

Camden Fairview School District No. 16

Ouachita County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2022



CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
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Arkansas

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Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Camden Fairview School District No. 16 and School Board Members
Legislative Joint Auditing Committee

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 Camden Fairview School District No. 16 (the "District"), as of and for the year ended June 30, 2022, 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, 2022, 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, 2022, 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 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 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. 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 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 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 March 8, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
March 8, 2023
EDSD27822

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

INDEPENDENT AUDITOR'S REPORT

Camden Fairview School District No. 16 and School Board Members
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the Camden Fairview School District No. 16 (the "District"), as of and for the year ended June 30, 2022, 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 March 8, 2023. 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, 2022, 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 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 the state constitution, state and federal laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated March 8, 2023.

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.

ARKANSAS LEGISLATIVE AUDIT

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

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 8, 2023

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

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

INDEPENDENT AUDITOR'S REPORT

Camden Fairview School District No. 16 and School Board Members
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Camden Fairview School District No. 16'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, 2022. 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, 2022.

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 (*Government Auditing Standards*); 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.

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 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

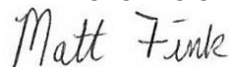
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

ARKANSAS LEGISLATIVE AUDIT



Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 8, 2023

Arkansas

Sen. David Wallace
Senate Chair
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Senate Vice Chair



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

Camden Fairview School District No. 16 and School Board Members
Legislative Joint Auditing Committee

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. These matters were discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

In May 2021, the District discovered a gross salary overpayment totaling \$25,039, with a net overpayment of \$15,445, to an employee for sick leave days. Of this amount, we were able to verify \$20,889 as a gross overpayment. The employee resigned April 8, 2021. As of report date, \$2,000 had been reimbursed to the District.

The District discovered, and we verified, a gross salary overpayment totaling \$2,193 to an employee for sick leave days. As of report date, \$1,439 had been reimbursed to the District. In addition, during testing of payroll disbursements, we noted three employees with salary overpayments totaling \$454.

The District discovered, and we verified, improper credit card charges of \$800. An employee, who resigned on March 18, 2022, stated to District officials that these charges were for personal expenses. The employee agreed to allow the District to withhold the \$800 from the employee's final paycheck on April 15, 2022.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

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

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 8, 2023

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2022

Exhibit A

	Governmental Funds			
	Major			
	General	Special Revenue	Other Aggregate	Fiduciary Fund Types
ASSETS				
Cash	\$ 3,835,868	\$ 355,557	\$ 4,195,736	\$ 4,798
Investments				81,295
Accounts receivable	12,067	1,424,535		
TOTAL ASSETS	\$ 3,847,935	\$ 1,780,092	\$ 4,195,736	\$ 86,093
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 45,115	\$ 708,392	\$ 248,685	
Fund Balances:				
Restricted	674,458	1,071,700		\$ 86,093
Assigned	186,838		3,947,051	
Unassigned	2,941,524			
Total Fund Balances	3,802,820	1,071,700	3,947,051	86,093
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,847,935	\$ 1,780,092	\$ 4,195,736	\$ 86,093

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Exhibit B

	Major		
	General	Special Revenue	Other Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	\$ 5,935,986		
State assistance	14,788,831	\$ 7,367	\$ 682,743
Federal assistance		8,344,457	
Activity revenues	292,009		
Meal sales		145,408	
Investment income	110,014		
Other revenues	508,984		
TOTAL REVENUES	21,635,824	8,497,232	682,743
EXPENDITURES			
Regular programs	7,043,744	1,133,075	
Special education	1,192,322	736,793	
Career education programs	633,622	24,929	
Compensatory education programs	365,136	839,064	
Other instructional programs	1,324,335	148,111	
Student support services	1,334,775	652,539	
Instructional staff support services	1,363,359	444,045	
General administration support services	468,475	95,378	
School administration support services	1,506,088	69,064	
Central services support services	931,603	248,049	
Operation and maintenance of plant services	3,149,879	927,653	1,162,002
Student transportation services	1,207,828	33,865	
Other support services	31,050		
Food services operations	2,459	1,740,716	
Community services operations	4,631	78	
Facilities acquisition and construction services	19,937	722,723	708,650
Non-programmed costs	79	44,919	
Activity expenditures	310,373		
Debt Service:			
Principal retirement	185,024		780,000
Interest and fiscal charges	21,865		177,972
TOTAL EXPENDITURES	21,096,584	7,861,001	2,828,624
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	539,240	636,231	(2,145,881)
OTHER FINANCING SOURCES (USES)			
Transfers in			957,972
Transfers out	(957,972)		
Compensation for loss of capital assets			551,371
Other Adult/Employee Meals	(39,078)		
Refund to grantor		(56,765)	
Federal grant revenue passed through from a cooperative		57,588	
TOTAL OTHER FINANCING SOURCES (USES)	(997,050)	823	1,509,343
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(457,810)	637,054	(636,538)
FUND BALANCES - JULY 1	4,260,630	434,646	4,583,589
FUND BALANCES - JUNE 30	\$ 3,802,820	\$ 1,071,700	\$ 3,947,051

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 6,395,000	\$ 5,935,986	\$ (459,014)			
State assistance	14,198,608	14,788,831	590,223	\$ 12,291	\$ 7,367	\$ (4,924)
Federal assistance				14,615,718	8,344,457	(6,271,261)
Activity revenues	213,882	292,009	78,127			
Meal sales				107,178	145,408	38,230
Investment income	110,000	110,014	14			
Other revenues	241,500	508,984	267,484			
TOTAL REVENUES	21,158,990	21,635,824	476,834	14,735,187	8,497,232	(6,237,955)
EXPENDITURES						
Regular programs	7,253,546	7,043,744	209,802	2,698,018	1,133,075	1,564,943
Special education	1,265,413	1,192,322	73,091	964,424	736,793	227,631
Career education programs	614,615	633,622	(19,007)	148,515	24,929	123,586
Compensatory education programs	393,011	365,136	27,875	2,200,191	839,064	1,361,127
Other instructional programs	1,391,835	1,324,335	67,500	349,255	148,111	201,144
Student support services	1,323,074	1,334,775	(11,701)	1,333,293	652,539	680,754
Instructional staff support services	1,683,154	1,363,359	319,795	1,209,079	444,045	765,034
General administration support services	405,194	468,475	(63,281)	120,004	95,378	24,626
School administration support services	1,406,666	1,506,088	(99,422)	217,071	69,064	148,007
Central services support services	791,708	931,603	(139,895)	692,662	248,049	444,613
Operation and maintenance of plant services	2,980,116	3,149,879	(169,763)	2,819,317	927,653	1,891,664
Student transportation services	1,421,847	1,207,828	214,019	70,451	33,865	36,586
Other support services	18,008	31,050	(13,042)			
Food services operations		2,459	(2,459)	2,013,896	1,740,716	273,180
Community services operations	3,420	4,631	(1,211)	250	78	172
Facilities acquisition and construction services	39,581	19,937	19,644		722,723	(722,723)
Non-programmed costs		79	(79)	18,078	44,919	(26,841)
Activity expenditures	230,233	310,373	(80,140)			
Debt Service:						
Principal retirement	93,834	185,024	(91,190)			
Interest and fiscal charges	14,023	21,865	(7,842)			
TOTAL EXPENDITURES	21,329,278	21,096,584	232,694	14,854,504	7,861,001	6,993,503

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (170,288)	\$ 539,240	\$ 709,528	\$ (119,317)	\$ 636,231	\$ 755,548
OTHER FINANCING SOURCES (USES)						
Transfers in	26,709,399		(26,709,399)			
Transfers out	(27,649,356)	(957,972)	26,691,384			
Other Adult/Employee Meals		(39,078)	(39,078)			
Refund to grantor					(56,765)	(56,765)
Federal grant revenue passed through from a cooperative					57,588	57,588
TOTAL OTHER FINANCING SOURCES (USES)	(939,957)	(997,050)	(57,093)		823	823
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,110,245)	(457,810)	652,435	(119,317)	637,054	756,371
FUND BALANCES - JULY 1	4,319,915	4,260,630	(59,285)	436,791	434,646	(2,145)
FUND BALANCES - JUNE 30	\$ 3,209,670	\$ 3,802,820	\$ 593,150	\$ 317,474	\$ 1,071,700	\$ 754,226

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service. 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:

Private-purpose Funds – Private-purpose funds are used to report all other arrangements under which principal and income benefit individuals, private organizations, or other governments.

C. Measurement Focus and Basis of Accounting

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

D. Revenue Recognition Policies

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

E. Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Improvements/infrastructure	20
Buildings	50
Equipment	5-20

F. Property Taxes

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (Continued)

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.

G. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.
3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

H. Budget and Budgetary Accounting

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

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Regulatory Basis. Additionally, the District routinely budgets restricted federal programs as part of the special revenue fund.

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

I. Stabilization Arrangements

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

J. Minimum Fund Balance Policies

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

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Fund Balance Classification Policies and Procedures

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

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

L. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 253,576	\$ 253,576
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	8,150,435	11,113,854
Total Deposits	<u>\$ 8,404,011</u>	<u>\$ 11,367,430</u>

The above total deposits include certificates of deposit of \$12,052 reported as investments and classified as nonparticipating contracts.

3: INVESTMENTS

At June 30, 2022 certain investments of the private-purpose trust consisted of \$25,199 vested in corporate bonds, \$39,178 invested in municipal bonds, and \$4,866 invested in Federated Trust for U.S Treasury Obligations.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

3: INVESTMENTS (Continued)

Credit risk- The District does not have a formal policy for credit risk and the bonds, in which the District was invested, were rated as follows:

<u>Investment</u>	<u>Rating</u>	<u>Maturity</u>	<u>Amount</u>
<u>Corporate Bonds</u>			
Honeywell, Inc.	A (Standard and Poor's)	6/15/2028	\$ 5,669
JP Morgan Chase and Company	BBB+ (Standard and Poor's)	5/1/2023	10,002
Wells Fargo and Company	A (Standard and Poor's)	4/22/2026	9,528
Total Corporate Bonds			<u>\$ 25,199</u>
<u>Municipal Bonds</u>			
Atwater, California School District	AA (Standard and Poor's)	8/1/2034	\$ 10,000
Duluth, Minnesota	AA (Standard and Poor's)	2/1/2030	9,823
University of Arkansas at Fayetteville	Aa2 (Moody's)	11/1/2040	4,698
Champaign IL	A+ (Standard and Poor's)	12/15/2033	5,013
Hodgkins, IL	AA- (Standard and Poor's)	1/1/2036	9,644
Total Municipal Bonds			<u>\$ 39,178</u>
<u>US Treasury Obligations</u>			
Federated Trust for U.S. Treasury Obligations		44 days (average)	<u>\$ 4,866</u>

Interest rate risk- The District does not have a formal policy limiting investments as means of managing its exposure to fair value losses arising from increasing interest rates.

Fair value of investments - Fair value measurements are based on the fair value hierarchy as follows:

Level 1 - Quoted prices in active markets for identical assets

Level 2 - Significant other observable inputs

Level 3 - Significant unobservable inputs

Of the above investments, \$69,243, comprised of corporate bonds, municipal bonds, and U.S. Treasury obligations are classified in Level 2. There are no investments classified in Level 1 or Level 3.

4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022, were comprised of the following:

<u>Description</u>	<u>Governmental Funds</u>	
	<u>Major</u>	
	<u>General</u>	<u>Special Revenue</u>
Federal assistance		\$ 1,424,535
Other	<u>\$ 12,067</u>	
Totals	<u>\$ 12,067</u>	<u>\$ 1,424,535</u>

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

5: COMMITMENTS

The District was contractually obligated for the following at June 30, 2022:

A. Construction Contracts

<u>Project Name</u>	<u>Completion Date</u>	<u>Contract Balance</u>
Flooring Project	August 12, 2022	\$ 1,390,597
Intermediate School Renovation	August 12, 2022	233,071
Intermeidate School Renovation- Architect	August 12, 2022	3,379

B. Long-term Debt Issued and Outstanding

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

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding June 30, 2022</u>	<u>Maturities To June 30, 2022</u>
<u>Bonds</u>					
7/1/2013	4/1/2023	1 - 2.4%	\$ 4,670,000	\$ 415,000	\$ 4,255,000
2/27/2020	4/1/2033	1.15 - 2%	9,220,000	8,910,000	310,000
Total Bonds			<u>13,890,000</u>	<u>9,325,000</u>	<u>4,565,000</u>
<u>Direct Borrowings</u>					
4/3/2020	5/18/2024	2.75%	467,401	190,070	277,331
4/1/2015	4/1/2025	3.75%	892,541	303,356	589,185
Total Direct Borrowings			<u>1,359,942</u>	<u>493,426</u>	<u>866,516</u>
Total Long-Term Debt			<u>\$ 15,249,942</u>	<u>\$ 9,818,426</u>	<u>\$ 5,431,516</u>

Changes in Long-term Debt

	<u>Balance July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
Bonds payable	<u>\$ 10,105,000</u>		<u>\$ 780,000</u>	<u>\$ 9,325,000</u>
<u>Direct Borrowings</u>				
Financed purchase	397,190		93,834	303,356
Installment contracts	281,260		91,190	190,070
Total Direct Borrowings	<u>678,450</u>		<u>185,024</u>	<u>493,426</u>
Total Long-Term Debt	<u>\$ 10,783,450</u>	<u>\$ 0</u>	<u>\$ 965,024</u>	<u>\$ 9,818,426</u>

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

5: COMMITMENTS (Continued)

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

Future Principal and Interest Payments

Year Ended June 30,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 675,000	\$ 160,935	\$ 835,935	\$ 191,118	\$ 15,771	\$ 206,889
2024	815,000	147,725	962,725	197,410	9,479	206,889
2025	825,000	137,537	962,537	104,898	2,959	107,857
2026	840,000	126,194	966,194			
2027	860,000	113,594	973,594			
2028-2032	4,560,000	344,769	4,904,769			
2033	750,000	15,000	765,000			
Totals	<u>\$ 9,325,000</u>	<u>\$ 1,045,754</u>	<u>\$ 10,370,754</u>	<u>\$ 493,426</u>	<u>\$ 28,209</u>	<u>\$ 521,635</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.

6: ACCOUNTS PAYABLE

Accounts payable at June 30, 2022, were comprised of the following:

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Vendor payables	<u>\$ 45,115</u>	<u>\$ 708,392</u>	<u>\$ 248,685</u>

7: INTERFUND TRANSFERS

The District transferred \$957,972 from the general fund to the other aggregate funds for debt related payments.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

8: 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, by calling 1-800-666-2877, or by visiting the ATRS website at www.artrs.gov.

Funding Policy

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6.75% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14.75% of covered salaries. The District's contributions to ATRS for the year ended June 30, 2022, were \$2,386,477, 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, 2021, (actuarial valuation date and measurement date) was \$13,572,401.

Arkansas Public Employees Retirement System

Plan Description

The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain non-teaching school employees. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol Avenue, Suite 400, Little Rock, Arkansas 72201, by calling 1-800-682-7377, or by visiting the APERS website at www.apers.org.

Funding Policy

APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the year ended June 30, 2022, were \$1,652, 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, 2021, (actuarial valuation date and measurement date) was \$6,501.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

9: CHANGES IN PRIVATE-PURPOSE FUNDS

ADDITIONS	
Interest	\$ 2,916
Dividends	<u>20</u>
TOTAL ADDITIONS	<u>2,936</u>
DEDUCTIONS	
Scholarships	6,650
Unrealized loss	5,800
Fees	<u>1,473</u>
TOTAL DEDUCTIONS	<u>13,923</u>
CHANGE IN FUND BALANCE	(10,987)
FUND BALANCE - JULY 1	<u>97,080</u>
FUND BALANCE - JUNE 30	<u><u>\$ 86,093</u></u>

10: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$13,890,000 issued from July 1, 2013 to February 27, 2020. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$10,370,754, payable through April 1, 2033. Principal and interest paid for the current year and total property taxes pledged for debt service were \$956,535 and \$1,571,290, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 60.88 percent.

11: 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 student accident.

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

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. 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.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

11: RISK MANAGEMENT (Continued)

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

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

12: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Division of Elementary and Secondary Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$477,497 for the year ended June 30, 2022.

13: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

Description	Governmental Funds		
	Major		Other
	General	Special Revenue	Aggregate
Fund Balances:			
Restricted for:			
Alternative learning environment	\$ 57,305		
Enhanced student achievement funding	189,802		
English-language learners	53,115		
Professional development	106,600		
Child nutrition programs		\$ 383,196	
Medical services		407,697	
Special education programs	196,257	5,754	
Early childhood education		141,750	
Education stabilization fund (COVID-19)		116,509	
Other purposes	71,379	16,794	
Total Restricted	<u>674,458</u>	<u>1,071,700</u>	
Assigned to:			
Capital projects			\$ 3,947,051
Student activities	139,610		
Other purposes	47,228		
Total Assigned	<u>186,838</u>		<u>3,947,051</u>
Unassigned	<u>2,941,524</u>		
Totals	<u>\$ 3,802,820</u>	<u>\$ 1,071,700</u>	<u>\$ 3,947,051</u>

14: COMPENSATION FOR LOSS OF CAPITAL ASSETS

Insurance proceeds totaling \$551,371 were received for storm damage to buildings during year ended June 30, 2022.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 SCHEDULE OF CAPITAL ASSETS
 FOR THE YEAR ENDED JUNE 30, 2022
 (Unaudited)

Schedule 1

	Balance June 30, 2022
Nondepreciable capital assets:	
Land	\$ 1,026,269
Depreciable capital assets:	
Buildings	31,291,809
Improvements/infrastructure	1,380,596
Equipment	10,406,976
Total depreciable capital assets	43,079,381
Less accumulated depreciation for:	
Buildings	21,454,129
Improvements/infrastructure	607,927
Equipment	8,035,169
Total accumulated depreciation	30,097,225
Total depreciable capital assets, net	12,982,156
Capital assets, net	\$ 14,008,425

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
CHILD NUTRITION CLUSTER				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - School Breakfast Program	10.553	5204		\$ 429,775
National School Lunch Program (Note 3)	10.555			74,946
Arkansas Department of Education - National School Lunch Program	10.555	5204		1,120,396
Arkansas Department of Human Services - National School Lunch Program (Note 4)	10.555	5204000		37,607
Total for National School Lunch Program				1,232,949
Total U. S. Department of Agriculture				1,662,724
TOTAL CHILD NUTRITION CLUSTER				1,662,724
SPECIAL EDUCATION CLUSTER (IDEA)				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027A	5204		658,495
Arkansas Department of Education - COVID-19 American Rescue Plan - Special Education Grants to States	84.027X	5204		11,121
Arkansas Department of Education - Special Education - Preschool Grants	84.173A	5204		119,212
Total U. S. Department of Education				788,828
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				788,828
OTHER PROGRAMS				
<u>U. S. Department of Defense</u>				
ROTC (Note 5)	12.4414A			69,967
Total U. S. Department of Defense				69,967
<u>U. S. Department of Education</u>				
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	5204		1,563,073
Arkansas Department of Education - COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	5204		2,256,533
Total Education Stabilization Fund				3,819,606
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010A	5204		1,101,721
Arkansas Department of Education - Rural Education	84.358B	5204		15,092
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367A	5204		97,983
Arkansas Department of Education - Student Support and Academic Enrichment Program	84.424A	5204		74,829
Total U. S. Department of Education				5,109,231
<u>U. S. Department of Health and Human Services</u>				
South Central Service Cooperative - COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	n/a		\$ 57,588
Total U. S. Department of Health and Human Services				57,588
TOTAL OTHER PROGRAMS				5,236,786
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 0	\$ 7,688,338

The accompanying notes are an integral part of this schedule.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Camden Fairview School District No. 16 (District) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 4: Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.
- Note 5: The Federal Assistance Listing Number was not available. An alternative identifying number was utilized.
- Note 6: The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 7: During the year ended June 30, 2022, the District received Medicaid funding of \$100,339 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

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

Internal control over financial reporting:

<input checked="" type="radio"/> Material weakness(es) identified?	<input type="text"/>	yes	<input checked="" type="text" value="X"/>	no
<input checked="" type="radio"/> Significant deficiency(ies) identified?	<input type="text"/>	yes	<input checked="" type="text" value="X"/>	none reported
Noncompliance material to financial statements noted?	<input type="text"/>	yes	<input checked="" type="text" value="X"/>	no

FEDERAL AWARDS

Internal control over major federal programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<input type="text"/>	yes	<input checked="" type="text" value="X"/>	no
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Identification of major federal programs:

AL Number(s)	Name of Federal Program or Cluster
84.425D and 84.425U	COVID-19 - Education Stabilization Fund

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

\$	750,000
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Auditee qualified as low-risk auditee?

<input checked="" type="text" value="X"/>	yes	<input type="text"/>	no
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SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

CAMDEN FAIRVIEW PUBLIC SCHOOLS

OFFICE OF THE SUPERINTENDENT
625 Clifton
Camden, Arkansas 71701

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENT FINDINGS

There were no findings in the prior audit.

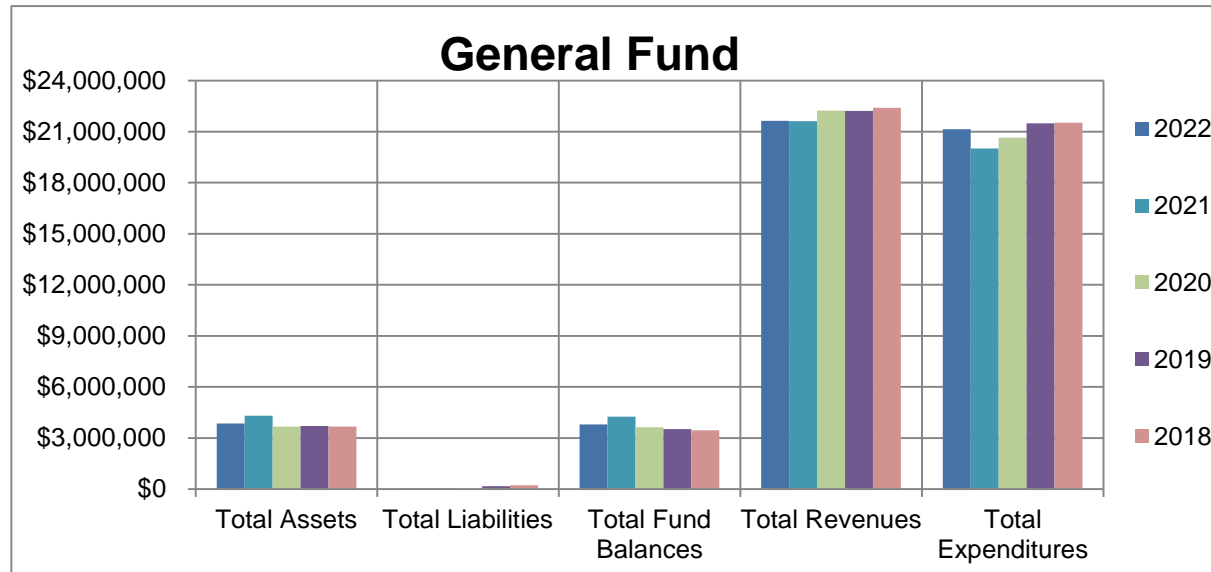
FEDERAL AWARD FINDING AND QUESTIONED COSTS

There were no findings in the prior audit.

CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(Unaudited)

Schedule 5

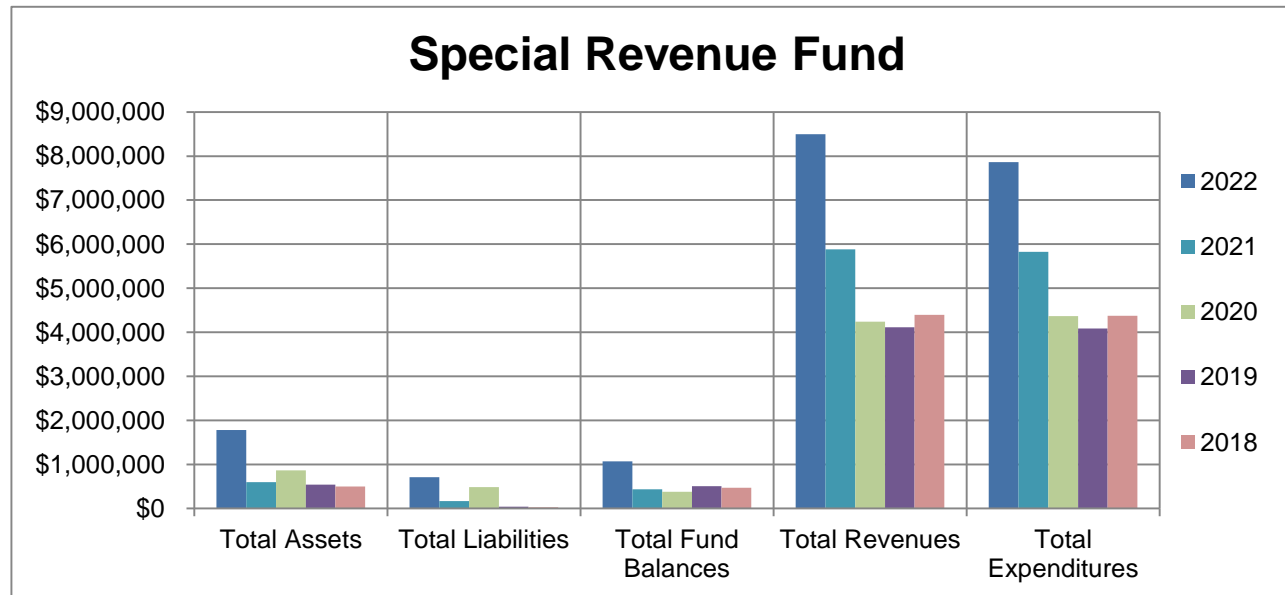
General Fund	Year Ended June 30,				
	2022	2021	2020	2019	2018
Total Assets	\$ 3,847,935	\$ 4,302,395	\$ 3,671,473	\$ 3,703,863	\$ 3,666,887
Total Liabilities	45,115	41,765	36,367	168,976	220,481
Total Fund Balances	3,802,820	4,260,630	3,635,106	3,534,887	3,446,406
Total Revenues	21,635,824	21,625,534	22,242,133	22,220,888	22,398,361
Total Expenditures	21,135,662	20,005,295	20,647,871	21,482,037	21,533,761
Total Other Financing Sources (Uses)	(957,972)	(1,080,758)	(1,494,043)	(650,370)	(922,370)



CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
OUACHITA COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(Unaudited)

Schedule 5

<u>Special Revenue Fund</u>	Year Ended June 30,				
	2022	2021	2020	2019	2018
Total Assets	\$ 1,780,092	\$ 599,818	\$ 862,345	\$ 538,647	\$ 496,132
Total Liabilities	708,392	165,172	485,756	37,244	23,351
Total Fund Balances	1,071,700	434,646	376,589	501,403	472,781
Total Revenues	8,497,232	5,884,704	4,241,325	4,111,712	4,392,917
Total Expenditures	7,861,001	5,826,647	4,366,139	4,086,910	4,376,413
Total Other Financing Sources (Uses)	823			3,820	1,208



CAMDEN FAIRVIEW SCHOOL DISTRICT NO. 16
 OUACHITA COUNTY, ARKANSAS
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2022
 (Unaudited)

Schedule 5

<u>Other Aggregate Funds</u>	Year Ended June 30,				
	2022	2021	2020	2019	2018
Total Assets	\$ 4,195,736	\$ 5,058,749	\$ 3,655,742	\$ 2,259,883	\$ 3,287,710
Total Liabilities	248,685	475,160			
Total Fund Balances	3,947,051	4,583,589	3,655,742	2,259,883	3,287,710
Total Revenues	682,743				
Total Expenditures	2,828,624	1,577,807	791,679	1,674,377	907,683
Total Other Financing Sources (Uses)	1,509,343	2,505,654	2,187,538	646,550	916,036

