

Rivercrest School District No. 57

Mississippi County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2021



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MISSISSIPPI COUNTY, ARKANSAS
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Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

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

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

INDEPENDENT AUDITOR'S REPORT

Rivercrest School District No. 57 and School Board Members
Legislative Joint Auditing Committee

Report on the Financial Statements

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Rivercrest School District No. 57 (the "District"), as of and for the year ended June 30, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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.

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 paragraphs, 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, 2021, or the changes in financial position for the year then ended.

Unmodified Opinions 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, 2021, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Emphasis of Matter

As discussed in Note 1C to the financial statements, in 2021 the District adopted new accounting guidance, Governmental Accounting Standards Board Statement no. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Schedule of Capital Assets, and the Schedule of Selected Information for the Last Five Years – Regulatory Basis are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements.

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

The Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years – Regulatory Basis have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas
March 28, 2022
EDSD43821

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair



Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

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

INDEPENDENT AUDITOR'S REPORT

Rivercrest School District No. 57 and School Board Members
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the Rivercrest School District No. 57 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated March 28, 2022. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. However, the financial statements present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2021, 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.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ARKANSAS LEGISLATIVE AUDIT



Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 28, 2022

Arkansas

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE **ARKANSAS LEGISLATIVE AUDIT**

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

INDEPENDENT AUDITOR'S REPORT

Rivercrest School District No. 57 and School Board Members
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

We have audited the Rivercrest School District No. 57's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes 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 audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

ARKANSAS LEGISLATIVE AUDIT



Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
March 28, 2022

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2021

Exhibit A

	Governmental Funds			
	Major			Fiduciary
	General	Special Revenue	Other Aggregate	Fund Types
ASSETS				
Cash	\$ 2,569,216		\$ 5,437,566	\$ 39,000
Accounts receivable	13,357	\$ 448,933		
Due from other funds	1,932			
TOTAL ASSETS	\$ 2,584,505	\$ 448,933	\$ 5,437,566	\$ 39,000
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 100,006	\$ 39,999	\$ 7,450	
Due to other funds		1,932		
Total Liabilities	100,006	41,931	7,450	
Fund Balances:				
Restricted	884,432	407,002		\$ 39,000
Assigned	96,550		5,430,116	
Unassigned	1,503,517			
Total Fund Balances	2,484,499	407,002	5,430,116	39,000
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,584,505	\$ 448,933	\$ 5,437,566	\$ 39,000

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

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit B

	Major		Other
	General	Special Revenue	Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	\$ 3,766,485		
State assistance	6,751,826	\$ 4,444	
Federal assistance		3,508,888	
Activity revenues	40,724		
Meal sales		9,939	
Investment income	17,903		
Other revenues	595,673	1,342	
TOTAL REVENUES	11,172,611	3,524,613	
EXPENDITURES			
Regular programs	4,155,109	735,255	
Special education	576,422	216,756	
Career education programs	151,151	13,559	
Compensatory education programs	487,450	401,984	
Other instructional programs	285,625	21,293	
Student support services	444,248	283,897	
Instructional staff support services	538,592	274,937	
General administration support services	306,108	43,586	
School administration support services	428,497	338,680	
Central services support services	274,232	53,445	
Operation and maintenance of plant services	1,450,681	277,885	
Student transportation services	547,559	28,220	
Other support services	53,435		
Food services operations		771,382	
Community services operations		5,588	
Facilities acquisition and construction services			\$ 185,995
Non-programmed costs		467	
Activity expenditures	43,498		
Debt Service:			
Principal retirement	92,282		165,000
Interest and fiscal charges	11,393		232,377
TOTAL EXPENDITURES	9,846,282	3,466,934	583,372
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,326,329	57,679	(583,372)
OTHER FINANCING SOURCES (USES)			
Transfers in			1,314,804
Transfers out	(1,314,804)		
TOTAL OTHER FINANCING SOURCES (USES)	(1,314,804)		1,314,804
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	11,525	57,679	731,432
FUND BALANCES - JULY 1	2,472,974	349,323	4,698,684
FUND BALANCES - JUNE 30	\$ 2,484,499	\$ 407,002	\$ 5,430,116

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

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 3,806,010	\$ 3,766,485	\$ (39,525)			
State assistance	6,607,107	6,751,826	144,719	\$ 4,000	\$ 4,444	\$ 444
Federal assistance	6,000		(6,000)	2,520,735	3,508,888	988,153
Activity revenues	99,570	40,724	(58,846)			
Meal sales				50,900	9,939	(40,961)
Investment income	25,000	17,903	(7,097)			
Other revenues	390,200	595,673	205,473	2,756	1,342	(1,414)
TOTAL REVENUES	10,933,887	11,172,611	238,724	2,578,391	3,524,613	946,222
EXPENDITURES						
Regular programs	4,495,967	4,155,109	340,858	699,620	735,255	(35,635)
Special education	587,020	576,422	10,598	237,845	216,756	21,089
Career education programs	165,656	151,151	14,505	13,559	13,559	
Compensatory education programs	648,086	487,450	160,636	407,388	401,984	5,404
Other instructional programs	288,725	285,625	3,100	21,293	21,293	
Student support services	444,302	444,248	54	450,887	283,897	166,990
Instructional staff support services	592,025	538,592	53,433	468,104	274,937	193,167
General administration support services	297,170	306,108	(8,938)	45,504	43,586	1,918
School administration support services	428,841	428,497	344	338,679	338,680	(1)
Central services support services	278,515	274,232	4,283	53,445	53,445	
Operation and maintenance of plant services	1,294,274	1,450,681	(156,407)	741,007	277,885	463,122
Student transportation services	706,431	547,559	158,872	49,492	28,220	21,272
Other support services	43,588	53,435	(9,847)			
Food services operations				753,417	771,382	(17,965)
Community services operations				10,000	5,588	4,412
Non-programmed costs				3,308	467	2,841
Activity expenditures	150,507	43,498	107,009			
Debt Service:						
Principal retirement	92,282	92,282				
Interest and fiscal charges	11,393	11,393				
TOTAL EXPENDITURES	10,524,782	9,846,282	678,500	4,293,548	3,466,934	826,614

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 409,105	\$ 1,326,329	\$ 917,224	\$ (1,715,157)	\$ 57,679	\$ 1,772,836
OTHER FINANCING SOURCES (USES)						
Transfers in	13,050,159		(13,050,159)			
Transfers out	(13,743,145)	(1,314,804)	12,428,341			
TOTAL OTHER FINANCING SOURCES (USES)	(692,986)	(1,314,804)	(621,818)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(283,881)	11,525	295,406	(1,715,157)	57,679	1,772,836
FUND BALANCES - JULY 1	2,541,841	2,472,974	(68,867)	269,717	349,323	79,606
FUND BALANCES - JUNE 30	\$ 2,257,960	\$ 2,484,499	\$ 226,539	\$ (1,445,440)	\$ 407,002	\$ 1,852,442

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

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

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

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

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

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

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

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

Fiduciary Fund types include the following:

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

C. Measurement Focus and Basis of Accounting

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

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

D. Revenue Recognition Policies

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

E. Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Improvements/infrastructure	20-30
Buildings	20-50
Equipment	5-25

F. Property Taxes

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

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (Continued)

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

G. Interfund Receivables and Payables

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

H. Fund Balance Classifications

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

I. Budget and Budgetary Accounting

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

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

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

J. 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.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Minimum Fund Balance Policies

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

L. Fund Balance Classification Policies and Procedures

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

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

M. Encumbrances

The District does not utilize encumbrance accounting.

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 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>7,795,782</u>	<u>8,694,166</u>
Total Deposits	<u><u>\$ 8,045,782</u></u>	<u><u>\$ 8,944,166</u></u>

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 were comprised of the following:

Description	Governmental Funds	
	Major	
	General	Special Revenue
Federal assistance		\$ 448,933
Other	\$ 13,357	
Totals	<u>\$ 13,357</u>	<u>\$ 448,933</u>

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2021:

A. Operating Leases (noncapital leases with initial noncancellable lease terms in excess of one year)

General description of leases and leasing arrangements:

On June 29, 2020, the District executed an operating lease for three 77-passenger buses. The arrangement stipulated annual payment of \$52,500 (\$17,500 for each bus) for a period of 3 years.

On April 16, 2021, the District executed an operating lease for an 84-passenger bus. The arrangement stipulated an annual payment of \$23,200 for a period of 3 years.

1. Future minimum rental payments (aggregate) at June 30, 2021: \$98,900
2. Future minimum rental payments for the succeeding years:

Year Ended June 30,	Amount
2022	\$ 23,200
2023	<u>75,700</u>
Total	<u>\$ 98,900</u>

Rental payments for the operating leases described above were \$128,200 for the year ended June 30, 2021, which included \$52,500 that was due in the subsequent year.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4: COMMITMENTS (Continued)

B. Long-term Debt Issued and Outstanding

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

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding June 30, 2021</u>	<u>Maturities To June 30, 2021</u>
<u>Bonds</u>					
9/1/05	2/1/25	2.95 - 4%	\$ 520,000	\$ 135,000	\$ 385,000
12/1/06	2/1/22	3.7 - 3.9%	530,000	45,000	485,000
11/8/16	2/1/43	1.75 - 3%	6,840,000	6,840,000	
6/24/20	2/1/34	1 - 1.7%	4,370,000	4,280,000	90,000
Total Bonds			<u>12,260,000</u>	<u>11,300,000</u>	<u>960,000</u>
<u>Direct Borrowings</u>					
2/23/12	2/23/22	4%	230,370	27,354	203,016
3/25/14	3/25/24	3.494%	215,000	72,414	142,586
10/27/15	10/27/21	3.37%	90,000	16,270	73,730
7/15/16	7/15/25	3.25%	254,449	136,437	118,012
Total Direct Borrowings			<u>789,819</u>	<u>252,475</u>	<u>537,344</u>
Total Long-Term Debt			<u>\$ 13,049,819</u>	<u>\$ 11,552,475</u>	<u>\$ 1,497,344</u>

Changes in Long-term Debt

	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
Bonds payable	<u>\$ 11,465,000</u>		<u>\$ 165,000</u>	<u>\$ 11,300,000</u>
<u>Direct Borrowings</u>				
Postdated warrants	126,950		38,266	88,684
Capital leases	53,646		26,292	27,354
Installment contracts	164,161		27,724	136,437
Total Direct Borrowings	<u>344,757</u>		<u>92,282</u>	<u>252,475</u>
Total Long-Term Debt	<u>\$ 11,809,757</u>	<u>\$ 0</u>	<u>\$ 257,282</u>	<u>\$ 11,552,475</u>

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4: COMMITMENTS (Continued)

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

Future Principal and Interest Payments

Year Ended June 30,	Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 380,000	\$ 249,432	\$ 629,432	\$ 95,570	\$ 8,105	\$ 103,675
2023	340,000	243,488	583,488	53,699	4,981	58,680
2024	350,000	239,072	589,072	55,511	3,169	58,680
2025	370,000	234,540	604,540	31,540	1,296	32,836
2026	470,000	229,640	699,640	16,155	262	16,417
2027-2031	2,430,000	1,045,916	3,475,916			
2032-2036	2,655,000	824,508	3,479,508			
2037-2041	3,000,000	468,540	3,468,540			
2042-2043	1,305,000	58,950	1,363,950			
Totals	<u>\$ 11,300,000</u>	<u>\$ 3,594,086</u>	<u>\$ 14,894,086</u>	<u>\$ 252,475</u>	<u>\$ 17,813</u>	<u>\$ 270,288</u>

Capital Lease

Capital assets acquired through a capital lease consisted of the following at June 30, 2021:

Class of Property	Cost	Accumulated Depreciation	Net Value
Buses	<u>\$ 230,370</u>	<u>\$ 230,370</u>	<u>\$ 0</u>

The present value of the net minimum lease payments is as follows at June 30, 2021:

Total Minimum Lease Payments	\$ 28,177
Less: Amount Representing Interest	<u>823</u>
Total Present Value of Net Minimum Lease Payments	<u>\$ 27,354</u>

Security for Debt Payments

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

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2021 were comprised of the following:

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Vendor payables	\$ 97,583	\$ 39,999	\$ 7,450
Payroll withholdings and matching	2,423		
Totals	<u>\$ 100,006</u>	<u>\$ 39,999</u>	<u>\$ 7,450</u>

6: INTERFUND TRANSFERS

The District transferred \$1,314,804 from the general fund to other aggregate funds for debt related payments of \$392,511 and future capital expenditures of \$922,293.

7: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description

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

Funding Policy

ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6.50% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14.50% of covered salaries. The District's contributions to ATRS for the year ended June 30, 2021 were \$1,098,489, equal to the required contributions.

Net Pension Liability

The Division of Elementary and Secondary Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement no. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2020 (actuarial valuation date and measurement date) was \$12,389,384.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

7: RETIREMENT PLANS (Continued)

Arkansas Public Employees Retirement System

Plan Description

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

Funding Policy

APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the year ended June 30, 2021 were \$222, equal to the required contributions.

Net Pension Liability

The Division of Elementary and Secondary Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement no. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2020 (actuarial valuation date and measurement date) was \$5,221.

8: CHANGES IN PRIVATE-PURPOSE FUNDS

DEDUCTIONS	
Scholarships	<u>\$ 1,000</u>
CHANGE IN FUND BALANCE	(1,000)
FUND BALANCE - JULY 1	<u>40,000</u>
FUND BALANCE - JUNE 30	<u>\$ 39,000</u>

9: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$12,260,000 issued from September 1, 2005 to June 24, 2020. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$14,894,086, payable through February 1, 2043. Principal and interest paid for the current year and total property taxes pledged for debt service were \$395,520 and \$1,310,885, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 30.17 percent.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

10: RISK MANAGEMENT

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

The District carries commercial insurance for board liability, student accidents, and catastrophic crop coverage.

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

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

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

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

11: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Division of Elementary and Secondary Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$209,320 for the year ended June 30, 2021.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

Description	Governmental Funds		
	Major		Other Aggregate
	General	Special Revenue	
Fund Balances:			
Restricted for:			
Enhanced student achievement funding	\$ 289,625		
Enhanced student achievement funding match grant	156,432		
Professional development	74,553		
Child nutrition programs		\$ 180,175	
Medical services		94,398	
Special education programs	34,988		
Juvenile Instruction	255,210		
Rural education		84,699	
Other purposes	73,624	47,730	
Total Restricted	<u>884,432</u>	<u>407,002</u>	
Assigned to:			
Capital projects			\$5,430,116
Student activities	96,550		
Total Assigned	<u>96,550</u>		<u>5,430,116</u>
Unassigned	<u>1,503,517</u>		
Totals	<u>\$2,484,499</u>	<u>\$ 407,002</u>	<u>\$5,430,116</u>

13: OTHER OBLIGATION

The District entered into a sewer construction and operation agreement with the Town of Wilson (Town) on March 18, 2019. The agreement is for the construction and maintenance of a sewer system to meet the requirements set forth by the Arkansas Department of Environmental Quality (ADEQ). Under the agreement, the District is responsible for 80% of the construction cost while the Town is responsible for obtaining the debt. Subsequently, the District will be required to remit debt service payments to the Town on a monthly basis. The remaining 20% will be funded (under a separate agreement) by the Town of Marie. On March 1, 2021, the Town obtained the funding through the Arkansas Natural Resources Commission in the amount of \$618,000. Terms of the debt for the District are monthly payments of \$3,290 for 20 years. Payments related to this agreement were \$17,282 for the year ended June 30, 2021.

14: SUBSEQUENT EVENTS

On December 7, 2021, the District issued refunding bonds of \$7,110,000 to advance refund bonds dated November 8, 2016. Additionally on March 24, 2022, the District issued construction bonds of \$1,560,000 for baseball/softball field renovations and additions.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

15: CONSTRUCTION IN PROGRESS

Construction in progress totaling \$12,625, reported on Schedule 1, consists of preliminary costs associated with planned renovations to the District's baseball and softball complex. No construction contracts were executed as of June 30, 2021.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 1

	Balance June 30, 2021
Nondepreciable capital assets:	
Land	\$ 3,408,038
Construction in progress	12,625
Total nondepreciable capital assets	<u>3,420,663</u>
Depreciable capital assets:	
Buildings	31,593,780
Improvements/infrastructure	1,377,066
Equipment	3,426,116
Total depreciable capital assets	<u>36,396,962</u>
Less accumulated depreciation for:	
Buildings	5,643,533
Improvements/infrastructure	622,291
Equipment	2,476,524
Total accumulated depreciation	<u>8,742,348</u>
Total depreciable capital assets, net	<u>27,654,614</u>
Capital assets, net	<u><u>\$ 31,075,277</u></u>

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
CHILD NUTRITION CLUSTER				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - School Breakfast Program	10.553	4706		\$ 236,871
National School Lunch Program (Note 3)	10.555			1,500
Arkansas Department of Education - National School Lunch Program	10.555	4706		366,185
Arkansas Department of Human Services - National School Lunch Program (Note 4)	10.555	4706000		26,301
Total for National School Lunch Program				393,986
Total U. S. Department of Agriculture				630,857
TOTAL CHILD NUTRITION CLUSTER				630,857
SPECIAL EDUCATION CLUSTER (IDEA)				
<u>U. S. Department of Education</u>				
Arkansas Department of Education - Special Education - Grants to States	84.027A	4706		274,368
Arkansas Department of Education - Special Education - Preschool Grants	84.173A	4706		26,736
Total U. S. Department of Education				301,104
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				301,104
OTHER PROGRAMS				
<u>U. S. Department of Agriculture</u>				
Arkansas Department of Education - Fresh Fruit and Vegetable Program	10.582	4706		27,402
Total U. S. Department of Agriculture				27,402
<u>U. S. Department of Defense</u>				
ROTC (Note 5)	12.AE13001			45,896
Total U. S. Department of Defense				45,896
<u>U.S. Department of the Treasury</u>				
Arkansas Department of Education - COVID-19 - Coronavirus Relief Fund	21.019	4706		154,357
Total U.S. Department of the Treasury				154,357
<u>U. S. Department of Education</u>				
Arkansas Department of Education - COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	4706		1,404,274
Total Education Stabilization Fund				1,404,274
Arkansas Department of Education - Title I Grants to Local Educational Agencies	84.010A	4706		557,238
Arkansas Public School Resource Center - Charter Schools	84.282A	4706		92,400
Arkansas Department of Education - Rural Education	84.358B	4706		54,021
Arkansas Department of Education - Supporting Effective Instruction State Grants	84.367A	4706		45,332
Arkansas Department of Education - Comprehensive Literacy Development	84.371C	4706		60,000
Total U. S. Department of Education				2,213,265
TOTAL OTHER PROGRAMS				2,440,920
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 0	\$ 3,372,881

The accompanying notes are an integral part of this schedule.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Rivercrest School District No. 57 (District) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 4: Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.
- Note 5: The Federal Assistance Listing Number was not available. An alternative identifying number was utilized.
- Note 6: The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.
- Note 7: During the year ended June 30, 2021, the District received Medicaid funding of \$37,116 from the Arkansas Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above Schedule.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

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

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major federal programs:

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

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

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

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

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

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

\$	750,000
----	---------

Auditee qualified as low-risk auditee?

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

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

RIVERCREST SCHOOL DISTRICT

**MIKE COX, SUPERINTENDENT
1700-A WEST STATE HWY 14
WILSON, AR 72395
"COLTS"**

**Telephone:
870-655-8633**

**Fax:
870-655-8841**

Schedule 4

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS FINDINGS

There were no findings in the prior audit.

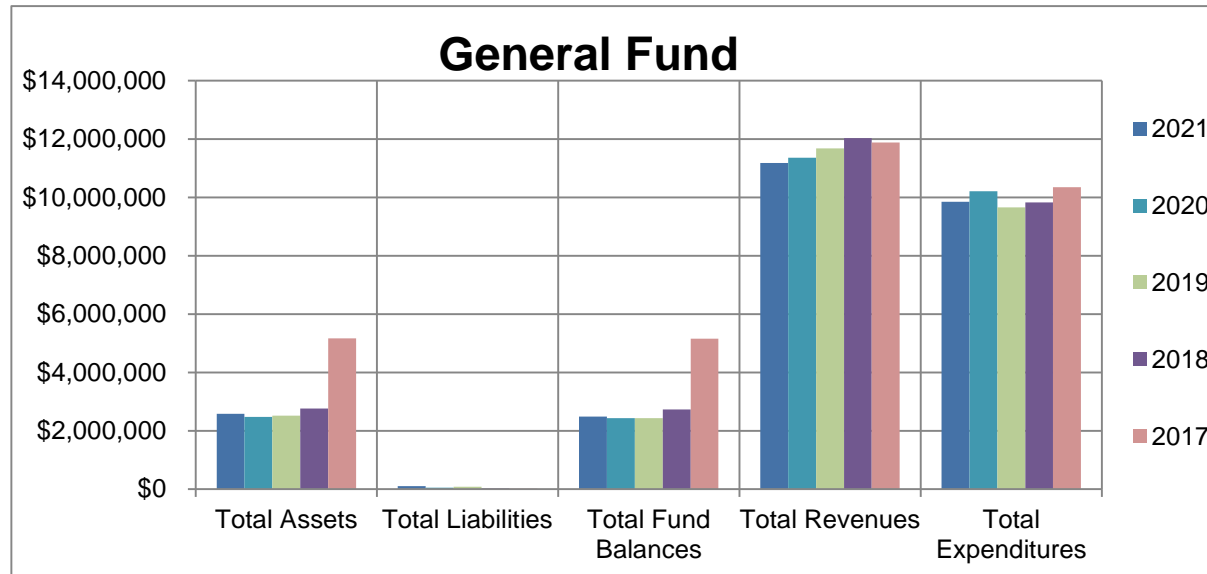
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings in the prior audit.

RIVERCREST SCHOOL DISTRICT NO. 57
MISSISSIPPI COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 5

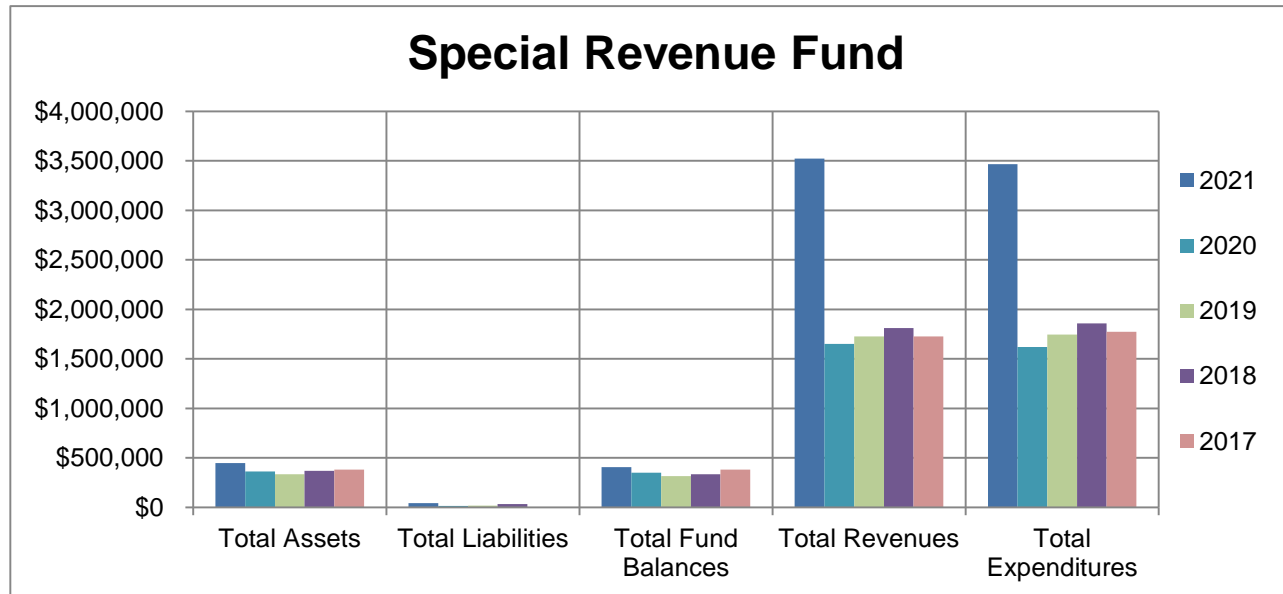
<u>General Fund</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 2,584,505	\$ 2,473,834	\$ 2,512,816	\$ 2,763,397	\$ 5,169,812
Total Liabilities	100,006	45,719	80,182	32,676	17,784
Total Fund Balances	2,484,499	2,428,115	2,432,634	2,730,721	5,152,028
Total Revenues	11,172,611	11,361,550	11,679,127	12,032,513	11,881,815
Total Expenditures	9,846,282	10,210,952	9,658,394	9,824,501	10,346,627
Total Other Financing Sources (Uses)	(1,314,804)	(1,155,117)	(2,318,820)	(4,629,319)	(176,921)



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FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 5

<u>Special Revenue Fund</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 448,933	\$ 363,567	\$ 334,238	\$ 368,046	\$ 382,433
Total Liabilities	41,931	14,244	16,878	33,254	652
Total Fund Balances	407,002	349,323	317,360	334,792	381,781
Total Revenues	3,524,613	1,652,419	1,726,772	1,812,724	1,727,602
Total Expenditures	3,466,934	1,620,456	1,744,204	1,858,314	1,774,797
Total Other Financing Sources (Uses)				(1,399)	4,039



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FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 5

<u>Other Aggregate Funds</u>	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets	\$ 5,437,566	\$ 4,698,684	\$ 4,809,941	\$ 5,967,385	\$ 5,017,485
Total Liabilities	7,450			225,763	
Total Fund Balances	5,430,116	4,698,684	4,809,941	5,741,622	5,017,485
Total Revenues				255,600	
Total Expenditures	583,372	1,347,971	3,250,501	4,090,071	891,582
Total Other Financing Sources (Uses)	1,314,804	1,236,714	2,318,820	4,558,608	606,410

