

**West Memphis School District No. 4
Crittenden County, Arkansas
Regulatory Basis Financial Statements
and Other Reports**

June 30, 2023

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June 30, 2023

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INDEPENDENT AUDITORS' REPORT

The School Board
West Memphis School District No. 4
Legislative Joint Auditing Committee

Report on Audit of the Financial Statement

Opinions

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the West Memphis School District No. 4 (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the 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, 2023, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2023, or the changes in financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for

the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United State of America, to meet the financial reporting requirements of the State of Arkansas. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material, and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. According, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards (Schedule 2), 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 unaudited (Schedule 1), and the Supplemental Data Sheet (Schedule 5) are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements. The information 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.

Other Information

Management is responsible for the other information included in the report. The other information comprises the Schedule of Capital Assets and Supplemental Data Sheet but does not include the basic financial statements and other auditor's report thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, 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.

West Memphis, Arkansas
June 26, 2024

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**INDEPENDENT AUDITORS' 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***

The School Board
West Memphis School District No. 4
West Memphis, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the West Memphis School District No. 4, (the "District"), as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated June 26, 2024. 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, 2023, and the respective regulatory basis changes in financial position thereof and respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the 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 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 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.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

West Memphis, Arkansas
June 26, 2024

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The School Board
West Memphis School District No. 4
West Memphis, Arkansas

Report on Compliance for Each Major Program

Opinion on The Major Federal Program

We have audited the West Memphis School District No. 4's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major program for the year ended June 30, 2023. The District's major program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the auditor's Responsibilities of the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of

compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

West Memphis, Arkansas
June 26, 2024

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**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE WITH
ARKANSAS STATE REQUIREMENTS**

The School Board
West Memphis School District No. 4
West Memphis, Arkansas

We have examined management's assertions, included in its representation letter dated June 26, 2024, that the West Memphis School District No. 4 complied with the provisions listed at Arkansas Code Annotated 6-1-101 and other financial laws or regulations designated by the Arkansas Department of Education during the year ended June 30, 2023. As discussed in that representation letter, management is responsible for the District's compliance with those requirements. Our responsibility is to comment on substantial compliance with these requirements.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In the course of our examination, nothing came to our attention that caused us to believe there has been any lack of substantial compliance with Arkansas Code Annotated § 6-1-101 and certain other financial laws or regulations designated by the Arkansas Department of Education.

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

West Memphis, Arkansas
June 26, 2024

Jackson, Howell & Associates, PLLC

**West Memphis School District No. 4
Crittenden County, Arkansas
BALANCE SHEET - REGULATORY BASIS
June 30, 2023**

Exhibit A

	Governmental Funds		
	Major		
	<u>General</u>	<u>Special Revenue</u>	<u>Other Aggregate</u>
ASSETS			
Cash	\$10,799,434	\$4,534,388	\$13,024,540
Investments	-	-	-
Accounts receivable	86,933	383,423	-
TOTAL ASSETS	<u>\$10,886,367</u>	<u>\$4,917,811</u>	<u>\$13,024,540</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 58,561	\$ 119,190	\$ 1,444,484
TOTAL LIABILITIES	<u>58,561</u>	<u>119,190</u>	<u>1,444,484</u>
 FUND BALANCES:			
Restricted	2,382,088	4,798,621	3,262,730
Assigned	380,619	-	8,317,326
Unassigned	8,065,099	-	-
TOTAL FUND BALANCES	<u>10,827,806</u>	<u>4,798,621</u>	<u>11,580,056</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$10,886,367</u>	<u>\$4,917,811</u>	<u>\$13,024,540</u>

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

West Memphis School District No. 4
Crittenden County, Arkansas
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS - REGULATORY BASIS
For the Year Ended June 30, 2023

	<u>Major</u>		Exhibit B
	<u>General</u>	<u>Special Revenue</u>	<u>Other Aggregate</u>
REVENUES			
Property taxes (including property tax relief trust distribution)	\$14,244,968	\$ -	\$ -
State assistance	33,445,575	18,896	1,067,467
Federal assistance	-	22,769,340	-
Activity revenues	594,557	-	-
Meal sales	-	80,059	-
Interest income	42,592	-	21,241
Other revenue	992,020	6,650	-
TOTAL REVENUES	<u>49,319,712</u>	<u>22,874,945</u>	<u>1,088,708</u>
EXPENDITURES			
Regular programs	20,887,196	3,713,512	745,875
Special education	2,057,217	1,551,233	-
Career education programs	1,108,293	270,742	-
Compensatory education programs	131,548	3,557,302	-
Other instructional programs	958,537	86,384	-
Student support services	2,025,164	629,270	-
Instructional staff support services	3,576,899	2,434,775	-
General administration support services	1,451,058	364,251	-
School administration support services	2,801,311	287,742	-
Central services support services	1,328,891	1,677,575	-
Operation and maintenance of plant services	5,577,035	717,059	97,643
Student transportation services	1,039,870	222,714	-
Other support services	81,969	-	-
Food service operations	-	4,521,412	-
Community services operations	-	9,519	-
Activity expenditures	519,397	-	-
Facilities acquisition and construction services	2,665,844	144,074	12,529,836
Other building costs	-	2,510,291	-
Indirect costs	-	-	-
Non-programmed costs	-	-	-
Debt service:			
Principal retirement	-	-	835,000
Interest and fiscal charges	-	-	948,289
TOTAL EXPENDITURES	<u>46,210,229</u>	<u>22,697,855</u>	<u>15,156,643</u>

West Memphis School District No. 4
Crittenden County, Arkansas
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS - REGULATORY BASIS - CONTINUED
For the Year Ended June 30, 2023

	Exhibit B		
	Major		
	General	Special Revenue	Other Aggregate
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,109,483</u>	<u>177,090</u>	<u>(14,067,935)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,796,893
Transfers out	(1,796,893)	-	-
Return to state	(16,451)	-	-
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Other cost of bond issue	-	-	-
Compensation for loss of capital assets	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,813,344)</u>	<u>-</u>	<u>1,796,893</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>1,296,139</u>	<u>177,090</u>	<u>(12,271,042)</u>
FUND BALANCES - JULY 1	<u>9,531,667</u>	<u>4,621,531</u>	<u>23,851,098</u>
FUND BALANCES - JUNE 30	<u>\$10,827,806</u>	<u>\$4,798,621</u>	<u>\$11,580,056</u>

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

West Memphis School District No. 4
Crittenden 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, 2023

	General		Exhibit C
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes (including property tax relief trust distribution)	\$12,634,000	\$14,244,968	\$ 1,610,968
State assistance	35,312,512	33,445,575	(1,866,937)
Federal assistance	-	-	-
Activity revenue	-	594,557	594,557
Meal sales	-	-	-
Investment income	54,600	42,592	(12,008)
Other revenues	<u>202,577</u>	<u>992,020</u>	<u>789,443</u>
TOTAL REVENUES	<u>48,203,689</u>	<u>49,319,712</u>	<u>1,116,023</u>
EXPENDITURES			
Regular programs	21,632,292	20,887,196	745,096
Special education	2,306,522	2,057,217	249,305
Career education programs	1,121,785	1,108,293	13,492
Compensatory education programs	104,935	131,548	(26,613)
Other instructional programs	885,759	958,537	(72,778)
Student support services	1,987,914	2,025,164	(37,250)
Instructional staff support services	3,561,489	3,576,899	(15,410)
General administration support services	928,582	1,451,058	(522,476)
School administration support services	2,761,170	2,801,311	(40,141)
Central services support services	1,409,574	1,328,891	80,683
Operation and maintenance of plant services	6,098,466	5,577,035	521,431
Student transportation services	1,198,167	1,039,870	158,297
Other support services	64,744	81,969	(17,225)
Food services operations	-	-	-
Community services operations	-	-	-
Activity expenditures	-	519,397	(519,397)
Facilities acquisition and construction services	5,998,871	2,665,844	3,333,027
Other building costs	-	-	-
Debt services			
Principal retirement	-	-	-
Interest	-	-	-
TOTAL EXPENDITURES	<u>50,060,270</u>	<u>46,210,229</u>	<u>3,850,041</u>

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

Special Revenue

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -
20,374	18,896	(1,478)
37,279,447	22,769,340	(14,510,107)
-	-	-
96,258	80,059	(16,199)
-	-	-
-	6,650	6,650
<u>37,396,079</u>	<u>22,874,945</u>	<u>(14,521,134)</u>
3,289,867	3,713,512	(423,645)
2,306,602	1,551,233	755,369
320,618	270,742	49,876
4,943,325	3,557,302	1,386,023
167,023	86,384	80,639
1,296,443	629,270	667,173
4,097,767	2,434,775	1,662,992
454,557	364,251	90,306
283,076	287,742	(4,666)
1,523,218	1,677,575	(154,357)
306,427	717,059	(410,632)
778,954	222,714	556,240
-	-	-
4,564,289	4,521,412	42,877
15,000	9,519	5,481
-	-	-
684,414	144,074	540,340
12,541,466	2,510,291	10,031,175
-	-	-
-	-	-
<u>37,573,046</u>	<u>22,697,855</u>	<u>14,875,191</u>

West Memphis School District No. 4
Crittenden County, Arkansas
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
- REGULATORY BASIS - CONTINUED
For the Year Ended June 30, 2023

	Exhibit C		
	General		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	\$(1,856,581)	\$ 3,109,483	\$ 4,966,064
OTHER FINANCING SOURCES (USES)			
Transfers in	63,720,602	-	(63,720,602)
Transfers out	(61,843,496)	(1,796,893)	60,046,603
Return to state	-	(16,451)	(16,451)
Proceeds from sale of bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Other cost of bond issue	-	-	-
Compensation for loss of capital assets	-	-	-
TOTAL OTHER FINANCING	1,877,106	(1,813,344)	(3,690,450)
SOURCES (USES)			
EXCESS OF REVENUES AND OTHER			
FINANCING SOURCES OVER (UNDER)			
EXPENDITURES AND OTHER USES	20,525	1,296,139	1,275,614
FUND BALANCES - JULY 1	8,535,080	9,531,667	1,027,448
FUND BALANCES - JUNE 30	<u>\$ 8,555,605</u>	<u>\$10,827,806</u>	<u>\$ 2,303,062</u>

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

Special Revenue

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ (176,967)	\$ 177,090	\$ 354,057
267,680	-	(267,680)
(543,320)	-	543,320
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>(275,640)</u>	<u>-</u>	<u>275,640</u>
(452,607)	177,090	629,697
<u>3,610,247</u>	<u>4,621,531</u>	<u>1,011,284</u>
<u>\$ 3,157,640</u>	<u>\$4,798,621</u>	<u>\$ 1,640,981</u>

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 West Memphis 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.

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 Arkansas Code Annotated § 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, 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. 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.

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 fair 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>
Buildings	50
Improvements	20
Machinery and 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.

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

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.

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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 District's total fund balance 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 balance 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.

M. Events Occurring After Report Date

The District has evaluated events and transactions that occurred between June 30, 2023, and June 26, 2024, which is the date that the financial statements were available to be issued for possible recognition or disclosure in the financial statements.

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

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

	<u>Carrying Value</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 250,000	\$ 250,000
Collateralized		
Collateral held by the pledging bank or pledging bank's trust department in the District's name	<u>28,116,988</u>	<u>29,225,952</u>
Total Deposits	<u>\$28,366,988</u>	<u>\$29,475,952</u>

3: ACCOUNTS RECEIVABLE

The accounts receivable at June 30, 2023, were comprised of the following:

<u>Class of Receivable</u>	<u>Governmental Funds</u>	
	<u>Major</u>	
	<u>General</u>	<u>Special Revenue</u>
Federal assistance	\$ -	\$383,423
Other	<u>86,933</u>	<u>-</u>
Total	<u>\$86,933</u>	<u>\$383,423</u>

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2023:

A. Construction Contracts

<u>Project Name</u>	<u>Estimated Completion Date</u>	<u>Contract Balance</u>
Baseball/Softball	October 2023	\$ 2,254,679
Wonder Junior High School	July 2023	1,577,306
West Junior High School	July 2023	13,071,775
Performance Services	December 2024	<u>3,593,925</u>
Total		<u>\$20,497,685</u>

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

4: COMMITMENTS - CONTINUED

B. Leases (leases of nonfinancial assets with initial noncancellable lease terms in excess of one year)

General description of leases and leasing arrangements: 23 copiers at \$6,994 monthly.

Rental payments for the operating leases described above were approximately \$168,160 for the year ended June 30, 2023.

C. 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, 2023</u>	<u>Maturities to June 30, 2023</u>
<u>Bonds</u>					
11/07/2019	02/01/2050	2.50 to 3%	<u>\$35,360,000</u>	<u>\$33,135,000</u>	<u>\$2,225,000</u>
Totals			<u>\$35,360,000</u>	<u>\$33,135,000</u>	<u>\$2,225,000</u>

Changes in long-term debt:

	<u>Balance June 30, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
Bonds payable	<u>\$33,970,000</u>	<u>\$ -</u>	<u>\$835,000</u>	<u>\$33,135,000</u>

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 855,000	\$ 925,663	\$ 1,780,663
2025	880,000	904,288	1,784,288
2026	900,000	882,287	1,782,287
2027	925,000	859,787	1,784,787
2028	945,000	836,663	1,781,663
2029 - 2033	5,100,000	3,816,438	8,916,438
2034 - 2038	5,780,000	3,128,006	8,908,006
2039 - 2043	6,640,000	2,272,213	8,912,213
2044 - 2048	7,700,000	1,218,000	8,918,000
2049 - 2050	<u>3,410,000</u>	<u>154,199</u>	<u>3,564,199</u>
	<u>\$33,135,000</u>	<u>\$14,997,544</u>	<u>\$48,132,544</u>

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable at June 30, 2023, were comprised of the following:

<u>Description</u>	<u>Governmental Funds</u>		
	<u>Major</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Other Aggregate</u>
Vendor payables	\$58,561	\$119,190	\$ -
Contractor payable	<u>-</u>	<u>-</u>	<u>1,444,484</u>
Total	<u>\$58,561</u>	<u>\$119,190</u>	<u>\$1,444,484</u>

6: INTERFUND TRANSFERS

The District transferred \$1,796,893 out of the General Fund to the Other Aggregate Funds for \$13,604 to the building fund and \$1,783,289 for debt related payments.

7: 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 or by calling 1-800-666-2877 or by visiting ATRS website www.artrs.gov.

Funding Policy

ATRS has contributory and non-contributory 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 current salaries. The District's contributions to ATRS for the year ended June 30, 2023, were \$5,075,529, equal to the required contributions for each year.

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

7: RETIREMENT PLANS – CONTINUED

Arkansas Teacher Retirement System – continued

Net Pension Liability

The Arkansas Department of Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement No. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2022 (actuarial valuation date and measurement date) was \$48,207,739.

Arkansas Public Employees Retirement System

Plan Description

The District has participated in 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 and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that include financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employee Retirement System, 124 W. Capitol Avenue, Little Rock, Arkansas 72201 or 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, 2023, were \$-0-, equal to the required contributions.

Net Pension Liability

The Arkansas Department of Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement No. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2022 (actuarial valuation date and measurement date) was \$-0-.

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

8: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$33,135,000 issued on November 7, 2019. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$48,132,544, payable through February 1, 2050. Principal and interest paid for the current year and total property taxes pledged for debt service were \$1,781,538 and \$3,707,594, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 48.05 percent.

9: 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 legal liability (errors and omissions) for board members and employees, business trip accidental death and dismemberment, and student accident coverage.

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. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

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

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.

West Memphis School District No. 4
Crittenden County, Arkansas
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2023

10: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$1,160,798 for the year ended June 30, 2023.

**11: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS
 DISPLAYED IN THE AGGREGATE**

	<u>Governmental Funds</u>		
	<u>Major</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Other Aggregate</u>
Fund balances:			
Restricted for:			
Education programs - national school lunch state categorical funding	\$ 1,518,112	\$ -	\$ -
Declining enrollment	677,856	-	-
Child nutrition programs	-	4,642,678	-
Other federal programs	-	155,943	-
Capital projects	-	-	3,262,730
Alternative learning	-	-	-
ABC	73,069	-	-
Other	<u>113,051</u>	<u>-</u>	<u>-</u>
	2,382,088	4,798,621	3,262,730
Assigned to:			
Capital projects	-	-	8,317,326
Student activities	326,892	-	-
Other	<u>53,727</u>	<u>-</u>	<u>-</u>
	380,619	-	8,317,326
Unassigned	<u>8,065,099</u>	<u>-</u>	<u>-</u>
Totals	<u>\$10,827,806</u>	<u>\$4,798,621</u>	<u>\$11,580,056</u>

**West Memphis School District No. 4
Crittenden County, Arkansas
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2023
(Unaudited)**

Schedule 1

**Balance
June 30, 2023**

Nondepreciable capital assets:

Land	\$ 2,264,691
Construction in progress	<u>1,238,673</u>
Total nondepreciable capital assets	<u>3,503,364</u>

Depreciable capital assets:

Buildings	139,397,064
Improvements	10,703,431
Machinery & equipment	<u>21,735,024</u>
Total depreciable capital assets	<u>171,835,519</u>

Less accumulated depreciation for:

Buildings	27,538,766
Improvements	2,859,975
Machinery & equipment	<u>11,653,806</u>
Total accumulated depreciation	<u>42,052,547</u>

Total depreciable capital assets, net	<u>129,782,972</u>
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Capital assets, net	<u>\$133,286,336</u>
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West Memphis School District No. 4
Crittenden County, Arkansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Schedule 2

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
CHILD NUTRITION CLUSTER			
<u>U.S. Department of Agriculture</u>			
Passed through Arkansas Department of Education:			
School Breakfast Program	10.553	1803	\$1,175,312
National School Lunch Program	10.555	1803	2,711,553
National School Lunch Program (Note 7)	10.555		377,111
Passed Through Arkansas Department of Human Services:			
National School Lunch Program (Note 4)	10.555	1803000	189,626
Total for National School Lunch Program			<u>3,278,290</u>
TOTAL CHILD NUTRITION CLUSTER			<u>4,453,602</u>
Passed Through Arkansas Department of Education			
Child and Adult Care Food Program	10.558	1803	-
Total U.S. Department of Agriculture			<u>4,453,602</u>
 SPECIAL EDUCATION CLUSTER (IDEA)			
<u>U.S. Department of Education</u>			
Passed Through Arkansas Department of Education:			
Special Education Grants to States	84.027	1803	1,481,412
Special Education Preschool Grants (IDEA Preschool)	84.173	1803	<u>321,454</u>
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			<u>1,802,866</u>
 OTHER PROGRAMS			
<u>U.S. Department of Education</u>			
Passed Through Arkansas Department of Career Education:			
Career and Technical Education - Basic Grants to States	84.048	1803	186,355
Passed Through Arkansas Department of Education:			
Title I Grants to Local Education Agencies	84.010	1803	4,491,519
Supporting Effective Instruction State Grants	84.367	1803	302,551
Comprehensive Literacy Development	84.371C	1803	-
COVID-19 Education Stabilization Fund, Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	1803	11,270,035
Arkansas Thrive	84.425U	1803	<u>3,073</u>
Total U.S. Department of Education			<u>16,253,533</u>

West Memphis School District No. 4
Crittenden County, Arkansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
For the Year Ended June 30, 2023

Schedule 2

<u>U.S. Department of Defense</u>			
ROTC (Note 6)	12.AR190025		-
<u>U.S. Department of the Treasury</u>			
Arkansas Department of Education			
COVID 19 - Coronavirus Relief Fund	21.019	1803	40,127
Total Department of the Treasury			<u>40,127</u>
TOTAL OTHER PROGRAMS			<u>16,293,660</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$22,550,128</u>

The accompanying notes are an integral part of this schedule.

Note 1 - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of West Memphis School District No. 4 (District) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the 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 - During the year ended June 30, 2023, the District received Medicaid funding of \$389,717 from the Arkansas Department of Human Services. Such payments are not considered federal awards expended, and therefore, are not included in the above schedule.

Note 4 - Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.

Note 5 - The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 6 - The Assistance Listing Number for the ROTC program is not available. An alternative identifying number was utilized.

Note 7 - 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.

West Memphis School District No. 4
Crittenden County, Arkansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
For the Year Ended June 30, 2023

Schedule 3

Section II - Financial Statement Findings - Current year

No matters were reported.

Section III - Federal Award Program Findings and Questioned Costs

No matters were reported.



WEST MEMPHIS SCHOOL DISTRICT

TERRENCE A. BROWN - Ed.D SUPERINTENDENT
ADMINISTRATIVE OFFICE

POST OFFICE BOX 826 • WEST MEMPHIS, AR 72303 • (870) 735-1915

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2023

Schedule 4

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.

**West Memphis School District No. 4
Crittenden County, Arkansas
SUPPLEMENTAL DATA SHEET
June 30, 2023**

Schedule 5

Name and address:	West Memphis School District No. 4 301 S. Avalon West Memphis, Arkansas 72301
Employer Identification Number:	71-6021620
Telephone number:	870-735-1915
Superintendent	Willie Harris, Interim
Contact person:	Lisa Williams