

Special Report

Arkansas Legislative Audit

Review of Scholarship Awards, Expenditures, and Grants Received

University of Arkansas, Little Rock
Charles W. Donaldson Scholars Academy

For the Period June 11, 2014 through July 12, 2024



INTRODUCTION

This report is issued in response to a legislative request, approved by the Legislative Joint Auditing Committee (LJAC), for Arkansas Legislative Audit (ALA) to conduct a review of scholarships awarded, expenditures made, and grants received by the Charles W. Donaldson Scholars Academy (Program) at the University of Arkansas, Little Rock (UALR).

OBJECTIVES

The objectives of this review were to:

1. Document scholarship award requirements and eligibility for students receiving scholarships through the Program.
2. Assess whether expenditures were reasonable, allowable, and properly authorized, as well as in agreement with the general ledger.
3. Identify funding/grants obtained by the Program and determine if the funds were expended for allowable purposes.
4. Determine expenditure categories, types, and amounts, as well as examine documentation for cultural and social activities and events funded by the Program.

SCOPE AND METHODOLOGY

The review was conducted primarily for the period June 11, 2014 through July 12, 2024, and consisted principally of inquiries and analysis, as well as review of court documents, requirements for scholarships awarded, correspondence from higher education entities, general ledgers, purchasing regulations, and other procurement documents. To gain an understanding of the Program, court documents were obtained and reviewed. For scholarship award testing, ALA staff examined students' high school grade point averages (GPA) and ACT scores, college transcripts, and student accounts and enrollment at UALR, Philander Smith College (PSC),¹ or University of Arkansas – Pulaski Technical College (UAPTC); scholarship renewal requirements were also reviewed to determine student eligibility for the scholarships awarded. A list of grant funding was reviewed, along with grant award documentation. Invoices were reviewed to determine reasonableness and propriety of expenditures.

¹ Philander Smith College became Philander Smith University on August 1, 2023.

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At the time of this review, all employees materially involved in the Program, including the Director, were no longer employed by UALR and were unavailable for interview. Therefore, ALA staff relied solely on the documentation provided by UALR and limited knowledge of current employees to obtain the information provided in this report.

BACKGROUND AND FINANCIAL INFORMATION

Program Background

The Program had three components, which are described below:

- **Summer Bridge Academy (SBA)** – A three-week residential program aimed at preparing incoming freshmen for college-level work, eliminating the need for them to take remedial math and English courses. The SBA, which began in fiscal year 2014, was open to all high school seniors who were admitted to UALR, PSC, or UAPTC and, based on test scores, were required to take remedial courses. Room and board were provided at no charge to Program participants and were largely funded by external sources.
- **Donaldson Scholars Academy** – A year-round program open to students in the Pulaski County Special School District (PCSSD) and Jacksonville North Pulaski School District (JNPSD) that aimed to improve educational achievement for all students, with special attention given to African American students and other students at-risk of academic failure due to socioeconomic disadvantage or other factors. The Program was based on the SBA² and named for Dr. Charles W. Donaldson, retired Vice-Chancellor of Student Services at UALR.³
- **Saturday Academy** – A six-hour program, occurring once monthly between September and May, during which students engaged with each other in academically rigorous programming in preparation for the ACT. In addition, students participated in programs designed for cultural enrichment. A review of participants' test scores, course grades, and evaluations from their teachers was also included to help provide a more comprehensive picture of specific interventions needed by each student.

Additional Program goals included providing preparation and application assistance for the ACT; increasing student confidence regarding college attendance and graduation; building community and relationships; and providing financial support through a \$2,500 scholarship, renewable annually up to four years (contingent upon student eligibility).

Sources and Uses of Program Funds

The Program was created as part of a desegregation settlement plan modification agreement on behalf of African American students from the PCSSD and the JNPSD. The Program was funded by PCSSD using state desegregation funding and functioned as a collaborative effort among UALR, PSC, and UAPTC. Specifically, with consent and approval from the State and the U.S. District Court for the Eastern District of Arkansas (Court) on June 11, 2014, the PCSSD agreed to provide \$10 million in desegregation funding for the Program. The \$10 million originated from savings achieved by PCSSD through eliminating positions, support

² *Little Rock School District v. Pulaski County Special School District No. 1 et al.*, Transcript of Motions Hearing, United States District Court for the Eastern District of Arkansas (Western Division), June 11, 2014.

³ <http://CWDSCA.wordpress.com/about> and <http://CWDSCA.wordpress.com/about/our-mission>.

services, and operations that existed under the 1989 desegregation settlement and were not mandated by the Arkansas Department of Education state education standards. The \$10 million was disbursed incrementally into the Program's restricted account, held by UALR, over a three-year period. Due to the short time between approval for funding and the start of the Program, \$100,000 in "seed money" was requested from PCSSD and received by the Program on June 23, 2014. The additional \$9,900,000 was disbursed to the Program as follows:

- \$3,233,334 on July 14, 2014.
- \$3,332,333 on July 14, 2015.
- \$3,334,333 on July 26, 2016.

Total revenues and expenditures for the life of the program are shown in **Exhibit I**, with the majority of funds being spent for salaries, wages, and fringe benefits (33.91%); scholarships (23.27%); and administrative and other expenditures (14.89%).

Exhibit I

University of Arkansas, Little Rock (UALR)
 Charles W. Donaldson Scholars Academy (Program)
 Revenues and Expenditures
 For the Period June 11, 2014 through July 12, 2024

Revenues	Amount	
Pulaski County Special School District	\$ 10,000,000	
Interest	12,855	
Central Arkansas Planning and Development District	50,000	
Department of Education	20,282	
Total Revenues	\$ 10,083,137	
Expenditures	Amount	Percent of Total
Salaries, wages, and fringe benefits	\$ 2,865,116	33.91%
Scholarships (Note 1)	1,965,845	23.27%
Administrative and other expenditures	1,257,924	14.89%
Indirect cost recovery by UALR	600,000	7.10%
Contract services - food services	540,057	6.39%
Travel	481,250	5.70%
Contract services	291,117	3.45%
Donaldson & Donaldson Associates LLC (Note 2)	265,000	3.14%
Stipends - non-compensatory (Note 3)	169,825	2.01%
Professional service contracts	13,630	0.16%
Total Expenditures	8,449,764	100.00%
Refund to school districts (Note 4)	1,633,373	
Total Including Refund	\$ 10,083,137	

Note 1: Scholarship expenditures recorded in the general ledger, and shown in this exhibit, did not agree with awards documented in student files due, in part, to misclassification of expenditures. According to student files, scholarship expenditures totaled \$1,872,241 as shown in **Exhibit II on page 4**.

Note 2: Charles W. Donaldson, for whom the Program is named, is Chief Executive Officer of this consulting firm.

Note 3: Paid to students.

Note 4: Remainder of funds remitted to Pulaski County Special School District and Jacksonville North Pulaski School District when the Program ceased to operate in 2024.

Source: Program account general ledger provided by UALR (unaudited by Arkansas Legislative Audit)

Program Conclusion

The COVID-19 pandemic had a significant effect on Program activities beginning in the 2020 fiscal year. For fiscal years 2021 through 2024, expenses consisted primarily of salaries, fringe benefits, and scholarships. With the approval of the Court on July 12, 2024, funds totaling \$1,633,373 were returned to the PCSSD and JNPSD at a rate of 80% and 20%, respectively, and the Program ceased operations.

RESULTS OF REVIEW

Objective 1: Document scholarship award requirements and eligibility for students receiving scholarships through the Program

As previously mentioned, one of the goals of the Program was to provide a \$2,500 scholarship that was renewable up to four years; therefore, eligible students could receive a maximum amount of \$10,000. To be eligible for the scholarship, students had to meet the following criteria:

- Remain in the Program through graduation from PCSSD or JNPSD.
- Successfully complete the 3-week SBA after their senior year.
- Enroll as a full-time student at UALR, PSC, or UAPTC.

Scholarship renewal requirements were as follows:

- Maintain enrollment as a full-time student at UALR, PSC, or UAPTC.
- Maintain a cumulative GPA of at least 2.5.
- Complete at least 27 hours in the first academic year and 30 hours each year thereafter.⁴

During the review period, the Program awarded \$1.87 million in scholarships to a total of 379 students, of whom 116 graduated from college. The total number of students receiving scholarships, amount of scholarships awarded, and number of students graduating are provided in **Exhibit II** by school.

ALA tested 10% of students who participated in the Program at UALR, PSC, and UAPTC during the review period to determine if students who received scholarships were eligible. The following exceptions were noted for 32 of 39 students tested:

Exhibit II

University of Arkansas, Little Rock
Charles W. Donaldson Scholars Academy (Program)
Number of Students Receiving Scholarships, Amount of
Scholarships Awarded, and Number of Students Graduating
For the Period June 11, 2014 through July 12, 2024

	Number of Students Receiving Scholarships	Amount of Scholarships Awarded (Note)	Number of Students Achieving Graduation
UALR	310	\$ 1,564,437	86
PSC	51	248,250	20
UAPTC	18	59,554	10
Totals	379	\$ 1,872,241	116

PSC = Philander Smith College (became Philander Smith University on August 1, 2023)

UALR = University of Arkansas, Little Rock

UAPTC = University of Arkansas - Pulaski Technical College

Note: Scholarship awards documented in student files, as shown in this exhibit, did not agree with expenditures recorded in the general ledger due, in part, to misclassification of expenditures. According to the general ledger and as shown in **Exhibit I on page 3**, scholarship expenditures totaled \$1,965,845.

Source: Information provided by PSC, UALR, and UAPTC (unaudited by Arkansas Legislative Audit)

⁴ Students were allowed to use the summer to complete these hours, if needed.

- 22 scholarships were awarded to UALR students (20) and PSC students (2) in excess of the maximum award of \$10,000 (\$2,500 per year for 4 years).
- 12 scholarships were awarded to UALR students (10) and PSC students (2) who did not complete the required number of enrollment hours.
- 11 scholarships were awarded to UALR students (8) and PSC students (3) with less than the required 2.5 cumulative GPA.
- 10 scholarships were awarded to UALR students enrolled longer than four years.
- 1 scholarship was awarded to a UALR student who was not enrolled full-time.

Of the \$349,930 in scholarship awards tested, \$111,180 (31.8%) was awarded to ineligible students. ALA noted no exceptions with scholarships awarded to two UAPTC students. Information regarding scholarships provided to ineligible students is provided in **Exhibit III**.

Exhibit III					
University of Arkansas, Little Rock Charles W. Donaldson Scholars Academy (Program) Scholarships Awarded to Ineligible Students For the Period June 11, 2014 through July 12, 2024					
	Number of Students Tested	Amount of Scholarships Awarded	Amount of Eligible Scholarships	Amount of Ineligible Scholarships	Students Awarded Over the Maximum Amount (Note)
UALR	31	\$ 291,180	\$ 197,500	\$ 93,680	20
PSC	6	52,500	35,000	17,500	2
UAPTC	2	6,250	6,250		0
Totals	39	\$ 349,930	\$ 238,750	\$ 111,180	22

PSC = Philander Smith College (became Philander Smith University on August 1, 2023)
UALR = University of Arkansas, Little Rock
UAPTC = University of Arkansas - Pulaski Technical College
Note: Scholarship expenditures recorded in the general ledger did not agree with awards documented in student files.

Source: *Source: Information provided by PSC, UALR, and UAPTC (unaudited by Arkansas Legislative Audit)*

Objective 2: Assess whether expenditures were reasonable, allowable, and properly authorized, as well as in agreement with the general ledger

A disbursements test was conducted for the period June 11, 2014 through July 12, 2024, excluding payroll expenditures. A sample of 10% of disbursements, with a maximum of 25 per year, was examined for the following:

- Proper authorization for payment.
- Proper documentation.
- Clerical accuracy.
- Proper posting in the general ledger.
- Disposition of capital assets after the end of the Program (if applicable).

Of 147 disbursements tested, totaling \$1,911,917, ALA staff noted 124 exceptions described below:

- 77 disbursements did not have proper authorization for payment.
- 41 disbursements did not have proper documentation.
- 4 disbursements were not clerically accurate (e.g., invoices were incomplete or contained mathematical errors).
- ALA could not determine disposition of 2 capital assets after the Program's closure.

Disbursements tested were properly posted to the general ledgers.

Objective 3: Identify funding/grants obtained by the Program and determine if the funds were expended for allowable purposes

Central Arkansas Planning and Development District (CAPDD)

The Program received a \$50,000 grant from the CAPDD, which was used to fund travel for selected students and faculty to Spain and Morocco. This trip was to fulfill the study abroad/global leadership component of the Program and expand global awareness for participants. The Program Director, UALR's Executive Vice Provost for Academic Affairs, the Program's Recruitment Coordinator, two Program staff members, and 16 students traveled to Spain and Morocco from May 17, 2015 to June 1, 2015. The trip itinerary is provided in **Appendix A**. Trip-related costs totaled \$89,730, which included \$30,030 in airfare and \$9,700 in Program fees in excess of the grant amount. CAPDD funds were properly expended for the purposes outlined in the grant.

Arkansas Department of Education (ADE)

A portion of the funding provided to UALR by ADE was used for Program purposes. These amounts were provided to ALA by UALR staff and are noted in **Exhibit I on page 3** and in **Appendix B**. Based on the information provided, the funds were used to purchase supplies, books, ACT testing programs, curriculum, and UALR catering services for the Program's Saturday Academy. Grant funds were awarded to UALR; therefore, compliance with grant guidelines was the responsibility of UALR.

Objective 4: Determine expenditure categories, types, and amounts, as well as examine documentation for cultural and social activities and events funded by the Program

As previously noted, issues related to the COVID-19 pandemic limited and eventually ended the Program. **Appendix B** provides a list of total expenditures by general ledger account for the life of the Program and illustrates the decline in activity beginning in fiscal year 2020. The percentage of total expenditures by broad category is shown in **Exhibit I on page 3**.

Students participating in the Program attended cultural and social activities and events that were funded by the \$10 million from PCSSD and the \$50,000 grant from CAPDD. The Program provided the Court with periodic progress reports and assessments detailing the scholastic and social activities provided to the students, along with academic results. Examples of these activities are noted below:

- Study abroad trip to Spain and Morocco (see **Objective 3**).
- Etiquette and career networking dinner at the Little Rock Club.
- Concert, dinner, and movie nights.

- Excursions to paintball facilities, trampoline parks, and a studio for completing painting projects, as well as activities such as karaoke night and ice cream events.
- Research field trips to various types of industry and manufacturing businesses.
- Trips to locations within the United States that included a variety of activities:
 - ⇒ Memphis, TN (museums, escape rooms).
 - ⇒ New York, NY (Broadway shows, Lincoln Center concert, Statue of Liberty dinner cruise, Central Park, New York Aquarium).
 - ⇒ Washington, D.C.
 - ⇒ Tybee Island, GA.
 - ⇒ Hot Springs, AR (Magic Springs, Maxwell Blade Theater, Mid-America Science Museum).

Analysis of travel and certain other expenditure codes in the general ledger is included in **Appendices C and D**.

SUMMARY

The Program functioned as a collaborative effort among UALR, PSC, and UAPTC, with the PCSSD providing \$10 million in funding. Over the life of the Program, the majority of funds were spent for salaries, wages, and fringe benefits (33.91%); scholarships (23.27%); and administrative and other expenditures (14.89%), as shown in **Exhibit I on page 3**.

During the review period (June 11, 2014 through July 12, 2024), the Program awarded scholarships totaling \$1.87 million⁵ to 379 students, 116 of whom graduated from PSC, UALR, or UAPTC. ALA tested 39 students who received scholarships and noted 56 instances in which 32 of these students were ineligible. Scholarships awarded to ineligible students at PSC and UALR totaled \$111,180 (31.8%) of \$349,930 tested by ALA. Scholarship awards tested at UAPTC revealed no exceptions.

Additionally, ALA tested 147 disbursements totaling \$1.91 million and noted 124 exceptions regarding processing and documenting of disbursements. A grant from CAPDD totaling \$50,000 was expended in accordance with the grant, and it appears the Court monitored the expenditure of the remaining \$10 million. Program expenditures included one international trip and several trips within the United States, as well as many cultural and social activities for Program participants.

Program activity was limited beginning in 2020 due to the COVID-19 pandemic, and in June 2024, the Program ceased to operate. Of remaining funding totaling \$1.6 million, 80% was returned to PCSSD, and 20% was returned to JNPSD. Due to the cessation of the Program, all employees materially involved in the Program, including the Director, were no longer employed by UALR and were unavailable for interview at the time of this review. Therefore, ALA staff relied solely on the documentation provided by UALR and limited knowledge of current employees to obtain the information provided in this report.

MANAGEMENT RESPONSE

Management response from UALR is provided in its entirety in **Appendix E**. PSC and UAPTC were provided an opportunity to respond to the report and did not provide a response to ALA.

⁵This amount is documented in student files but does not agree with awards documented in the general ledger due, in part, to misclassifications of expenditures. According to the general ledger, scholarship expenditures totaled \$1.97 million.

APPENDICES

Appendix A: University of Arkansas, Little Rock (UALR) – Charles W. Donaldson Scholars Academy (Program) – Itinerary for Trip to Spain and Morocco – May 17, 2015 through June 1, 2015

Appendix B: University of Arkansas, Little Rock (UALR) – Charles W. Donaldson Scholars Academy (Program) – Total Expenditures by General Ledger Account and Year – June 11, 2014 through July 12, 2024

Appendix C: University of Arkansas, Little Rock (UALR) – Charles W. Donaldson Scholars Academy (Program) – Analysis of Cultural and Social Activities and Events by Description – For the Period July 1, 2014 through June 30, 2020

Appendix D: University of Arkansas, Little Rock (UALR) – Charles W. Donaldson Scholars Academy (Program) – Analysis of Certain Expenditures by Vendor Type – For the Period July 1, 2014 through June 30, 2020

Appendix E: Management Response – University of Arkansas, Little Rock

Appendix A

University of Arkansas, Little Rock (UALR)
Charles W. Donaldson Scholars Academy (Program)
Itinerary for Trip to Spain and Morocco
May 17, 2015 through June 1, 2015

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H - 2015 CWD SA Global Leadership Experience OVERVIEW

University of Arkansas, Little Rock Leadership in Spain and Morocco Summer 2015

PROGRAM ITINERARY

Sunday, May 17	Depart U.S. for Madrid, Spain
Monday, May 18	Arrive to Adolfo Suarez Madrid Airport ISA Airport pickup <u>17H</u> – Orientation (Health & Safety) <u>18H</u> - Panoramic Tour Overnight in Madrid hotel
Tuesday, May 19	Breakfast in Madrid hotel <u>10H</u> - Lobby at 10am <u>10.15H</u> – Bus del hotel al Palacio Real. <u>11H</u> - Walking tour of Madrid de los Austrias <u>13H</u> – Visit to the Royal Palace <u>18H-20H</u> - Optional Visit to The Prado Museum - The museum is open and free this day (no guide). <u>20:30H</u> – Meet in the lobby <u>21H</u> - Welcome dinner Overnight in Madrid hotel — <u>Alternate Itinerary for Additional Faculty</u> — Breakfast in Madrid Hotel <u>10:00H</u> - <i>Lobby: Staff member will pick them up.</i> <u>10:30H</u> - Visit to Complutense University <u>12:00H</u> - Visit to Nebrija University <u>21H</u> - Welcome dinner Overnight in Madrid
Wednesday, May 20	Breakfast in Madrid hotel <u>9AM</u> -Bus to Toledo <u>10:30AM</u> - City Tour including: - Church of Santo Tomé. El Greco's Masterpiece - San Juan de los Reyes Monastery - El Tránsito Synagogue - Museo Sefardi (inside the synagogue) <u>14H</u> – Independent lunch in Toledo. <u>16H</u> – bus to Hotel Overnight in Toledo hotel
Thursday, May 21	Breakfast in Toledo hotel

Appendix A (Continued)

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9H – lobby. Luggage ready. Bus to Granada
14:30H – Hotel Granada
17H – Lobby. Walking city tour of Granada
18H - Guest Lecture on Leadership.
Overnight in Granada hotel

Friday, May 22 Breakfast in Granada hotel
Free time in Granada
20:15H – Lobby Hotel Meliá.
21H - Flamenco Show
Overnight in Granada hotel

— *Alternate Itinerary for Additional Faculty* —
9:30H – Lobby Hotel.
10H - Visit to the University of Granada. (UALR staff).

Saturday, May 23 Breakfast in Granada hotel
12H - Walk to the Alhambra.
13H – Meeting our local guide & visit to The Alhambra (entrada a los palacios Nazaries a las 14:30H)
Overnight in Granada hotel

Sunday, May 24 Breakfast in Granada hotel
8:30H – Luggage ready & bus to Algeciras
Ferry to Tangier
ISA pick-up and transfer to hotel
Dinner in Tangier
Overnight in Tangier hotel

Monday, May 25 Breakfast in Tangier hotel
City tour of Tangier
Group lunch in Tangier (2)
Bus to Meknes
Group dinner at hotel
Overnight in Meknes hotel

Tuesday, May 26 Breakfast in Meknes hotel
City tour of Meknes
Group lunch (3)
Service activity with local NGO/community organization
Dinner at hotel
Overnight in Meknes hotel

Wednesday, May 27 Breakfast in Meknes hotel
Bus to Merzouga
Group lunch (4)

Appendix A (Continued)

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Overnight camping in Merzouga – dinner included

Thursday, May 28	Breakfast in Merzouga Camel rides in the desert 4x4 rides in the desert Group lunch (5) Group dinner – included in camping Overnight in Merzouga
Friday, May 29	Breakfast in Merzouga Activities in Rissani Travel to Dades Gorge Group Lunch (6) Group Dinner – included in hotel Overnight near Dades Gorge
Saturday, May 30	Breakfast near Dades Gorge Travel to Todra Gorge Group Lunch (7) Bus to Marrakech Dinner at hotel in Marrakech Overnight in Marrakech hotel
Sunday, May 31	Breakfast in Marrakech hotel Activities in Marrakech (tour, visit monuments) Group lunch (8) Farewell dinner (9) Overnight in Marrakech hotel
Monday, June 1	Breakfast in Marrakech hotel ISA Airport drop-off in Marrakech Students return to U.S. or pursue independent travel

Appendix B

University of Arkansas, Little Rock (UALR)
Charles W. Donaldson Scholars Academy (Program)
Total Expenditures by General Ledger Account and Year
June 11, 2014 through July 12, 2024

General Ledger Account Title (Note 1)	2014	2015	2016	2017	2018	2019	2020	2021 - 2024 (Note 2)	CAPDD Grant	ADE	Total
Salary, Wages, and Fringe Benefits	\$ 288,499	\$ 441,271	\$ 495,549	\$ 534,999	\$ 594,797	\$ 265,499	\$ 244,502		\$ 7,700	\$ 2,865,116	
Admin & General Expenditure	23,364	101,958	117,510	125,749	143,948	53,532				573,761	
Advertising/Publicity	1,125									1,125	
Books	19,449	5,301	55,099	48,645	41,881	79,623				1,430	251,438
Insurance	337	452	216	492	288	95				1,880	
Mail Services	10	77	4	38	9,425	603				129	
Printing/Composition	5,887	12,180	613	3,676	2,251					32,384	
Rental Agreements										8,764	
Rent of Equipment										11,878	
Rent of Facilities										181,427	
Rent of Vehicles										33,613	
Building & Grounds Repairs & Maintenance	19,629	3,344	2,520	59,070	1,303	4,711				1,098	
Software & Software Licenses	2,030	2,814	102,728	365	12,800					1,338	
Supplies		918	180							672	
Furniture & Equipment Under \$5,000	296	1,012	30							(198)	
Telecommunications										117,438	
Central Stores Charges	11,477	91,195	804	238	12,039					5,526	
Professional Service Contract	263	604	55,000	8,288	304					168,631	
Contract Services	50,000	50,000	103,141	107,754	5,363					401,117	
Contract Services-Food Services	\$ 8,697	8,697	86,630	227,402	119,386	58,971				540,058	
Travel-Meals & Lodging	60,256	60,256	10,960	72,371	13,156	35,245	71,620	32,438		227,277	
Travel-Mileage	41	1,787	913	3,900	135					8,791	
Travel-Common Carrier	32,579	21,187	17,045	415	843	1,739				73,808	
Travel-Charter	653	11,289		16,706						28,648	
Travel-Guest of State	68,484	9,035							\$ 50,000	127,519	
Travel-Registration Fees										11,327	
Travel-Other	33	5,327	2,410	475	3,115					3,880	
Furniture & Equipment Over \$5,000		1,789	615	505	157	801				35,650	
General Scholarship	81,456	158,425	23,976	344,938	324,543	344,429	257,054	455,000		1,965,844	
Stipends-Non-Compensatory	11,600	14,450	144,075	200,000	200,000		(300)			169,825	
Indirect Cost Recovery										600,000	
Refunded to School Districts	200,000									1,633,373	
Totals	\$ 537	\$ 895,999	\$ 1,409,271	\$ 1,928,441	\$ 1,353,948	\$ 1,314,040	\$ 732,991	\$ 2,378,028	\$ 50,000	\$ 20,282	\$ 10,083,137

ADE = Arkansas Department of Education
CAPDD = Central Arkansas Planning and Development District

Note 1: In 2021, UALR implemented new accounting software. Account codes were matched with similar codes from the prior software system.

Note 2: The Program was largely inactive during this period due to issues resulting from the COVID-19 pandemic.

Source: Program account general ledger provided by UALR (unaudited by Arkansas Legislative Audit)

Appendix C

University of Arkansas, Little Rock (UALR)
 Charles W. Donaldson Scholars Academy (Program)
 Analysis of Cultural and Social Activities and Events by Description
 For the Period July 1, 2014 through June 30, 2020

Expenditure Code Description	General Ledger Account (Note)							Totals
	Travel	Admin. & General	Rent of Equipment	Rent of Facilities	Rent of Vehicles	Contract Service		
Agent fees	\$ 241							\$ 241
Airfare	22,699	\$ 516						23,215
Amari B Studios - Makeup artistry		17,647						17,647
Apparel/Promotional products		22,714						22,714
Banquet					\$ 7,796			7,796
Entertainment	17,832	130,759	\$ 2,520	\$ 10,538		9,434		171,083
Joe Johnson Group						9,000		9,000
Korto Momolu - Fashion Designer		41,204						41,204
Hotel	176,746	12,246				4,234		193,226
Leadership/Team building	10,669							10,669
Morocco and Spain trip	39,730							39,730
Registration fees	6,032							6,032
Restaurant	10,476	94,492				9,546		114,515
Summer Bridge Academy at Philander Smith College	29,962							29,962
Third Realm		6,468						6,468
Transportation/Buses	58,809	904			\$ 25,385	29,135		114,233
Travel agency	17,797							17,797
Travel reimbursement	38,627							38,627
Travel - sightseeing pass for New York		2,620						2,620
Unknown	1,630							1,630
Totals	\$ 431,250	\$ 329,571	\$ 2,520	\$ 10,538	\$ 25,385	\$ 69,144		\$ 868,408

Note: Amounts include expenditures through fiscal year 2020 but not outside grant funding.

Source: Program account general ledger provided by UALR (unaudited by Arkansas Legislative Audit)

Appendix D

University of Arkansas, Little Rock (UALR)
 Charles W. Donaldson Scholars Academy (Program)
 Analysis of Certain Expenditures by Vendor Type
 For the Period July 1, 2014 through June 30, 2020

Vendor by Type (Note 2)	General Ledger Account (Note 1)						Totals
	Travel	Admin & General	Equipment Rental	Facility Rental	Vehicle Rental	Contract Service	
Activities							
Magic Springs & Crystal Falls	\$ 7,547	\$ 9,194		\$ 7,268			\$ 24,009
Painting with a Twist	4,988	10,920				\$ 6,715	22,622
Orpheum Theater		18,778					18,778
Jack's Ultra Sports		9,925					9,925
Clinton Presidential Center		686				7,796	8,482
Altitude, Little Rock (trampoline park)	3,070	1,226		3,270			7,567
Celebrity Attractions (theater tickets)		7,370					7,370
Country Club Entertainment		6,255					6,255
Movie Tavern, Little Rock		3,485					3,485
Marcus Theaters		2,690					2,690
Majestic Theater		2,675					2,675
Paint Ball Arkansas			\$ 2,520				2,520
Northland 14 (movie theater)		2,400					2,400
Odyssey Cruises Chicago		2,191					2,191
Iron Mountain Marina	1,863						1,863
Urban Air Adventures		1,831					1,831
Country Club Miniature Golf, Inc.						1,819	1,819
Memphis Escape		1,448					1,448
WMU Conference	1,400						1,400
Mid-America Science Museum		1,095					1,095
B&B Theatres Liberty	990						990
Six Flags Over Georgia		966					966
Dickinson Theatres, Inc.	910						910
Sea Kayak, Georgia		910					910
Gangster Museum of America		836					836
Epiphany Show		825					825
Crystal Bridges Museum		694					694
NYPhil Concerts		661					661
Escape Room NYC		660					660
Maxwell Blade Theater		591					591
Mr. Calvin's Bouncers (bounce houses)		545					545
Ticketmaster		480					480
Arkansas Circus		414					414
Wax Museum		375					375
Key Bridge Boathouse		368					368
Chenal 9 Theater		338					338
NYBG (New York Botanical Garden) Onsite		330					330
Little Rock Climbing Center LLC	327						327
Central Park Zoo		284					284
AMC Georgetown (movie theater)		223					223
New York Aquarium		197					197
Total Activities							\$ 142,346

Appendix D (Continued)

Vendor by Type (Note 2)	General Ledger Account (Note 1)						Totals
	Travel	Admin & General	Equipment Rental	Facility Rental	Vehicle Rental	Contract Service	
Lodging							
Crowne Plaza, Memphis East	\$ 52,696						\$ 52,696
Cambria Hotel and Suites, New York	45,286						45,286
Embassy Suites, Hot Springs	18,431	\$ 1,936					20,367
Avenue Suites	14,946						14,946
Hotel Hot Springs	11,286						11,286
Mariott, Little Rock		8,619					8,619
The Capital Hotel		1,190				\$ 4,234	5,424
Hotel Tybee Island	4,780						4,780
Hyatt Hotels, Beaver Creek	3,096						3,096
Omni La Mansion Hotel	3,082						3,082
Air BnB	2,543						2,543
Crowne Plaza	1,187						1,187
DoubleTree	1,061						1,061
New Orleans Chateau	1,033						1,033
Hotels.Com	655	288					943
Springhill Suites, Louisville, Kentucky	692						692
Holiday Inn	611						611
Sandestin Golf and Beach Resort	586						586
Hotel Little Rock	130	130					259
Inn at Carnal Hall	135						135
Hampton Inn, Russellville	113						113
Total Lodging							\$ 178,744
Restaurants/Food							
Ya Ya's Eurobistro		\$ 9,901					\$ 9,901
Little Rock Club	\$ 7,838						7,838
Playtime Pizza, Inc.	2,639					\$ 4,046	6,684
Shipley Donuts		6,015					6,015
Osaka Japanese Steak House		5,365					5,365
Sky Modern Japanese		4,583					4,583
Papa John's		3,912					3,912
42 Bar and Table		3,721					3,721
Forever Yours Catering LTD						3,500	3,500
Chick-Fil-A		3,354					3,354
Heights Taco and Tamale		3,228					3,228
Pizza Hut		3,205					3,205
Benihana, Memphis		2,972					2,972
Larry's Pizza		2,683					2,683
Fresh Ideas Management LLC						2,000	2,000
Charlie Vergos' Rendezvous		1,939					1,939
Dave and Busters		1,800					1,800
On the Border		1,741					1,741
NYPD Pizza		1,536					1,536
Cache Restaurant		1,510					1,510
Copper Grill		1,459					1,459
Ceci's Chicken and Waffles		1,371					1,371
Excaliburger		1,328					1,328
Damgoode Pies		1,319					1,319
Café Fiorello		1,302					1,302
Chipotle		1,250					1,250
Tropical Smoothie		1,021					1,021
Roll It Frozen Cream		1,017					1,017
Three Fold Noodles & Dumpling Co.		999					999
Star of India Restaurant		971					971
The Pizzeria		910					910
South on Main		826					826
Samantha's Tap Room & Wood Grill		802					802
Mello Mushroom		793					793
Newk's		787					787

Appendix D (Continued)

Vendor by Type (Note 2)	General Ledger Account (Note 1)						Totals
	Travel	Admin & General	Equipment Rental	Facility Rental	Vehicle Rental	Contract Service	
Restaurants/Food (Continued)							
Buca Di Beppo		\$ 783					\$ 783
Oyamel		729					729
Shotgun Dans		679					679
McDonald's		678					678
Chatz Catering		677					677
Little Caeser's Pizza		582					582
Spanky's Beachside		568					568
IL Canale		556					556
Red Robin		547					547
Max's Coal Oven Pizza		471					471
Black Iron Burger		461					461
Noodles Italian Kitchen		444					444
Gusano's Pizzeria		442					442
Plan B Burger Bar		428					428
Community Bakery		417					417
Dominos Pizza		411					411
Iriana's Pizza		328					328
Embassy Suites Restaurant		323					323
Marcos Pizza		317					317
Legal Seafoods@HGI		303					303
Blue Sail Coffee		302					302
All Aboard		281					281
Rosalia Family Bakery		281					281
Kools BBQ		259					259
Big Orange		241					241
American Pie Pizza LLC		231					231
Johnny Rockets, Atlanta		226					226
IHOP		213					213
Loblolly Creamery	210						210
Shark's Fish and Chicken		200					200
Sims BBQ		200					200
Tortilla Café		138					138
Potbelly Sandwich		128					128
Krispy Kreme		102					102
Panera Bread		84					84
Hershey's Ice Cream		66					66
Dunkin		50					50
Sarpino's Pizzeria, Atlanta		47					47
Subway		24					24
Total Restaurants/Food							\$ 107,070
Transportation							
Little Rock Tours, Inc. (bus rental)	\$ 40,681				\$ 25,385	\$ 29,135	\$ 95,201
Arrow Coach Lines	15,843	\$ 882					16,725
Delta Airlines	13,736						13,736
Embassy Suites, Centennial Park	5,896						5,896
American Airlines	4,386	516					4,902
Embassy Suites, Nashville	2,740						2,740
Airfare expense for Program leadership	1,875						1,875
Four Points, Little Rock	1,478						1,478
Southwest Airlines	1,457						1,457
United Airlines	1,246						1,246
Enterprise Rent-A-Car	1,093						1,093
SuperShuttle NYC	963						963
UBER	811						811
Lyft	22						22
Total Transportation							\$ 148,142

Appendix D (Continued)

Vendor by Type (Note 2)	General Ledger Account (Note 1)						Totals
	Travel	Admin & General	Equipment Rental	Facility Rental	Vehicle Rental	Contract Service	
Other							
Korto Momolu (fashion designer)		\$ 41,204					\$ 41,204
Philander Smith College	\$ 29,962						29,962
STA Travel, Inc.	17,797						17,797
Amari B Studios (makeup artistry)		17,647					17,647
Promoversity (t-shirts/promotional items)		17,348					17,348
Joe Johnson Group (event speaker)		3,000				\$ 9,000	12,000
Cumulus Little Rock		11,730					11,730
The Metroplex		11,580					11,580
Team Summit	10,669						10,669
ThirdRealm		6,468					6,468
Forty-Two		5,560					5,560
Ink Custom Tees		4,987					4,987
Osyrus Bolly (musical artist)		4,000					4,000
Bedrock Music		3,500					3,500
Leisure Pass North America		2,620					2,620
IMLM		1,876					1,876
Expedia	1,822						1,822
NASPA (National Association of Student Personnel Administrators)	1,129						1,129
Sound Guys Entertainment		910					910
Tune Titan						900	900
The Wunderbus		795					795
Schapiros		583					583
Swank Motion Pictures		576					576
Poco Loco		400					400
The Tie Bar		380					380
iTunes		200					200
Lucky Dog Audio	200						200
Black Tab		190					190
Leah Patterson Dance		150					150
Total Other							\$ 207,181
Grand Total of Selected Expenditures							\$ 783,483

Note 1: General ledger account categories presented in this exhibit do not include all expenditures.

Note 2: Expenditures made to individuals and expenditures with an unidentifiable vendor were excluded from this analysis.

Source: Program account general ledger provided by UALR (unaudited by Arkansas Legislative Audit)

Appendix E

Management Response University of Arkansas, Little Rock



OFFICE OF GENERAL COUNSEL
UNIVERSITY OF ARKANSAS AT LITTLE ROCK

2801 S. University Ave., Little Rock, AR 72204-1099 | (0) 501.916.5699 | ualr.edu

December 15, 2025

VIA EMAIL AND HAND DELIVERY

Charles B. Camp, CPA
Special Projects Manager, Arkansas Legislative Audit
500 Woodlane Street, Suite 172
Little Rock, AR 72201
charles.camp@arklegaudit.gov

Re: UA Little Rock Management Response

Dear Mr. Camp:

The University of Arkansas at Little Rock ("UA Little Rock") is in receipt of the draft Special Report from Arkansas Legislative Audit, marking the close of the special review of the Charles W. Donaldson Scholars Academy ("CWDSA"). We appreciate the opportunity to provide a Management Response for inclusion as an appendix in the final Report.

As stated in the draft Report, CWDSA concluded in 2024 and the staff responsible for day-to-day operations are no longer employed by UA Little Rock. The institution relied on available documents to support the audit and this Management Response, which is ordered in terms of the four objectives of review listed in the draft Report.

Objective 1, scholarship award requirements and eligibility for students receiving scholarships through the Program.

UA Little Rock students who received CWDSA scholarships met minimum institutional requirements for undergraduate admission, enrollment, and financial aid. A committee of CWDSA staff, consultants, and stakeholders convened annually to review expenditures and budget, and to make scholarship exceptions in support of student success (e.g., "last mile" scholarships for students close to graduating). Some students who remained enrolled beyond four years continued to receive CWDSA scholarships, as well as students with cumulative GPA's below 2.5 or credit hours per academic year below 30. Scholarship awards were addressed in the Progress Reports filed from December 2014 to April 2019 in Case No. 4:82-cv-00866, pending in the United States District Court for the Eastern District of Arkansas.

UA Little Rock did not directly administer CWDSA scholarships for students enrolled at UA Pulaski Tech or Philander Smith College. Internal controls and scholarship-management procedures have been strengthened since 2014, when CWDSA began. UA Little Rock scholarship administration is centralized in the Office of Financial Aid and Scholarships.

Appendix E (Continued)



OFFICE OF GENERAL COUNSEL
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Objective 2, whether non-scholarship expenditures were reasonable, allowable, and properly authorized, as well as in agreement with the general ledger.

According to UA Little Rock's records on non-scholarship expenditures from CWDSCA funds, supporting documents were not available for 25 line items dating back to fiscal year 2014. It is not clear how these 25 line items correlate to the "41 disbursements [that] did not have proper documentation" or the "77 disbursements [that] did not have proper authorization" noted in the draft Report. Likewise, there is no indication if disbursements described as without proper authorization were unallowable program expenditures. The "2 capital assets" noted in the draft Report are not identified by name or type.

Disbursements to Donaldson & Donaldson Associates, LLC are described in the draft Report as expenditures to a "law firm." These were expenditures for non-legal consulting services. Non-scholarship expenditures were addressed in the Progress Reports filed from December 2014 to April 2019 in Case No. 4:82-cv-00866, pending in the United States District Court for the Eastern District of Arkansas.

UA Little Rock has changed administrative systems and adopted new procedures for sponsored programs since 2014, when CWDSCA began. The current administrative system and updated procedures have improved the review and approval of sponsored-program expenditures.

Objective 3, other funding/grants obtained and whether these funds were expended for allowable purposes.

No Management Response from UA Little Rock.

Objective 4, expenditure categories, types, and amounts, and documentation for cultural and social activities and events funded by CWDSCA.

No Management Response from UA Little Rock.

Sincerely,

/s/ Charles Lyford

Charles Lyford
Associate General Counsel

Cc: Emily White
Arkansas Legislative Audit Legal Counsel

Christina S. Drane, UA Little Rock Chancellor
Emily Cox, UA Little Rock Vice Chancellor for University Affairs
Allen Stanley, UA Little Rock Vice Chancellor for Finance and Administration
Cody Decker, UA Little Rock Vice Chancellor for Student Affairs

