

**OZARK SCHOOL DISTRICT NO. 14
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

OZARK SCHOOL DISTRICT NO. 14
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INDEPENDENT AUDITOR'S REPORT

To the School Board
Ozark School District No. 14
Ozark, Arkansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of **Ozark School District No. 14** (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 Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of **June 30, 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. Section 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 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. Section 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Arkansas.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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, required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Schedule of Expenditures of State Awards, are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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 the Schedule of Selected Information for the Last Five Years – Regulatory Basis but does not include the regulatory basis financial statements, supplementary information, and our auditor's report thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated **January 16, 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 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 internal control over financial reporting or on compliance. The 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.



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January 16, 2024

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

**To the School Board
Ozark School District No. 14
Ozark, 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 **Ozark School District No. 14** (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 **January 16, 2024**. We issued an adverse opinion because the District prepared the financial statements on the basis of financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The effects on the financial statements of the variances between the regulatory basis of accounting and U.S. GAAP, although not reasonably determinable, are presumed to be material and pervasive. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each 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, on the basis of accounting described in Note 1 to the financial statements.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered **Ozark School District No. 14's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Hubbs & Whitehead, CPAs". The script is cursive and fluid.

Hubbs & Whitehead, CPAs
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January 16, 2024

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

**To the School Board
Ozark School District No. 14
Ozark, Arkansas**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Ozark School District No. 14'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 each of the District's major federal programs for the year ended **June 30, 2023**. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2023**.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit 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 a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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 limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Hubbs & Whitehead, CPAs

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January 16, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ARKANSAS STATE REQUIREMENTS

**To the School Board
Ozark School District No. 14
Ozark, Arkansas**

We have examined management's assertions that **Ozark School District No. 14** (the District) substantially complied with the requirements of Arkansas Code Annotated 6-1-101 and applicable laws and regulations listed on Arkansas Department of Education form OCI 95-96 during the year ended **June 30, 2023**. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants 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 our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended **June 30, 2023**.

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

Hubbs & Whitehead, CPAs

**Hubbs & Whitehead, CPAs
Van Buren, Arkansas**

January 16, 2024

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OZARK SCHOOL DISTRICT NO. 14
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2023

	Governmental Funds				
	Major				
	General Fund	Special Revenue Fund	Other Funds in Aggregate	Fiduciary Funds	Total
ASSETS					
Cash and cash equivalents	\$ 3,422,092	\$ 950,599	\$ 3,995,698	\$ 99,475	\$ 8,467,864
Receivables	-	18,413	467,209	-	485,622
Total Assets	\$ 3,422,092	\$ 969,012	\$ 4,462,907	\$ 99,475	\$ 8,953,486
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 488,574	\$ 175,666	\$ 578,704	\$ 17,787	\$ 1,260,731
Due to student groups	-	-	-	81,688	81,688
Total Liabilities	488,574	175,666	578,704	99,475	1,342,419
Fund Balances:					
Restricted	152,990	793,346	91,514	-	1,037,850
Assigned	345,936	-	-	-	345,936
Unassigned	2,434,592	-	3,792,689	-	6,227,281
Total Fund Balances	2,933,518	793,346	3,884,203	-	7,611,067
Total Liabilities and Fund Balances	\$ 3,422,092	\$ 969,012	\$ 4,462,907	\$ 99,475	\$ 8,953,486

See Independent Auditor's Report and Notes to the Financial Statements.

OZARK SCHOOL DISTRICT NO. 14
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED JUNE 30, 2023

	Major		Other Funds	
	General Fund	Special Revenue Fund	In Aggregate	Total
REVENUES				
Property taxes	\$ 7,513,733	\$ -	\$ -	\$ 7,513,733
State assistance	8,925,205	191,965	-	9,117,170
Federal assistance	108,196	4,473,580	-	4,581,776
Activity revenues	86,872	-	-	86,872
Interest Income	15,838	-	57,637	73,475
Meal sales	-	127,585	-	127,585
Other revenues	113,454	-	477,109	590,563
Total Revenues	16,763,298	4,793,130	534,746	22,091,174
EXPENDITURES				
Regular programs	8,519,843	459,972	-	8,979,815
Special education	638,591	568,010	-	1,206,601
Vocational education	530,995	-	-	530,995
Compensatory education	284,286	547,970	-	832,256
Other instructional programs	465,640	-	-	465,640
Other support services	74,036	-	-	74,036
Student support services	801,411	104,321	107,600	1,013,332
Instructional staff support services	1,010,338	195,643	-	1,205,981
General administration support services	420,880	-	-	420,880
School administration support services	889,583	133	-	889,716
Business support services	201,445	-	-	201,445
Operation and maintenance of plant services	1,690,387	1,325,309	1,949,864	4,965,560
Student transportation services	987,501	94,415	-	1,081,916
Food service operations	3,713	1,246,820	-	1,250,533
Activity expenditures	109,291	-	-	109,291
Debt service:				
Principal retirement	-	-	630,000	630,000
Interest and fiscal charges	-	-	464,162	464,162
Total Expenditures	16,627,940	4,542,593	3,151,626	24,322,159
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	135,358	250,537	(2,616,880)	(2,230,985)
OTHER FINANCING SOURCES (USES)				
Transfers in	23,719,944	124,431	3,689,788	27,534,163
Transfers out	(24,344,621)	(124,431)	(3,065,111)	(27,534,163)
Total Other Financing Sources (Uses)	(624,677)	-	624,677	-
NET CHANGE IN FUND BALANCES	(489,319)	250,537	(1,992,203)	(2,230,985)
FUND BALANCES, BEGINNING OF YEAR	3,422,837	542,809	5,876,406	9,842,052
FUND BALANCES, END OF YEAR	\$ 2,933,518	\$ 793,346	\$ 3,884,203	\$ 7,611,067

See Independent Auditor's Report and Notes to the Financial Statements.

OZARK SCHOOL DISTRICT NO. 14
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
REGULATORY BASIS
YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 8,149,913	\$ 7,513,733	\$ (636,180)
State assistance	8,814,271	8,925,205	110,934
Federal assistance	91,000	108,196	17,196
Activity revenues	70,000	86,872	16,872
Interest income	17,000	15,838	(1,162)
Other revenues	110,000	113,454	3,454
	<u>17,252,184</u>	<u>16,763,298</u>	<u>(488,886)</u>
EXPENDITURES			
Regular programs	8,152,330	8,519,843	(367,513)
Special education	692,444	638,591	53,853
Vocational education	505,203	530,995	(25,792)
Compensatory education	299,855	284,286	15,569
Other instructional programs	465,219	465,640	(421)
Other support services	66,849	74,036	(7,187)
Student support services	791,837	801,411	(9,574)
Instructional staff support services	1,011,835	1,010,338	1,497
General administration support services	420,515	420,880	(365)
School administration support services	880,692	889,583	(8,891)
Business support services	176,261	201,445	(25,184)
Operation and maintenance of plant services	2,184,335	1,690,387	493,948
Student transportation services	1,066,990	987,501	79,489
Food service operations	3,713	3,713	-
Activity expenditures	-	109,291	(109,291)
	<u>16,718,078</u>	<u>16,627,940</u>	<u>90,138</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>534,106</u>	<u>135,358</u>	<u>(398,748)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	24,040,321	23,719,944	(320,377)
Transfers out	(24,514,113)	(24,344,621)	169,492
	<u>(473,792)</u>	<u>(624,677)</u>	<u>(150,885)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 60,314</u>	<u>(489,319)</u>	<u>\$ 549,633</u>
FUND BALANCE, BEGINNING OF YEAR		<u>3,422,837</u>	
FUND BALANCE, END OF YEAR		<u>\$ 2,933,518</u>	

See Independent Auditor's Report and Notes to the Financial Statements.

OZARK SCHOOL DISTRICT NO. 14
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
REGULATORY BASIS
YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
State assistance	\$ 5,500	\$ 191,965	\$ 186,465
Federal assistance	5,031,872	4,473,580	(558,292)
Meal sales	<u>138,800</u>	<u>127,585</u>	<u>(11,215)</u>
Total Revenues	<u>5,176,172</u>	<u>4,793,130</u>	<u>(383,042)</u>
EXPENDITURES			
Regular programs	941,440	459,972	481,468
Special education	744,231	568,010	176,221
Compensatory education	585,250	547,970	37,280
Student support services	193,731	104,321	89,410
Instructional staff support services	225,116	195,643	29,473
School administration support services	133	133	-
Operation and maintenance of plant services	1,621,403	1,325,309	296,094
Student transportation services	121,473	94,415	27,058
Food service operations	1,110,395	1,246,820	(136,425)
Community service operations	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Expenditures	<u>5,544,172</u>	<u>4,542,593</u>	<u>1,001,579</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(368,000)</u>	<u>250,537</u>	<u>618,537</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	205,789	124,431	(81,358)
Transfers out	<u>(124,431)</u>	<u>(124,431)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>81,358</u>	<u>-</u>	<u>(81,358)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (286,642)</u>	<u>250,537</u>	<u>\$ 537,179</u>
FUND BALANCE, BEGINNING OF YEAR		<u>542,809</u>	
FUND BALANCE, END OF YEAR		<u>\$ 793,346</u>	

See Independent Auditor's Report and Notes to the Financial Statements.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Ozark School District No. 14 (the District) is a political subdivision of the Arkansas Department of Education, governed by an elected five-member school board. The statements reflect all funds and accounts directly under the control of the District. Using the criteria of financial accountability, there are no component units that are or should be included in the District's report.

Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA), which is an Other Comprehensive Basis of Accounting (OCBOA). This basis of accounting is prescribed by Arkansas Code Annotated §10-4-413(c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented separate 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, specific procedures for the identification of major governmental funds and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

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

Revenue Recognition Policies

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

Encumbrances

The District does not utilize encumbrance accounting.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Capital Assets

Information on capital assets and related depreciation is reported in the supplementary information. 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 estimated useful lives of the assets, which range from 5 to 50 years.

Cash and Cash Equivalents

The District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents at June 30, 2023 totaled \$406. The District's cash and cash equivalents consist of demand deposits and certificates of deposit maintained at financial institutions. State statutes require that the District's funds be deposited in banks located in the State of Arkansas and that all deposit balances in excess of Federal Deposit Corporation (FDIC) insurance limits be collateralized.

Property Taxes

Property taxes are levied (tax rates are established) in November 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.

Arkansas Code Ann. Section 6-20-401 allows, but does not mandate, the District to accrue the difference between the 2022 calendar year taxes collected by June 20, 2023 and 8 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue these property taxes.

Amendment No. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. Arkansas Code Annotated 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 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.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Fund Balance Classifications

Fund balances represent the difference between assets and liabilities and are categorized as follows:

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.

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.

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.

For the purpose of fund balance classifications, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

Interfund Receivables and Payables

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

Budget and Budgetary Accounting

The District is required by law to prepare an annual budget. The annual budget is prepared on a fiscal year basis and is required to be submitted to the Arkansas Department of Education no later than September 30 of that year. The District does not prepare and submit amended budgets during the fiscal year. The annual budget is prepared on the RBA.

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 Balance – 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 Balance – Governmental Funds – Regulatory Basis.

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.

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.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates are assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from those estimates.

Description of Funds

Major governmental funds (per the RBA) are defined as General and Special Revenue.

General Fund – The General Fund is used to account for all 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 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 Project Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

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

Fiduciary funds include the following:

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

Minimum Fund Balance Policies

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

Subsequent Events

Subsequent events are evaluated through January 16, 2024, the date the financial statements were available to be issued.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 2: Deposits in Financial Institutions

Deposits in financial institutions are carried at cost (carrying value) and are reflected as cash, cash equivalents, and certificates of deposit on the Balance Sheet. A comparison of the bank balance and carrying value is as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 500,000	\$ 500,000
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name.	<u>7,967,864</u>	<u>7,815,716</u>
Total Deposits	<u>\$ 8,467,864</u>	<u>\$ 8,315,716</u>

Note 3: Receivables

Receivables at June 30, 2023 were comprised of the following:

	<u>Governmental Funds</u>		
	<u>Major</u>		
<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Other Funds in Aggregate</u>
Federal aid	<u>\$ -</u>	<u>\$ 18,413</u>	<u>\$ 467,209</u>

Note 4: On-Behalf Payments

The allocation of health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$400,548 for the year ended June 30, 2023.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 5: Interfund Transfers

Transfers between funds during the year ended June 30, 2023 were as follows:

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Operating Fund	\$ 15,489,314	\$ 24,344,621
Teacher Salary Fund	8,230,630	-
Special Revenue Fund	124,431	124,431
Other Funds in Aggregate		
Debt Service	1,094,162	-
Building Fund	<u>2,595,626</u>	<u>3,065,111</u>
	<u>\$ 27,534,163</u>	<u>\$ 27,534,163</u>

Note 6: Commitments

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition, construction, and operation of major capital facilities. General obligation bonds have been issued for the general government and to refund general obligation bonds. General obligation bonds are direct obligations and are secured by the full faith credit and resources of the District and all its revenues from whatever source derived (which are legally pledgeable). Each issue contains an option allowing bonds to be called in inverse numerical order on or after a specific date for redemption prior to maturity.

The District is currently paying on the following bonds:

<u>Date of issue</u>	<u>Date of Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding June 30, 2023</u>	<u>Maturities to June 30, 2023</u>
11/1/2015	2/14/2045	1.30 - 3.75%	\$ 9,900,000	\$ -	\$ 9,900,000
3/31/2020	2/1/2045	1.25 - 2.25%	6,055,000	5,775,000	280,000
12/1/2020	2/1/2045	0.85%	3,160,000	2,200,000	960,000
11/1/2021	2/1/2045	2.00 - 3.375%	<u>10,280,000</u>	<u>10,280,000</u>	<u>-</u>
			<u>\$ 29,395,000</u>	<u>\$ 18,255,000</u>	<u>\$ 11,140,000</u>

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Changes in bond activity for the year ended June 30, 2023 were as follows:

	Balance, July 1, 2022	Issued	Retired	Balance, June 30, 2023
Bonds payable	\$ 18,885,000	\$ -	\$ 630,000	\$ 18,255,000

Maturities of bonds are as follows:

Year Ended June 30	PRINCIPAL	INTEREST	TOTAL
2024	\$ 580,000	\$ 347,224	\$ 927,224
2025	575,000	342,786	917,786
2026	590,000	337,709	927,709
2027	595,000	332,128	927,128
2028	615,000	325,828	940,828
2029-2033	3,920,000	1,457,759	5,377,759
2034-2038	4,355,000	1,051,981	5,406,981
2039-2043	4,885,000	580,769	5,465,769
2044-2048	2,140,000	75,338	2,215,338
Total	\$ 18,255,000	\$ 4,851,522	\$ 23,106,522

Note 7: 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 all Arkansas public school employees, except certain nonteachers hired prior to July 1, 1989. ATRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy - ATRS has contributory and non-contributory plans. Contributory members are required by law to contribute 7.00% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current employer rate is 15.00%. The District's contributions to ATRS for the year ended June 30, 2023 was \$1,713,042, equal to the required contributions for each year.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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 pension liability. The District's proportionate share of the collective net pension liability at June 30, 2022 (actuarial valuation date and measurement date) was \$15,939,322.

Note 8: 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; and natural disasters.

The District carries commercial insurance for buildings, board liability, student accidents, and business trip accidental death and dismemberment.

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. The 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 \$250,000 with a \$1,000 deductible. 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 School Board 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 exceeds 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 buildings and contents coverage.

The District also participates in the Public School Property and Vehicle Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of 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 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.

Note 9: Contingencies

The District has received federal and state assistance in the form of grants and entitlements that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agencies for expenditures disallowed under terms and conditions specified in the grant agreements. In the opinion of the District's management such disallowance, if any, will not be significant.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 10: Pledged Revenues

The District has pledged a portion of its property taxes to retire bonds issued November 1, 2015, March 31, 2020, December 1, 2020, and November 1, 2021. The bonds were issued for various capital projects, refunding of previous bonds and the construction of new elementary, junior high and primary school buildings. Total principal and interest remaining on the bonds is \$23,106,522, payable through February 1, 2045. Principal and interest paid for the current year and total property taxes pledged for debt service were \$1,090,034 and \$2,634,686, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was approximately 41 percent.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 11: Governmental Fund Balances

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Fund Balances:			
Restricted for:			
ABC Stipend ESSER	\$ -	\$ 110	\$ -
ABC preschool	-	8,434	-
ALE	4,724	-	-
AR DHS - Stabilization	-	6,799	-
AR school recognition	9,900	-	-
Arkansas game & fish	5,210	-	-
Building legal 20%	-	-	91,514
Child nutrition programs	-	137,077	-
Child with disb resd tr	120	-	-
Decline enroll	7,328	-	-
DHS child care	-	91,700	-
DHS Operational Grant	-	35,000	-
DHS T.E.A.C.H. Grant	-	487	-
Eng language learners	411	-	-
GT AP	3,961	-	-
LEA SP ed supv	9,854	-	-
Medicaid (ARMAC)	-	244,290	-
Medicare catastrophic	-	123,587	-
Mentor	2,325	-	-
NIH UAMS Program	-	43,723	-
NSL match grant	2,118	-	-
NSLSF act 59	59,213	-	-
OWL grant	-	63,305	-
Partnership	19	-	-
Pre school	16,958	-	-
Professional development	62	-	-
Sped Eidt	-	27,058	-
State Clean Diesel Grant	21,483	-	-
State Special Ed Pre-K	8,060	-	-
Supp trans aid	1,244	-	-
Title I regular	-	11,776	-
Total Restricted	<u>152,990</u>	<u>793,346</u>	<u>91,514</u>
Assigned to:			
Student Activities	<u>345,936</u>	<u>-</u>	<u>-</u>
Total Assigned	<u>345,936</u>	<u>-</u>	<u>-</u>
Unassigned	<u>2,434,592</u>	<u>-</u>	<u>3,792,689</u>
Totals	<u>\$ 2,933,518</u>	<u>\$ 793,346</u>	<u>\$ 3,884,203</u>

SUPPLEMENTARY AND OTHER INFORMATION

OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF CAPITAL ASSETS (UNAUDITED)
JUNE 30, 2023

	Balance June 30, 2023
Non-depreciable capital assets	
Land	\$ 337,811
Depreciable capital assets	
Buildings	37,721,718
Improvements other than buildings	890,535
Machinery and equipment	6,896,063
	<u>45,508,316</u>
Less accumulated depreciation	<u>16,160,074</u>
Total depreciable capital assets	<u>29,348,242</u>
Capital assets, net	<u><u>\$ 29,686,053</u></u>

Notes:

Capital assets generally result from expenditures in governmental funds. These assets are not reported in the fund financial statement balance sheet - regulatory basis.

Capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated fair value as of the date received. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during construction is not capitalized.

Capital assets are not being depreciated include land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for the District's purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The District has established a capitalization threshold of \$1,000.

See Independent Auditor's Report.

OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Amount Expended
U.S. Department of Agriculture				
<i>Passed through State Department of Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	2404	\$ -	\$ 142,033
National School Lunch Program	10.555	2404	-	850,161
Total Child Nutrition Cluster			-	992,194
<i>Passed through State Department of Human Services:</i>				
Food Distribution Cluster:				
Commodity Supplemental Food Program	10.565	2404	-	37,979
Total Food Distribution Cluster			-	37,979
Other Programs:				
Fresh Fruit and Vegetable Program	10.582	2404	-	33,642
Total Other Programs			-	33,642
Total U.S. Department of Agriculture			-	1,063,815
U.S. Department of Education				
<i>Passed through State Department of Education:</i>				
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027	2404	-	523,409
Special Education - Preschool Grants (IDEA Preschool)	84.173	2404	-	43,259
Total Special Education Cluster			-	566,668
Other Programs:				
Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)	84.010	2404	-	609,207
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	2404	-	8,872
Rural Education	84.358	2404	-	90,621
Supporting Effective Instruction State Grants	84.367	2404	-	87,061
Comprehensive Literacy Development (SOAR Comp Lit Grant)	84.371	2404	-	15,959
COVID-19 - Education Stabilization Fund - State Educational Agency (Outlying Areas)	84.425A	2404	-	37,369
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	2404	-	213,048
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	2404	-	1,803,389
COVID-19 - ARP II - Homeless Children and Youth (ARPA-HCY II)	84.425W	2404	-	3,924
Total Other Programs			-	2,869,450
Total U.S. Department of Education			-	3,436,118
U.S. Department of Health and Human Services				
<i>Passed through State Department of Education:</i>				
Other Programs:				
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	2404	-	1,053
Total Other Programs			-	1,053
477 Cluster:				
Child Care and Development Block Grant	93.575	2404	-	1,443
Total 477 Cluster			-	1,443
Medicaid Cluster:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	2404	-	51,923
Total Medicaid Cluster			-	51,923
Total U.S. Department of Health and Human Services			-	54,419
Total Expenditures of Federal Awards			\$ -	\$ 4,554,352

See Independent Auditor's Report and Notes to the Financial Statements.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

- Note 1:** **Basis of Presentation** - The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of Ozark School District No. 14 (the District) for the year ended June 30, 2023. 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. The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.
- Note 3:** **Medicaid** - During the year ended June 30, 2023, the District received Medicaid funding of \$159,790 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.
- Note 4:** **Subrecipients** - Of the Federal expenditures presented in this schedule, the District did not provide any Federal awards to subrecipients.

OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2023

Program Grantor Program Title	State Revenues	State Expenditures
Arkansas Department of Education		
Arkansas Better Chance	\$ 202,800	\$ 205,817
Medicaid	159,791	168,412
AR DHS Stabilization	4,000	14,701
USDA Local Food Grant	3,146	3,145
ELC Reopening School	55,913	47,479
NIH UAMS Program	47,917	4,194
	<hr/>	<hr/>
Total	\$ 473,567	\$ 443,748
	<hr/>	<hr/>

Note 1: Basis of Presentation- This Schedule of Expenditures of State Awards includes the state program activity of Ozark School District No. 14 and is presented on the regulatory basis of accounting.

OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS (UNAUDITED)
YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>General Fund</u>					
Total Assets	\$ 3,422,092	\$ 3,726,029	\$ 3,264,684	\$ 3,610,859	\$ 3,024,402
Total Liabilities	488,574	303,192	139,795	135,516	257,969
Total Fund Balance	2,933,518	3,422,837	3,124,889	3,475,343	2,766,433
Total Revenues	16,763,298	16,711,799	16,332,089	16,801,590	16,731,035
Total Expenditures	16,627,940	14,755,701	14,339,493	14,126,982	14,935,739
Total Other Financing Sources (Uses)	(624,677)	(1,658,150)	(2,343,050)	(1,965,698)	(1,699,782)
<u>Special Revenue Fund</u>					
Total Assets	969,012	843,737	515,679	400,437	332,734
Total Liabilities	175,666	300,928	9,925	208	26,090
Total Fund Balance	793,346	542,809	505,754	400,229	306,644
Total Revenues	4,793,130	4,756,976	2,958,737	1,955,213	1,912,272
Total Expenditures	4,542,593	4,719,921	2,853,212	1,861,628	1,846,740
Total Other Financing Sources (Uses)	-	-	-	-	-
<u>Other Aggregate Funds</u>					
Total Assets	4,462,907	5,877,256	5,292,181	3,824,235	12,769,667
Total Liabilities	578,704	850	7,209	207,918	71,904
Total Fund Balance	3,884,203	5,876,406	5,284,972	3,616,317	12,697,763
Total Revenues	534,746	19,517	214,686	84,208	86,653
Total Expenditures	3,151,626	1,086,233	889,081	11,131,352	1,341,467
Total Other Financing Sources (Uses)	624,677	1,658,150	2,343,050	1,965,698	11,494,515

See Independent Auditor's Report.

**OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

I. Summary of Independent Auditor's Results

Financial Statement

Type of report issued:	GAAP basis of reporting – adverse Regulatory basis of opinion units - unmodified
Internal control over financial reporting:	
Material weakness identified?	No material weakness identified
Significant deficiencies identified that are not considered to be material weakness?	No significant deficiencies
Noncompliance statement:	No material noncompliance

Federal Awards

Internal control over major programs:	
Material weakness identified?	No material weakness identified
Significant deficiencies identified that are not considered to be material weakness?	None reported
Type of report issued on major programs:	Unmodified Opinion
Any audit finding disclosed that are required to be reported in accordance with the Uniform Guidance?	No

Major programs identified:

AL Number (s)	Name of Federal Program or Cluster
10.553, 10.555, 10.582	Child Nutrition Cluster
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief Fund

Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
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Statement of Risk of the Auditee	Low Risk
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**OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

II. Findings related to the financial statement audit as required to be reported in accordance with Generally Accepted *Government Auditing Standards*

No findings or questioned costs noted.

III. Findings and Questioned Costs for Federal Awards

No findings or questioned costs noted.

**OZARK SCHOOL DISTRICT NO. 14
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

Financial Statement Findings

No prior year findings.

Federal Award Findings

There were no findings in the prior audit.

**OZARK SCHOOL DISTRICT NO. 14
SUPPLEMENTAL DATA SHEET REQUIRED BY THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
YEAR ENDED JUNE 30, 2023**

Name and address:	Ozark School District No. 14 P.O. Box 135 Ozark, Arkansas 72949
Employer Identification Number:	71-6021538
Telephone Number:	(479)-667-4118
Superintendent:	Mr. Zane Vanderpool
Contact Person:	Mr. Zane Vanderpool