

Camden Fairview School District No. 16

Ouachita County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2020



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OUACHITA COUNTY, ARKANSAS
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Arkansas



Sen. Ronald Caldwell
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Sen. Gary Stubblefield
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

INDEPENDENT AUDITOR'S REPORT

Camden Fairview School District No. 16 and School Board Members
Legislative Joint Auditing Committee

Report on the Financial Statements

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Camden Fairview School District No. 16 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2020, or the changes in financial position for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2020, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Other Matters

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
March 8, 2021
EDSD27820

Arkansas

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



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

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Camden Fairview School District No. 16 and School Board Members
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the Camden Fairview School District No. 16 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated March 8, 2021. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2020, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
March 8, 2021

Arkansas



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LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Camden Fairview School District No. 16 and School Board Members
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

We have audited the Camden Fairview School District No. 16's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
March 8, 2021

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 BALANCE SHEET - REGULATORY BASIS
 JUNE 30, 2020

Exhibit A

	Governmental Funds			
	Major			Fiduciary Fund Types
	General	Special Revenue	Other Aggregate	
ASSETS				
Cash	\$ 3,531,835		\$ 3,655,742	\$ 91,067
Investments				96,028
Accounts receivable	1,779	\$ 862,345		
Due from other funds	137,859			
TOTAL ASSETS	\$ 3,671,473	\$ 862,345	\$ 3,655,742	\$ 187,095
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 36,367	\$ 347,897		
Due student groups				\$ 86,043
Due to other funds		137,859		
Total Liabilities	36,367	485,756		86,043
Fund Balances:				
Restricted	373,220	376,589	\$ 359	101,052
Assigned	84,396		3,655,383	
Unassigned	3,177,490			
Total Fund Balances	3,635,106	376,589	3,655,742	101,052
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,671,473	\$ 862,345	\$ 3,655,742	\$ 187,095

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 GOVERNMENTAL FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2020

Exhibit B

	Major		Other Aggregate
	General	Special Revenue	
REVENUES			
Property taxes (including property tax relief trust distribution)	\$ 6,322,331		
State assistance	15,311,248	\$ 8,796	
Federal assistance		4,115,681	
Activity revenues	195,129		
Meal sales		114,730	
Investment income	127,556		
Other revenues	285,869	2,118	
TOTAL REVENUES	22,242,133	4,241,325	
EXPENDITURES			
Regular programs	7,321,000	6,620	
Special education	999,585	482,435	
Career education programs	625,239		
Compensatory education programs	227,929	821,385	
Other instructional programs	1,341,205	90,714	
Student support services	1,558,337	444,933	
Instructional staff support services	1,293,231	419,485	
General administration support services	596,478	71,794	
School administration support services	1,333,625		
Central services support services	517,316	564,701	
Operation and maintenance of plant services	2,649,252	390	
Student transportation services	1,642,309	6,128	
Other support services	43,470		
Food services operations		1,457,107	
Community services operations	729	447	
Facilities acquisition and construction services	99,544		
Non-programmed costs			
Activity expenditures	191,733		
Debt Service:			
Principal retirement	184,540		\$ 500,000
Interest and fiscal charges	22,349		164,156
Net debt issuance costs			127,523
TOTAL EXPENDITURES	20,647,871	4,366,139	791,679
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,594,262	(124,814)	(791,679)
OTHER FINANCING SOURCES (USES)			
Transfers in			2,059,656
Transfers out	(2,059,656)		
Proceeds from installment contract	467,401		
Proceeds from refunding bond issue			9,220,000
Payment to refunding bond escrow agent			(9,092,118)
Compensation for loss of capital assets	98,212		
TOTAL OTHER FINANCING SOURCES (USES)	(1,494,043)		2,187,538

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 GOVERNMENTAL FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2020

Exhibit B

	Major		Other Aggregate
	General	Special Revenue	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 100,219	\$ (124,814)	\$ 1,395,859
FUND BALANCES - JULY 1	<u>3,534,887</u>	<u>501,403</u>	<u>2,259,883</u>
FUND BALANCES - JUNE 30	<u><u>\$ 3,635,106</u></u>	<u><u>\$ 376,589</u></u>	<u><u>\$ 3,655,742</u></u>

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2020

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 6,170,000	\$ 6,322,331	\$ 152,331			
State assistance	14,855,975	15,311,248	455,273	\$ 30,000	\$ 8,796	\$ (21,204)
Federal assistance				3,605,162	4,115,681	510,519
Activity revenues	352,547	195,129	(157,418)			
Meal sales				157,165	114,730	(42,435)
Investment income	140,000	127,556	(12,444)			
Other revenues	338,465	285,869	(52,596)		2,118	2,118
TOTAL REVENUES	21,856,987	22,242,133	385,146	3,792,327	4,241,325	448,998
EXPENDITURES						
Regular programs	8,049,280	7,321,000	728,280	4,531	6,620	(2,089)
Special education	1,087,039	999,585	87,454	505,817	482,435	23,382
Career education programs	690,076	625,239	64,837	56,417		56,417
Compensatory education programs	227,234	227,929	(695)	845,385	821,385	24,000
Other instructional programs	1,436,599	1,341,205	95,394	90,715	90,714	1
Student support services	1,651,410	1,558,337	93,073	502,187	444,933	57,254
Instructional staff support services	1,397,369	1,293,231	104,138	403,723	419,485	(15,762)
General administration support services	659,981	596,478	63,503	69,299	71,794	(2,495)
School administration support services	1,348,310	1,333,625	14,685	40,225		40,225
Central services support services	554,366	517,316	37,050		564,701	(564,701)
Operation and maintenance of plant services	3,020,272	2,649,252	371,020		390	(390)
Student transportation services	1,478,295	1,642,309	(164,014)	2,000	6,128	(4,128)
Other support services	70,370	43,470	26,900			
Food services operations				1,584,318	1,457,107	127,211
Other enterprise operations						
Community services operations	2,530	729	1,801	500	447	53
Facilities acquisition and construction services	105,000	99,544	5,456			
Non-programmed costs				18,333		18,333
Activity expenditures	411,569	191,733	219,836			
Debt Service:						
Principal retirement	115,000	184,540	(69,540)			
Interest and fiscal charges		22,349	(22,349)			
TOTAL EXPENDITURES	22,304,700	20,647,871	1,656,829	4,123,450	4,366,139	(242,689)

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2020

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (447,713)	\$ 1,594,262	\$ 2,041,975	\$ (331,123)	\$ (124,814)	\$ 206,309
OTHER FINANCING SOURCES (USES)						
Transfers in	29,102,796		(29,102,796)	71,796		(71,796)
Transfers out	(29,973,002)	(2,059,656)	27,913,346			
Proceeds from installment contract		467,401	467,401			
Compensation for loss of capital assets		98,212	98,212			
TOTAL OTHER FINANCING SOURCES (USES)	(870,206)	(1,494,043)	(623,837)	71,796		(71,796)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,317,919)	100,219	1,418,138	(259,327)	(124,814)	134,513
FUND BALANCES - JULY 1	3,785,608	3,534,887	(250,721)	315,856	501,403	185,547
FUND BALANCES - JUNE 30	\$ 2,467,689	\$ 3,635,106	\$ 1,167,417	\$ 56,529	\$ 376,589	\$ 320,060

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

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

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

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

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

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

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

Fiduciary Fund types include the following:

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

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

C. Measurement Focus and Basis of Accounting

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

D. Revenue Recognition Policies

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

E. Capital Assets

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

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

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

F. Property Taxes

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (Continued)

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2019 calendar year taxes collected by June 30, 2020 and 4 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue property taxes or the option to accrue property taxes was not applicable because the amount of property taxes collected by June 30, 2020 equaled or exceeded the 4 percent calculation.

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

G. Interfund Receivables and Payables

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

H. Fund Balance Classifications

1. 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.
2. 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.
3. 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.

I. Budget and Budgetary Accounting

The District is required by state law to prepare an annual budget. The annual budget is prepared on a fiscal year basis. The District does not prepare and submit amended budgets during the fiscal year. The State Department of Education's regulations allow for the cash basis or the modified accrual basis. However, the majority of the school districts employ the cash basis method.

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis. Additionally, the District routinely budgets restricted federal programs as part of the special revenue fund. Significant variances may result in the budgetary comparison of the revenues and expenditures of the special revenue fund because of the reclassification of those federal programs primarily utilized for capital projects to the other aggregate funds for reporting purposes.

Budgetary perspective differences are not considered to be significant, because the structure of the information utilized in preparing the budget and the applicable fund financial statements is essentially the same.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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.

K. Minimum Fund Balance Policies

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

L. 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.

M. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash deposits are carried at cost (carrying value). A comparison of the bank balance and carrying value is as follows:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 253,571	\$ 253,571
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	7,037,658	8,729,915
Total Deposits	\$ 7,291,229	\$ 8,983,486

The above total deposits include certificates of deposit of \$12,585 reported as investments and classified as nonparticipating contracts.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

3. INVESTMENTS

At June 30, 2020 certain investments of the private-purpose trust consisted of \$39,771 invested in corporate bonds, \$31,869 invested in municipal bonds, and \$11,803 invested in Federated Trust for U.S. Treasury Obligations.

Credit risk- The District does not have a formal policy for credit risk and the bonds, in which the District was invested, were rated as follows:

<u>Investment</u>	<u>Rating</u>	<u>Maturity</u>	<u>Amount</u>
<u>Corporate Bonds</u>			
Anheuser-Busch Inbev	Baa1 (Standard and Poor's)	2/1/2026	\$ 11,179
Honeywell, Inc.	A (Standard and Poor's)	6/15/2028	7,000
JP Morgan Chase and Company	BBB+ (Standard and Poor's)	5/1/2023	10,698
Wells Fargo and Company	A (Standard and Poor's)	4/22/2026	10,894
Total Corporate Bonds			<u>\$ 39,771</u>
 <u>Municipal Bonds</u>			
Atwater, California School District	AA (Standard and Poor's)	8/1/2034	\$ 10,056
Duluth, Minnesota	AA (Standard and Poor's)	2/1/2030	10,854
University of Arkansas at Fayetteville	Aa2 (Moody's)	11/1/2040	5,460
Champaign IL	A+ (Standard and Poor's)	12/15/2033	5,499
Total Municipal Bonds			<u>\$ 31,869</u>
 <u>US Treasury Obligations</u>			
Federated Trust for U.S. Treasury Obligations		44 days (average)	<u>\$ 11,803</u>

Interest rate risk- The District does not have a formal policy limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair value of investments - Fair value measurements are based on the fair value hierarchy as follows:

- Level 1 - Quoted prices in active markets for identical assets
- Level 2 - Significant other observable inputs
- Level 3 - Significant unobservable inputs

Of the above investments, \$83,443 comprised of corporate bonds, municipal bonds, and U.S. Treasury obligations are classified in Level 2. There are no investments classified in Level 1 or Level 3.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

4: ACCOUNTS RECEIVABLE

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

Description	Governmental Funds	
	Major	
	General	Special Revenue
Federal assistance		\$ 862,345
Other	\$ 1,779	
Totals	\$ 1,779	\$ 862,345

5: COMMITMENTS

The District was contractually obligated for the following at June 30, 2020:

Long-term Debt Issued and Outstanding

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

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2020	Maturities To June 30, 2020
<u>Bonds</u>					
7/1/2013	4/1/2023	1 - 2.4%	\$ 4,670,000	\$ 1,445,000	\$ 3,225,000
2/27/2020	4/1/2033	1.15 - 2%	9,220,000	9,220,000	
Total Bonds			13,890,000	10,665,000	3,225,000
<u>Direct Borrowings</u>					
4/3/2020	5/18/2024	2.75%	467,401	369,976	97,425
4/1/2015	4/1/2025	3.75%	892,541	487,602	404,939
Total Direct Borrowings			1,359,942	857,578	502,364
Total Long-Term Debt			\$ 15,249,942	\$ 11,522,578	\$ 3,727,364

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

5: COMMITMENTS (Continued)

Long-term Debt Issued and Outstanding (Continued)

Changes in Long-term Debt

	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
Bonds payable	\$ 10,925,000	\$ 9,220,000	\$ 9,480,000	\$ 10,665,000
Direct Borrowings				
Capital lease	574,717		87,115	487,602
Installment contract		467,401	97,425	369,976
Total Direct Borrowings	574,717	467,401	184,540	857,578
Total Long-Term Debt	<u>\$ 11,499,717</u>	<u>\$ 9,687,401</u>	<u>\$ 9,664,540</u> *	<u>\$ 11,522,578</u>

* Includes \$8,980,000 early retirement of debt – See Note 6.

Future Principal and Interest Payments

Year Ended June 30,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 560,000	\$ 203,703	\$ 763,703	\$ 179,128	\$ 27,761	\$ 206,889
2022	780,000	176,535	956,535	185,024	21,865	206,889
2023	675,000	160,935	835,935	191,118	15,771	206,889
2024	815,000	147,725	962,725	197,410	9,479	206,889
2025	825,000	137,538	962,538	104,898	2,959	107,857
2026-2030	4,375,000	497,856	4,872,856			
2031-2033	2,635,000	101,700	2,736,700			
Totals	<u>\$ 10,665,000</u>	<u>\$ 1,425,992</u>	<u>\$ 12,090,992</u>	<u>\$ 857,578</u>	<u>\$ 77,835</u>	<u>\$ 935,413</u>

Capital Lease

Capital assets acquired through a capital lease consisted of the following at June 30, 2020:

Class of Property	Cost	Accumulated Depreciation	Net Value
Capital Improvements	<u>\$ 892,541</u>	<u>\$ 892,541</u>	<u>\$ 0</u>

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

5: COMMITMENTS (Continued)

Capital Lease (Continued)

The present value of the net minimum lease payments is as follows at June 30, 2020:

Total Minimum Lease Payments	\$	539,286
Less: Amount Representing Interest		51,684
Total Present Value of Net Minimum Lease Payments	\$	487,602

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: ACCOUNTS PAYABLE

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

Description	Governmental Funds	
	Major	
	General	Special Revenue
Vendor payables	\$ 36,367	\$ 347,897

7: DEBT REFUNDING

On February 27, 2020, the District issued refunding bonds of \$9,220,000 with interest rates of 1.15 to 2 percent to refund \$8,980,000 of outstanding bonds dated March 1, 2012. The interest rates of the bonds refunded were 1.5 to 3.25 percent. Net bond proceeds of \$9,092,118 were remitted to an escrow agent to provide all future debt service payments for the bonds refunded. These bonds were called on April 1, 2020. The remaining proceeds of \$359 (after payment of \$127,523 net bond issuance costs) will be utilized for subsequent debt payments. The issuance of these bonds will result in a savings of \$266,998 to the District over the life of the bonds.

8: INTERFUND TRANSFERS

The District transferred \$2,059,656 from general fund to the other aggregate funds for the following: \$664,156 for debt related payments and \$1,395,500 to supplement future capital projects.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Funding Policy

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6.25% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14.25% of covered salaries. The District's contributions to ATRS for the year ended June 30, 2020 were \$2,095,772, equal to the required contributions.

Net Pension Liability

The Division of Elementary and Secondary Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement no. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2019 (actuarial valuation date and measurement date) was \$20,464,470.

Arkansas Public Employees Retirement System

Plan Description

The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain non-teaching school employees. APERS, 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 Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol Avenue, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or by visiting the APERS website at www.apers.org.

Funding Policy

APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% 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 for school districts is 4% of covered salaries. The District's contributions to APERS for the year ended June 30, 2020 were \$2,129, equal to the required contributions.

Net Pension Liability

The Division of Elementary and Secondary Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement no. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2019 (actuarial valuation date and measurement date) was \$12,657.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

10: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS

ADDITIONS	
Interest	\$ 3,358
Unrealized gain	<u>3,399</u>
 TOTAL ADDITIONS	 <u>6,757</u>
 DEDUCTIONS	
Scholarships	900
Fees	<u>3,942</u>
 TOTAL DEDUCTIONS	 <u>4,842</u>
 CHANGE IN FUND BALANCE	 1,915
 FUND BALANCE - JULY 1	 <u>99,137</u>
 FUND BALANCE - JUNE 30	 <u><u>\$ 101,052</u></u>

11: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$13,890,000 issued from July 1, 2013 to February 27, 2020. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$12,090,992, payable through April 1, 2033. Principal and interest paid for the current year and total property taxes pledged for debt service were \$663,459 and \$1,673,558, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 39.64 percent.

12: 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 buildings, contents, vehicles, and student accident.

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.

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.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

13: 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 \$482,069 for the year ended June 30, 2020.

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

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Fund Balances:			
Restricted for:			
Enhanced student achievement funding	\$ 108,604		
English-language learners	31,716		
Professional development	24,668		
Secondary career centers	132,720		
Child nutrition programs		\$ 158,096	
Debt service			\$ 359
Medical services		212,102	
Special education programs	11,355		
Other purposes	64,157	6,391	
Total Restricted	<u>373,220</u>	<u>376,589</u>	<u>359</u>
Assigned to:			
Capital projects			3,655,383
Student activities	84,396		
Total Assigned	<u>84,396</u>		<u>3,655,383</u>
Unassigned	<u>3,177,490</u>		
Totals	<u>\$3,635,106</u>	<u>\$ 376,589</u>	<u>\$3,655,742</u>

15: RESPONSE TO COVID-19

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

16: COMPENSATION FOR LOSS OF CAPITAL ASSETS

Insurance proceeds totaling \$12,166 and \$86,046 were received for vehicle accidents and storm damages, respectively, during the year ended June 30, 2020.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 SCHEDULE OF CAPITAL ASSETS
 FOR THE YEAR ENDED JUNE 30, 2020
 (Unaudited)

Schedule 1

	Balance June 30, 2020
Nondepreciable capital assets:	
Land	<u>\$ 1,026,269</u>
Depreciable capital assets:	
Buildings	32,756,966
Improvements/infrastructure	1,368,293
Equipment	<u>9,720,431</u>
Total depreciable capital assets	<u>43,845,690</u>
Less accumulated depreciation for:	
Buildings	20,326,808
Improvements/infrastructure	510,853
Equipment	<u>7,421,712</u>
Total accumulated depreciation	<u>28,259,373</u>
Total depreciable capital assets, net	<u>15,586,317</u>
Capital assets, net	<u><u>\$ 16,612,586</u></u>

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
CHILD NUTRITION CLUSTER				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - School Breakfast Program	10.553	5204		\$ 267,226
Arkansas Department of Education - COVID-19 - School Breakfast Program	10.553	5204		37,501
Total for School Breakfast Program				<u>304,727</u>
National School Lunch Program (Note 3)	10.555			40,111
Arkansas Department of Education - National School Lunch Program	10.555	5204		640,651
Arkansas Department of Human Services - National School Lunch Program (Note 4)	10.555	5204000		48,152
Arkansas Department of Education - COVID-19 - National School Lunch Program	10.555	5204		59,661
Total for National School Lunch Program				<u>788,575</u>
Total U. S. Department of Agriculture				<u>1,093,302</u>
TOTAL CHILD NUTRITION CLUSTER				<u>1,093,302</u>
SPECIAL EDUCATION CLUSTER (IDEA)				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027	5204		647,391
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				<u>647,391</u>
OTHER PROGRAMS				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - Child Nutrition Discretionary Grants Limited Availability	10.579	5204		7,397
Total U. S. Department of Agriculture				<u>7,397</u>
<u>U. S. Department of Defense</u>				
ROTC (Note 5)	12.4414A			90,714
Total U. S. Department of Defense				<u>90,714</u>
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Rural Education	84.358	5204		92,313
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010	5204		1,203,831
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367	5204		117,495
Arkansas Department of Education - Student Support and Academic Enrichment Program	84.424	5204		86,472
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	5204		517,897
Total U. S. Department of Education				<u>2,018,008</u>
TOTAL OTHER PROGRAMS				<u>2,116,119</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 0</u>	<u>\$ 3,856,812</u>

The accompanying notes are an integral part of this schedule.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Camden Fairview School District No. 16 (District) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 4: Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.
- Note 5: The Federal CFDA Number was not available. An alternative identifying number was utilized.
- Note 6: The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 7: During the year ended June 30, 2020, the District received Medicaid funding of \$55,165 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2020

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

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

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major federal programs:

<input checked="" type="radio"/> Material weakness(es) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no
<input checked="" type="radio"/> Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no
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Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553 and 10.555 84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs:	<u>\$</u>	<u>750,000</u>
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Auditee qualified as low-risk auditee?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/>	no
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SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

CAMDEN FAIRVIEW PUBLIC SCHOOLS

OFFICE OF THE SUPERINTENDENT
625 Clifton
Camden, Arkansas 71701

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2020

FINANCIAL STATEMENT FINDINGS

There were no findings in the prior audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH ARKANSAS DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER – CFDA NUMBERS 10.553 AND 10.555

2019- Finding 2019-001: Eligibility

Condition: An Administrative Review for the District was completed by the ADE, CNU in December 2018 noting the following:

- Five out of fourteen applications chosen for verification had missing or incorrect income documents submitted by the households and one out of fourteen applications had a miscalculation on the income pay stub.
- of the 525 free/reduced price meal applications reviewed, five applications did not include the guardian's social security number, the eligibility status on three applications was determined incorrectly, and one application did not include an adult signature and the determining official's signature and date.

Current Status: Corrective action has been taken.

U.S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH ARKANSAS DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER – CFDA NUMBERS 10.553 AND 10.555

2019-Finding 2019-002: Reporting

Condition: An Administrative Review for the District was completed by the ADE, CNU in December 2018 noting the District's October reimbursement claim did not include sixty free meal status students and did not include preschool student meals.

Current Status: Corrective action has been taken.

An Equal Opportunity Employer

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16

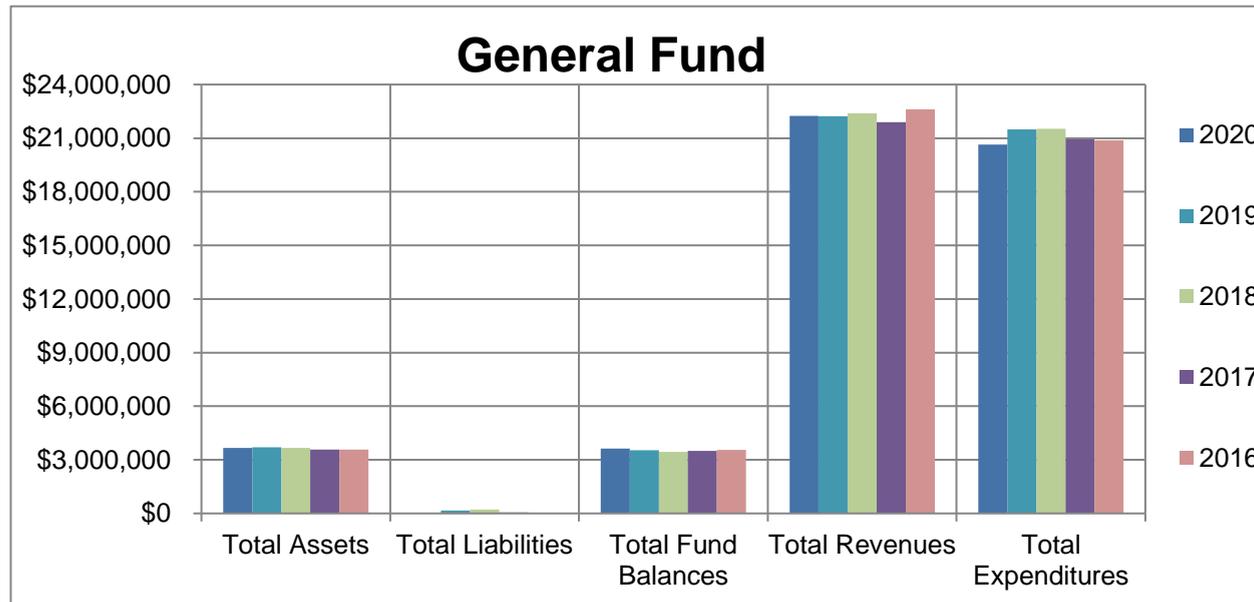
OUACHITA COUNTY, ARKANSAS

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2020

(Unaudited)

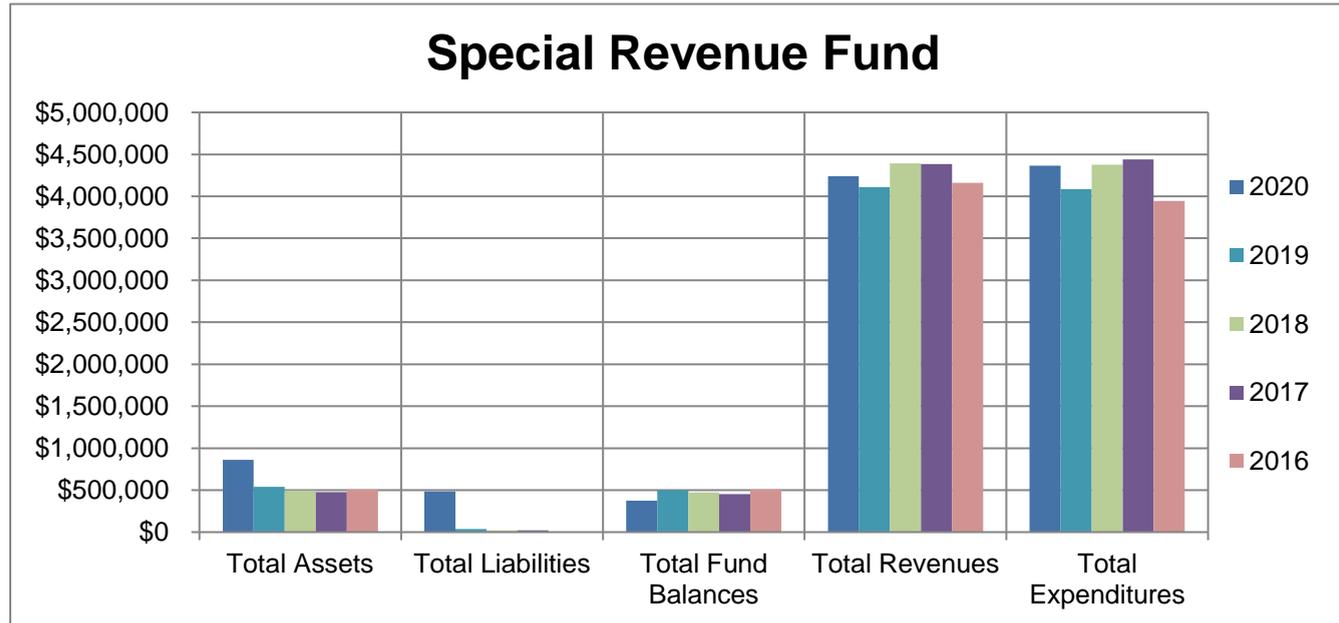
General Fund	Year Ended June 30,				
	2020	2019	2018	2017	2016
Total Assets	\$ 3,671,473	\$ 3,703,863	\$ 3,666,887	\$ 3,563,129	\$ 3,573,492
Total Liabilities	36,367	168,976	220,481	58,953	15,517
Total Fund Balances	3,635,106	3,534,887	3,446,406	3,504,176	3,557,975
Total Revenues	22,242,133	22,220,888	22,398,361	21,898,850	22,621,602
Total Expenditures	20,647,871	21,482,037	21,533,761	20,937,293	20,881,853
Total Other Financing Sources (Uses)	(1,494,043)	(650,370)	(922,370)	(1,015,356)	(1,739,972)



CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2020
 (Unaudited)

Special Revenue Fund	Year Ended June 30,				
	2020	2019	2018	2017	2016
Total Assets	\$ 862,345	\$ 538,647	\$ 496,132	\$ 475,039	\$ 509,746
Total Liabilities	485,756	37,244	23,351	19,970	3,249
Total Fund Balances	376,589	501,403	472,781	455,069	506,497
Total Revenues	4,241,325	4,111,712	4,392,917	4,385,974	4,160,234
Total Expenditures	4,366,139	4,086,910	4,376,413	4,438,788	3,945,654
Total Other Financing Sources (Uses)		3,820	1,208	1,386	1,594



CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16

OUACHITA COUNTY, ARKANSAS

SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2020

(Unaudited)

Other Aggregate Funds	Year Ended June 30,				
	2020	2019	2018	2017	2016
Total Assets	\$ 3,655,742	\$ 2,259,883	\$ 3,287,710	\$ 3,279,357	\$ 3,213,228
Total Liabilities					135,869
Total Fund Balances	3,655,742	2,259,883	3,287,710	3,279,357	3,077,359
Total Revenues				117,070	
Total Expenditures	791,679	1,674,377	907,683	829,560	1,349,246
Total Other Financing Sources (Uses)	2,187,538	646,550	916,036	914,488	1,738,378

