30, 2025

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Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Omaha School District No. 6 and School Board Members
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Omaha School District No. 6 (the "District"), as of and for the year ended June 30, 2025, 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.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying 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, 2025, 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.

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 section of our report, the accompanying 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, 2025, or the changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 of the financial statements, 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, to meet the requirements of the State of Arkansas. 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 and pervasive.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the report. The other information comprises the Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years – Regulatory Basis but does not include the regulatory basis financial statements and our auditor's report thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the regulatory basis financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2026 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

A handwritten signature in dark ink, appearing to read "Kevin White", with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
April 8, 2026
EDSD02925

Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
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

Omaha School District No. 6 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 (*Government Auditing Standards*), the financial statements of each major governmental fund and the aggregate remaining fund information of the Omaha School District No. 6 (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated April 8, 2026. 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 and pervasive. 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, 2025, 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.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 entity'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 entity'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
April 8, 2026

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2025

Exhibit A

	Governmental Funds			
	Major			Fiduciary
	General	Special Revenue	Other Aggregate	Fund Types
ASSETS				
Cash	\$ 442,507	\$ 19,020		\$ 404
Investments	317,685			
Accounts receivable		104,912		
Deposit with paying agent			\$ 882,971	
TOTAL ASSETS	\$ 760,192	\$ 123,932	\$ 882,971	\$ 404
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 12,787			
Fund Balances:				
Nonspendable			\$ 15,671	
Restricted	37,616	\$ 123,932	867,300	\$ 404
Assigned	79,095			
Unassigned	630,694			
Total Fund Balances	747,405	123,932	882,971	404
TOTAL LIABILITIES AND FUND BALANCES	\$ 760,192	\$ 123,932	\$ 882,971	\$ 404

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

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025

Exhibit B

	Major		Other
	General	Special Revenue	Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	\$ 1,688,543		
State assistance	3,083,023	\$ 1,382	
Federal assistance	43,541	1,009,838	\$ 24,252
Activity revenues	164,730		
Meal sales		40,277	
Investment income	26,742		27,624
Other revenues	4,190	21,756	42,500
TOTAL REVENUES	5,010,769	1,073,253	94,376
EXPENDITURES			
Regular programs	2,504,947	293,127	
Special education	146,565	117,229	
Career education programs	136,830		
Compensatory education programs		139,443	
Other instructional programs	263,003		
Student support services	125,926	67,711	
Instructional staff support services	121,947	22,884	
General administration support services	222,758	45,074	
School administration support services	215,722		
Central services support services	66,899		
Operation and maintenance of plant services	655,689	57,225	
Student transportation services	271,021		
Other support services	8,222		
Food services operations		404,730	
Community services operations		42	
Facilities acquisition and construction services			90,830
Activity expenditures	148,351		
Debt Service:			
Principal retirement	49,873		105,000
Interest and fiscal charges	9,345		90,932
TOTAL EXPENDITURES	4,947,098	1,147,465	286,762
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	63,671	(74,212)	(192,386)
OTHER FINANCING SOURCES (USES)			
Transfers in			255,233
Transfers out	(255,233)		
TOTAL OTHER FINANCING SOURCES (USES)	(255,233)		255,233
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(191,562)	(74,212)	62,847
FUND BALANCES - JULY 1	938,967	198,144	820,124
FUND BALANCES - JUNE 30	\$ 747,405	\$ 123,932	\$ 882,971

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

OMAHA SCHOOL DISTRICT NO. 6
BOONE 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, 2025

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 1,658,724	\$ 1,688,543	\$ 29,819			
State assistance	2,962,353	3,083,023	120,670	\$ 4,500	\$ 1,382	\$ (3,118)
Federal assistance		43,541	43,541	721,642	1,009,838	288,196
Activity revenues		164,730	164,730			
Meal sales				36,000	40,277	4,277
Investment income	10,000	26,742	16,742			
Other revenues	5,000	4,190	(810)		21,756	21,756
TOTAL REVENUES	4,636,077	5,010,769	374,692	762,142	1,073,253	311,111
EXPENDITURES						
Regular programs	2,465,223	2,504,947	(39,724)	98,009	293,127	(195,118)
Special education	145,440	146,565	(1,125)	135,331	117,229	18,102
Career education programs	140,883	136,830	4,053			
Compensatory education programs				112,686	139,443	(26,757)
Other instructional programs	308,255	263,003	45,252			
Student support services	126,010	125,926	84	64,402	67,711	(3,309)
Instructional staff support services	91,409	121,947	(30,538)	24,069	22,884	1,185
General administration support services	229,452	222,758	6,694	53,090	45,074	8,016
School administration support services	216,384	215,722	662			
Central services support services	55,680	66,899	(11,219)			
Operation and maintenance of plant services	607,073	655,689	(48,616)	16,000	57,225	(41,225)
Student transportation services	240,681	271,021	(30,340)			
Other support services	10,000	8,222	1,778			
Food services operations				370,292	404,730	(34,438)
Community services operations				1,200	42	1,158
Activity expenditures		148,351	(148,351)			
Debt Service:						
Principal retirement		49,873	(49,873)			
Interest and fiscal charges		9,345	(9,345)			
TOTAL EXPENDITURES	4,636,490	4,947,098	(310,608)	875,079	1,147,465	(272,386)

OMAHA SCHOOL DISTRICT NO. 6
BOONE 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, 2025

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (413)	\$ 63,671	\$ 64,084	\$ (112,937)	\$ (74,212)	\$ 38,725
OTHER FINANCING SOURCES (USES)						
Transfers in	5,778,311		(5,778,311)			
Transfers out	(6,046,582)	(255,233)	5,791,349			
TOTAL OTHER FINANCING SOURCES (USES)	(268,271)	(255,233)	13,038			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(268,684)	(191,562)	77,122	(112,937)	(74,212)	38,725
FUND BALANCES - JULY 1	958,212	938,967	(19,245)	198,134	198,144	10
FUND BALANCES - JUNE 30	\$ 689,528	\$ 747,405	\$ 57,877	\$ 85,197	\$ 123,932	\$ 38,735

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

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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 Omaha 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. 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.

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, leases, and debt in the financial statements, inclusion of compensated absences and 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.

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The accompanying financial statements are presented on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for purposes of recording specific activities or attaining certain objectives. Major governmental funds are defined as general and special revenue, and such funds are presented separately in the financial statements. All other governmental funds are presented in the aggregate. Fiduciary fund types are presented in a separate column in the Balance Sheet – Regulatory Basis. Revenues are reported by major sources and expenditures are reported by major function. Other transactions, which are not reported as revenues or expenditures, are reported as other financing sources and uses. Transactions related to the recording of installment contracts and financed purchases 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 \$3,000 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	10-50
Buildings	20-50
Equipment	5-25

F. Property Taxes

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

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.

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

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.

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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.

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.

L. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost. The District's cash deposits at June 30, 2025, were as follows:

	<u>Bank Balance</u>
Insured (FDIC)	\$ 250,000
Collateralized:	
Collateral held by the pledging financial institution's trust department or agent in the District's name	<u>700,475</u>
Total Deposits	<u><u>\$ 950,475</u></u>

The above total deposits do not include cash on hand of \$1,350. The above total deposits include certificates of deposit of \$317,685 reported as investments and classified as nonparticipating contracts.

3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025, were comprised of the following:

	<u>Governmental Fund Major Special Revenue</u>
<u>Description</u>	
Federal assistance	<u><u>\$ 104,912</u></u>

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

4: ACCOUNTS PAYABLE

Accounts payable at June 30, 2025, were comprised of the following:

	<u>Governmental Fund</u>
	<u>Major</u>
<u>Description</u>	<u>General</u>
Vendor payables	<u>\$ 12,787</u>

5: COMMITMENTS

The District was contractually obligated for the following at June 30, 2025:

Long-term Debt Issued and Outstanding

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

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding June 30, 2025</u>	<u>Maturities To June 30, 2025</u>
<u>Bonds</u>					
5/1/13	2/1/33	1 - 2.875%	\$ 425,000	\$ 185,000	\$ 240,000
9/1/11	9/1/28	4.58%	925,000	925,000	
9/27/11	9/1/28	5%	185,456	185,456	
9/1/20	2/1/41	0.7 - 1.625%	2,610,000	2,385,000	225,000
Total Bonds			<u>4,145,456</u>	<u>3,680,456</u>	<u>465,000</u>
<u>Direct Borrowings</u>					
3/10/20	3/10/30	3.01%	508,100	272,990	235,110
Total Long-Term Debt			<u>\$ 4,653,556</u>	<u>\$ 3,953,446</u>	<u>\$ 700,110</u>

Changes in Long-term Debt

	<u>Balance July 1, 2024</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2025</u>
Bonds payable	<u>\$ 3,785,456</u>		<u>\$ 105,000</u>	<u>\$ 3,680,456</u>
<u>Direct Borrowings</u>				
Installment contract	<u>322,863</u>		<u>49,873</u>	<u>272,990</u>
Total Long-Term Debt	<u>\$ 4,108,319</u>	<u>\$ 0</u>	<u>\$ 154,873</u>	<u>\$ 3,953,446</u>

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

5: COMMITMENTS (Continued)

Long-term Debt Issued and Outstanding (Continued)

Future Principal and Interest Payments

Year Ended June 30,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 105,000	\$ 88,149	\$ 193,149	\$ 51,385	\$ 7,833	\$ 59,218
2027	110,000	86,859	196,859	52,944	6,275	59,219
2028	110,000	85,524	195,524	54,549	4,669	59,218
2029	1,230,456	62,917	1,293,373	56,204	3,015	59,219
2030	185,000	30,793	215,793	57,908	1,311	59,219
2031-2035	885,000	115,700	1,000,700			
2036-2040	875,000	55,914	930,914			
2041	180,000	2,925	182,925			
Totals	<u>\$ 3,680,456</u>	<u>\$ 528,781</u>	<u>\$ 4,209,237</u>	<u>\$ 272,990</u>	<u>\$ 23,103</u>	<u>\$ 296,093</u>

Qualified School Construction Bonds

On September 1, 2011, and September 27, 2011, the District obtained funding of \$925,000 and \$185,456, respectively, from Qualified School Construction Bonds, a debt financial arrangement authorized by the American Recovery and Reinvestment Act of 2009. The District will deposit a specified amount annually into a sinking fund for 17 years. This amount plus interest earned will be used to retire the debt when due.

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.

6: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$4,145,456 issued from September 1, 2011 to September 1, 2020. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$4,209,237, payable through February 1, 2041. Principal and interest paid for the current year and total property taxes pledged for debt service were \$194,269 and \$580,575, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 33.46 percent.

7: INTERFUND TRANSFERS

The District transferred \$255,233 from the general fund to the other aggregate funds for debt related payments of \$206,902 and current and future capital expenditures of \$48,331.

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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 501-682-1517, or by visiting the ATRS website at www.artrs.gov.

Funding Policy

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 7% 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 15% of covered salaries. The District's contributions to ATRS for the year ended June 30, 2025, were \$493,143, 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, 2024, (actuarial valuation date and measurement date) was \$3,527,190.

9: CHANGES IN PRIVATE-PURPOSE FUNDS

FUND BALANCE - JULY 1	\$	404
FUND BALANCE - JUNE 30	\$	404

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.

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, vehicles, and mobile equipment.

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

10: RISK MANAGEMENT (Continued)

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

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

11: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Division of Elementary and Secondary Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$117,016 for the year ended June 30, 2025.

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

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Fund Balances:			
Nonspendable:			
Deposit with paying agent			\$ 15,671
Restricted for:			
Alternative learning environment	\$ 676		
Enhanced student achievement funding	8		
English-language learners	785		
Professional development	14,540		
Child nutrition programs		\$ 21,793	
Debt service			867,300
Medical services		64,045	
Special education programs	19,192		
Education stabilization fund (COVID-19)		37	
Other purposes	2,415	38,057	
Total Restricted	37,616	123,932	867,300
Assigned to:			
Student activities	79,095		
Unassigned	630,694		
Totals	\$ 747,405	\$ 123,932	\$ 882,971

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2025
(Unaudited)

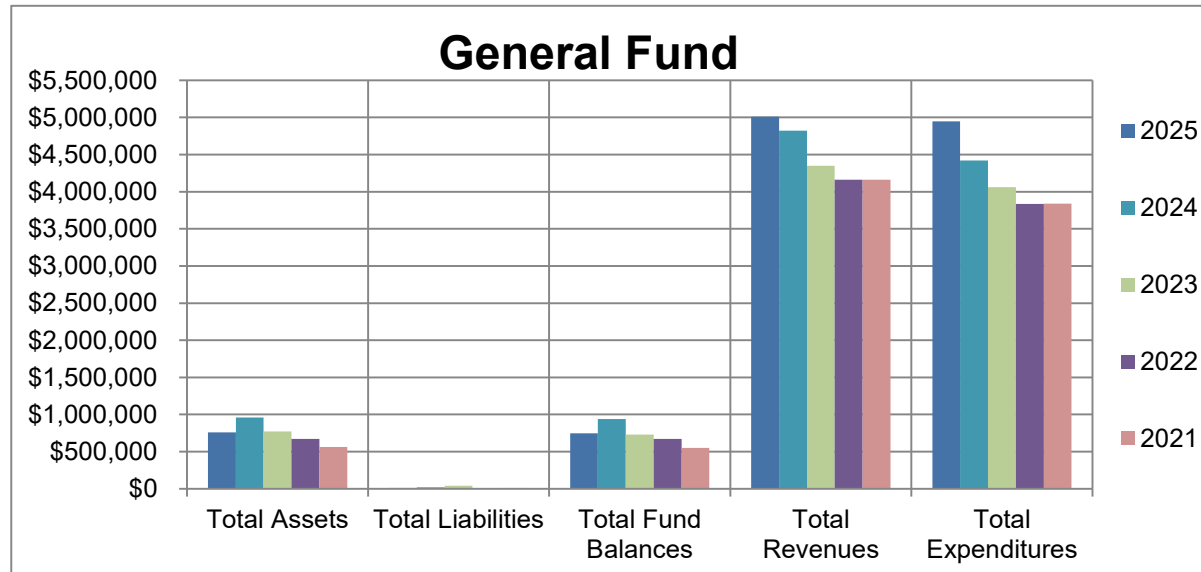
Schedule 1

	Balance June 30, 2025
Nondepreciable capital assets:	
Land	\$ 105,033
Depreciable capital assets:	
Buildings	7,628,464
Improvements/infrastructure	1,029,200
Equipment	1,522,552
Total depreciable capital assets	<u>10,180,216</u>
Less accumulated depreciation for:	
Buildings	2,609,086
Improvements/infrastructure	538,496
Equipment	1,301,658
Total accumulated depreciation	<u>4,449,240</u>
Total depreciable capital assets, net	<u>5,730,976</u>
Capital assets, net	<u><u>\$ 5,836,009</u></u>

OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025
(Unaudited)

Schedule 2

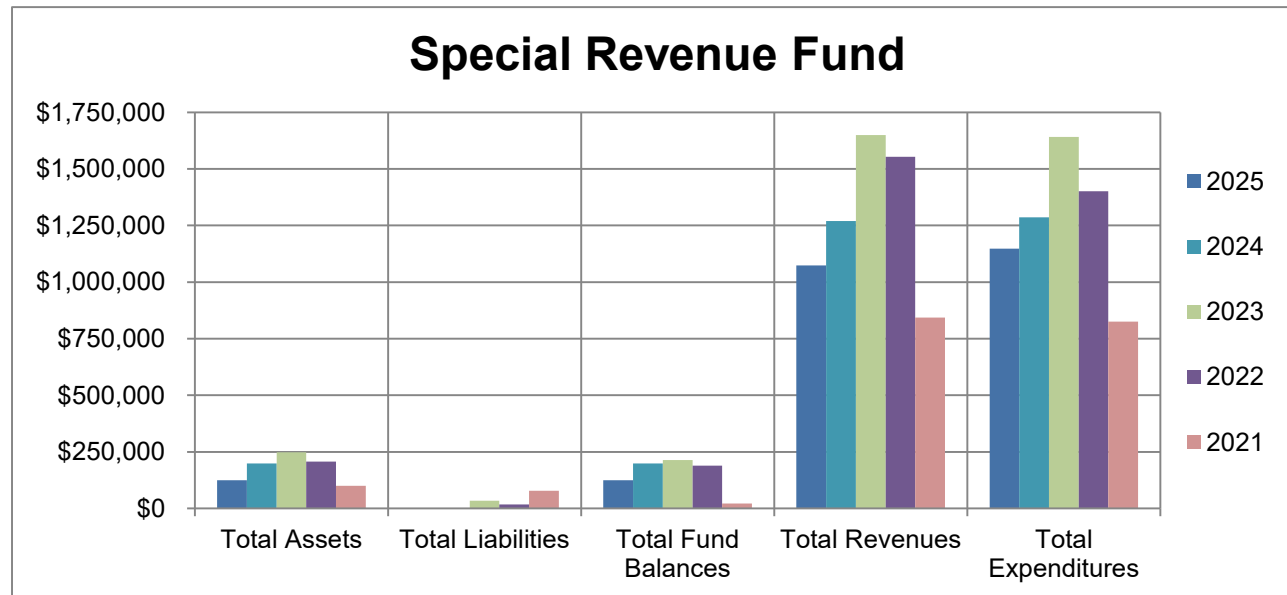
General Fund	Year Ended June 30,				
	2025	2024	2023	2022	2021
Total Assets	\$ 760,192	\$ 959,131	\$ 771,876	\$ 673,716	\$ 561,257
Total Liabilities	12,787	20,164	40,280	3,334	11,791
Total Fund Balances	747,405	938,967	731,596	670,382	549,466
Total Revenues	5,010,769	4,822,123	4,349,677	4,162,448	4,161,008
Total Expenditures	4,947,098	4,418,951	4,060,488	3,836,407	3,839,501
Total Other Financing Sources (Uses)	(255,233)	(195,801)	(227,975)	(205,125)	(172,639)



OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025
(Unaudited)

Schedule 2

<u>Special Revenue Fund</u>	Year Ended June 30,				
	2025	2024	2023	2022	2021
Total Assets	\$ 123,932	\$ 198,144	\$ 248,597	\$ 206,410	\$ 99,405
Total Liabilities			34,347	17,825	77,511
Total Fund Balances	123,932	198,144	214,250	188,585	21,894
Total Revenues	1,073,253	1,270,258	1,650,438	1,553,899	843,441
Total Expenditures	1,147,465	1,286,364	1,641,093	1,401,959	825,838
Total Other Financing Sources (Uses)			16,320	14,751	



OMAHA SCHOOL DISTRICT NO. 6
BOONE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025
(Unaudited)

Schedule 2

<u>Other Aggregate Funds</u>	Year Ended June 30,				
	2025	2024	2023	2022	2021
Total Assets	\$ 882,971	\$ 820,124	\$ 758,873	\$ 688,960	\$ 604,369
Total Liabilities			1,500		405
Total Fund Balances	882,971	820,124	757,373	688,960	603,964
Total Revenues	94,376	75,683	64,412	62,836	919,536
Total Expenditures	286,762	208,733	223,974	168,214	1,741,661
Total Other Financing Sources (Uses)	255,233	195,801	227,975	190,374	253,030

