SPRINGDALE
PUBLIC SCHOOLS
Teach them All, All means ALL.

REGULATORY BASIS FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

with

INDEPENDENT AUDITOR'S REPORT

HCJ
CPAs & Advisors PLLC

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CPAs & Advisors PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Springdale School District No. 50
Springdale, Arkansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major governmental fund, and the aggregate remaining fund information of the Springdale School District No. 50 (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 Opinion 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, 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 Arkansas Code Ann. § 10-4-413(c) provided in Act 2201 of 2005 as 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 financial statements referred to in the first paragraph 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 of the District for the year then ended. Further, the District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Basis for Opinions

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. 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 Springdale School District No. 50 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 to the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Arkansas 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 determined, 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 practices prescribed or permitted by Arkansas Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Matters

Supplementary 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 units of service, schedule of state assistance, and 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,* are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The 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 units of service, schedule of state assistance, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

Other Information

The schedule of capital assets has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

In connection with our audit of the regulatory financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 March 6, 2026, 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 grant agreements and other matters. The purpose of that report is 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.

HCJ CPAs & Advisors, PLLC

Little Rock, Arkansas
March 6, 2026

FINANCIAL STATEMENTS

SPRINGDALE SCHOOL DISTRICT NO. 50

BALANCE SHEET - REGULATORY BASIS

JUNE 30, 2025

	Governmental Funds			
	Major			
	General Fund	Special Revenue Fund	Other Governmental Funds	Fiduciary Fund Types
ASSETS				
Cash and Cash Equivalents	$ 38,178,030	$ 18,817,405	$ 44,948,130	$ 1,499,180
Accounts Receivable	602,894	1,827,770	2,101,591	-
Due from Other Funds	3,706,009	-	-	-
Total Assets	$ 42,486,933	$ 20,645,175	$ 47,049,721	$ 1,499,180
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$ 1,121,305	$ 71,738	$ 1,933,736	$ 21,744
Accrued Expenses	3,795,023	-	-	-
Due to Other Funds	-	1,604,418	2,101,591	-
Due to Student / Other Groups	-	-	-	1,477,436
Total Liabilities	4,916,328	1,676,156	4,035,327	1,499,180
Fund Balances:				
Restricted:				
State Programs	6,723,870	-	-	-
Federal Programs	-	18,969,019	-	-
Assigned:				
Capital Projects	-	-	43,014,394	-
Unassigned	30,846,735	-	-	-
Total Fund Balances	37,570,605	18,969,019	43,014,394	-
Total Liabilities and Fund Balances	$ 42,486,933	$ 20,645,175	$ 47,049,721	$ 1,499,180

See accompanying notes.

SPRINGDALE SCHOOL DISTRICT NO. 50

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - REGULATORY BASIS

YEAR ENDED JUNE 30, 2025

	Major		
	General Fund	Special Revenue Fund	Other Governmental Funds
REVENUES			
Property Taxes	$ 105,795,778	$ -	$ -
Interest	-	-	5,196,535
State Revenues	143,343,462	395,035	21,802,399
Federal Revenues	-	38,978,038	-
Food Services	-	1,928,700	-
Other	2,584,041	15,303	56,672
	251,723,281	41,317,076	27,055,606
EXPENDITURES			
Current:			
Regular Programs	88,783,586	4,771,965	-
Special Education	14,946,369	3,808,465	-
Workforce Education Programs	8,724,814	122,116	-
Compensatory Education Programs	2,119,434	4,800,861	-
Other Instructional Programs	21,022,117	12,187	-
Support Services - Students	11,077,495	1,616,604	-
Support Services - Instructional Staff	9,258,047	7,613,421	560
Support Services - General Administration	2,968,102	-	-
Support Services - School Administration	15,117,155	-	-
Central Support Services	4,251,191	277,265	-
Operating and Maintenance Plant Services	38,005,374	591,319	3,850,775
Student Transportation Services	7,965,431	19,932	-
Other Supporting Services	124,617	-	-
Food Service Operations	171,100	18,253,725	-
Community Service Operations	203,977	23,059	-
Building Acquisition and Construction	-	-	974,200
Site Improvement	-	-	2,891
Debt Service:			
Principal	-	-	5,985,000
Interest	-	-	7,178,463
Paying Agent's Fees	-	-	6,090
Capital Outlay	3,112,473	1,132,233	33,039,423
	227,851,282	43,043,152	51,037,402
Excess (Deficiency) of Revenues Over Expenditures	23,871,999	(1,726,076)	(23,981,796)
OTHER FINANCING (USES) SOURCES			
Gain on Sale of Assets	19,000	-	4,395,815
Indirect Costs	182,536	(228,312)	-
Transfers, Net	(19,116,265)	(53,286)	19,169,551
Total Other Financing (Uses) Sources	(18,914,729)	(281,598)	23,565,366
Net Change in Fund Balances	4,957,270	(2,007,674)	(416,430)
Fund Balance - Beginning	32,613,335	20,976,693	43,430,824
Fund Balance - Ending	$ 37,570,605	$ 18,969,019	$ 43,014,394

See accompanying notes.

SPRINGDALE SCHOOL DISTRICT NO. 50

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS

YEAR ENDED JUNE 30, 2025

	General Fund		
	Budget	**Actual**	**Variance**
REVENUES			
Property Taxes	$ 100,200,000	$ 105,795,778	$ 5,595,778
State Revenues	138,737,403	143,343,462	4,606,059
Federal Revenues	-	-	-
Food Services	-	-	-
Other	1,378,625	2,584,041	1,205,416
	240,316,028	251,723,281	11,407,253
EXPENDITURES			
Current:			
Instruction and Instructional-Related Services	144,154,243	135,596,320	8,557,923
Support Services	88,579,530	88,767,412	(187,882)
Non-Instructional Services	80,073	375,077	(295,004)
Capital Outlay	1,480,000	3,112,473	(1,632,473)
	234,293,846	227,851,282	6,442,564
Excess of Revenues over Expenditures	6,022,182	23,871,999	17,849,817
OTHER FINANCING SOURCES (USES)			
Gain on Sale of Assets	-	19,000	19,000
Indirect Costs	86,003	182,536	96,533
Transfers, Net	(13,084,280)	(19,116,265)	(6,031,985)
Total Other Financing (Uses) Sources	(12,998,277)	(18,914,729)	(5,916,452)
Net Change in Fund Balances	$ (6,976,095)	$ 4,957,270	$ 11,933,365

See accompanying notes.

Special Revenue Fund		
Budget	Actual	Variance
$ -	$ -	$ -
85,000	395,035	310,035
36,282,823	38,978,038	2,695,215
1,915,000	1,928,700	13,700
-	15,303	15,303
38,282,823	41,317,076	3,034,253
12,986,467	13,515,594	(529,127)
10,633,644	10,118,541	515,103
25,041,857	18,276,784	6,765,073
6,200,000	1,132,233	5,067,767
54,861,968	43,043,152	11,818,816
(16,579,145)	(1,726,076)	14,853,069
-	-	-
(84,294)	(228,312)	(144,018)
(85,552)	(53,286)	32,266
(169,846)	(281,598)	(111,752)
$ (16,748,991)	$ (2,007,674)	$ 14,741,317

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The Springdale School District No. 50 (the "District") operates schools for students in grades Pre-Kindergarten through twelfth in Springdale, Arkansas. The District operates under current standards prescribed by the Arkansas Department of Education in accordance with the provision of the School Laws of Arkansas. The Board of Education, a seven (7) 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 District. There are no component units.

Fund Accounting

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

General Fund - The General Fund is the general operating fund and is used to account for all financial resources, except those required to be 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 expenditures for principal and interest.

Fiduciary Fund types include the following:

Private Purpose Trust Fund - Private Purpose Trust Fund accounts for activities that are not District programs, but are programs sponsored by private districts or other governments. Although the District serves as fiscal agent, the funds received and held under these programs are not available to support the District's activities and programs but are received and held for the benefit of individuals, private districts or other governments participating in the sponsored programs. The programs accounted for within this are expendable trust funds. The District does not have any private purpose accounts at year end.

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

Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA), which is an Other Comprehensive Basis of Accounting (OCBOA). This basis of accounting is prescribed by Arkansas 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 requires that basic financial statements present government-wide financial statements. Additionally, GAAP requires 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, leases, and debt in the financial statements, inclusion of net pension liability in the financial statements, specific procedures for the identification of major governmental funds, and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

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

Revenue Recognition Policies

Revenues are recognized when they become susceptible to accrual in accordance with the RBA, except for property taxes (see Property Taxes subtitle on page 9).

Capital Assets

Information on capital assets and related depreciation is reported in the accompanying schedule of capital assets. 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 fair value when received. The District maintains a threshold level of $2,500 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:

Asset Class	Estimated Useful Life in Years
Improvements/Infrastructure	20
Building	50
Machinery and Equipment	5-20

Property Taxes

Property taxes are levied in November based on property assessments (real and personal) 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 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. Arkansas 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.

Fund Balance Classifications

Fund balance is reported under the following five classifications:

1. **Nonspendable Fund Balance** - includes amounts that are not in a spendable form or are required to be maintained intact. The District does not have any nonspendable fund balance at year end.

2. **Restricted Fund Balance** - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. The Restricted for State Programs and Restricted for Federal Programs balances reflect amounts restricted for specific state and federal programs as mandated by respective state and federal grant or funding agreements.

3. **Committed Fund Balance** - includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority (the Board of Education) and does not lapse at year end. The District does not have any committed fund balance at year end.

4. **Assigned Fund Balance** - includes amounts *intended* for a specific purpose by the Board of Education or by a District official that has been delegated authority to assign amounts but are neither restricted nor committed. The District has assigned portions of its fund balance for construction or other capital outlay projects.

5. **Unassigned Fund Balance** - includes any remaining fund balance that has not been reported in any other classification. 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.

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 common for an individual source of funds to contain restricted and unrestricted (committed, assigned or unassigned) funds. The District has 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. The District's policy is to have expenditures spent from restricted amounts first at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District has 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 fund balance (if any) is reduced first, followed by assigned fund balance, and lastly unassigned fund balance.

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.

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.

Interfund Receivables and Payables

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

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.

Minimum Fund Balance Policies

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

Encumbrances

The District does not utilize encumbrance accounting.

Subsequent Events

The District has evaluated all subsequent event for potential recognition and disclosure through March 6, 2026, the date these financial statements were available to be issued.

Note 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)	$ 500,000	$ 500,000
Collateralized - Held by Pledging Bank or Pledging Bank's Trust Department in the District's Name	102,942,745	112,181,971
Total Deposits	$ 103,442,745	$ 112,681,971

Note 3: Accounts Receivable

The account receivable balance of $4,532,255 is comprised of the following at June 30, 2025:

	General Fund	Special Revenue Fund	Other Governmental Funds	Total
Federal Assistance	$ -	$ 1,827,770	$ -	$ 1,827,770
State Assistance	602,894	-	2,101,591	2,704,485
	$ 602,894	$ 1,827,770	$ 2,101,591	$ 4,532,255

Note 4: Commitments

Construction Commitments

The District was contractually obligated for eight construction contracts related to construction and renovation projects within the District, with a remaining contract balances of approximately $34,700,000 at June 30, 2025.

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, 2025	Maturities to June 30, 2025
Bonds Payable:					
7/1/2021	6/1/2051	2.00 – 5.00%	$ 94,600,000	$ 86,130,000	$ 8,470,000
3/30/2023	6/1/2051	3.00 – 5.00%	171,345,000	155,965,000	15,380,000
Totals			$ 265,945,000	$ 242,095,000	$ 23,850,000

Changes in long-term debt:

Description	Balance June 30, 2024	Issued	Refunded/ Retired	Balance June 30, 2025
Bonds Payable	$ 248,080,000	$ -	$ 5,985,000	$ 242,095,000

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

Year Ended June 30	Principal	Interest	Total
2026	$ 6,285,000	$ 6,879,213	$ 13,164,213
2027	6,600,000	6,564,963	13,164,963
2028	6,850,000	6,313,263	13,163,263
2029	7,070,000	6,092,563	13,162,563
2030	7,300,000	5,907,613	13,207,613
2031 - 2035	39,475,000	26,562,765	66,037,765
2036 - 2040	45,005,000	21,037,465	66,042,465
2041 - 2045	51,560,000	14,479,188	66,039,188
2046 - 2050	59,105,000	6,934,119	66,039,119
2051	12,845,000	364,342	13,209,342
Totals	$ 242,095,000	$ 101,135,494	$ 343,230,494

Security for Debt Payments

Arkansas Code § 6-20-1204 specifies procedures to be followed if a school district is delinquent in 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). ADE will recover the amount of any delinquent payment by withholding of a school district's state funding or a direct payment from the school district. The District had no delinquent payments during the period of audit.

Note 5: Accounts Payable and Accrued Expenses

The accounts payable balance and accrued expenses at June 30, 2025 were comprised of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund	Fiduciary Fund Types	Total
Vendor Payables	$ 1,121,305	$ 71,738	$ 1,933,736	$ 21,744	$ 3,148,523
Payroll Withholdings	3,795,023	-	-	-	3,795,023
	$ 4,916,328	$ 71,738	$ 1,933,736	$ 21,744	$ 6,943,546

Note 6: Operating Lease

The District leases office equipment under a non-cancelable operating lease with an original term of 5 years which will be charged to expense over the lease term as it becomes payable. The lease agreement has been extended through June 2026. Lease expense totaled approximately $124,000 for the year ending June 30, 2025. Future minimum rental payments for the succeeding year are:

2026	$ 124,422

Note 7: Interfund Transfers

The following details the transfers between governmental funds for operating purposes:

	General Fund	Special Revenue Fund	Other Governmental Funds	Total
Transfer in	$ 53,286	$ -	$ 19,169,551	$ 19,222,837
Transfer out	(19,169,551)	(53,286)	-	(19,222,837)
Totals	$ (19,116,265)	$ (53,286)	$ 19,169,551	$ -

Note 8: 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, by calling 1-501-682-1517, or by visiting the ATRS website at www.artrs.gov.

Funding policy: ATRS has contributory and non-contributory plans. Contributory members are required by law to contribute 7% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current employer rate is 15%.

The District's contributions to ATRS for nonfederally-funded employees for the years ended June 30, 2025, 2024, and 2023 were $23,529,779, $22,574,513, and $21,101,991, respectively. The District's contributions to ATRS for federally funded employees for the years ended June 30, 2025, 2024, and 2023 were $2,342,782, $3,074,903, and $4,157,703, respectively, equal to the required contributions for each year.

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, 2024 (actuarial valuation date and measurement date) was $197,906,283.

Note 9: Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District carries commercial insurance for coverage of buildings' contents, board liability, theft, student accidents, bus drivers, and business trip accidental death and dismemberment. Settled claims have not exceeded this commercial 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.

The District is a member of the Arkansas School Board Association Workers' Compensation Trust (the Trust), a self-insurance trust voluntarily established on July 1, 1994, pursuant to state law. The fund was created by members to formulate, develop and administer a program of self-funding for the fund's membership, obtain lower costs for Workmen's Compensation Coverage and develop a comprehensive loss control program. The District pays an annual premium to the fund for its Workmen's Compensation Coverage. The Trust is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance for monitoring, negotiating, and settling claims that have been filed on behalf of and against member districts. The Trust's governing agreement specifies that the Trust will be self-sustaining through member premiums and will reissue through commercial carriers for claims in excess of specified stop loss amounts.

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

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.

Note 10: Litigation and Contingencies

The District is subject to claims and lawsuits that arise primarily in the ordinary course of business. Neither the ultimate outcome nor an estimated range of potential loss can be determined. Management and legal counsel are of the opinion that the likelihood of a financially material outcome is small and, thus, no provision has been made in the financial statements for any potential liabilities.

The District participates in federally assisted grant programs. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Note 11: On Behalf Payments

During the year ended June 30, 2025, health insurance premiums of $5,299,466 were paid by the Arkansas Department of Education to the Arkansas Employee Benefits Division on behalf of District employees.

OTHER REPORTS AND SUPPLEMENTARY INFORMATION

SPRINGDALE SCHOOL DISTRICT NO. 50

SCHEDULE OF CAPITAL ASSETS

YEAR ENDED JUNE 30, 2025

(Unaudited)

Nondepreciable Capital Assets:	
Land	$ 33,379,647
Construction in Progress	4,326,668
Total Nondepreciable Capital Assets	37,706,315
Depreciable Capital Assets:	
Site Improvements	58,142,291
Buildings	549,836,603
Machinery and Equipment	66,517,033
Total Depreciable Capital Assets	674,495,927
Less Accumulated Depreciation for:	
Site Improvements	5,838,163
Buildings	140,052,391
Machinery and Equipment	43,926,312
Total Accumulated Depreciation	189,816,866
Total Depreciable Capital Assets, Net	484,679,061
Capital Assets, Net	$ 522,385,376

SPRINGDALE SCHOOL DISTRICT NO. 50

SCHEDULE OF UNITS OF SERVICE - CHILD AND ADULT CARE FOOD PROGRAM

YEAR ENDED JUNE 30, 2025

	Meals Served			
Month	**Breakfast**	**Lunch**	**Dinner**	**Snack**
July 2024	-	-	-	-
August 2024	-	2,086	-	12,376
September 2024	-	11,279	-	17,541
October 2024	-	17,847	-	20,335
November 2024	-	10,787	-	14,582
December 2024	-	8,308	-	13,824
January 2025	-	9,339	-	15,378
February 2025	-	10,725	-	13,773
March 2025	-	9,573	-	14,993
April 2025	-	13,995	-	19,586
May 2025	-	4,559	-	15,022
June 2025	-	-	-	-
Total	-	98,498	-	157,410

SPRINGDALE SCHOOL DISTRICT NO. 50

SCHEDULE OF STATE ASSISTANCE

YEAR ENDED JUNE 30, 2025

Arkansas Department of Education	
State Foundation Funding	$ 104,687,062
98% Uniform Rate of Tax Funding	977,614
Student Growth Funding	93,330
Teacher Equalization Alternative Education Grant	874,924
LEARNS Teacher Minimum Salary and Raise Funding	3,848,532
Bonded Debt Assistance	431,416
State Partnership Funding	21,802,399
Computer Based Education Program	751,845
Professional Development Funding	813,923
AR School Recognition Program	164,334
LEP Allocation	2,705,472
Food Service State Matching	91,278
Special Education - Catastrophic Occurrences	1,033,629
Alternative Learning	2,796,830
Enhanced Student Achievement Funding	16,950,228
Enhanced Student Achievement Funding Matching Grant	138,373
Arkansas Better Chance Program	1,141,863
Arkansas Better Chance Building Grants	176,013
AP Exam Award	85,559
Reduced Meal Copays	303,757
Extended School Year Funding	171,134
Professional Learning Grant	757,055
Child Supervision Extended School Year Funding	105,659
National Board Certification	932,140
Early Childhood Special Education	559,567
Residential Treatment	1,786,337
State School Safety Grant	1,136,464
Career Education	5,000
Computer Science Bonus	9,812
National Board of Professional Teaching	10,600
Early Intervention Day Treatment Centers	198,747
Total State Assistance	$ 165,540,896

CPAs & Advisors PLLC

INDEPENDENT AUDITOR'S 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*

To the Board of Education
Springdale School District No. 50
Springdale, Arkansas

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 Springdale School District No. 50 (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 March 6, 2026.

We issued an adverse opinion because the District prepared the financial statements in conformity with accounting practices prescribed by the Arkansas Code Arkansas 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 these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position thereof, and the budgetary results 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 financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for determining 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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To the Board of Education
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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 have not been 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 laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 result 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HCJ CPAs & Advisors, PLLC

HCJ CPAs & Advisors, PLLC
Little Rock, Arkansas
March 6, 2026

HCJ CPAs & Advisors PLLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Springdale School District No. 50
Springdale, Arkansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the Springdale School District No. 50 (the "District") with the types of compliance requirements identified as subject to audit 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, 2025. 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.

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, 2025.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

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To the Board of Education
Page Two

Auditor's Responsibilities of Management for Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Give these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

HCJ CPAs & Advisors, PLLC

HCJ CPAs & Advisors, PLLC
Little Rock, Arkansas
March 6, 2026

SPRINGDALE SCHOOL DISTRICT NO. 50

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Federal Grant/Pass-Through Grantor/Program Title	Pass Through Entity Identifying Number	Assistance Listing Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
U.S. Department of Agriculture			
Passed through Arkansas Department of Education:			
School Breakfast Program - Cash Assistance	7207	10.553	$ 3,962,815
National School Lunch Program - Cash Assistance	7207	10.555	10,040,076
National School Lunch Program - Non-Cash Assistance	7207	10.555	1,125,023
Performance Based Reimbursement	7207	10.555	248,886
After School Snack	7207	10.555	83,495
Fresh Fruit and Vegetable Program - Cash Assistance	7207	10.582	146,083
Total Child Nutrition Cluster			15,606,378
SPECIAL EDUCATION CLUSTER (IDEA)			
U.S. Department of Education			
Passed through Arkansas Department of Education:			
Title VI - Part B - Special Education Grants to States	7207	84.027	5,310,663
IDEA Title VI - Part B - Early Childhood Special Education Grants to States	7207	84.173	283,121
Total Special Education Cluster			5,593,784
CCDF CLUSTER:			
U.S. Department of Health and Human Services			
Passed through Arkansas Department of Human Services:			
Child Care and Development Block Grant	7207	93.575	1,393,018
Child Care and Development Block Grant	7207	93.596	1,584,813
Child Care and Development Block Grant	7207	93.596	6,000
Total CCDF Cluster			2,983,831
OTHER PROGRAMS:			
U.S. Department of Agriculture			
Passed through Arkansas Department of Human Services:			
Child and Adult Care Food Program	7207	10.558	582,365
U.S. Department of Education			
Direct program:			
Rehabilitation Services Vocational Rehabilitation	N/A	84.126	14,018
Passed through Arkansas Department of Education:			
Title I, Part A - Grants to Local Education Agencies	7207	84.010	5,980,083
Title I, Part A - School Improvement Section 1003	7207	84.010	3,594

SPRINGDALE SCHOOL DISTRICT NO. 50

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Federal Grant/Pass-Through Grantor/Program Title	Pass Through Entity Identifying Number	Assistance Listing Number	Federal Expenditures
Title I School Improvement Section 1003	7207	84.010	20,502
Title I, Part D - Neglected and Delinquent Children	7207	84.010	247,883
Migrant Education	7207	84.011	290,771
Carl D. Perkins Career and Education Act - Basic Grants	7207	84.048	283,629
CTE Certification - Basic Grants	7207	84.048	7,406
Title IV - B, 21st Century Community Learning Centers	7207	84.287	1,737,250
Title III, English Language Acquisition	7207	84.365	980,006
Title II, Part A	7207	84.367	976,943
Education for Homeless Children and Youth	7207	84.196	73,509
High Impact Tutoring	7207	21.027	151,320
Phone-Free Schools Grant	7207	21.027	255,869
COVID-19 Education Stabilization Fund - ESSER II	7207	84.425W	48,298
COVID-19 Education Stabilization Fund - ESSER III	7207	84.425U	315,099
Total Arkansas Department of Education			11,372,162
Total U.S. Department of Education			11,386,180
U.S. Department of Health and Human Services			
Passed through Arkansas Department of Education:			
Cooperative Agreements to Promote Adolescent Health	7207	93.079	1,286
Temporary Assistance for Needy Families	7207	93.558	2,600,000
Total U.S. Department of Health and Human Services			2,601,286
Total Other Programs			14,569,831
Total Expenditures of Federal Awards			$ 38,753,824

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. This schedule includes the federal awards activity of the District and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District did not elect to use the 10% deminimus indirect cost rate.

2. Medicaid reimbursements are defined as contracts for services and not federal awards, therefore, such reimbursements totaling $1,528,419 are not covered by the reporting requirements of the Uniform Guidance.

3. Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Education.

SPRINGDALE SCHOOL DISTRICT NO. 50

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDITOR'S RESULTS

1. Our report expresses an adverse opinion based on generally accepted accounting principles and an unmodified opinion based on a regulatory basis of accounting on the basic financial statements of Springdale School District No. 50.

2. The independent auditor's report on internal control over financial reporting described:

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

4. The independent auditor's report on internal control over compliance with requirements applicable to major federal awards programs described:

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance with requirements applicable to major federal awards was:

   ☒ Unmodified ☐ Modified ☐ Adverse ☐ Disclaimed

6. The audit disclosed findings required to be reported by The Uniform Guidance? ☐ Yes ☒ No

7. The Auditee's major programs were:

Cluster/Program	Assistance Listing Number(s)
• Special Education Cluster	84.027 and 84.173
• CCDF Cluster	93.596 and 93.575
• Title IV-B Twenty-First Century Community Learning Centers	84.287
• Temporary Assistance for Needy Families	93.558

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was $1,162,615.

SPRINGDALE SCHOOL DISTRICT NO. 50

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

9. The Auditee qualified as a low-risk auditee as that term is defined in the Uniform Guidance? ☒ Yes ☐ No

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS AUDIT

NONE

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS

NONE

SPRINGDALE SCHOOL DISTRICT NO. 50
SUPPLEMENTAL DATA SHEET AS REQUIRED BY ARKANSAS DEPARTMENT OF HUMAN SERVICES AUDIT GUIDELINES

YEAR ENDED JUNE 30, 2025

The following information is being provided to satisfy the requirements of Arkansas Department of Human Services Audit Guidelines:

1. Entity's Full Name:	Springdale School District No. 50 of Washington County
2. Entity's Address:	P.O. Box 8 Springdale, AR 72765
3. Entity's FEIN:	71-6021364
4. Entity's Telephone Number:	(479) 750-8804
5. Name of Director:	Dr. Jared Cleveland, Superintendent
6. Name of Contact Person:	Stacy Hopkins, Chief Financial Officer

HCJ CPAs & Advisors PLLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ARKANSAS STATE REQUIREMENTS

To the Board of Education
Springdale School District No. 50
Springdale, Arkansas

We have examined management's assertions that Springdale School District No. 50 (the "District") substantially complied with the requirements of Arkansas Code Annotated 6-1-101 and the applicable laws and regulations including those listed in the accompanying schedule of statutes required to be addressed by the Arkansas Department of Education during the year ended June 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the District and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement. In our opinion, Springdale School District No. 50 complied with the aforementioned requirements for the year ended June 30, 2025.

This report is intended solely for the information and use of the Board of Education, management, and the Arkansas Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

HCJ CPAs & Advisors, PLLC

HCJ CPAs & Advisors, PLLC
Little Rock, Arkansas
March 6, 2026

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SPRINGDALE SCHOOL DISTRICT NO. 50
SCHEDULE OF STATUTES REQUIRED BY ARKANSAS DEPARTMENT OF EDUCATION
YEAR ENDED JUNE 30, 2025

DESCRIPTION	STATUTES
Bidding & Purchasing Commodities	6-21-301 – 6-21-305; 6-13-628
Ethical Guidelines and Prohibitions	6-24-101 et seq.
Collateralization & Investment of Funds	6-20-222; 19-1-504
Deposit of Funds	19-8-104; 19-8-106
District Finances	
• School Debt	6-20-402
• District School Bonds	6-20-1201 – 6-20-1208; 6-20-1210
• Petty Cash	6-20-409
• Investment of Funds	19-1-504
Management of Schools	
• Board of Directors	6-13-608; 6-13-611 – 6-13-613; 6-13-617 – 6-13-620; 6-13-622
• District Treasurer	6-13-701
• Warrants/checks	6-17-918; 6-17-919; 6-20-403
Management Letter for Audit	14-75-101 – 14-75-104
Nonrecurring Salary Payments	6-20-412
Revolving Loan Fund	6-19-114; 6-20-801 et seq.
Classified Employees	6-17-2201 et seq.; 6-17-2301 et seq.
School Elections	6-13-630; 6-13-634; 6-14-106; 6-14-109; 6-14-118
Teachers and Employees	
• Personnel Policies	6-17-201 et seq., 6-17-2301
• Employment and Assignment	6-17-301 et seq.
• Teacher Licensure/Background Checks	6-17-401 et seq.
• Teacher Contracts	6-17-801 et seq.
• Employee Sick Leave	6-17-1201 et seq.; 6-17-1301 et seq.
• Minimum Wage Act	11-4-213; 11-4-218; 11-4-403; 11-4-405
Teacher Salaries and Foundation Funding Aid	6-17-803; 6-17-907 - 6-17-908; 6-17-911 – 6-17-913; 6-17-918; 6-17-919; 6-17-2401 et seq.
Education Excellence Trust Fund	6-5-307
Use of Contractors, Improvement Contracts	22-9-201 – 22-9-205
Use of DM&O Millage	26-80-110
On Behalf Payments	The amounts of funds paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of District's employees

SPRINGDALE SCHOOL DISTRICT NO. 50
SCHEDULE OF STATUTES REQUIRED BY ARKANSAS DEPARTMENT OF EDUCATION (CONTINUED)
YEAR ENDED JUNE 30, 2025

DESCRIPTION	STATUTES
Regulatory Basis of Accounting	10-4-413(c)
Real Estate and Personal Property Tax Appeals	26-35-802
School District Procurement Law	6-21-301 et. seq.; 19-11-206; 19-11-249
Fiscal Accountability	6-20-1901, et. seq.
Enhanced Student Achievement Funding ESA	6-20-2305(B)(4)(F)(I)
Limitation on Fund Balances	6-20-2210
CARES Act (COVID-19) Education Funding	https://dese.ade.arkansas.gov/Offices/Federal-Programs/federal-programs/cares-act-crrsa-act-and-american-rescue-plan-arp-act
Charter Facilities Funding	6-23-908