

GREENWOOD SCHOOL DISTRICT NO. 25  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of **Greenwood School District No. 25** (the District), as of and for the year ended **June 30, 2024**, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of **June 30, 2024**, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. Section 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of **June 30, 2024**, or the changes in financial position for the year then ended.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 to the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. Section 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Arkansas.

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Schedule of Expenditures of State Awards, are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards are fairly stated in all material respects in relation to the regulatory basis financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the report. The other information comprises the Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years – Regulatory Basis but does not include the regulatory basis financial statements, supplementary information, and our auditor's report thereon. Our opinions on the regulatory basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the regulatory basis financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the regulatory basis financial statements, or the other information other appears to be materially misstated. If, based on the work performed, we conclude that a material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have issued our report dated **January 2, 2025** on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Hubbs & Whitehead, CPAs*

Hubbs & Whitehead, CPAs  
Van Buren, Arkansas

January 2, 2025



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

**To the School Board  
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** (the District), as of and for the year ended **June 30, 2024**, and the related notes to financial statements which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated **January 2, 2025**. We issued an adverse opinion because the District prepared the financial statements on the basis of financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The effects on the financial statements of the variances between the regulatory basis of accounting and U.S. GAAP, although not reasonably determinable, are presumed to be material and pervasive. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each governmental fund and the aggregate remaining fund information of the District as of **June 30, 2024**, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1 to the financial statements.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the regulatory basis financial statements, we considered **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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



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

**January 2, 2025**

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

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

**Report on Compliance for Each Major Federal Program**  
***Opinion on Each Major Federal Program***

We have audited Greenwood School District No. 25's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended **June 30, 2024**. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2024**.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

**Report on Internal Control Over Compliance**

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



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

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

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

*Hubbs & Whitehead, CPAs*

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

**January 2, 2025**

**GREENWOOD SCHOOL DISTRICT NO. 25**  
**BALANCE SHEET - REGULATORY BASIS**  
**JUNE 30, 2024**

	<u>Governmental Funds</u>				<u>Total</u>
	<u>Major</u>			<u>Fiduciary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Other Funds in Aggregate</u>		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,797,814	\$ 559,759	\$ 2,503,693	\$ 181,094	\$ 8,042,360
Deposits with paying agent	-	-	746,172	-	746,172
Accounts receivable	-	373,732	-	-	373,732
<b>Total Assets</b>	<b><u>\$ 4,797,814</u></b>	<b><u>\$ 933,491</u></b>	<b><u>\$ 3,249,865</u></b>	<b><u>\$ 181,094</u></b>	<b><u>\$ 9,162,264</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 131,292	\$ 4,536	\$ 20,142	\$ 4,814	\$ 160,784
Due to student groups	-	-	-	176,280	176,280
<b>Total Liabilities</b>	<b><u>131,292</u></b>	<b><u>4,536</u></b>	<b><u>20,142</u></b>	<b><u>181,094</u></b>	<b><u>337,064</u></b>
<b>Fund Balances</b>					
Restricted	428,254	933,489	3,249,865	-	4,611,608
Assigned	266,309	-	-	-	266,309
Unassigned	3,971,959	(4,534)	(20,142)	-	3,947,283
<b>Total Fund Balances</b>	<b><u>4,666,522</u></b>	<b><u>928,955</u></b>	<b><u>3,229,723</u></b>	<b><u>-</u></b>	<b><u>8,825,200</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 4,797,814</u></b>	<b><u>\$ 933,491</u></b>	<b><u>\$ 3,249,865</u></b>	<b><u>\$ 181,094</u></b>	<b><u>\$ 9,162,264</u></b>

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, 2024**

	Major		Other Funds in Aggregate	Total
	General Fund	Special Revenue Fund		
<b>REVENUES</b>				
Property taxes	\$ 18,236,118	\$ -	\$ -	\$ 18,236,118
State assistance	22,860,250	30,868	-	22,891,118
Federal assistance	50,866	4,149,177	-	4,200,043
Activity revenues	428,682	-	-	428,682
Meal sales	-	680,466	-	680,466
Investment income	211,397	-	83,591	294,988
Other revenues	126,258	26,304	-	152,562
<b>Total Revenues</b>	<b>41,913,571</b>	<b>4,886,815</b>	<b>83,591</b>	<b>46,883,977</b>
<b>EXPENDITURES</b>				
Regular programs	16,336,090	256,230	-	16,592,320
Special education	4,921,593	345,941	-	5,267,534
Workforce education	1,119,717	-	-	1,119,717
Compensatory education	131,618	635,302	-	766,920
Other instructional programs	833,314	44,721	-	878,035
Student support services	1,626,622	798,744	-	2,425,366
Instructional staff support services	2,324,723	520,575	-	2,845,298
General administration support services	849,726	58,813	-	908,539
School administration support services	2,071,863	-	-	2,071,863
Business support services	1,327,118	-	-	1,327,118
Other support services	107,191	-	-	107,191
Operation and maintenance of plant services	4,418,521	289,326	219,666	4,927,513
Facility acquisition and construction	-	-	258,398	258,398
Facility remodeling	-	-	324,717	324,717
Student transportation services	1,911,103	-	-	1,911,103
Food services operations	-	2,132,373	-	2,132,373
Community services	12,418	47,675	-	60,093
Activity expenditures	367,152	-	-	367,152
Debt service:				
Principal retirement	-	-	2,318,932	2,318,932
Interest and fiscal charges	-	-	878,179	878,179
<b>Total Expenditures</b>	<b>38,358,769</b>	<b>5,129,700</b>	<b>3,999,892</b>	<b>47,488,361</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,554,802</b>	<b>(242,885)</b>	<b>(3,916,301)</b>	<b>(604,384)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	51,294,678	46,454	3,300,646	54,641,778
Transfers out	(54,595,324)	(46,454)	-	(54,641,778)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,300,646)</b>	<b>-</b>	<b>3,300,646</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>254,156</b>	<b>(242,885)</b>	<b>(615,655)</b>	<b>(604,384)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>4,412,366</b>	<b>1,171,840</b>	<b>3,845,378</b>	<b>9,429,584</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 4,666,522</b>	<b>\$ 928,955</b>	<b>\$ 3,229,723</b>	<b>\$ 8,825,200</b>

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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 18,275,000	\$ 18,236,118	\$ (38,882)
State assistance	20,603,528	22,860,250	2,256,722
Federal assistance	80,000	50,866	(29,134)
Activity revenues	-	428,682	428,682
Investment income	175,000	211,397	36,397
Other revenues	121,975	126,258	4,283
<b>Total Revenues</b>	<u>39,255,503</u>	<u>41,913,571</u>	<u>2,658,068</u>
<b>EXPENDITURES</b>			
Regular programs	15,225,308	16,336,090	(1,110,782)
Special education	4,999,206	4,921,593	77,613
Workforce education	1,076,399	1,119,717	(43,318)
Compensatory education	132,539	131,618	921
Other instructional programs	793,340	833,314	(39,974)
Student support services	1,512,279	1,626,622	(114,343)
Instructional staff support services	2,311,853	2,324,723	(12,870)
General administration support services	851,080	849,726	1,354
School administration support services	2,078,742	2,071,863	6,879
Business support services	1,357,276	1,327,118	30,158
Other support services	80,000	107,191	(27,191)
Operation and maintenance of plant services	4,509,988	4,418,521	91,467
Student transportation services	1,592,047	1,911,103	(319,056)
Community services	12,265	12,418	(153)
Activity expenditures	-	367,152	(367,152)
<b>Total Expenditures</b>	<u>36,532,322</u>	<u>38,358,769</u>	<u>(1,826,447)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,723,181</u>	<u>3,554,802</u>	<u>831,621</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	51,415,893	51,294,678	(121,215)
Transfers out	(54,553,831)	(54,595,324)	(41,493)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,137,938)</u>	<u>(3,300,646)</u>	<u>(162,708)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (414,757)</u>	254,156	<u>\$ 668,913</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>4,412,366</u>	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 4,666,522</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, 2024**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
State assistance	\$ 11,000	\$ 30,868	\$ 19,868
Federal assistance	3,851,138	4,149,177	298,039
Meal sales	699,000	680,466	(18,534)
Other revenues	-	26,304	26,304
	4,561,138	4,886,815	325,677
<b>Total Revenues</b>			
<b>EXPENDITURES</b>			
Regular programs	-	256,230	(256,230)
Special education	343,234	345,941	(2,707)
Compensatory education	765,583	635,302	130,281
Other instructional programs	38,111	44,721	(6,610)
Student support services	817,374	798,744	18,630
Instructional staff support services	568,769	520,575	48,194
General administration support services	59,007	58,813	194
Operation and maintenance of plant services	25,500	289,326	(263,826)
Food services operations	1,933,836	2,132,373	(198,537)
Community services	5,175	47,675	(42,500)
	4,556,589	5,129,700	(573,111)
<b>Total Expenditures</b>			
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	4,549	(242,885)	(247,434)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	46,454	46,454	-
Transfers out	(46,454)	(46,454)	-
	-	-	-
<b>Total Other Financing Sources (Uses)</b>			
<b>NET CHANGE IN FUND BALANCE</b>	\$ 4,549	(242,885)	\$ (247,434)
<b>FUND BALANCE, BEGINNING OF YEAR</b>		1,171,840	
<b>FUND BALANCE, END OF YEAR</b>		\$ 928,955	

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, 2024**

**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).

***Encumbrances***

The District does not utilize encumbrance accounting.

**GREENWOOD SCHOOL DISTRICT NO. 25  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

***Capital Assets***

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

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

***Cash and Cash Equivalents***

The District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents at June 30, 2024 totaled \$46,750. 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 \$746,172 at June 30, 2024. 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.

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, 2024**

***Fund Balance Classifications***

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

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

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

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

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

***Interfund Receivables and Payables***

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

***Budget and Budgetary Accounting***

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

The District budgets intra-fund transfers. Significant variances may result in the comparison of transfers at the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General and Special Revenue Funds – Regulatory Basis because only interfund transfers are reported at the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds – Regulatory Basis.

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

***Stabilization Arrangements***

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

**GREENWOOD SCHOOL DISTRICT NO. 25  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

***Use of Estimates***

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

***Description of Funds***

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

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

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

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

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

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

Fiduciary funds include the following:

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

***Minimum Fund Balance Policies***

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

***Subsequent Events***

Subsequent events are evaluated through January 2, 2025, the date the financial statements were available to be issued.

**GREENWOOD SCHOOL DISTRICT NO. 25  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**Note 2: Deposits in Financial Institutions**

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 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.	8,538,532	10,342,500
<b>Total Deposits</b>	<b>\$ 8,788,532</b>	<b>\$ 10,592,500</b>

**Note 3: Receivables**

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

Description	Governmental Funds		
	Major		
	General Fund	Special Revenue Fund	Other Funds in Aggregate
Federal aid	\$ -	\$ 373,732	\$ -

**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 \$1,025,234 for the year ended June 30, 2024.

**GREENWOOD SCHOOL DISTRICT NO. 25  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**Note 5: Interfund Transfers**

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

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Operating Fund	\$ 33,268,833	\$ 54,595,324
Teacher Salary Fund	18,025,845	-
Special Revenue Fund	46,454	46,454
Other Funds in Aggregate		
Debt Service	3,113,520	-
Building Fund	187,126	-
	<u>\$ 54,641,778</u>	<u>\$ 54,641,778</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 \$88,224 for the year ended June 30, 2024. Future minimum rental payments for the succeeding years are as follows:

Year ended June 30,	
2025	\$ 88,224
2026	88,224
	<u>\$ 176,448</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, 2024**

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, 2024</u>	<u>Maturities to June 30, 2024</u>
9/1/2010	9/1/2027	4.55%	\$ 1,000,000	\$ 1,000,000	\$ -
7/21/2011	7/1/2027	4.60%	925,000	925,000	-
9/5/2019	12/1/2044	3.00%	9,170,000	8,395,000	775,000
9/5/2019	12/1/2032	2.00 - 3.00%	19,710,000	14,675,000	5,035,000
3/31/2020	6/1/2035	1.05 - 2.00%	5,440,000	4,020,000	1,420,000
3/30/2021	12/1/2032	0.25 - 1.15%	2,615,000	2,070,000	545,000
			<u>\$ 38,860,000</u>	<u>\$ 31,085,000</u>	<u>\$ 7,775,000</u>

Changes in bond and non-bonded debt activity for the year ended June 30, 2024 were as follows:

	<u>Balance July 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
Bonds payable	<u>\$ 33,345,000</u>	<u>\$ -</u>	<u>\$ 2,260,000</u>	<u>\$ 31,085,000</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>
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	4,410,000	612,443	5,022,443
2029	2,550,000	503,070	3,053,070
2030-2034	11,645,000	1,487,258	13,132,258
2035-2039	2,485,000	608,175	3,093,175
2040-2044	2,410,000	262,800	2,672,800
2045	520,000	7,800	527,800
Total	<u>\$ 31,085,000</u>	<u>\$ 5,811,945</u>	<u>\$ 36,896,945</u>

**GREENWOOD SCHOOL DISTRICT NO. 25  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**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, 2023. A summary of the Foundation's financial condition (unaudited) as of December 31, 2023, follows:

<b>Assets</b>	
Cash	\$ 456,025
Investments	<u>16,483</u>
Total Assets	<u>472,508</u>
 <b>Liabilities and Net Assets</b>	
Net assets	<u>472,508</u>
Total Liabilities and Net Assets	<u><u>\$ 472,508</u></u>

Major components of the change in net assets (unaudited) for the year ended December 31, 2023, consisted of the following:

<b>Revenues</b>	
Donations	\$ 123,351
Interest income	<u>15,506</u>
Total Revenues	<u>138,857</u>
 <b>Expenditures</b>	
Program services	81,734
Management and general	<u>4,146</u>
Total Expenditures	<u>85,880</u>
Net increase (decrease) in net assets	52,977
Beginning net assets	<u>419,531</u>
Ending net assets	<u><u>\$ 472,508</u></u>

**GREENWOOD SCHOOL DISTRICT NO. 25**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**Note 8: Retirement Plan**

***Arkansas Teacher Retirement System***

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

Funding Policy - ATRS has contributory and non-contributory plans. Contributory members are required by law to contribute 7.00% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current employer rate is 15.00%. The District's contributions to ATRS for the year ended June 30, 2024 was \$3,840,782, 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, 2023 (actuarial valuation date and measurement date) was \$37,902,789.

**Note 9: 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.

**GREENWOOD SCHOOL DISTRICT NO. 25  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

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 10: 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 11: 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 \$36,896,945, payable through December 1, 2045. Principal and interest paid for the current year and total property taxes pledged for debt service were \$3,192,015 and \$7,006,981, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was approximately 46 percent.

**GREENWOOD SCHOOL DISTRICT NO. 25  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2024**

**Note 12: Governmental Fund Balances**

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Advance Placement	\$ 13,463	\$ -	\$ -
AR School Recognition	173,780	-	-
ARPA Sustainability	-	3,578	-
Capital projects	-	-	2,503,693
Child nutrition programs	-	890,784	-
Children with disabilities	1,381	-	-
Coke	4,861	-	-
Comp sci initiative	650	-	-
Deposit with paying agent	-	-	746,172
DHS - CARES Act fund	-	4,452	-
DHS Stabilization	-	8,411	-
E.L.L. Funds	18,529	-	-
ESA	21,682	-	-
Governor's comp	272	-	-
G-Spire	33,394	-	-
PLTW Grant	4,232	-	-
Professional development	129,699	-	-
ROTC	-	16,269	-
Sped state preschool	26,311	-	-
Wolf	-	9,995	-
<b>Total Restricted</b>	<b><u>428,254</u></b>	<b><u>933,489</u></b>	<b><u>3,249,865</u></b>
<b>Assigned to:</b>			
Student activities	<u>266,309</u>	-	-
<b>Total Assigned</b>	<b><u>266,309</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Unassigned</b>	<b><u>3,971,959</u></b>	<b><u>(4,534)</u></b>	<b><u>(20,142)</u></b>
<b>Totals</b>	<b><u>\$ 4,666,522</u></b>	<b><u>\$ 928,955</u></b>	<b><u>\$ 3,229,723</u></b>

**Note 13: Subsequent Events**

Subsequent to year end, the District entered into a three-year lease-purchase agreement for the purchase of five school buses. The total value of the buses purchased in this agreement is approximately \$761,000.

**SUPPLEMENTARY AND OTHER INFORMATION**

**GREENWOOD SHCOOL DISTRICT NO. 25  
SCHEDULE OF CAPITAL ASSETS (UNAUDITED)  
JUNE 30, 2024**

	<b>Balance June 30, 2024</b>
<b>Non-depreciable capital assets</b>	
Land	\$ 3,013,633
 <b>Depreciable capital assets</b>	
Buildings	59,255,877
Improvements	8,016,068
Equipment	5,502,095
Road vehicles	4,263,681
	77,037,721
Less accumulated depreciation	41,698,650
<b>Total depreciable capital assets</b>	<b>35,339,071</b>
<b>Capital assets, net</b>	<b>\$ 38,352,704</b>

**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. Library holdings are not capitalized. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during construction is not capitalized.

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

See Independent Auditor's Report.

**GREENWOOD SCHOOL DISTRICT NO. 25**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Amount Expended
<b>U.S. Department of Agriculture</b>				
<i>Passed through State Department of Education:</i>				
<b>Child Nutrition Cluster:</b>				
School Breakfast Program	10.553	6602	\$ -	\$ 240,282
National School Lunch Program	10.555	6602	-	1,802,561
<b>Total Child Nutrition Cluster</b>			<u>-</u>	<u>2,042,843</u>
 <i>Passed through State Department of Human Services:</i>				
<b>Food Distribution Cluster:</b>				
Commodity Supplemental Food Program	10.565	6602	-	104,007
<b>Total Food Distribution Cluster</b>			<u>-</u>	<u>104,007</u>
<b>Total U.S. Department of Agriculture</b>			<u>-</u>	<u>2,146,850</u>
 <b>U.S. Department of Defense</b>				
ROTC Language and Cultural Grants	12.357	6602	-	44,721
<b>Total U.S. Department of Defense</b>			<u>-</u>	<u>44,721</u>
 <b>U.S. Department of Education</b>				
<i>Passed through State Department of Education:</i>				
<b>Special Education Cluster:</b>				
Special Education - Grants to States (IDEA, Part B)	84.027	6602	-	834,191
Special Education - Preschool Grants (IDEA Preschool)	84.173	6602	-	31,874
<b>Total Special Education Cluster</b>			<u>-</u>	<u>866,065</u>
 <b>Other Programs:</b>				
Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)	84.010	6602	-	627,134
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	6602	-	17,004
Supporting Effective Instruction State Grants	84.367	6602	-	132,926
Comprehensive Literacy Development (SOAR Comp Lit Grant)	84.371	6602	-	210,017
Student Support and Academic Enrichment Grant	84.424	6602	-	285,562
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	6602	-	308,998
<b>Total Other Programs</b>			<u>-</u>	<u>1,581,641</u>
<b>Total U.S. Department of Education</b>			<u>-</u>	<u>2,447,706</u>
 <b>U.S. Department of Health and Human Services</b>				
<i>Passed through State Department of Education:</i>				
<b>CCDF Cluster:</b>				
Child Care and Development Block Grant	93.575	6602	-	115,584
<b>Total CCDF Cluster</b>			<u>-</u>	<u>115,584</u>
 <b>477 Cluster:</b>				
Temporary Assistance For Needy Families (TANF)	93.558	6602	-	6,048
<b>Total 477 Cluster</b>			<u>-</u>	<u>6,048</u>
 <b>Medicaid Cluster:</b>				
Medical Assistance Program (Medicaid; Title XIX)	93.778	6602	-	243,952
<b>Total Medicaid Cluster</b>			<u>-</u>	<u>243,952</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>-</u>	<u>365,584</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ -</u>	<u>\$ 5,004,861</u>

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

**GREENWOOD SCHOOL DISTRICT NO. 25**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2024**

- Note 1:** **Basis of Presentation** - The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of Greenwood School District No. 25 (the District) for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2:** **Summary of Significant Accounting Policies** - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.
- Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.
- Note 3:** **Medicaid** - During the year ended June 30, 2024, the District received Medicaid funding of \$182,358 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.
- Note 4:** **Subrecipients** - Of the Federal expenditures presented in this schedule, the District did not provide any Federal awards to subrecipients.

See Independent Auditor's Report.

**GREENWOOD SCHOOL DISTRICT NO. 25  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED JUNE 30, 2024**

<u>Program Grantor Program Title</u>	<u>State Revenues</u>	<u>State Expenditures</u>
<b>Arkansas Department of Education</b>		
Arkansas Better Chance	\$ 400,124	\$ 400,124
Medicaid	182,358	182,358
<b>Total</b>	<u>\$ 582,482</u>	<u>\$ 582,482</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.

See Independent Auditor's Report.

**GREENWOOD SCHOOL DISTRICT NO. 25**  
**SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS (UNAUDITED)**  
**YEAR ENDED JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><u>General Fund</u></b>					
Total Assets	\$ 4,797,814	\$ 4,561,026	\$ 4,879,093	\$ 4,504,346	\$ 3,807,408
Total Liabilities	131,292	148,660	353,849	320,110	157,118
Total Fund Balance	4,666,522	4,412,366	4,525,244	4,184,236	3,650,290
Total Revenues	41,913,571	38,272,386	36,892,058	36,003,137	33,898,708
Total Expenditures	38,358,769	35,234,467	32,815,044	30,652,933	31,260,227
Total Other Financing Sources (Uses)	(3,300,646)	(3,150,797)	(3,736,006)	(4,816,258)	(2,554,810)
<b><u>Special Revenue Fund</u></b>					
Total Assets	933,491	1,187,441	1,338,514	728,111	239,730
Total Liabilities	4,536	15,601	39,595	-	2,807
Total Fund Balance	928,955	1,171,840	1,298,919	728,111	236,923
Total Revenues	4,886,815	6,728,887	7,064,279	5,886,232	3,146,068
Total Expenditures	5,129,700	6,855,966	6,493,471	5,395,044	3,280,371
Total Other Financing Sources (Uses)	-	-	-	-	-
<b><u>Other Aggregate Funds</u></b>					
Total Assets	3,249,865	4,016,317	4,376,263	4,027,371	2,730,560
Total Liabilities	20,142	170,939	-	34,940	42,372
Total Fund Balance	3,229,723	3,845,378	4,376,263	3,992,431	2,688,188
Total Revenues	83,591	406,413	86,759	123,456	226,170
Total Expenditures	3,999,892	4,088,095	3,438,933	3,635,471	2,000,022
Total Other Financing Sources (Uses)	3,300,646	3,150,797	3,736,006	4,816,258	2,554,810

See Independent Auditor's Report.

**GREENWOOD SCHOOL DISTRICT NO. 25  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**I. Summary of Independent Auditor's Results**

**Financial Statement**

Type of report issued: GAAP basis of reporting – adverse  
Regulatory basis of opinion units - unmodified

Internal control over financial reporting:

Material weakness identified? No material weakness identified

Significant deficiencies identified that are not considered to be material weakness? No significant deficiencies

Noncompliance statement: No material noncompliance

**Federal Awards**

Internal control over major programs:

Material weakness identified? No material weakness identified

Significant deficiencies identified that are not considered to be material weakness? None reported

Type of report issued on major programs: Unmodified Opinion

Any audit finding disclosed that are required to be reported in accordance with the Uniform Guidance? No

Major programs identified:

AL Number (s)	Name of Federal Program or Cluster
10.553, 10.555, and 10.582	Child Nutrition Cluster

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

Statement of Risk of the Auditee Low Risk

**GREENWOOD SCHOOL DISTRICT NO. 25  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

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

No findings or questioned costs noted.

**III. Findings and Questioned Costs for Federal Awards**

No findings or questioned costs noted.

**GREENWOOD SCHOOL DISTRICT NO. 25  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

**Financial Statement Findings**

No prior year findings.

**Federal Award Findings**

There were no findings in the prior audit.

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

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**Hubbs & Whitehead, CPAs**  
Certified Public Accountants



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ARKANSAS STATE REQUIREMENTS

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

We have examined management's assertions that **Greenwood School District No. 25** (the District) substantially complied with the requirements of Arkansas Code Annotated 6-1-101 and applicable laws and regulations listed on Arkansas Department of Education form OCI 95-96 during the year ended **June 30, 2024**. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended **June 30, 2024**.

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

*Hubbs & Whitehead, CPAs*

Hubbs & Whitehead, CPAs  
Van Buren, Arkansas

January 2, 2025

**Member of:**

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

\*Arkansas Society of Certified Public Accountants

\*Oklahoma Society of Certified Public Accountants

**GREENWOOD SCHOOL DISTRICT NO. 17**  
**SCHEDULE OF STATUTES REQUIRED BY THE ARKANSAS DEPARTMENT OF EDUCATION TO BE ADDRESSED IN**  
**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE**  
**YEAR ENDED JUNE 30, 2024**

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