

Wonderview School District No. 2

Conway County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2021



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CONWAY COUNTY, ARKANSAS
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Arkansas

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Senate Chair
Sen. Gary Stubblefield
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Rep. Richard Womack
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Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

INDEPENDENT AUDITOR'S REPORT

Wonderview School District No. 2 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 Wonderview School District No. 2 (the "District"), as of and for the year ended June 30, 2021, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2021, 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, 2021, 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.

Emphasis of Matter

As discussed in Note 1C to the financial statements, in 2021 the District adopted new accounting guidance, Governmental Accounting Standards Board Statement no. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 April 14, 2022 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
April 14, 2022
EDSD07421

Arkansas

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



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

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

Wonderview School District No. 2 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 Wonderview School District No. 2 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated April 14, 2022. 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, 2021, 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

A handwritten signature in cursive script that reads "Matt Fink".

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
April 14, 2022



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



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE

ARKANSAS LEGISLATIVE AUDIT

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

INDEPENDENT AUDITOR'S REPORT

Wonderview School District No. 2 and School Board Members
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

We have audited the Wonderview School District No. 2'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, 2021. 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, 2021.

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



Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
April 14, 2022

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2021

Exhibit A

	Governmental Funds		
	Major		
	General	Special Revenue	Other Aggregate
ASSETS			
Cash	\$ 473,243	\$ 34,260	\$ 1,097,704
Investments	475,980		
Accounts receivable		17,745	
Deposit with paying agent			410,027
TOTAL ASSETS	<u>\$ 949,223</u>	<u>\$ 52,005</u>	<u>\$ 1,507,731</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	<u>\$ 18,543</u>	<u>\$ 9,233</u>	
Fund Balances:			
Restricted	131,896	42,772	\$ 858,828
Assigned	64,827		648,903
Unassigned	733,957		
Total Fund Balances	<u>930,680</u>	<u>42,772</u>	<u>1,507,731</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 949,223</u>	<u>\$ 52,005</u>	<u>\$ 1,507,731</u>

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

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit B

	Major		Other
	General	Special Revenue	Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	\$ 2,501,416		
State assistance	1,795,323	\$ 1,511	\$ 9,728
Federal assistance	14,628	766,443	253,177
Activity revenues	72,018		
Meal sales		11,566	
Investment income	20,220		7,987
Other revenues	6,501	1,082	2,500
TOTAL REVENUES	4,410,106	780,602	273,392
EXPENDITURES			
Regular programs	2,019,883	112,876	29,173
Special education	200,222	95,170	
Career education programs	196,306	2,968	
Compensatory education programs	73,557	154,414	2,379
Other instructional programs	137,342	971	
Student support services	110,050	50,409	
Instructional staff support services	89,647	42,786	
General administration support services	220,787	13,575	
School administration support services	181,540	1,951	
Central services support services	106,887	45,373	177,081
Operation and maintenance of plant services	501,979	18,775	4,533
Student transportation services	119,067	986	140,000
Other support services	13,239		
Food services operations		272,774	
Facilities acquisition and construction services		6,499	141,953
Activity expenditures	75,068		
Debt Service:			
Principal retirement			70,000
Interest and fiscal charges			117,757
Net debt issuance costs			52,385
TOTAL EXPENDITURES	4,045,574	819,527	735,261
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	364,532	(38,925)	(461,869)
OTHER FINANCING SOURCES (USES)			
Transfers in		20	375,743
Transfers out	(375,763)		
Proceeds from refunding bond issue			1,355,000
Payment to refunding bond escrow agent			(1,301,662)
TOTAL OTHER FINANCING SOURCES (USES)	(375,763)	20	429,081
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(11,231)	(38,905)	(32,788)
FUND BALANCES - JULY 1	941,911	81,677	1,540,519
FUND BALANCES - JUNE 30	\$ 930,680	\$ 42,772	\$ 1,507,731

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

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY 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, 2021

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 2,512,000	\$ 2,501,416	\$ (10,584)			
State assistance	1,695,456	1,795,323	99,867	\$ 2,000	\$ 1,511	\$ (489)
Federal assistance	30,000	14,628	(15,372)	602,438	766,443	164,005
Activity revenues		72,018	72,018			
Meal sales				3,500	11,566	8,066
Investment income		20,220	20,220			
Other revenues		6,501	6,501		1,082	1,082
TOTAL REVENUES	4,237,456	4,410,106	172,650	607,938	780,602	172,664
EXPENDITURES						
Regular programs	1,849,945	2,019,883	(169,938)	83,259	112,876	(29,617)
Special education	188,973	200,222	(11,249)	87,402	95,170	(7,768)
Career education programs	176,090	196,306	(20,216)		2,968	(2,968)
Compensatory education programs	87,586	73,557	14,029	208,035	154,414	53,621
Other instructional programs	121,702	137,342	(15,640)		971	(971)
Student support services	107,631	110,050	(2,419)	46,649	50,409	(3,760)
Instructional staff support services	91,962	89,647	2,315	30,038	42,786	(12,748)
General administration support services	252,270	220,787	31,483	15,538	13,575	1,963
School administration support services	176,709	181,540	(4,831)		1,951	(1,951)
Central services support services	102,150	106,887	(4,737)	15,000	45,373	(30,373)
Operation and maintenance of plant services	437,942	501,979	(64,037)		18,775	(18,775)
Student transportation services	107,792	119,067	(11,275)		986	(986)
Other support services	20,291	13,239	7,052			
Food services operations				164,093	272,774	(108,681)
Community services operations				500		500
Facilities acquisition and construction services					6,499	(6,499)
Activity expenditures		75,068	(75,068)			
TOTAL EXPENDITURES	3,721,043	4,045,574	(324,531)	650,514	819,527	(169,013)

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY 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, 2021

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 516,413	\$ 364,532	\$ (151,881)	\$ (42,576)	\$ (38,925)	\$ 3,651
OTHER FINANCING SOURCES (USES)						
Transfers in	5,460,906		(5,460,906)	31,415	20	(31,395)
Transfers out	(5,758,082)	(375,763)	5,382,319	(31,415)		31,415
TOTAL OTHER FINANCING SOURCES (USES)	(297,176)	(375,763)	(78,587)	0	20	20
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	219,237	(11,231)	(230,468)	(42,576)	(38,905)	3,671
FUND BALANCES - JULY 1	949,388	941,911	(7,477)	64,939	81,677	16,738
FUND BALANCES - JUNE 30	\$ 1,168,625	\$ 930,680	\$ (237,945)	\$ 22,363	\$ 42,772	\$ 20,409

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

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 Wonderview 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.

C. Measurement Focus and Basis of Accounting

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

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP require that basic financial statements present government-wide financial statements. Additionally, GAAP require the following major concepts: Management's Discussion and Analysis, accrual basis of accounting for government-wide financial statements, including depreciation expense, modified accrual basis of accounting for fund financial statements, separate financial statements for fiduciary fund types and other requirements for fiduciary fund types, separate identification of special and extraordinary items, inclusion of capital assets 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.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

D. Revenue Recognition Policies

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

E. Capital Assets

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

Asset Class	Estimated Useful Life in Years
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.

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.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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.

H. Budget and Budgetary Accounting

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

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

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

I. Stabilization Arrangements

The District's Board of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

J. Minimum Fund Balance Policies

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

K. Fund Balance Classification Policies and Procedures

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The District's Board of Education has not adopted a formal policy addressing this authorization.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Fund Balance Classification Policies and Procedures (Continued)

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balances when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

L. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 707,146	\$ 707,146
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	1,374,041	1,445,609
Total Deposits	<u>\$ 2,081,187</u>	<u>\$ 2,152,755</u>

The above total deposits include certificates of deposit of \$475,980 reported as investments and classified as nonparticipating contracts.

3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 were comprised of the following:

Description	Governmental Fund Major Special Revenue
Federal assistance	\$ 17,007
Meal sales	738
Totals	<u>\$ 17,745</u>

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2021:

A. Operating Lease (noncapital lease with initial noncancellable lease terms in excess of one year)

General description of lease and leasing arrangements:

Lease agreement for copiers dated August 8, 2019, in the amount of \$1,746 for 36 months.

1. Future minimum rental payments (aggregate) at June 30, 2021: \$24,442

2. If applicable, the basis on which contingent rental payments is determined:

Overage charge of \$.0171 per copy over 1,100,000 black and white copies and \$.093 per copy over 15,000 color copies annually.

3. Future minimum rental payments for the succeeding years:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ 20,951
2023	3,491
Total	<u>\$ 24,442</u>

Rental payments for the operating lease described above were approximately \$22,679 for the year ended June 30, 2021.

B. Long-term Debt Issued and Outstanding

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

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding June 30, 2021</u>	<u>Maturities To June 30, 2021</u>
<u>Bonds</u>					
9/1/11	9/1/28	4.73%	\$ 765,000	\$ 765,000	
3/5/20	2/1/39	1.5-2.125%	1,405,000	1,395,000	\$ 10,000
5/5/20	2/1/39	1.25-2.375%	2,035,000	1,975,000	60,000
8/19/20	2/1/39	.55-1.625%	1,355,000	1,355,000	
Total Bonds			<u>5,560,000</u>	<u>5,490,000</u>	<u>70,000</u>

Changes in Long-term Debt

	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
Bonds payable	<u>\$ 5,500,000</u>	<u>\$ 1,355,000</u>	<u>\$ 1,365,000 *</u>	<u>\$ 5,490,000</u>

* Includes \$1,295,000 early retirement of debt – See Note 6.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4: COMMITMENTS (Continued)

B. Long-term Debt Issued and Outstanding (Continued)

Future Principal and Interest Payments

Year Ended June 30,	Bonds		
	Principal	Interest	Total
2022	\$ 145,000	\$ 119,686	\$ 264,686
2023	190,000	117,921	307,921
2024	195,000	115,798	310,798
2025	200,000	113,448	313,448
2026	205,000	109,529	314,529
2027-2031	1,980,000	436,586	2,416,586
2032-2036	1,565,000	204,130	1,769,130
2037-2039	1,010,000	40,337	1,050,337
Totals	<u>\$ 5,490,000</u>	<u>\$ 1,257,435</u>	<u>\$ 6,747,435</u>

Qualified School Construction Bonds

On September 1, 2011, the District obtained funding of \$765,000 from Qualified School Construction Bonds, a debt financial arrangement authorized by the American Recovery and Reinvestment Act of 2009. The District will deposit a specified amount annually into a sinking fund for 17 years. This amount plus interest earned will be used to retire the debt when due.

Security for Debt Payments

Ark. Code Ann. § 6-20-1204 specifies procedures to be followed if a school district is delinquent in a payment to the paying agent for bonded debt. As additional security, any delinquent payment for bonded debt will be satisfied by the Division of Elementary and Secondary Education (DESE). Depending on the date of the bond issue, DESE will recover the full amount of any delinquency payment through the withholding of a school district's state funding or a direct payment from the school district. There were no delinquent bond payments incurred by the District during the audit period.

5: ACCOUNTS PAYABLE

Accounts payable at June 30, 2021 were comprised of the following:

Description	Governmental Funds	
	Major	
	General	Special Revenue
Vendor payables	<u>\$ 18,543</u>	<u>\$ 9,233</u>

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

6: DEBT REFUNDING

On August 19, 2020, the District issued refunding bonds of \$1,355,000 with interest rates of .55 to 1.625 percent to refund \$1,295,000 of outstanding bonds dated November 1, 2015. The interest rates of the bonds refunded were 1 to 3.125 percent. Net bond proceeds of \$1,301,662 were remitted to an escrow agent to provide all future debt service payments for the bonds refunded. These bonds were called on September 21, 2020. The remaining proceeds of \$953 (after payment of \$52,385 net bond issuance costs) will be utilized for subsequent debt payments. The issuance of these bonds will result in a savings of \$146,693 to the District over the life of the bonds.

7: INTERFUND TRANSFERS

The District transferred \$375,743 from the general fund to the other aggregate funds for debt related payments of \$170,696 and \$205,047 to supplement capital projects. Additionally, the District transferred \$20 from the general fund to the special revenue fund to supplement its food service operations.

8: RETIREMENT PLAN

Arkansas Teacher Retirement System

Plan Description

The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers employees of schools and education-related agencies, except certain non-teaching school employees. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201, by calling 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 6.50% 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 14.50% of covered salaries. The District's contributions to ATRS for the year ended June 30, 2021 were \$418,629, 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, 2020 (actuarial valuation date and measurement date) was \$4,955,340.

9: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$5,560,000 issued from September 1, 2011 to August 19, 2020. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$6,747,435, payable through February 1, 2039. Principal and interest paid for the current year and total property taxes pledged for debt service were \$186,518 and \$714,690, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 26.10 percent.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for out of state travel, board liability, and student accidents.

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

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

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

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

11: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Division of Elementary and Secondary Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$78,691 for the year ended June 30, 2021.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

12: 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	\$ 4,056		
English-language learners	2,930		
Professional development	2,104		
Capital projects			\$ 448,801
Child nutrition programs		\$ 738	
Debt service			410,027
Medical services		13,035	
Special education programs	32,297	2,256	
Education stabilization fund (COVID-19)		1,010	
Enhanced student achievement matching grant	87,545		
Other purposes	2,964	25,733	
Total Restricted	<u>131,896</u>	<u>42,772</u>	<u>858,828</u>
Assigned to:			
Capital projects			648,903
Student activities	64,827		
Total Assigned	<u>64,827</u>		<u>648,903</u>
Unassigned	<u>733,957</u>		
Totals	<u>\$ 930,680</u>	<u>\$ 42,772</u>	<u>\$1,507,731</u>

13: SUBSEQUENT EVENT

During the 2021-2022 school year, Board approved improvements were performed to the District's athletic fields with expenditures exceeding \$300,000. \$50,000 was received from Centennial Bank as a donation to assist in funding these improvements.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 1

	Balance June 30, 2021
Nondepreciable capital assets:	
Land	\$ 124,260
Depreciable capital assets:	
Buildings	7,754,301
Improvements/infrastructure	1,642,154
Equipment	1,405,939
Total depreciable capital assets	<u>10,802,394</u>
Less accumulated depreciation for:	
Buildings	2,501,492
Improvements/infrastructure	166,593
Equipment	843,355
Total accumulated depreciation	<u>3,511,440</u>
Total depreciable capital assets, net	<u>7,290,954</u>
Capital assets, net	<u><u>\$ 7,415,214</u></u>

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing 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	1505		\$ 62,374
National School Lunch Program (Note 3)	10.555			7,498
Arkansas Department of Education - National School Lunch Program	10.555	1505		147,538
Arkansas Department of Human Services - National School Lunch Program (Note 4)	10.555	1505000		13,841
Total for National School Lunch Program				168,877
Total U. S. Department of Agriculture				231,251
TOTAL CHILD NUTRITION CLUSTER				231,251
SPECIAL EDUCATION CLUSTER (IDEA)				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027A	1505		103,210
Arkansas Department of Education - Special Education - Preschool Grants	84.173A	1505		3,774
Total U. S. Department of Education				106,984
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				106,984
OTHER PROGRAMS				
<u>U.S. Department of the Treasury</u>				
Arkansas Department of Education - COVID-19 - Coronavirus Relief Fund	21.019	1505		36,094
Total U.S. Department of the Treasury				36,094
<u>U.S. Environmental Protection Agency</u>				
Arkansas Department of Environmental Quality - State Clean Diesel Grant Program	66.040	1505		24,830
Total U.S. Environmental Protection Agency				24,830
<u>U. S. Department of Education</u>				
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	1505		376,418
Total Education Stabilization Fund				376,418
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010A	1505		177,698
Rural Education	84.358A			40,114
Total U. S. Department of Education				594,230
TOTAL OTHER PROGRAMS				655,154
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 0	\$ 993,389

The accompanying notes are an integral part of this schedule.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

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 Wonderview School District No. 2 under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 4: Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.
- Note 5: The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 6: During the year ended June 30, 2021, the District received Medicaid funding of \$27,448 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

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

Internal control over financial reporting:

☒ Material weakness(es) identified?		yes	<input checked="" type="text" value="X"/>	no
☒ Significant deficiency(ies) identified?		yes	<input checked="" type="text" value="X"/>	none reported

Noncompliance material to financial statements noted?		yes	<input checked="" type="text" value="X"/>	no
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FEDERAL AWARDS

Internal control over major federal programs:

☒ Material weakness(es) identified?		yes	<input checked="" type="text" value="X"/>	no
☒ Significant deficiency(ies) identified?		yes	<input checked="" type="text" value="X"/>	none reported

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

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

AL Number(s)	Name of Federal Program or Cluster
84.027A and 84.173A	Special Education Cluster (IDEA)
84.425D	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?		yes	<input checked="" type="text" value="X"/>	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.

Schedule 4

2436 Hwy 95
Hattiesville, AR 72063-8929
Phone: (501) 354-0211
Fax: (501) 354-6071

Wonderview School District
Office of the Superintendent
Striving for Excellence

Jamie Stacks
Superintendent

Janet Goates
District Treasurer

Robin Church
Assistant Bookkeeper

Rhonda Robison
Secretary/Clerk

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
SUMMARY OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Financial Statement Findings:

There were no findings in the prior audit.

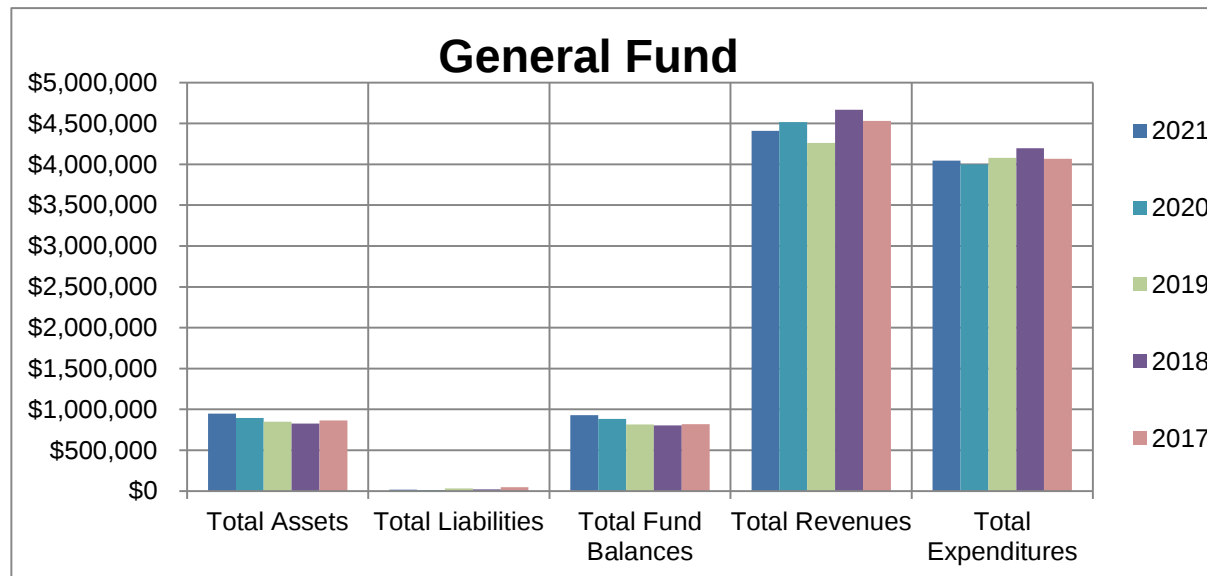
Federal Award Findings and Questioned Costs:

There were no findings in the prior audit.

WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 5

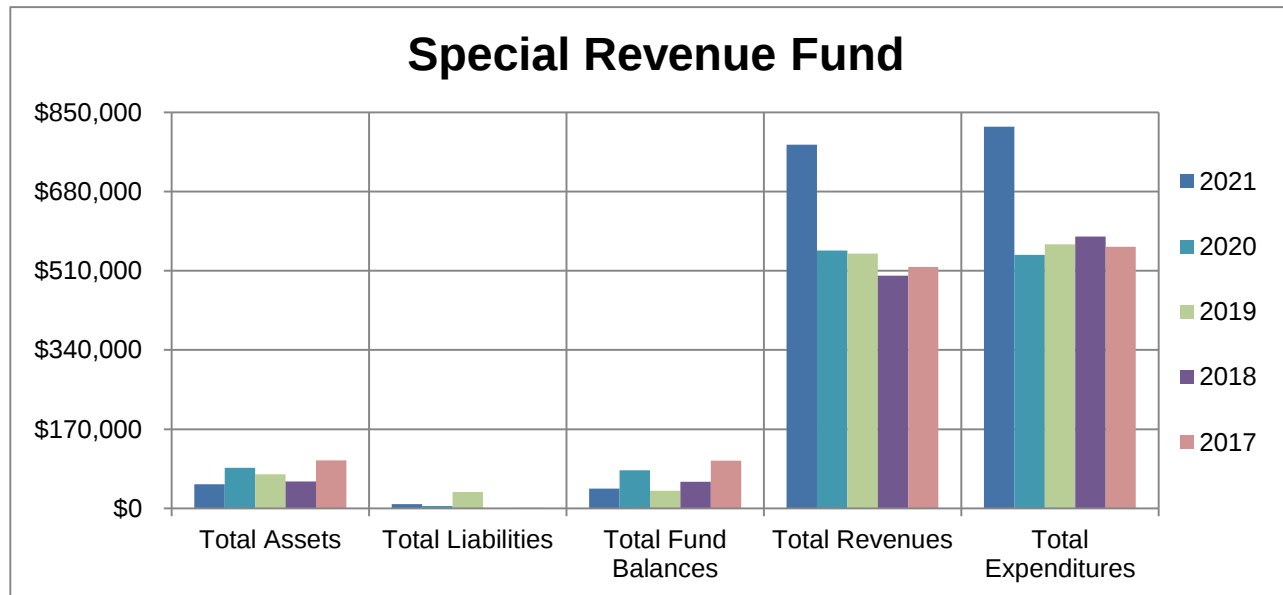
<u>General Fund</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 949,223	\$ 896,112	\$ 848,182	\$ 826,514	\$ 866,699
Total Liabilities	18,543	12,504	32,795	22,421	49,068
Total Fund Balances	930,680	883,608	815,387	804,093	817,631
Total Revenues	4,410,106	4,514,798	4,261,102	4,667,752	4,532,811
Total Expenditures	4,045,574	3,998,198	4,077,984	4,195,649	4,066,574
Total Other Financing Sources (Uses)	(375,763)	(448,379)	(171,824)	(485,641)	(807,131)



WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 5

<u>Special Revenue Fund</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 52,005	\$ 86,840	\$ 73,276	\$ 57,596	\$ 103,330
Total Liabilities	9,233	5,163	35,231	117	943
Total Fund Balances	42,772	81,677	38,045	57,479	102,387
Total Revenues	780,602	553,581	546,533	499,318	518,492
Total Expenditures	819,527	543,934	567,156	583,219	561,278
Total Other Financing Sources (Uses)	20	33,985	1,189	38,993	28,558



WONDERVIEW SCHOOL DISTRICT NO. 2
CONWAY COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 5

<u>Other Aggregate Funds</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 1,507,731	\$ 1,549,684	\$ 762,092	\$ 1,012,488	\$ 970,890
Total Liabilities		9,165	12,342		62
Total Fund Balances	1,507,731	1,540,519	749,750	1,012,488	970,828
Total Revenues	273,392	45,596	57,931	72,258	33,884
Total Expenditures	735,261	503,395	491,304	477,246	337,369
Total Other Financing Sources (Uses)	429,081	1,248,568	170,635	446,648	778,573

