

OZARK SCHOOL DISTRICT NO. 14
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024



Hubbs & Whitehead, CPAs

Certified Public Accountants

1111 Fayetteville Road
Van Buren, AR 72956
Ph: (479) 474-3454
Fax: (479) 474-7165

handwcpas.com

**OZARK SCHOOL DISTRICT NO. 14
TABLE OF CONTENTS
JUNE 30, 2024**

INDEPENDENT AUDITOR’S REPORT	1
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 <i>GOVERNMENT AUDITING STANDARDS</i>.....	4
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....	6
BASIC FINANCIAL STATEMENTS	
Balance Sheet – Regulatory Basis.....	9
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – Regulatory Basis.....	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund – Regulatory Basis	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Fund – Regulatory Basis.....	12
Notes to the Financial Statements	13
SUPPLEMENTARY AND OTHER INFORMATION	
Schedule of Capital Assets (Unaudited)	23
Schedule of Expenditures of Federal Awards	24
Notes to the Schedule of Expenditures of Federal Awards	25
Schedule of Expenditures of State Awards	26
Schedule of Selected Information for the Last Five Years (Unaudited)	27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	28
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	30
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH ARKANSAS STATE REQUIREMENTS	31
SCHEDULE OF STATUTES REQUIRED BY THE ARKANSAS DEPARTMENT OF EDUCATION TO BE ADDRESSED IN INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE	32

Cliff Hubbs, CPA
Kenny Whitehead, CPA
Justin Anthony, CPA

1111 Fayetteville Road
Van Buren, AR 72956
Ph: (479) 474-3454
Fax: (479) 474-7165
handwcpas.com

Hubbs & Whitehead, CPAs
Certified Public Accountants



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, 2024**, 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, 2024**, 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, 2024**, 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.

Member of:

*American Institute of Certified Public Accountants
*Governmental Audit Quality Center

*Arkansas Society of Certified Public Accountants

*Oklahoma Society of Certified Public Accountants

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, as 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 the 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 Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards are 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.

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 other appears to be materially misstated. If, based on the work performed, we conclude that a material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated **January 17, 2025** 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.



Hubbs & Whitehead, CPAs
Van Buren, Arkansas

January 17, 2025

Cliff Hubbs, CPA
Kenny Whitehead, CPA
Justin Anthony, CPA

1111 Fayetteville Road
Van Buren, AR 72956
Ph: (479) 474-3454
Fax: (479) 474-7165
handwcpas.com

Hubbs & Whitehead, CPAs
Certified Public Accountants



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, 2024**, 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 17, 2025**. 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, 2024**, 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.

Member of:

*American Institute of Certified Public Accountants
*Governmental Audit Quality Center

*Arkansas Society of Certified Public Accountants

*Oklahoma Society of Certified Public Accountants

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



Hubbs & Whitehead, CPAs
Van Buren, Arkansas

January 17, 2025

Cliff Hubbs, CPA
Kenny Whitehead, CPA
Justin Anthony, CPA

1111 Fayetteville Road
Van Buren, AR 72956
Ph: (479) 474-3454
Fax: (479) 474-7165
handwcpas.com

Hubbs & Whitehead, CPAs
Certified Public Accountants



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, 2024**. 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, 2024**.

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.

Member of:

*American Institute of Certified Public Accountants
*Governmental Audit Quality Center

*Arkansas Society of Certified Public Accountants

*Oklahoma Society of Certified Public Accountants

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 GAAS, *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

Hubbs & Whitehead, CPAs
Van Buren, Arkansas

January 17, 2025

OZARK SCHOOL DISTRICT NO. 14
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2024

	<u>Governmental Funds</u>				
	<u>Major</u>				<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Other Funds in Aggregate</u>	<u>Fiduciary Funds</u>	
ASSETS					
Cash and cash equivalents	\$ 3,679,131	\$ 810,940	\$ 4,798,380	\$ 85,451	\$ 9,373,902
Receivables	-	10,959	-	-	10,959
Total Assets	<u>\$ 3,679,131</u>	<u>\$ 821,899</u>	<u>\$ 4,798,380</u>	<u>\$ 85,451</u>	<u>\$ 9,384,861</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 798,735	\$ 21,566	\$ 76,730	\$ 840	\$ 897,871
Due to student groups	-	-	-	84,611	84,611
Total Liabilities	<u>798,735</u>	<u>21,566</u>	<u>76,730</u>	<u>85,451</u>	<u>982,482</u>
Fund Balances:					
Restricted	189,306	821,900	91,514	-	1,102,720
Assigned	325,147	-	-	-	325,147
Unassigned	2,365,943	(21,567)	4,630,136	-	6,974,512
Total Fund Balances	<u>2,880,396</u>	<u>800,333</u>	<u>4,721,650</u>	<u>-</u>	<u>8,402,379</u>
Total Liabilities and Fund Balances	<u>\$ 3,679,131</u>	<u>\$ 821,899</u>	<u>\$ 4,798,380</u>	<u>\$ 85,451</u>	<u>\$ 9,384,861</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
GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED JUNE 30, 2024

	Major			Total
	General Fund	Special Revenue Fund	Other Funds in Aggregate	
REVENUES				
Property taxes	\$ 8,359,502	\$ -	\$ -	\$ 8,359,502
State assistance	11,155,557	15,243	-	11,170,800
Federal assistance	108,905	2,761,809	-	2,870,714
Activity revenues	114,642	-	-	114,642
Interest income	16,792	-	196,511	213,303
Meal sales	-	141,900	-	141,900
Other revenues	93,675	25,170	39,156	158,001
Total Revenues	19,849,073	2,944,122	235,667	23,028,862
EXPENDITURES				
Regular programs	9,456,461	622,958	-	10,079,419
Special education	657,071	575,393	-	1,232,464
Vocational education	445,047	8,979	-	454,026
Compensatory education	241,961	571,121	-	813,082
Other instructional programs	437,233	-	-	437,233
Other support services	77,558	-	-	77,558
Student support services	828,658	108,194	35	936,887
Instructional staff support services	1,017,043	106,101	-	1,123,144
General administration support services	463,904	-	-	463,904
School administration support services	890,788	-	-	890,788
Business support services	184,655	-	-	184,655
Operation and maintenance of plant services	2,136,334	10,743	298,185	2,445,262
Student transportation services	1,100,105	-	-	1,100,105
Food service operations	1,675	933,146	-	934,821
Community service operations	-	500	-	500
Activity expenditures	135,431	-	-	135,431
Debt service:				
Principal retirement	-	-	580,000	580,000
Interest and fiscal charges	-	-	348,271	348,271
Total Expenditures	18,073,924	2,937,135	1,226,491	22,237,550
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,775,149	6,987	(990,824)	791,312
OTHER FINANCING SOURCES (USES)				
Transfers in	23,178,933	126,835	1,828,271	25,134,039
Transfers out	(25,007,204)	(126,835)	-	(25,134,039)
Total Other Financing Sources (Uses)	(1,828,271)	-	1,828,271	-
NET CHANGE IN FUND BALANCES	(53,122)	6,987	837,447	791,312
FUND BALANCES, BEGINNING OF YEAR	2,933,518	793,346	3,884,203	7,611,067
FUND BALANCES, END OF YEAR	\$ 2,880,396	\$ 800,333	\$ 4,721,650	\$ 8,402,379

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, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 7,510,287	\$ 8,359,502	\$ 849,215
State assistance	10,008,163	11,155,557	1,147,394
Federal assistance	6,740	108,905	102,165
Activity revenues	75,760	114,642	38,882
Interest income	15,441	16,792	1,351
Other revenues	20,895	93,675	72,780
	17,637,286	19,849,073	2,211,787
EXPENDITURES			
Regular programs	8,318,324	9,456,461	(1,138,137)
Special education	648,829	657,071	(8,242)
Vocational education	476,367	445,047	31,320
Compensatory education	244,938	241,961	2,977
Other instructional programs	439,992	437,233	2,759
Other support services	61,849	77,558	(15,709)
Student support services	859,453	828,658	30,795
Instructional staff support services	967,565	1,017,043	(49,478)
General administration support services	405,391	463,904	(58,513)
School administration support services	894,410	890,788	3,622
Business support services	201,797	184,655	17,142
Operation and maintenance of plant services	2,203,130	2,136,334	66,796
Student transportation services	984,941	1,100,105	(115,164)
Food service operations	4,000	1,675	2,325
Activity expenditures	-	135,431	(135,431)
	16,710,986	18,073,924	(1,362,938)
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	926,300	1,775,149	848,849
OTHER FINANCING SOURCES (USES)			
Transfers in	23,791,339	23,178,933	(612,406)
Transfers out	(24,859,751)	(25,007,204)	(147,453)
	(1,068,412)	(1,828,271)	(759,859)
NET CHANGE IN FUND BALANCE	\$ (142,112)	(53,122)	\$ (88,990)
FUND BALANCE, BEGINNING OF YEAR		2,933,518	
FUND BALANCE, END OF YEAR		\$ 2,880,396	

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, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State assistance	\$ 5,500	\$ 15,243	\$ 9,743
Federal assistance	2,991,330	2,761,809	(229,521)
Meal sales	116,800	141,900	25,100
	-	25,170	25,170
 Total Revenues	 3,113,630	 2,944,122	 (169,508)
 EXPENDITURES			
Regular programs	644,451	622,958	21,493
Special education	381,334	575,393	(194,059)
Vocational education	-	8,979	(8,979)
Compensatory education	625,058	571,121	53,937
Student support services	180,877	108,194	72,683
Instructional staff support services	84,979	106,101	(21,122)
Operation and maintenance of plant services	-	10,743	(10,743)
Food service operations	1,052,593	933,146	119,447
Community service operations	1,950	500	1,450
	2,971,242	2,937,135	34,107
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 142,388	 6,987	 (135,401)
 OTHER FINANCING SOURCES (USES)			
Transfers in	126,835	126,835	-
Transfers out	(126,835)	(126,835)	-
	-	-	-
 Total Other Financing Sources (Uses)	 -	 -	 -
 NET CHANGE IN FUND BALANCE	 \$ 142,388	 6,987	 \$ (135,401)
 FUND BALANCE, BEGINNING OF YEAR		 793,346	
 FUND BALANCE, END OF YEAR		 \$ 800,333	

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, 2024

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, 2024

Capital Assets

Information on capital assets and related depreciation is reported in the supplementary and other 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. The District had no cash equivalents as of June 30, 2024. 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.

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, 2024

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, 2024

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and 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 17, 2025, the date the financial statements were available to be issued.

**OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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:

	Carrying Amount	Bank Balance
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.	8,873,902	9,100,258
Total Deposits	\$ 9,373,902	\$ 9,600,258

Note 3: Receivables

Receivables at June 30, 2024 were comprised of the following:

Description	Governmental Funds		
	Major		Other Funds in Aggregate
	General Fund	Special Revenue Fund	
Federal aid	\$ -	\$ 10,959	\$ -

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 \$409,672 for the year ended June 30, 2024.

**OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

Note 5: Interfund Transfers

Transfers between funds during the year ended June 30, 2024 were as follows:

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Operating Fund	\$ 15,051,213	\$ 25,007,204
Teacher Salary Fund	8,127,720	-
Special Revenue Fund	126,835	126,835
Other Funds in Aggregate		
Debt Service	928,271	-
Building Fund	900,000	-
	<u>\$ 25,134,039</u>	<u>\$ 25,134,039</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, 2024</u>	<u>Maturities to June 30, 2024</u>
3/31/2020	2/1/2045	1.25 - 2.25%	\$ 6,055,000	\$ 5,570,000	\$ 485,000
12/1/2020	2/1/2045	0.85%	3,160,000	1,825,000	1,335,000
11/1/2021	2/1/2045	2.00 - 3.375%	10,280,000	10,280,000	-
			<u>\$ 19,495,000</u>	<u>\$ 17,675,000</u>	<u>\$ 1,820,000</u>

**OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

Changes in bond activity for the year ended June 30, 2024 were as follows:

	Balance, July 1, 2023	Issued	Retired	Balance, June 30, 2024
Bonds payable	\$ 18,255,000	\$ -	\$ 580,000	\$ 17,675,000

Maturities of bonds are as follows:

Year Ended June 30	PRINCIPAL	INTEREST	TOTAL
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	725,000	318,684	1,043,684
2030-2034	4,025,000	1,383,619	5,408,619
2035-2039	4,455,000	964,194	5,419,194
2040-2044	5,010,000	474,006	5,484,006
2045	1,085,000	25,344	1,110,344
Total	\$ 17,675,000	\$ 4,504,298	\$ 22,179,298

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, 2024 was \$1,721,727, equal to the required contributions for each year.

**OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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, 2023 (actuarial valuation date and measurement date) was \$16,706,804.

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, 2024

Note 10: Pledged Revenues

The District has pledged a portion of its property taxes to retire bonds issued 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 \$22,179,298, payable through February 1, 2045. Principal and interest paid for the current year and total property taxes pledged for debt service were \$926,286 and \$2,931,254, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was approximately 32 percent.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

Note 11: Governmental Fund Balances

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Fund Balances:			
Restricted for:			
ABC Stipend ESSER	\$ -	\$ 110	\$ -
ALE	10,668	-	-
AR DHS - Stabilization	-	6,799	-
AR school recognition	8,181	-	-
Arkansas game & fish	594	-	-
Building legal 20%	-	-	91,514
Child nutrition programs	-	254,087	-
Child with disb resd tr	120	-	-
Decline enroll	7,328	-	-
DHS child care	-	15,297	-
DHS Operational Grant	-	35,000	-
DHS T.E.A.C.H. Grant	-	733	-
Eng language learners	104	-	-
GT AP	4,092	-	-
LEA SP ed supv	17,447	-	-
Medicaid (ARMAC)	-	351,426	-
Medicare catastrophic	-	41,207	-
Mentor	2,325	-	-
NIH UAMS Program	-	48,988	-
NSLSF act 59	36,105	-	-
OWL grant	-	41,195	-
Pre school	18	-	-
Professional development	17,235	-	-
Sped Catastrophic Lo	37,345	-	-
State Clean Diesel Grant	-	27,058	-
Student Growth	8,060	-	-
Supp trans aid	39,684	-	-
Total Restricted	189,306	821,900	91,514
Assigned to:			
Student Activities	325,147	-	-
Total Assigned	325,147	-	-
Unassigned	2,365,943	(21,567)	4,630,136
Totals	\$ 2,880,396	\$ 800,333	\$ 4,721,650

SUPPLEMENTARY AND OTHER INFORMATION

OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF CAPITAL ASSETS (UNAUDITED)
JUNE 30, 2024

	Balance June 30, 2024
Non-depreciable capital assets	
Land	\$ 337,811
Depreciable capital assets	
Buildings	37,289,206
Improvements other than buildings	1,428,133
Machinery and equipment	7,299,089
	46,016,428
Less accumulated depreciation	18,247,196
Total depreciable capital assets	27,769,232
Capital assets, net	\$ 28,107,043

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. Library holdings are not capitalized. 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.

OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

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	\$ -	\$ 161,335
National School Lunch Program	10.555	2404	-	820,815
Fresh Fruit and Vegetable Program	10.582	2404	-	40,388
Total Child Nutrition Cluster			<u>-</u>	<u>1,022,538</u>
 <i>Passed through State Department of Human Services:</i>				
Food Distribution Cluster:				
Commodity Supplemental Food Program	10.565	2404	-	33,118
Total Food Distribution Cluster			<u>-</u>	<u>33,118</u>
Total U.S. Department of Agriculture			<u>-</u>	<u>1,055,656</u>
 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	-	397,065
Special Education - Preschool Grants (IDEA Preschool)	84.173	2404	-	9,592
Total Special Education Cluster			<u>-</u>	<u>406,657</u>
 Other Programs:				
Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)	84.010	2404	-	643,693
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	2404	-	31,110
Rural Education	84.358B	2404	-	94,292
Supporting Effective Instruction State Grants	84.367	2404	-	86,480
Comprehensive Literacy Development (SOAR Comp Lit Grant)	84.371	2404	-	129,041
COVID-19 - Education Stabilization Fund - State Educational Agency (Outlying Areas)	84.425A	2404	-	40,356
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	2404	-	17,855
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	2404	-	291,308
COVID-19 - ARP II - Homeless Children and Youth (ARPA-HCY II)	84.425W	2404	-	7,495
Total Other Programs			<u>-</u>	<u>1,341,630</u>
Total U.S. Department of Education			<u>-</u>	<u>1,748,287</u>
 U.S. Department of Health and Human Services				
<i>Passed through State Department of Education:</i>				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	2404	-	83,862
Total CCDF Cluster			<u>-</u>	<u>83,862</u>
 Medicaid Cluster:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	2404	-	12,563
Total Medicaid Cluster			<u>-</u>	<u>12,563</u>
Total U.S. Department of Health and Human Services			<u>-</u>	<u>96,425</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 2,900,368</u>

See Independent Auditor's Report and Notes to the Schedule.

OZARK SCHOOL DISTRICT NO. 14
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

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, 2024. 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.

Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.

Note 3: **Medicaid** - During the year ended June 30, 2024, the District received Medicaid funding of \$277,680 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.

See Independent Auditor's Report.

**OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2024**

Program Grantor Program Title	State Revenues	State Expenditures
Arkansas Department of Education		
Arkansas Better Chance	\$ 202,800	\$ 202,800
Medicaid	195,299	277,680
USDA Local Food Grant	11,855	11,855
ELC Reopening School	-	8,434
NIH UAMS Program	25,000	19,734
Total	\$ 434,954	\$ 520,503

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, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>General Fund</u>					
Total Assets	\$ 3,679,131	\$ 3,422,092	\$ 3,726,029	\$ 3,264,684	\$ 3,610,859
Total Liabilities	798,735	488,574	303,192	139,795	135,516
Total Fund Balance	2,880,396	2,933,518	3,422,837	3,124,889	3,475,343
Total Revenues	19,849,073	16,763,298	16,711,799	16,332,089	16,801,590
Total Expenditures	18,073,924	16,627,940	14,755,701	14,339,493	14,126,982
Total Other Financing Sources (Uses)	(1,828,271)	(624,677)	(1,658,150)	(2,343,050)	(1,965,698)
<u>Special Revenue Fund</u>					
Total Assets	821,899	969,012	843,737	515,679	400,437
Total Liabilities	21,566	175,666	300,928	9,925	208
Total Fund Balance	800,333	793,346	542,809	505,754	400,229
Total Revenues	2,944,122	4,793,130	4,756,976	2,958,737	1,955,213
Total Expenditures	2,937,135	4,542,593	4,719,921	2,853,212	1,861,628
Total Other Financing Sources (Uses)	-	-	-	-	-
<u>Other Aggregate Funds</u>					
Total Assets	4,798,380	4,462,907	5,877,256	5,292,181	3,824,235
Total Liabilities	76,730	578,704	850	7,209	207,918
Total Fund Balance	4,721,650	3,884,203	5,876,406	5,284,972	3,616,317
Total Revenues	235,667	534,746	19,517	214,686	84,208
Total Expenditures	1,226,491	3,151,626	1,086,233	889,081	11,131,352
Total Other Financing Sources (Uses)	1,828,271	624,677	1,658,150	2,343,050	1,965,698

See Independent Auditor's Report.

**OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

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
84.010	Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)

Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
---------------------------------------------------------------------	-----------

Statement of Risk of the Auditee	Low Risk
----------------------------------	----------

**OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

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, 2024**

Financial Statement Findings

No prior year findings.

Federal Award Findings

There were no findings in the prior audit.

Cliff Hubbs, CPA
Kenny Whitehead, CPA
Justin Anthony, CPA

1111 Fayetteville Road
Van Buren, AR 72956
Ph: (479) 474-3454
Fax: (479) 474-7165
handwcpas.com

Hubbs & Whitehead, CPAs
Certified Public Accountants



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, 2024**. 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, 2024**.

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 17, 2025

Member of:

*American Institute of Certified Public Accountants
*Governmental Audit Quality Center

*Arkansas Society of Certified Public Accountants

*Oklahoma Society of Certified Public Accountants

OZARK SCHOOL DISTRICT NO. 14
SCHEDULE OF STATUTES REQUIRED BY THE ARKANSAS DEPARTMENT OF EDUCATION TO BE ADDRESSED IN
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
YEAR ENDED JUNE 30, 2024

<u>Descriptions</u>	<u>Statutes</u>
Bidding & Purchasing Commodities	6-21-301 thru 6-21-305; 6-13-628
Ethical Guidelines and Prohibitions	6-24-101 et seq.
Collateralization & Investment of Funds	6-20-222; 19-1-504
Deposit of Funds	19-8-104; 19-8-106
<u>District Finances:</u>	
School Debt	6-20-402
District School Bonds	6-20-1201 thru 6-20-1208; 6-20-1210
Petty Cash	6-20-409
Investment of Funds	19-1-504
<u>Management of Schools:</u>	
Board of Directors	6-13-608; 6-13-611 thru 6-13-613; 6-13-617 thru 6-13-620; 6-13-622
District Treasurer	6-13-701
Warrants/checks	6-17-918 thru 6-17-919; 6-20-403
Management Letter for Audit	14-75-101 thru 14-75-104
Nonrecurring Salary Payments	6-20-412
Revolving Loan Fund	6-19-114; 6-20-801 et seq.
Classified Employees	6-17-2201 et seq.; 6-17-2301 et seq.
School Elections	6-13-630; 6-13-634; 6-14-106; 6-14-109; 6-14-118
<u>Teachers and Employees:</u>	
Personnel Policies	6-17-201 et seq.; 6-17-2301 et seq.
Employment and Assignment	6-17-301 et seq.
Teacher Licensure/Background Checks	6-17-401 et seq.
Teacher Contracts	6-17-801 et seq.
Employee Sick Leave	6-17-1201 et seq.; 6-17-1301 et seq.
Minimum Wage Act	11-4-213, 11-4-218, 11-4-403, 11-4-405
Teacher Salaries and Foundation Funding Aid	6-17-803; 6-17-907 thru 6-17-908; 6-17-911 thru 6-17-913; 6-17-918 thru 6-17-919; 6-17-2401 et seq.
Education Excellence Trust Fund	6-5-307
Use of Contractors, Improvement Contracts	22-9-201 thru 22-9-205
Use of DM&O Millage	26-80-110
On Behalf Payments	The amount of funds paid by the Arkansas Department of Education to the Employee Benefits Division, on behalf of the District's employees
Regulatory Basis of Accounting	10-4-413(c)
Real Estate and Personal Property Tax Appeals	26-35-802
School District Procurement Law	6-21-301 et seq.
Fiscal Accountability	6-20-1901 et seq.
Enhanced Student Achievement Funding ESA	6-20-2305(B){4}{F}{I}
Limitation on Fund Balances	6-20-2210 (Waived for 2019-2020 only)
CARES Act (COVID-19) Education Funding	Commissioner's Memo LS-20-089
Charter Facilities Funding	6-23-908