

GREENWOOD SCHOOL DISTRICT NO. 25
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

GREENWOOD SCHOOL DISTRICT NO. 25
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JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Superintendent and School Board
Greenwood School District No. 25
Greenwood, Arkansas

Opinions

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of **Greenwood School District No. 25**, as of and for the year ended **June 30, 2022**, and the related notes to the financial statements, which collectively comprise **Greenwood School District No. 25's** regulatory basis financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of **Greenwood School District No. 25** 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. Section 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of **Greenwood School District No. 25**, 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. 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 **Greenwood School District No. 25**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the State of Arkansas, the financial statements are prepared by **Greenwood School District No. 25** on the basis of the financial reporting provisions of Ark. Code Ann. Section 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ark. Code Ann. Section 10-4-413(c) as provided in Act 2201 to 2005, as described in Note 1, to meet the requirements of the State of Arkansas. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted 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 **Greenwood School District No. 25'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 **Greenwood School District No. 25'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.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements as a whole. The Schedule of Capital Assets (Unaudited), the Schedule of Expenditures of State Awards, the Disclosure of Retirement Plan Information (Unaudited), and the Schedule of Selected Information for the Last Five Years (Unaudited), which are the responsibility of management, are presented for the purpose of additional analysis and in compliance with state statute. Such information has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit 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) 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the regulatory basis financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated **January 17, 2023** on our consideration of **Greenwood School District No. 25's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Greenwood School District No. 25's** internal control over financial reporting and compliance.

Hubbs & Whitehead, CPAs

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Van Buren, Arkansas

January 17, 2023

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

**To the Superintendent and School Board
Greenwood School District No. 25
Greenwood, Arkansas**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the **Greenwood School District No. 25**, as of and for the year ended **June 30, 2022**, and the related notes to financial statements which collectively comprise **Greenwood School District No. 25's** regulatory basis financial statements, and have issued our report thereon dated **January 17, 2023**. We issued an adverse opinion because **Greenwood School District No. 25** prepared the financial statements on the basis of financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The effects on the financial statements of the variances between the regulatory basis of accounting and U.S. GAAP, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each governmental fund and the aggregate remaining fund information of **Greenwood School District No. 25** 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 to the financial statements.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered **Greenwood School District No. 25's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Greenwood School District No. 25's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Greenwood School District No. 25's** internal control.

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 **Greenwood School District No. 25's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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Van Buren, Arkansas

January 17, 2023

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

**To the Superintendent and School Board
Greenwood School District No. 25
Greenwood, Arkansas**

Report on Compliance for Each Major Federal Program

We have audited the **Greenwood School District No. 25's** 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 **Greenwood School District No. 25's** major federal programs for the year ended **June 30, 2022**. **Greenwood School District No. 25's** major Federal programs are identified in the summary of independent auditor's results section of the accompanying Schedule of findings and questioned costs.

In our opinion, **Greenwood School District No. 25's** 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; 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 **Greenwood School District No. 25** 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 **Greenwood School District No. 25'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 **Greenwood School District No. 25's** federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Greenwood School District No. 25's** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Greenwood School District No. 25's** compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Greenwood School District No. 25'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 **Greenwood School District No. 25'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 **Greenwood School District No. 25's** internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Hubbs & Whitehead, CPAs

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January 17, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ARKANSAS STATE REQUIREMENTS

To the Superintendent and School Board
Greenwood School District No. 25
Greenwood, Arkansas

We have examined management's assertions that **Greenwood School District No. 25** substantially complied with the requirements of Arkansas Code Annotated 6-1-101 and applicable laws and regulations listed on Arkansas Department of Education form OCI 95-96 during the year ended **June 30, 2022**. Management is responsible for **Greenwood School District No. 25's** compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about **Greenwood School District No. 25's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on **Greenwood School District No. 25's** compliance with specified requirements.

In our opinion, **Greenwood School District No. 25** complied, in all material respects, with the aforementioned requirements for the year ended **June 30, 2022**.

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

Hubbs & Whitehead, CPAs

Hubbs & Whitehead, CPAs
Van Buren, Arkansas

January 17, 2023

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GREENWOOD SCHOOL DISTRICT NO. 25
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2022

	Governmental Funds				
	Major				
	General Fund	Special Revenue Fund	Other Funds in Aggregate	Fiduciary Funds	Total
ASSETS					
Cash and cash equivalents	\$ 4,879,093	\$ 1,109,528	\$ 3,723,788	\$ 219,493	\$ 9,931,902
Deposits with paying agent	-	-	652,475	-	652,475
Accounts receivable	-	228,986	-	-	228,986
Total Assets	\$ 4,879,093	\$ 1,338,514	\$ 4,376,263	\$ 219,493	\$ 10,813,363
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 353,849	\$ 39,595	\$ -	\$ 8,301	\$ 401,745
Due to student groups	-	-	-	211,192	211,192
Total Liabilities	353,849	39,595	-	219,493	612,937
Fund Balances					
Restricted	1,328,568	1,338,514	3,628,866	-	6,295,948
Assigned	219,189	-	-	-	219,189
Unassigned	2,977,487	(39,595)	747,397	-	3,685,289
Total Fund Balances	4,525,244	1,298,919	4,376,263	-	10,200,426
Total Liabilities and Fund Balances	\$ 4,879,093	\$ 1,338,514	\$ 4,376,263	\$ 219,493	\$ 10,813,363

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

GREENWOOD SCHOOL DISTRICT NO. 25
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED JUNE 30, 2022

	Major		Other Funds	
	General Fund	Special Revenue Fund	In Aggregate	Total
REVENUES				
Property taxes	\$ 17,066,767	\$ -	\$ -	\$ 17,066,767
State assistance	19,318,350	173,842	-	19,492,192
Federal assistance	78,085	6,768,704	-	6,846,789
Activity revenues	299,358	-	-	299,358
Meal sales	-	115,771	-	115,771
Investment income	13,318	-	3,728	17,046
Other revenues	116,180	5,962	83,031	205,173
Total Revenues	36,892,058	7,064,279	86,759	44,043,096
EXPENDITURES				
Regular programs	13,748,042	614,807	-	14,362,849
Special education	4,135,255	428,993	-	4,564,248
Workforce education	940,185	10,393	-	950,578
Compensatory education	110,371	628,213	-	738,584
Other instructional programs	668,366	76,172	-	744,538
Student support services	1,295,133	731,091	-	2,026,224
Instructional staff support services	1,993,754	950,389	-	2,944,143
General administration support services	788,890	59,547	-	848,437
School administration support services	1,911,501	140,097	-	2,051,598
Business support services	1,312,470	641,906	-	1,954,376
Other support services	50,530	-	-	50,530
Non program charges	19,077	-	-	19,077
Operation and maintenance of plant services	3,772,104	203,144	68,533	4,043,781
Facility acquisition and construction	-	-	301,363	301,363
Student transportation services	1,690,479	42,121	-	1,732,600
Food services operations	-	1,950,696	-	1,950,696
Community services	33,137	15,902	-	49,039
Activity expenditures	345,750	-	-	345,750
Debt service:				
Principal retirement	-	-	2,104,701	2,104,701
Interest and fiscal charges	-	-	964,336	964,336
Total Expenditures	32,815,044	6,493,471	3,438,933	42,747,448
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,077,014	570,808	(3,352,174)	1,295,648
OTHER FINANCING SOURCES (USES)				
Transfers in	47,137,319	47,619	3,736,006	50,920,944
Transfers out	(50,873,325)	(47,619)	-	(50,920,944)
Total Other Financing Sources (Uses)	(3,736,006)	-	3,736,006	-
NET CHANGE IN FUND BALANCES	341,008	570,808	383,832	1,295,648
FUND BALANCES, BEGINNING OF YEAR	4,184,236	728,111	3,992,431	8,904,778
FUND BALANCES, END OF YEAR	\$ 4,525,244	\$ 1,298,919	\$ 4,376,263	\$ 10,200,426

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

GREENWOOD SCHOOL DISTRICT NO. 25
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
REGULATORY BASIS
YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 17,300,000	\$ 17,066,767	\$ (233,233)
State assistance	17,934,186	19,318,350	1,384,164
Federal assistance	31,000	78,085	47,085
Activity revenues	3,000	299,358	296,358
Investment income	9,500	13,318	3,818
Other revenues	82,600	116,180	33,580
Total Revenues	<u>35,360,286</u>	<u>36,892,058</u>	<u>1,531,772</u>
EXPENDITURES			
Regular programs	13,788,862	13,748,042	40,820
Special education	4,311,843	4,135,255	176,588
Workforce education	930,615	940,185	(9,570)
Compensatory education	102,154	110,371	(8,217)
Other instructional programs	732,252	668,366	63,886
Student support services	1,288,675	1,295,133	(6,458)
Instructional staff support services	1,990,913	1,993,754	(2,841)
General administration support services	817,755	788,890	28,865
School administration support services	1,901,903	1,911,501	(9,598)
Business support services	1,431,778	1,312,470	119,308
Other support services	50,530	50,530	-
Non program charges	-	19,077	(19,077)
Operation and maintenance of plant services	3,560,572	3,772,104	(211,532)
Student transportation services	1,525,145	1,690,479	(165,334)
Community services	12,240	33,137	(20,897)
Activity expenditures	-	345,750	(345,750)
Total Expenditures	<u>32,445,237</u>	<u>32,815,044</u>	<u>(369,807)</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	<u>2,915,049</u>	<u>4,077,014</u>	<u>1,161,965</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	47,122,737	47,137,319	14,582
Transfers out	(50,115,045)	(50,873,325)	(758,280)
Total Other Financing Sources (Uses)	<u>(2,992,308)</u>	<u>(3,736,006)</u>	<u>(743,698)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (77,259)</u>	<u>341,008</u>	<u>\$ 418,267</u>
FUND BALANCE, BEGINNING OF YEAR		<u>4,184,236</u>	
FUND BALANCE, END OF YEAR		<u>\$ 4,525,244</u>	

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

GREENWOOD SCHOOL DISTRICT NO. 25
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
REGULATORY BASIS
YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
State assistance	\$ -	\$ 173,842	\$ 173,842
Federal assistance	9,178,270	6,768,704	(2,409,566)
Meal sales	118,000	115,771	(2,229)
Other revenues	-	5,962	5,962
Total Revenues	9,296,270	7,064,279	(2,231,991)
EXPENDITURES			
Regular programs	778,897	614,807	164,090
Special education	362,470	428,993	(66,523)
Workforce education	-	10,393	(10,393)
Compensatory education	718,303	628,213	90,090
Other instructional programs	66,334	76,172	(9,838)
Student support services	667,187	731,091	(63,904)
Instructional staff support services	1,909,585	950,389	959,196
General administration support services	55,713	59,547	(3,834)
School administration support services	124,298	140,097	(15,799)
Business support services	647,400	641,906	5,494
Operation and maintenance of plant services	1,739,152	203,144	1,536,008
Student transportation services	-	42,121	(42,121)
Food services operations	1,729,627	1,950,696	(221,069)
Community services	778	15,902	(15,124)
Total Expenditures	8,799,744	6,493,471	2,306,273
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	496,526	570,808	74,282
OTHER FINANCING SOURCES (USES)			
Transfers in	47,619	47,619	-
Transfers out	(47,619)	(47,619)	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCE	\$ 496,526	570,808	\$ 74,282
FUND BALANCE, BEGINNING OF YEAR		728,111	
FUND BALANCE, END OF YEAR		\$ 1,298,919	

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

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Greenwood School District No. 25 (the District) is a political subdivision of the Arkansas Department of Education, governed by an elected five-member school board. The statements reflect all funds and accounts directly under the control of the District. Using the criteria of financial accountability, there are no component units that are or should be included in the District's report.

Measurement Focus and Basis of Accounting

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

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

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

Revenue Recognition Policies

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

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Capital Assets

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

No salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 50 years.

Cash and Cash Equivalents

The District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents at June 30, 2022 totaled \$796,368. The District's cash and cash equivalents consist of demand deposits and certificates of deposit maintained at financial institutions. State statutes require that the District's funds be deposited in banks located in the State of Arkansas and that all deposit balances in excess of Federal Deposit Corporation (FDIC) insurance limits be collateralized.

Deposits with Paying Agents

Deposits with paying agents include funds held in escrow with banks totaling \$652,475 at June 30, 2022. The balance includes sinking fund deposits that are required to be used for future principal payments on some of the District's long-term debt.

Property Taxes

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

Arkansas Code Ann. Section 6-20-401 allows, but does not mandate, the District to accrue the difference between the 2021 calendar year taxes collected by June 20, 2022 and 8 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue these property taxes.

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

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Fund Balance Classifications

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

Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Assigned fund balance – represents amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

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

Interfund Receivables and Payables

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

Budget and Budgetary Accounting

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

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

Stabilization Arrangements

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

Use of Estimates

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

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Description of Funds

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

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

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

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

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

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

Fiduciary funds include the following:

Agency Funds – Agency Funds are used to report resources held by the reporting government in a purely custodial capacity.

Subsequent Events

Subsequent events are evaluated through January 17, 2023, the date the financial statements were available to be issued.

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 2: Deposits in Financial Institutions

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 250,000	\$ 250,000
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name.	<u>10,334,377</u>	<u>11,815,020</u>
Total Deposits	<u><u>\$ 10,584,377</u></u>	<u><u>\$ 12,065,020</u></u>

Note 3: Receivables

Receivables at June 30, 2022 were comprised of the following:

	<u>Governmental Funds</u>		
	<u>Major</u>		
<u>Description</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Other Funds in Aggregate</u>
Federal aid	<u>\$ -</u>	<u>\$ 228,986</u>	<u>\$ -</u>

Note 4: On-Behalf Payments

The allocation of health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$729,370 for the year ended June 30, 2022.

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 5: Interfund Transfers

Transfers between funds during the year ended June 30, 2022 were as follows:

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Operating Fund	\$ 30,879,535	\$ 50,873,325
Teacher Salary Fund	16,257,784	
Special Revenue Fund	47,619	47,619
Other Funds in Aggregate		
Debt Service	2,986,006	-
Building Fund	750,000	-
	<u>\$ 50,920,944</u>	<u>\$ 50,920,944</u>

Note 6: Commitments

Operating Leases

The District maintains operating leases (non-capital leases with initial non-cancellable lease terms in excess of one year) for office equipment, vehicles, and buses. Rental payments for the operating leases were approximately \$98,000 for the year ended June 30, 2022. Future minimum rental payments for the succeeding years are as follows:

Year ended June 30,	
2023	\$ 88,996
2024	88,224
2025	88,224
2026	88,224
	<u>\$ 353,668</u>

General Obligation Bonds

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

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

The District is currently paying on the following bonds:

<u>Date of issue</u>	<u>Date of Final Maturity</u>	<u>Interest rate percent</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding June 30, 2022</u>	<u>Maturities to June 30, 2022</u>
9/1/2010	9/1/2027	4.55%	\$ 1,000,000	\$ 1,000,000	\$ -
6/1/2011	12/1/2022	2.60 - 2.65%	2,645,000	270,000	2,375,000
7/21/2011	7/1/2027	4.60%	925,000	925,000	-
9/5/2019	12/1/2044	3.00%	9,170,000	8,960,000	210,000
9/5/2019	12/1/2032	2.00 - 3.00%	19,710,000	17,195,000	2,515,000
3/31/2020	6/1/2035	1.05 - 2.00%	5,440,000	4,700,000	740,000
3/30/2021	12/1/2032	0.25 - 1.15%	2,615,000	2,505,000	110,000
			<u>\$ 41,505,000</u>	<u>\$ 35,555,000</u>	<u>\$ 5,950,000</u>

Changes in bond and non-bonded debt activity for the year ended June 30, 2022 were as follows:

	<u>Balance July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
Bonds payable	<u>\$ 37,550,000</u>	<u>\$ -</u>	<u>\$ 1,995,000</u>	<u>\$ 35,555,000</u>

Maturities of bonds and revolving loans are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,210,000	\$ 914,890	\$ 3,124,890
2024	2,260,000	873,083	3,133,083
2025	2,295,000	830,923	3,125,923
2026	2,355,000	780,033	3,135,033
2027	2,415,000	719,443	3,134,443
2028-2032	15,025,000	2,211,265	17,236,265
2033-2037	5,190,000	797,405	5,987,405
2038-2042	2,280,000	403,500	2,683,500
2043-2044	1,525,000	69,375	1,594,375
Total	<u>\$ 35,555,000</u>	<u>\$ 7,599,917</u>	<u>\$ 43,154,917</u>

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 7: Related Organization

The District's financial statements do not include assets, liabilities, and changes in net assets, relating to the Greenwood Education Foundation (the Foundation).

The Foundation operates as a nonprofit benevolent corporation for charitable educational purposes. The most recent financial information available for the Foundation is December 31, 2021. A summary of the Foundation's financial condition (unaudited) as of December 31, 2021, follows:

Assets	
Cash	<u>\$ 432,512</u>
 Total Assets	 <u>432,512</u>
 Liabilities and Net Assets	
Net assets	<u>432,512</u>
 Total Liabilities and Net Assets	 <u><u>\$ 432,512</u></u>

Major components of the change in net assets (unaudited) for the year ended December 31, 2021, consisted of the following:

Revenues	
Donations	\$ 74,998
Interest income	<u>3,019</u>
 Total Revenues	 <u>78,017</u>
 Expenditures	
Program services	53,683
Management and general	<u>-</u>
 Total Expenditures	 <u>53,683</u>
 Net increase (decrease) in net assets	 24,334
Beginning net assets	<u>408,178</u>
 Ending net assets	 <u><u>\$ 432,512</u></u>

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

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

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. The program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to \$250,000 with a \$1,000 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School fund.

The District participates in the Arkansas School Board Association – Workers’ Compensation Trust (the Trust), a self – insurance trust voluntarily established on July 1, 1994 pursuant to state law. The Trust is responsible for obtaining and administering workers’ compensation insurance coverage for its members as well as obtaining reinsurance coverage for those claims that exceeds the standard policy limits. In its administrative capacity, the Association is responsible for monitoring, negotiating and settling claims that have been filed against member districts. The District pays an annual premium for its buildings and contents coverage.

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

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

Note 9: Contingencies

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

Note 10: Pledged Revenues

The District has pledged a portion of its property taxes to retire bonds issued as stated in Note 6. The bonds were issued for various capital projects, refunding of previous bonds and the construction of a new freshman center. Total principal and interest remaining on the bonds is \$43,154,917, payable through December 1, 2044. Principal and interest paid for the current year and total property taxes pledged for debt service were \$3,063,405 and \$6,557,674 respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 46.71 percent.

GREENWOOD SCHOOL DISTRICT NO. 25
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 11: Governmental Fund Balances

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Fund Balances:			
Restricted for:			
Advance Placement	\$ 8,382	\$ -	\$ -
AR School Recognition	260,757	-	-
Capital projects	-	-	2,976,391
Child nutrition programs	-	1,135,344	-
Children with disabilities	1,381	-	-
Coke	4,953	-	-
Comp sci initiative	400	-	-
Declining enrollment	101,268	-	-
Deposit with paying agent	-	-	652,475
DHS - CARES Act fund	-	10,500	-
DHS Childcare	-	4,836	-
DHS Stabilization	-	182,490	-
E.L.L. Funds	24,736	-	-
ESA	63,866	-	-
Extended school year	18,344	-	-
Governor's comp	242	-	-
G-Spire	8,965	-	-
PLTW Comp Science	93,410	-	-
Professional development	33,605	-	-
ROTC	-	5,344	-
Special ed catastrophic	15,490	-	-
Sped state preschool	48,582	-	-
Student growth	644,187	-	-
Total Restricted	1,328,568	1,338,514	3,628,866
 Assigned to:			
Student activities	219,189	-	-
Total Assigned	219,189	-	-
 Unassigned	2,977,487	(39,595)	747,397
 Totals	\$ 4,525,244	\$ 1,298,919	\$ 4,376,263

SUPPLEMENTARY INFORMATION

GREENWOOD SHCOOL DISTRICT NO. 25
SCHEDULE OF CAPITAL ASSETS (UNAUDITED)
JUNE 30, 2022

	Balance June 30, 2022
Non-depreciable capital assets	
Land	\$ 3,013,633
 Depreciable capital assets	
Buildings	59,359,117
Improvements	7,133,119
Equipment	5,017,001
Road vehicles	3,819,092
	75,328,329
 Less accumulated depreciation	 37,997,435
 Total depreciable capital assets	 37,330,894
 Capital assets, net	 \$ 40,344,527

Note:

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

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

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

See Independent Auditor's Report.

GREENWOOD SCHOOL DISTRICT NO. 25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Amount Expended
U.S. Department of Education		
<i>Passed through State Department of Education:</i>		
Special Education Cluster:		
Special Education - Grants to States (IDEA, Part B)	84.027	\$ 916,358
Special Education - Preschool Grants (IDEA Preschool)	84.173	49,076
Total Special Education Cluster		<u>965,434</u>
 Other Programs:		
Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)	84.010	634,004
Supporting Effective Instruction State Grants	84.367	124,017
COVID-19 - Education Stabilization Fund - State Educational Agency (Outlying Areas)	84.425A	43,819
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	779,772
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	1,321,307
Total Other Programs		<u>2,902,919</u>
Total U.S. Department of Education		<u>3,868,353</u>
 U.S. Department of Agriculture		
<i>Passed through State Department of Education:</i>		
Child Nutrition Cluster:		
School Breakfast Program	10.553	451,320
National School Lunch Program	10.555	1,385,231
Total Child Nutrition Cluster		<u>1,836,551</u>
 <i>Passed through State Department of Human Services:</i>		
Food Distribution Cluster:		
Commodity Supplemental Food Program	10.565	84,297
Total Food Distribution Cluster		<u>84,297</u>
Total U.S. Department of Agriculture		<u>1,920,848</u>
 U.S. Department of Defense		
ROTC Language and Cultural Grants	12.357	53,806
Total U.S. Department of Defense		<u>53,806</u>
 U.S. Department of Health and Human Services		
<i>Passed through State Department of Education:</i>		
Medicaid Cluster:		
Medical Assistance Program (Medicaid; Title XIX)	93.778	199,951
Total Medicaid Cluster		<u>199,951</u>
 477 Cluster:		
Child Care and Development Block Grant	93.575	43,933
Total 477 Cluster		<u>43,933</u>
Total U.S. Department of Health and Human Services		<u>243,884</u>
 Total Expenditures of Federal Awards		<u>\$ 6,086,891</u>

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

GREENWOOD SCHOOL DISTRICT NO. 25
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of Greenwood School District No. 25 (the District) 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Note 3: Medicaid - During the year ended June 30, 2022, the District received Medicaid funding of \$161,628 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

Note 4: Subrecipients - Of the Federal expenditures presented in this schedule, the District did not provide any Federal awards to subrecipients.

GREENWOOD SCHOOL DISTRICT NO. 25
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED JUNE 30, 2022

Program Grantor Program Title	State Revenues	State Expenditures
Arkansas Department of Education		
Arkansas Better Chance	\$ 399,267	\$ 399,267
Arkansas Department of Human Services		
Medicaid	161,628	161,628
Total	<u>\$ 560,895</u>	<u>\$ 560,895</u>

Note 1: Basis of Presentation- This Schedule of Expenditures of State Awards includes the state program activity of **Greenwood School District No. 25** and is presented on the regulatory basis of accounting.

GREENWOOD SCHOOL DISTRICT NO. 25
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS (UNAUDITED)
YEAR ENDED JUNE 30, 2021

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>General Fund</u>					
Total Assets	\$ 4,879,093	\$ 4,504,346	\$ 3,807,408	\$ 3,666,389	\$ 3,827,350
Total Liabilities	353,849	320,110	157,118	99,770	171,827
Total Fund Balance	4,525,244	4,184,236	3,650,290	3,566,619	3,655,523
Total Revenues	36,892,058	36,003,137	33,898,708	34,568,727	34,381,111
Total Expenditures	32,815,044	30,652,933	31,260,227	31,523,870	31,349,802
Total Other Financing Sources (Uses)	(3,736,006)	(4,816,258)	(2,554,810)	(3,133,761)	(3,107,587)
<u>Special Revenue Fund</u>					
Total Assets	1,338,514	728,111	239,730	382,380	341,808
Total Liabilities	39,595	-	2,807	11,154	12,136
Total Fund Balance	1,298,919	728,111	236,923	371,226	329,627
Total Revenues	7,064,279	5,886,232	3,146,068	3,411,911	3,291,888
Total Expenditures	6,493,471	5,395,044	3,280,371	3,370,357	3,394,764
Total Other Financing Sources (Uses)	-	-	-	-	-
<u>Other Aggregate Funds</u>					
Total Assets	4,376,263	4,027,371	2,730,560	1,911,058	2,221,094
Total Liabilities	-	34,940	42,372	3,828	-
Total Fund Balance	4,376,263	3,992,431	2,688,188	1,907,230	2,221,094
Total Revenues	86,759	123,456	226,170	157,445	97,736
Total Expenditures	3,438,933	3,635,471	2,000,022	3,600,091	3,959,327
Total Other Financing Sources (Uses)	3,736,006	4,816,258	2,554,810	3,128,782	3,102,545

See Independent Auditor's Report.

GREENWOOD SCHOOL DISTRICT NO. 25
DISCLOSURE OF RETIREMENT PLAN INFORMATION (UNAUDITED)
YEAR ENDED JUNE 30, 2022

Arkansas Teacher Retirement System

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

Funding Policy - ATRS has contributory and non-contributory plans. Contributory members are required by law to contribute 6.75% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current employer rate is 14.75%. The District's contributions to ATRS for the year ended June 30, 2022 was \$3,569,718, equal to the required contributions for each year.

Net Pension Liability - The Arkansas Department of Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement No. 68 would be limited to disclosure of the District's proportionate share of the collective pension liability. The District's proportionate share of the collective net pension liability at June 30, 2021 (actuarial valuation date and measurement date) was \$19,058,286.

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 nonteaching Arkansas public school employees hired before July 1, 1989. APERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, One Union National Plaza, 124 W. Capitol, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy - APERS has contributory and non-contributory plans. Contributory members are required by law to contribute 6% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current statutory employer rate is 4% of annual covered payroll. The District's contributions to APERS for the year ended June 30, 2022 totaled \$591, equal to the required contributions for each year.

Net Pension Liability - The Arkansas Department of Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement No. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the net pension liability at June 30, 2021 (actuarial valuation date and measurement date) was \$995.

**GREENWOOD SCHOOL DISTRICT NO. 25
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

I. Summary of Independent Auditor's Results

Financial Statement

Type of report issued:	GAAP basis of reporting – adverse Regulatory basis of opinion units - unmodified
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Internal control over financial reporting:

Material weakness identified?	No material weakness identified
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Significant deficiencies identified that are not considered to be material weakness?	No significant deficiencies
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Noncompliance statement:	No material noncompliance
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Federal Awards

Internal control over major programs:

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

<u>CFDA Number (s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief Fund

Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
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Statement of Risk of the Auditee	Low Risk
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**GREENWOOD SCHOOL DISTRICT NO. 25
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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

No findings or questioned costs noted.

III. Findings and Questioned Costs for Federal Awards

No findings or questioned costs noted.

**GREENWOOD SCHOOL DISTRICT NO. 25
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022**

Financial Statement Findings

No prior year findings.

Federal Award Findings

There were no findings in the prior audit.

**GREENWOOD SCHOOL DISTRICT NO. 25
SUPPLEMENTAL DATA REQUIRED BY THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
YEAR ENDED JUNE 30, 2022**

Name and address:	Greenwood School District No. 25 420 North Main Greenwood, Arkansas 72936
Employer Identification Number:	71-6021152
Telephone Number:	479-996-4142
Superintendent:	Mr. John Ciesla
Contact Person:	Mr. John Ciesla

OTHER INFORMATION

School Locations:	East Pointe Elementary Westwood Elementary East Hills Middle School Greenwood Junior High Greenwood High School Freshman Center
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