

Blytheville School District No. 5
Mississippi County, Arkansas
Regulatory Basis Financial Statements and Other Reports
June 30, 2023

Blytheville School District No. 5
Mississippi County Arkansas
Table of Contents
June 30, 2023

	Pages
Independent Auditors' Report	1-2
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	4-5
Independent Auditors' Report on Compliance with Arkansas State Requirements	6
REGULATORY BASIS FINANCIAL STATEMENTS	
Balance sheet - regulatory basis	7
Statement of revenues, expenditures, and changes in fund balances - governmental funds - regulatory basis	8
Statement of revenues, expenditures, and changes in fund balances - budget and actual - general fund - regulatory basis	9
Statement of revenues, expenditures, and changes in fund balances - budget and actual - special revenue funds - regulatory basis	10
Notes to financial statements	11-16
SCHEDULES	
Schedule of capital assets (unaudited)	17
Schedule of expenditures of federal awards	18
Notes to the Schedule of Expenditures of Federal Awards	19
Schedule of findings and questioned costs	20
Supplemental data sheet	21
Schedule of statutes required by Arkansas Department of Education to be addressed in independent auditors' report on compliance	22



THOMAS, SPEIGHT & NOBLE

A PROFESSIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE PRIVATE COMPANIES PRACTICE SECTION OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the School Board
Blytheville School District No. 5
Mississippi County, Arkansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Blytheville School District No. 5 (the "District") for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2023, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities of the 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 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Arkansas. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may arise 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information comprises the Schedule of Capital Assets and the Supplemental Data Sheet 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 otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Thomas, Speight and Noble, CPAs

Thomas, Speight and Noble, CPAs
Blytheville, Arkansas
September 18, 2024



THOMAS, SPEIGHT & NOBLE

A PROFESSIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE PRIVATE COMPANIES PRACTICE SECTION OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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

The Members of the School Board
Blytheville School District No. 5
Mississippi County, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information on the Blytheville School District No. 5 ("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, and have issued our report thereon dated September 18, 2024. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2023, and the respective regulatory basis changes in financial position thereof and 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.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 of the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas, Speight and Noble, CPAs

Thomas, Speight and Noble, CPAs
Blytheville, Arkansas
September 18, 2024

420 WEST WALNUT PO Box 205 Blytheville, AR 72315 870-762-5831 FAX 870-762-5833	1400 WEST KEISER PO Box 644 OSCEOLA, AR 72370 870-563-2638 FAX 870-563-3794	2210 FOWLER AVENUE PO Box 17167 JONESBORO, AR 72401 870-932-5858 FAX 870-932-2030	915 TOWNSEND DRIVE PO Box 700 POCAHONTAS, AR 72455 870-892-2575 FAX 870-892-2576	100 WEST THIRD, STE B PO Box 1154 CARUTHERSVILLE, MO 63830 573-333-4225 FAX 573-333-4443	1120 WINDOVER RD PO Box 17156 JONESBORO, AR 72403 870-935-1091 FAX 870-935-1312
--	---	---	--	--	---



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

The Members of the School Board
Blytheville School District No. 5
Mississippi County, Arkansas

Report on Compliance for Each Major Federal Awards Program

Opinion on Each Major Federal Program

We have audited the Blytheville School District No. 5 ("the District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

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

In performing an audit in accordance with GAAS and *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 procedure 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 of the effectiveness of the District's internal control. 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 compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of 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. 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.

Thomas, Speight and Noble, CPAs

Thomas, Speight and Noble, CPAs
Blytheville, Arkansas
September 18, 2024



THOMAS, SPEIGHT & NOBLE

A PROFESSIONAL ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE PRIVATE COMPANIES PRACTICE SECTION OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH ARKANSAS STATE REQUIREMENTS

The Members of the School Board
Blytheville School District No. 5
Mississippi County, Arkansas

We have examined management's assertions that the Blytheville School District No. 5 ("the District") substantially complied with the requirements of Arkansas Code Annotated § 6-1-101 and the applicable laws and regulations including those listed in the accompanying schedule of statutes required to be addressed by the Arkansas Department of Education 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 made in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination of the School's compliance with specified requirements.

In our opinion, with the exception of the following findings, management's assertion that the Blytheville School District No. 5 complied with the Arkansas statutes listed in the accompanying schedule of statutes required to be addressed by the Arkansas Department of Education during the year ended June 30, 2023, is fairly stated, in all material respects.

1. During our review of Board meeting minutes, we noted on November 17, 2022, the Board appointed Superintendent Dr. Veronica Perkins as the District's Primary Board Disbursing Officer in violation of Arkansas Code Annotated. § 6-13-620.
2. Fixed asset records were not properly maintained.
3. Superintendent Dr. Veronica Perkins entered into a contract with a public relations company without Board approval resulting in unauthorized payments to the vendor of \$47,500.
4. We were unable to perform a test of teacher contracts because contracts were not retained for audit inspection.

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

Thomas, Speight and Noble, CPAs

Thomas, Speight and Noble, CPAs
Blytheville, Arkansas
September 18, 2024

420 WEST WALNUT
PO Box 205
Blytheville, AR 72315
870-762-5831
FAX 870-762-5833

1400 WEST KEISER
PO Box 644
OSCEOLA, AR 72370
870-563-2638
FAX 870-563-3794

2210 FOWLER AVENUE
PO Box 17167
JONESBORO, AR 72401
870-932-5858
FAX 870-932-2030

915 TOWNSEND DRIVE
PO Box 700
POCAHONTAS, AR 72455
870-892-2575
FAX 870-892-2576

100 WEST THIRD, STE B
PO Box 1154
CARUTHERSVILLE, MO 63830
573-333-4225
FAX 573-333-4443

1120 WINDOVER RD
PO Box 17156
JONESBORO, AR 72403
870-935-1091
FAX 870-935-1312

Blytheville School District No. 5
Mississippi County, Arkansas
Balance Sheet - Governmental Funds - Regulatory Basis
June 30, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Other Aggregate</u>
ASSETS			
Cash	\$ 2,963,233	\$ 520,181	\$ 6,413,090
Grants receivable	-	1,360,598	-
TOTAL ASSETS	<u>2,963,233</u>	<u>1,880,779</u>	<u>6,413,090</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	465,737	-	-
Due to student groups	-	-	-
Total Liabilities	<u>465,737</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	-	1,880,779	6,413,090
Assigned	219,070	-	-
Unassigned	2,278,426	-	-
Total Fund Balances	<u>2,497,496</u>	<u>1,880,779</u>	<u>6,413,090</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,963,233</u>	<u>\$ 1,880,779</u>	<u>\$ 6,413,090</u>

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

Blytheville School District No. 5
Mississippi County, Arkansas
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Regulatory Basis
For the Year Ended June 30, 2023

	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes	7,689,735	\$ -	\$ -
Interest	10,833	-	-
State assistance	9,789,895	5,814	-
Federal assistance	-	8,588,106	-
Activity revenues	134,625	-	-
Other revenues	667,050	14,777	45,133
Total Revenues	<u>18,292,138</u>	<u>8,608,697</u>	<u>45,133</u>
EXPENDITURES			
Current:			
Regular programs	4,961,949	867,132	-
Special education	830,270	279,422	-
Career education programs	341,807	72,600	-
Compensatory education programs	187,895	1,472,505	-
Other instructional programs	643,861	1,537	-
Student support services	590,398	390,290	-
Instructional staff support services	944,133	1,043,539	-
General administration support services	448,069	100,593	-
School administration support services	679,910	9,222	-
Central services support services	345,538	16,576	-
Operation and maintenance of plant services	2,798,863	2,826,001	-
Student transportation services	796,043	100,976	-
Other support services	57,784	-	-
Food services operations	555	1,209,426	-
Community services operations	395	80,655	-
Building improvement services	200,704	-	-
Facilities acquisition and construction services	-	-	248,126
Non-programmed costs	13,349	-	-
Activity expenditures	159,753	-	-
Debt Service:			
Principal	-	-	1,090,000
Interest and fiscal charges	-	-	288,475
Total Expenditures	<u>14,001,276</u>	<u>8,470,474</u>	<u>1,626,601</u>
Excess of revenues over (under) expenditures	<u>4,290,862</u>	<u>138,223</u>	<u>(1,581,468)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	-	4,901,272
Transfers to other funds	(3,836,330)	(1,064,942)	-
Total other financing sources (uses)	<u>(3,836,330)</u>	<u>(1,064,942)</u>	<u>4,901,272</u>
Excess of expenditures and other uses over revenues and other sources	454,532	(926,719)	3,319,804
FUND BALANCES-BEGINNING OF YEAR	<u>2,042,964</u>	<u>2,807,498</u>	<u>3,093,286</u>
FUND BALANCES-END OF YEAR	<u>\$ 2,497,496</u>	<u>\$ 1,880,779</u>	<u>\$ 6,413,090</u>

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

Blytheville School District No. 5
Mississippi County, Arkansas
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund - Regulatory Basis
For the Year Ended June 30, 2023

	<u>BUDGETED AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Property taxes	\$ 7,739,326	\$ 7,689,735	\$ (49,591)
Interest	15,000	10,833	(4,167)
State assistance	9,984,842	9,789,895	(194,947)
Activity revenues	123,032	134,625	11,593
Other revenues	488,000	667,050	179,050
Total Revenues	<u>18,350,200</u>	<u>18,292,138</u>	<u>(58,064)</u>
EXPENDITURES			
Current:			
Regular programs	6,121,616	4,961,949	1,159,667
Special education	918,428	830,270	88,158
Career education programs	396,692	341,807	54,885
Compensatory education programs	156,391	187,895	(31,504)
Other instructional programs	917,206	643,861	273,345
Student support services	646,640	590,398	56,242
Instructional staff support services	840,327	944,133	(103,806)
General administration support services	487,331	448,069	39,262
School administration support services	892,922	679,910	213,012
Central services support services	374,855	345,538	29,317
Operation and maintenance of plant services	3,741,238	2,798,863	942,376
Student transportation services	1,037,790	796,043	241,747
Other support services	90,175	57,784	32,391
Food services operations	-	555	(555)
Community services operations	-	395	(395)
Building improvement services	207,139	200,704	-
Non-programmed costs	-	13,349	(13,349)
Activity expenditures	-	159,753	(159,753)
Total Expenditures	<u>16,828,750</u>	<u>14,001,276</u>	<u>2,821,039</u>
Revenues over (under) expenditures	<u>1,521,450</u>	<u>4,290,862</u>	<u>2,769,412</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	<u>(1,246,656)</u>	<u>(3,836,330)</u>	<u>(2,589,674)</u>
Total other financing sources (uses)	<u>(1,246,656)</u>	<u>(3,836,330)</u>	<u>(2,589,674)</u>
Excess of expenditures and other uses over revenues and other sources	<u>274,794</u>	<u>454,532</u>	<u>179,738</u>
FUND BALANCES-BEGINNING OF YEAR	<u>3,857,181</u>	<u>2,042,964</u>	<u>(1,814,217)</u>
FUND BALANCES-END OF YEAR	<u>\$ 4,131,975</u>	<u>\$ 2,497,496</u>	<u>\$ (1,634,479)</u>

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

Blytheville School District No. 5
Mississippi County, Arkansas
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Special Revenue Funds - Regulatory Basis
For the Year Ended June 30, 2023

	<u>BUDGETED AMOUNTS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State assistance	\$ 4,749	\$ 5,814	\$ 1,065
Federal assistance	13,533,720	8,588,106	(4,945,614)
Other revenues	12,111	14,777	2,666
Total Revenues	<u>13,550,580</u>	<u>8,608,697</u>	<u>(4,941,883)</u>
EXPENDITURES			
Current:			
Regular programs	1,650,827	867,132	783,695
Special education	465,862	279,422	186,440
Career education programs	74,616	72,600	2,016
Compensatory education programs	2,137,814	1,472,505	665,309
Other instructional programs	1,537	1,537	-
Student support services	488,882	390,290	98,592
Instructional staff support services	1,560,554	1,043,539	517,015
General administration support services	111,156	100,593	10,563
School administration support services	7,685	9,222	(1,537)
Central services support services	23,412	16,576	6,836
Operation and maintenance of plant services	5,081,443	2,826,001	2,255,442
Student transportation services	418,403	100,976	317,427
Food services operations	1,035,537	1,209,426	(173,889)
Community services operations	229,119	80,655	148,464
Building improvement services	-	-	-
Total Expenditures	<u>13,286,847</u>	<u>8,470,474</u>	<u>4,816,375</u>
Revenues over (under) expenditures	<u>263,733</u>	<u>138,223</u>	<u>(125,510)</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(121,009)	(1,064,942)	(943,933)
Total other financing sources (uses)	<u>(121,009)</u>	<u>(1,064,942)</u>	<u>(943,933)</u>
Excess of expenditures and other uses over revenues and other sources	142,724	(926,719)	(1,069,443)
FUND BALANCES-BEGINNING OF YEAR	<u>142,584</u>	<u>2,807,498</u>	<u>2,664,914</u>
FUND BALANCES-END OF YEAR	<u>\$ 285,308</u>	<u>\$ 1,880,779</u>	<u>\$ 1,595,471</u>

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

Blytheville School District No. 5
Mississippi County, Arkansas
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Description of Funds

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

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

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

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

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

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

Fiduciary Fund types include the following:

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

Measurement Focus and Basis of Accounting

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

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

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

Blytheville School District No. 5
Mississippi County, Arkansas
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

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

Buildings and improvements	10-20
Furniture and equipment	5-20

Property Taxes

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

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

Fund Balance Classifications

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 have 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.

Budget and Budgetary Accounting

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

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

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

Blytheville School District No. 5
Mississippi County, Arkansas
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Minimum Fund Balance Policies

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

Fund Balance Classification Policies and Procedures

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

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

Encumbrances

The District does not utilize encumbrance accounting.

NOTE 2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 250,000	\$ 250,000
Collateralized		
Collateral held by the pledging bank or pledging bank's trust department in the District's name	9,646,504	10,922,538
Total Deposits	\$ 9,896,504	\$ 11,172,538

NOTE 3: ACCOUNTS RECEIVABLE

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

Description	Governmental Funds
	Major Special Revenue
Federal assistance	\$ 1,360,598
Totals	\$ 1,360,598

Blytheville School District No. 5
Mississippi County, Arkansas
Notes to the Financial Statements
June 30, 2023

NOTE 4: COMMITMENTS

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

Long-term Debt Issued and Outstanding

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

Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2023	Maturities To June 30, 2023
2/1/30	1.00-2.60%	2,165,000	1,200,000	160,000
2/1/47	2.45-2.48%	785,000	725,000	20,000
2/1/30	1.09-1.19%	8,080,000	6,110,000	815,000
2/1/47	1.47-1.67%	9,615,000	9,615,000	-
2/1/47	0.45-2.10%	2,755,000	2,660,000	95,000
		<u>\$ 23,400,000</u>	<u>\$ 20,310,000</u>	<u>\$ 1,090,000</u>

Changes in Long-term Debt

	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
Bonds payable	<u>\$ 21,400,000</u>	<u>\$ -</u>	<u>\$ 1,090,000</u>	<u>\$ 20,310,000</u>

Future Principal and Interest Payments

Year Ended June 30, 2023	Principal	Interest	Total
2024	1,115,000	273,153	1,388,153
2025	1,135,000	264,028	1,399,028
2026	1,310,000	250,538	1,560,538
2027	1,565,000	236,368	1,801,368
2028	1,575,000	662,845	2,237,845
2029-2033	4,885,000	846,240	5,731,240
2034-2038	2,875,000	619,365	3,494,365
2039-2043	3,130,000	389,158	3,519,158
2044-2048	2,720,000	116,555	2,836,555
Totals	<u>\$ 20,310,000</u>	<u>\$ 3,658,250</u>	<u>\$ 23,968,250</u>

Security for Debt Payments

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

Blytheville School District No. 5
Mississippi County, Arkansas
Notes to the Financial Statements
June 30, 2023

NOTE 5: ACCOUNTS PAYABLE

Accounts payable June 30, 2023 was comprised of the following:

	Governmental Funds
	Major
Description	General
Salaries	\$ 465,737
Totals	\$ 465,737

NOTE 6: INTERFUND TRANSFERS

The District transferred \$4,901,272 from the general fund to the other aggregate funds for debt related payments, capital projects, and general fund expense reimbursement. The District transferred \$987,636 from the special revenue funds to the general funds for expense reimbursement. The District transferred \$77,305 from the general fund to the special revenue funds for expense reimbursement.

NOTE 7: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description

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

Funding Policy

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 15 % of covered salaries. The District's contributions to ATRS for the year ended June 30, 2023 were \$985,631, equal to the required contributions.

Net Pension Liability

The Division of Elementary and Secondary Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement No. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2023 (actuarial valuation date and measurement date) was \$14,181,922.

Blytheville School District No. 5
Mississippi County, Arkansas
Notes to the Financial Statements
June 30, 2023

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; injuries to employees; and natural disasters.

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

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

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

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

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

NOTE 9: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$344,383 for the year ended June 30, 2023.

NOTE 10: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

Description	General	Revenue	Aggregate	Total
Fund Balances:				
Restricted for:				
Child nutrition programs	\$ -	\$ 299,613	\$ -	\$ 299,613
Medical services	-	213,085	-	213,085
Other purposes	-	1,368,081	-	1,368,081
Capital projects	-	-	6,413,090	6,413,090
Total Restricted	-	1,880,779	6,413,090	8,293,869
Assigned to:				
Student activities	219,070	-	-	219,070
Total Assigned	219,070	-	-	219,070
Unassigned	2,278,426	-	-	2,278,426
Totals	\$ 2,497,496	\$ 1,880,779	\$ 6,413,090	\$ 10,791,365

NOTE 11: SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 18, 2024, the date upon which financial statements were available to be issued.

On August 22, 2024, the Board voted to terminate Dr. Veronica Perkins as Superintendent.

Blytheville School District No. 5
Mississippi County, Arkansas
Schedule of Capital Assets
For the Year Ended June 30, 2023

	<u>Balance</u> <u>June 30, 2023</u>
<i>Nondepreciable capital assets:</i>	
Construction in progress	\$ 2,659,645
Land	<u>2,049,966</u>
Total nondepreciable capital assets	<u>4,709,611</u>
 <i>Depreciable capital assets:</i>	
Buildings & improvements	39,984,591
Machinery & equipment	<u>10,114,078</u>
Total depreciable capital assets	<u>50,098,669</u>
 <i>Less accumulated depreciation for:</i>	
Buildings & improvements	15,759,083
Machinery & equipment	<u>7,975,340</u>
Total accumulated depreciation	<u>23,734,423</u>
Total depreciable capital assets, net	<u>26,364,246</u>
Capital assets, net	<u>\$ 31,073,857</u>

Blytheville School District No. 5
Mississippi County, Arkansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
CHILD NUTRITION CLUSTER			
<u>U.S. Department of Agriculture</u>			
Passed through Arkansas Department of Education:			
School Breakfast Program - Cash Assistance	10.553	4702000	\$ 272,181
National School Lunch Program - Cash Assistance	10.555	4702000	844,176
Total State Department of Education			1,116,357
Passed through Arkansas Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555	4702000	13,900
TOTAL CHILD NUTRITION CLUSTER			1,130,257
<u>U.S. Department of Agriculture</u>			
Passed through Arkansas Department of Education			
Fresh Fruit and Vegetable Program	10.582	4702000	29,171
Total U.S. Department of Agriculture			1,159,428
SPECIAL EDUCATION CLUSTER (IDEA)			
<u>U.S. Department of Education</u>			
Passed Through Arkansas Department of Education:			
Special Education - Grants to States	84.027A	4702000	515,457
Special Education - Preschool Grants	84.173A	4702000	13,855
Total State Department of Education			529,312
OTHER PROGRAMS			
<u>U.S. Department of Education</u>			
Passed Through Arkansas Department of Career Education:			
Career and Technical Education - Grants to States	84.048	4702000	72,600
Passed Through Arkansas Department of Education:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D		323,161
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U		4,099,194
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W		70,723
Total Education Stabilization Fund			4,493,078
Title I Grants to Local Educational Agencies	84.01A	4702000	1,742,572
Education for Homeless Children and Youth	84.196	4702000	62,052
Rural Education	84.358B	4702000	64,503
Supporting Effective Instruction State Grants	84.367A	4702000	120,087
Student Support and Academic Enrichment Program	84.424A	4702000	145,598
Total Arkansas Department of Education			6,627,890
Total U.S. Department of Education			6,700,490
<u>U.S. Department of Health and Human Services</u>			
Passed Through Arkansas Department of Education:			
Cooperative Agreements to Promote Adolescent Health Through School Based HIV/STD Prevention and School-Based Surveillance Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	4702000	12,761
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.079	4702000	750
	93.323	4702000	41,349
Total U.S. Department of Health and Human Services			54,860
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,444,090

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

Blytheville School District No. 5
Mississippi County, Arkansas
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

- Note 1:** **Basis of Presentation** - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the activity of Blytheville School District No. 5 (District) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 200 U.S. Code 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 Policies** - Expenditures reported on this schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3:** Nonmonetary assistance is reported at the approximate value as provided by the U.S. Department of Agriculture.
- Note 4:** During the year ended June 30, 2023, the District received Medicaid funding of \$78,884 from the Arkansas Department of Human Services. Such payments are not considered federal awards expended, and therefore are not included in the above schedule.
- Note 5:** Of the federal expenditures presented in this schedule, the District did not provide any awards to sub recipients.
- Note 6:** The District has not elected to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

Blytheville School District No. 5
Mississippi County, Arkansas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Types of Report Issued, Financial Statements

The auditors' report expresses an unmodified opinion on the regulatory basis financial statements.
The auditors' report expresses an adverse opinion on the GAAP basis of reporting.

Internal Control over Financial Reporting

No material weaknesses or significant deficiencies identified during our audit of the financial statements.

Material Noncompliance, Financial Statements

No instances of noncompliance material to the financial statements were disclosed during the audit.

Internal Control over Federal Awards

No material weaknesses or significant deficiencies identified during our audit of major federal award programs.

Type of Report Issued, Compliance

The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.

Audit Findings Under Section 510(a)

No audit findings relative to the major federal award programs were found during our audit.

Major Programs

Child Nutrition Cluster	10,555
COVID 19 - Education Stabilization Fund	84,425

Threshold between Type A and Type B Programs

The threshold for distinguishing Types A and B programs \$750,000.

Type of Auditee

The Blytheville School District No. 5 of Mississippi County, Arkansas was determined to be a low-risk auditee.

Section II - Financial Statement Findings

Material Weakness(es)/Significant Deficiency(ies)

None.

Prior Year Findings and Questioned Cost

None.

Section III - Federal Award Findings and Questioned Costs

Material Weakness(es)/Significant Deficiency(ies)

None.

Prior Year Findings and Questioned Cost

None.

**BLYTHEVILLE SCHOOL DISTRICT NO. 5
SUPPLEMENTAL DATA SHEET
FOR THE YEAR ENDED JUNE 30, 2023**

The following information is being provided to satisfy the requirements of Arkansas Department of Human Services Audit Guidelines, Section IX - C - Special Requirements:

- | | |
|--------------------------------------|--|
| 1. <u>Entity's Full Name:</u> | Blytheville School District No. 5 |
| 2. <u>Entity's Address:</u> | 405 W. Park Street
Blytheville, AR 72315 |
| 3. <u>Entity's FEIN:</u> | 71-6020665 |
| 4. <u>Entity's Telephone Number:</u> | (870) 762-2053 |
| 5. <u>Name of Director:</u> | Jennifer Blankenship, Interim Superintendent |
| 6. <u>Name of Contact Person:</u> | Jennifer Blankenship, Interim Superintendent |

Blytheville School District No. 5
Schedule of Statutes Required by Arkansas Department of Education
to be Addressed in Independent Auditors' Report on Compliance
For the Year Ended June 30, 2023

A private independent audit not conducted by Legislative Audit shall include at a minimum: review, and comments, and findings on substantial compliance with laws governing each of the following:

<u>DESCRIPTION</u>	<u>STATUTES</u>
Bidding & Purchasing Commodities	6-21-301 - 6-21-305
Ethical Guidelines and Prohibitions	6-13-628;6-24-101 et seq.
Collateralization & Investments of Funds	6-20-222; 19-1-504
Deposit of Funds	19-8-104; 19-8-106
District Finances	6-20-402
*Bonded & Non-bonded Debt, District School	6-20-1201 - 6-20-1208; 6-20-1210
Bonds	6-20-409
*Petty Cash	6-20-401
*Changes in Pullback (no deferrals - declining accrual percentages)	19-1-504
*Investment of Funds	
Management of Schools	
*Board of Directors	6-13-604; 6-13-606; 6-13-608; 6-13-611 - 6-13-613; 6-13-617 - 6-13-620; 6-24-101 et seq.
*District Treasurer	6-13-701
*Warrants/checks	6-17-918; 6-17-919; 6-20-403
Management Letter for Audit	14-75-101 - 14-75-104
Nonrecurring Salary Payments	6-20-412
Revolving Loan Fund	6-19-114; 6-20-801 et seq.
Salary Laws-Classified	6-17-2201 et seq.; 6-17-2301 et seq.
Salary increases 5% or more (certified & Classified)	6-13-635
School Elections	6-13-622; 6-13-630; 6-13-631; 6-13-634; 6-14-106; 6-14-109; 6-14-118
Teachers and Employees	
*Personnel Policies	6-17-201 et seq., 6-17-2301
*Employment and Assignment	6-17-301 et seq.
*Teacher's License Requirement	6-17-401 et seq.
*Contracts	6-17-801 et seq.
*Certification Requirements	6-17-309; 6-17-401
*Fair Dismissal Act	6-17-1501 et seq.; 6-17-1701 et seq.
*Sick Leave Policies	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
Teachers Salaries and Foundation Funding Aid	6-17-803; 6-17-907; 6-17-908; 6-17-911 - 6-17-913; 6-17-918; 6-17-919
Trust Funds (Education Excellence)	6-5-307
Use of Contractors, Improvement Contracts	22-9-201 - 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 District's employees
Regulatory Basis of Accounting	10-4-413(c)
Real Estate and Personal Property Tax Appeals	26-35-802
Arkansas Procurement Law	19-11-201 et. Seq.
Fiscal Accountability	6-20-1901, et. Seq.
Limitation on Fund Balances	6-20-2210 (Waived for 2019-2020 only)
Enhanced Student Achievement Funding ESA	6-20-2305(B)(4)(F)(1)
CARES Act (COVID 19) Education Funding	Commissioner's Memo LS-20-089

The Annual Financial Report shall be presented in conformity with the format and guidelines as prescribed by the appropriate professional organizations. The financial statement presentation shall be in compliance with Arkansas Codes §§ 6-1-101 and 10-4-413(c).

The financial statement presentation must also be in accordance with GASB 68, 72, and 87.

Revised October 1, 2021