



LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.

**REGULATORY BASIS FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2019

with

INDEPENDENT AUDITOR'S REPORT

LISA STEPHENS CERTIFIED PUBLIC ACCOUNTANT, PLC

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PULASKI COUNTY, ARKANSAS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Lighthouse Academies of Arkansas, Inc.

I have audited the accompanying financial statements of each major governmental fund, and the aggregate remaining fund information of Lighthouse Academies of Arkansas, Inc. (the "Charter School"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Charter School's regulatory basis financial statements as listed in the table of contents.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting practices prescribed or permitted by the Arkansas 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. This includes determining that the regulatory basis of accounting is an acceptable basis for the fair presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with 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. Those standards require that I 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 charter school'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 charter school's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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

As described more fully in Note 1, to meet the financial reporting requirements of the State of Arkansas, the Charter School has prepared the financial statements using financial reporting practices prescribed or permitted by Arkansas Code Ann. § 10-4-413 (c) as provided in Act 2201 of 2005, which is a basis 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 determined, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, 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 Lighthouse Academies of Arkansas, Inc. as of June 30, 2019, or the changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the Charter School, as of June 30, 2019, and the respective regulatory basis changes in financial position and the respective regulatory budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Arkansas Code Ann. § 10-4-413 (c) as provided in Act 2201 of 2005 described in Note 1.

Other Matters

Supplementary and Other Information

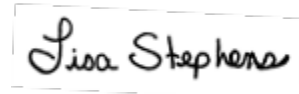
My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Charter School's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Schedule of Capital Assets are presented for 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 relate 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 my 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 has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 28, 2019, on my consideration of the Charter School's internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lisa Stephens". The signature is enclosed within a thin rectangular border.

Lisa Stephens Certified Public Accountant, PLC
Conway, Arkansas
October 28, 2019

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2019

	Governmental Funds	
	Major	
	General	Special Revenue
ASSETS		
Cash and cash equivalents	\$ 760,004	\$ -
Accounts receivable	-	122,365
Due from other funds	99,884	-
Total Assets	\$ 859,888	\$ 122,365
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 52,493	\$ 3,342
Due to other funds	-	99,884
Total Liabilities	52,493	103,226
Fund Balances:		
Restricted	-	19,139
Assigned	19,150	-
Unassigned	788,245	-
Total Fund Balances	807,395	19,139
Total Liabilities and Fund Balances	\$ 859,888	\$ 122,365

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED JUNE 30, 2019

	Major	
	General	Special Revenue
REVENUES		
State assistance	\$ 6,125,665	\$ 766,948
Federal assistance	183,951	666,452
Activity revenues	93,901	-
Meal sales	-	315,173
Other revenues	14,694	-
Total Revenues	6,418,211	1,748,573
EXPENDITURES		
Current:		
Regular programs	2,883,670	123,587
Special education	72,948	191,784
Compensatory education	730	367,008
Other instructional programs	142,408	17,914
Support services - students	202,861	20,741
Support services - instructional staff	360,680	273,367
Support services - general administration	565,818	6,000
Support services - school administration	633,086	-
Support services - business services	102,108	-
Support services - M & O	1,159,786	422,038
Support services - other	-	-
Student transportation services	63,270	-
Food services operations	71,000	315,173
Community services operations	-	2,000
Facilities acquisition and construction services	390,717	764,317
Activity expenditures	115,738	-
Debt service:		
Principal retirement	72,199	-
Interest and fiscal charges	198,192	-
Total Expenditures	7,035,211	2,503,929
Excess of revenue over expenditures	(617,000)	(755,356)
Other financing sources (uses)		
Proceeds from line of credit	-	770,317
Excess of Revenues and Other Sources over Expenditures	(617,000)	14,961
FUND BALANCE - BEGINNING OF YEAR	1,424,395	4,178
FUND BALANCE - END OF YEAR	\$ 807,395	\$ 19,139

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET TO ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
YEAR ENDED JUNE 30, 2019

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State assistance	\$ 6,125,665	\$ 6,125,665	\$ -	\$ 766,283	\$ 766,948	\$ 665
Federal assistance	129,026	183,951	54,925	757,249	666,452	(90,797)
Activity revenues	48,710	93,901	45,191	-	-	-
Meal sales	-	-	-	251,954	315,173	63,219
Other revenues	61,981	14,694	(47,287)	-	-	-
Total Revenues	<u>6,365,382</u>	<u>6,418,211</u>	<u>52,829</u>	<u>1,775,486</u>	<u>1,748,573</u>	<u>(26,913)</u>
EXPENDITURES						
Current:						
Regular programs	2,507,746	2,883,670	(375,924)	130,008	123,587	6,421
Special education	25,610	72,948	(47,338)	198,531	191,784	6,747
Compensatory education	600	730	(130)	400,423	367,008	33,415
Other instructional programs	142,196	142,408	(212)	11,086	17,914	(6,828)
Support services - students	150,992	202,861	(51,869)	22,886	20,741	2,145
Support services - instructional staff	395,809	360,680	35,129	321,043	273,367	47,676
Support services - general administration	503,485	565,818	(62,333)	-	6,000	(6,000)
Support services - school administration	621,551	633,086	(11,535)	-	-	-
Support services - business services	115,000	102,108	12,892	-	-	-
Support services - M & O	1,341,822	1,159,786	182,036	421,623	422,038	(415)
Support services - other	500	-	500	-	-	-
Student transportation services	54,573	63,270	(8,697)	-	-	-
Food services operations	53,772	71,000	(17,228)	249,250	315,173	(65,923)
Community services operations	-	-	-	2,000	2,000	-
Facilities acquisition and construction services	-	390,717	(390,717)	-	-	-
Activity expenditures	11,788	115,738	(103,950)	1,006,062	764,317	241,745
Debt service:						
Principal retirement	60,000	72,199	(12,199)	-	-	-
Interest and fiscal charges	140,000	198,192	(58,192)	-	-	-
Total Expenditures	<u>6,125,444</u>	<u>7,035,211</u>	<u>(909,767)</u>	<u>2,762,912</u>	<u>2,503,929</u>	<u>258,983</u>
Excess of revenue over expenditures	<u>239,938</u>	<u>(617,000)</u>	<u>(856,938)</u>	<u>(987,426)</u>	<u>(755,356)</u>	<u>232,070</u>
Other financing sources (uses)						
Proceeds from line of credit	-	-	-	770,317	770,317	-
Excess of Revenues and Other Sources over Expenditures	<u>239,938</u>	<u>(617,000)</u>	<u>(856,938)</u>	<u>(217,109)</u>	<u>14,961</u>	<u>232,070</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,424,395</u>	<u>1,424,395</u>	<u>4,178</u>	<u>4,178</u>	<u>4,178</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,664,333</u>	<u>\$ 807,395</u>	<u>\$ (852,760)</u>	<u>\$ (212,931)</u>	<u>\$ 19,139</u>	<u>\$ 232,070</u>

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

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In February 2009, the Arkansas State Board of Education granted charter status to Lighthouse Academies of Arkansas, Inc., creating the Lighthouse Academies of Arkansas, Inc. (the Charter School). The governing body of the Charter School is the Board of Trustees, which is comprised of 7 members. The Charter School is a part of the Lighthouse Academies national network. Lighthouse Academies, Inc. is a 501 (c) (3) nonprofit organization that develops and supports the operations of public charter schools in underserved communities throughout the United States. The Charter School is located in Jacksonville Arkansas.

Description of Funds

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

Major governmental funds are reported as separate columns in the fund financial statements:

General Fund – is the Charter School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Special Revenue Fund – 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 the related expenditures, restricted for specific educational programs or projects, including the Charter School'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.

Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA), which is an Other Comprehensive Basis of Accounting (OCBOA). This basis of accounting is prescribed by Arkansas Code Annotated § 10-4-413 (c), as provided in Act 2201 of 2005, and requires that financial statements be presented on a fund basis with, as a minimum, the general fund and special revenue fund presented 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.

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, separate identification of special and extraordinary items, inclusion of capital assets and debt in the financial statements, specific procedures for the identification of major governmental funds and applicable note disclosures. The RBA does not require government-wide financial statements or the previously identified concepts.

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

Revenue Recognition

Revenues are recognized when they become susceptible to accrual in accordance with the RBA.

Capital Assets

Information on capital assets and related depreciation is reported on the Schedule of Capital Assets. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The Charter School 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>
Leasehold Improvements	Life of the lease
Equipment	5-20
Improvements/Infrastructure	20
Buildings	50

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Charter School is exempt from income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and comparable provisions of state income tax laws.

Interfund Balances and Transactions

Receivables and payables resulting from short-term interfund loans are classified as “due to” or “due from” other funds.

Fund Balance Classifications

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines different types of fund balances that a governmental entity must use for financial reporting purposes. GASB require the fund balance amounts to be reported within one of the following fund balance categories:

Nonspendable Fund Balance - includes amounts that are not in a spendable form or are required to be maintained intact. The Charter School does not have any nonspendable fund balance at year end.

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.

Committed Fund Balance – includes amounts that can only be used for specific purposes determined by a formal action of the Charter School’s Board of Governance.

Assigned Fund Balance – represents amounts that are constrained by the Charter School’s intent to be used for specific purposes but are neither restricted nor committed.

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

For the purposes of fund balance classification, the Charter School’s policy is to have expenditures spent from restricted fund balance first, followed in order by committed fund balance (if any), assigned fund balance and lastly unassigned fund balance.

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget and Budgetary Accounting

As required by State statutes, the Charter School prepares an annual budget that is filed with the Arkansas Department of Education (ADE). The budget is required to be approved by the Charter School's Board and submitted to the ADE no later than September 30 of each year. Budget amendments, if any, are not required to be submitted for approval to ADE. The Charter School's budget is prepared utilizing the same basis of accounting described in Note 1.

Use of Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect reported amounts of certain assets and liabilities and various disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

NOTE 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:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 250,000	\$ 250,000
Collateralized:		
Collateral held by the Charter's agent, pledging bank or pledging Bank's trust department or Agent in the Charter's name	<u>\$ 510,004</u>	<u>\$ 802,877</u>
Total Deposits	<u>\$ 760,004</u>	<u>\$1,052,877</u>

NOTE 3: ACCOUNTS RECEIVABLE

The accounts receivable balance of \$122,365 at June 30, 2019 was comprised of state and federal assistance. Federal assistance is based on a reimbursement program, whereby the Charter School must expend these funds before requesting cash draw downs. The Charter School expects to be reimbursed for all program expenditures.

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4: COMMITMENTS

The Charter School was contractually obligated for the following at June 30, 2019:

Operating Leases

The Charter School leases copiers under long-term operating lease agreements. The total rental expense for operating leases for the year ended June 30, 2019 was \$10,041.

Future minimum lease payments for the copiers are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$6,276
Total	<u>\$6,276</u>

The Charter School transferred the main campus land and building to the JLCS Property Holding Company, LLC at book value, and negotiated a twenty-five (25) year lease effective October 30, 2012. The rental payments are equal to 100% of the annual payments required by JLCS Property Holding Company, LLC to service the debt on the premises and to service all other obligations set forth by the Arkansas Development Finance Authority on the Series 2012 bonds, issued on October 30, 2012. Rental payments for the above operating lease were approximately \$715,136 for the year ended June 30, 2019.

Future minimum lease payments for the main campus are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	714,057
2021	714,027
2022	714,353
2023	647,713
2024	647,700
Thereafter	<u>7,494,487</u>
Total	<u>\$10,932,337</u>

Long-Term Debt Issued and Outstanding

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

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2019	Maturities to June 30, 2020
<u>03/19/10</u>	<u>03/19/30</u>	<u>4.00%</u>	<u>\$1,700,000</u>	<u>\$1,074,631</u>	<u>\$ 75,061</u>

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4: COMMITMENTS (CONTINUED)

Long-Term Debt Issued and Outstanding

Changes in long-term debt as follows:

	<u>Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Commercial Loans	<u>\$ 1,146,830</u>	<u>\$ -</u>	<u>\$ 72,199</u>	<u>\$ 1,074,631</u>

Total long-term debt principal and interest payments are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 81,813	\$ 42,449	\$ 124,262
2021	85,309	38,953	124,262
2022	88,834	35,428	124,262
2023	93,325	30,937	124,262
2024	97,120	27,142	124,262
Thereafter	<u>628,230</u>	<u>246,665</u>	<u>874,895</u>
Totals	<u>\$ 1,074,631</u>	<u>\$ 421,574</u>	<u>\$1,496,205</u>

NOTE 5: LINE OF CREDIT

To provide for short-term cash requirements the Charter School has established a line of credit agreement with First Arkansas Bank & Trust of Jacksonville, Arkansas, to borrow up to \$600,000 at 6.5%. This agreement can be renewed by the bank for a period of twelve (12) months or converted into long-term financing. There was no outstanding balance at June 30, 2019, and the renewal date is August 16, 2019. Interest paid on the line of credit was zero for the year ended June 30, 2019.

On March 1, 2019, the Charter School, jointly with JLCS Property Holding Company, LLC, obtained a construction mortgage for a new gym with First Arkansas Bank & Trust of Jacksonville, Arkansas. The loan has a fixed interest rate of 6.5% with monthly payments of \$20,000 and matures on April 1, 2021. The outstanding balance as of June 30, 2019 was \$2,580,753.

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: COMPENSATED ABSENCES

Charter School employees are entitled to paid vacation and sick leave, depending on the length of service and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. Costs of compensated absences are recognized when actually paid to employees. Additionally, compensated absences are not includable in the financial statements under the Regulatory Basis of Accounting (RBA) as adopted by the State of Arkansas and administered by the Arkansas State Board of Education.

NOTE 7: SIGNIFICANT CONCENTRATION

The Charter School is economically dependent on funding received through state and federal assistance. Approximately 98.6% of total revenues were from state and federal sources for the year ending June 30, 2019.

NOTE 8: RETIREMENT PLANS

The Charter School contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. 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 or by calling 1-800-666-2877.

Funding Policy: ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% 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% of covered salaries, the maximum allowed by State law. The Charter School's contributions to ATRS for the year ended June 30, 2019 was \$557,373, equal to the required contributions for the year.

Net Pension Liability: The Arkansas Department of Education has stipulated that, under the regulatory basis of accounting, the requirements of Government Accounting Standards Board Statement No. 68 would be limited to disclosure of the Charter School's proportionate share of the collective net pension liability. The Charter School's proportionate share of the collective net pension liability at June 30, 2018 (actuarial valuation date and measurement date) is \$4,545,221.

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9: CONTINGENCIES

The Charter School was the recipient of Federal and state funding. Federal and state funding programs are subject to audit by the Federal or state government or their representatives. Accordingly, the amount, if any, of expenditures which may be disallowed by the program representatives cannot be determined at this time, although the Charter School expects such amounts, if any, to be immaterial.

NOTE 10: ON-BEHALF PAYMENTS

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the Charter School's employees, total \$118,771 for the year ended June 30, 2019.

NOTE 11: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 28, 2019, the date which the financial statements were available for issue.

NOTE 12: SERVICES AGREEMENT

Lighthouse Academies of Arkansas, Inc. entered into a Management Services Agreement with Lighthouse Academies, Inc. as of March 14, 2013. The Management Service Agreement grants Lighthouse Academies the power and authority, on behalf of the Charter School and consistent with federal and Arkansas law to prepare the Charter School's annual budget; to perform personnel functions such as staffing, evaluation and training; to review monthly financial statements and budgets; to provide initial training and set up of financial systems; to conduct periodic review of financial systems; to establish, implement, and evaluate an educational program and curriculum for the Charter School; to conduct professional development; to select instructional materials, equipment, and supplies; and to take such other actions that may be necessary or desirable to properly and efficiently operate the Charter School.

For these services, the management agent receives service fees that shall be paid monthly in advance. In any month when cash is not available, the service fee shall be accrued and subject to reasonable interest if not paid by the Charter School within two months of the accrual. In addition to the service fee, the Charter School is responsible for reimbursing the management agent for all expenses directly and specifically related to the Charter School incurred by the management agent, including but not limited to postage, printing, marketing and development, and staff accounting and bookkeeping services.

During the year ended June 30, 2019 fees and reimbursements totaled approximately \$565,162.

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13: RISK MANAGEMENT

The Charter School 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 Charter School carries commercial insurance for buildings, contents, board liability, and student accident. Settled claims have not exceeded this commercial coverage in any of the past two fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The Charter School 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 \$250,000 with a \$1,000 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
PULASKI COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
Year Ended June 30, 2019

(UNAUDITED)

CAPITAL ASSETS

Leasehold improvements	\$ 1,261,932
Improvements / infrastructure	7,126
Equipment	<u>279,023</u>
TOTAL CAPITAL ASSETS	<u><u>1,548,081</u></u>

Less: accumulated depreciation

Leasehold improvements	1,243,833
Improvements / infrastructure	1,871
Equipment	<u>265,498</u>
Total accumulated depreciation	<u><u>1,511,202</u></u>

TOTAL CAPITAL ASSETS, NET	<u><u>\$ 36,879</u></u>
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LISA STEPHENS CERTIFIED PUBLIC ACCOUNTANT, PLC

◆◆◆
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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

To the Board of Trustees
Lighthouse Academies of Arkansas, Inc.:

I have audited in accordance with 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 of Lighthouse Academies of Arkansas, Inc., as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Charter School's regulatory basis financial statements and have issued my report thereon dated October 28, 2019. We issued an adverse opinion because the Charter School 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 of the Charter School as of June 30, 2019, and the respective regulatory basis of 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 financial statements, I considered Lighthouse Academies of Arkansas, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lighthouse Academies of Arkansas, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness Lighthouse Academies of Arkansas, Inc.'s internal control.

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

My 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 my audit, I 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 Lighthouse Academies of Arkansas, Inc.'s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, I 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 my testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance, and is intended solely for the information and use of the Legislative Joint Auditing Committee, the local Charter School board and Charter School management, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited. Accordingly, this communication is not suitable for any other purpose.



Lisa Stephens Certified Public Accountant, PLC
Conway, Arkansas
October 28, 2019

LISA STEPHENS CERTIFIED PUBLIC ACCOUNTANT, PLC

◆◆◆
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Board of Trustees
Lighthouse Academies of Arkansas, Inc.:

Report on Compliance for Each Major Federal Program

I have audited Lighthouse Academies of Arkansas, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Lighthouse Academies of Arkansas, Inc.'s major federal program for the year ended June 30, 2019. Lighthouse Academies of Arkansas, Inc.'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 the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for Lighthouse Academies of Arkansas, Inc.'s major federal program based on my audit of the types of compliance requirements referred to above. I 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 I 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 Lighthouse Academies of Arkansas, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

I believe that our audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Lighthouse Academies of Arkansas, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Lighthouse Academies of Arkansas, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Lighthouse Academies of Arkansas, Inc. 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, I considered Lighthouse Academies of Arkansas, Inc.'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, I do not express an opinion on the effectiveness of Lighthouse Academies of Arkansas, Inc.'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 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.

My 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. I 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 my 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

I have audited the financial statements of Lighthouse Academies of Arkansas, Inc.'s as of and for the year ended June 30, 2017 and have issued our report thereon dated October 28, 2017, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional

To the Board of Trustees
Lighthouse Academies of Arkansas, Inc.:
Page Three

procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Lisa Stephens". The signature is written in a cursive, flowing style.

Lisa Stephens Certified Public Accountant, PLC
Conway, Arkansas
October 28, 2019

AUDITOR INFORMATION SHEET

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
251 NORTH 1ST STREET
JACKSONVILLE, ARKANSAS 72076

EIN: 26-3168986
TELEPHONE: (501) 985-1200
FAX: (501) 985-1201
SUPERINTENDENT: LENISHA BROADWAY-ROBERTS
CONTACT PERSON: BRENT ELLIOTT, BUSINESS MANAGER –
SMALL BUSINESS ADVISORY SERVICES, INC.

LEAD AUDITOR:	LISA STEPHENS, CPA
FIRM NAME:	LISA STEPHENS, CERTIFIED PUBLIC ACCOUNTANT, PLC
ADDRESS:	715 FRONT STREET CONWAY, ARKANSAS 72032
TELEPHONE:	(501) 327-2834
FAX:	(501) 327-6663
EMAIL:	lisa@lisastephenscpa.com
LICENSE NUMBER:	2691, ARKANSAS
PROGRAM EXAMINED:	84.101 Title I Grants – Local Educational Agencies

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	60-50-700	\$ 56,247
National School Lunch Program	10.555	60-50-700	206,295
Fresh Fruits & Vegetables Program	10.582	60-50-700	19,865
Total State Department of Education			<u>282,407</u>
TOTAL CHILD NUTRITION CLUSTER			<u>282,407</u>
OTHER PROGRAMS			
<u>U. S. Department of Defense</u>			
Dept. of Defense Education Activity (DoDEA)	12.556		<u>40,405</u>
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
Title I Grants - Local Educational Agencies	84.010	60-50	400,143
Special Education - Grants to States	84.027	60-50	198,531
Impact Aid	84.041	60-50	183,951
IDEA Early Childhood	84.173	60-50	11,304
Title IV Student Support and Academic Enrichment	84.424A	60-50	25,519
Improving Teacher Quality State Grants	84.367	60-50	49,704
Total U. S. Department of Education			<u>869,152</u>
TOTAL OTHER PROGRAMS			<u>909,557</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,191,964</u></u>

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:

Unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency identified that is not considered to be a material weakness?

_____ Yes X No

 X Yes _____ None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

_____ Yes X No

_____ Yes X None reported

Type of auditor’s report issued on compliance for a major program:

Unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance

_____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010

Title I Grants – Local Educational Agencies

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

 \$750,000

Auditee qualifies as a low-risk auditee?

 X Yes _____ No

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
JUNE 30, 2019

Section II – Financial Statement Findings

Statement of Condition: Formal bidding process was not complete for construction project.

Criteria: Formal bids should be obtained by solicitation for any projects with an anticipated cost over the bid threshold.

Cause of Condition: Procedures are in place for bids to be obtained prior to project, with the exception of emergency situations.

Effect of Condition: During testing and inquiry processes, it was determined that bids were not solicited to complete the Charter School's gym project.

Context: During our review of the process, it was determined that although there were 3 bids presented to the Board, the bids for the project were not advertised for.

Recommendation: Formal bid process should be followed for all projects with a cost over the bid threshold even during emergency situations.

Views of responsible officials and planned corrective actions: The Charter School agrees with the finding.

Section III – Federal Award Findings

None

Lighthouse Academies of Arkansas Jacksonville Lighthouse Charter Schools

251 N. 1st St., Jacksonville, AR 72076 | Lenisha Broadway-Roberts, Executive Director

Management' Corrective Action Plan

Finding Number: 2019-01 – 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*.

Arkansas Code Title 6 – Education Subtitle 2 – Elementary and Secondary Education Generally, Chapter 21 – School Property and Supplies, Subchapter 3 – Acquisition of commodities Generally §6-21-304.

Corrective Action Plan:

To ensure that future procurement procedures are followed we have specified the following in our purchasing and bidding procedures that will be provided to and reviewed by all operations personnel that are involved in the purchasing/bidding processes.

“At any time during the procurement process we will ensure any purchase over \$20,000.00 will be examined to determine if competitive bidding will need to be utilized. The purchase order will be reviewed and verified that all documentation is in accordance. Staff will have professional development to gain knowledge of the procurement process and state regulations.”

Timeline for Implementation of Corrective Action Plan:

Implementation of this action plan will occur immediately.

Contact Person

Lenisha Roberts
Executive Director of Arkansas
Jacksonville Lighthouse Charter School
251 North 1st Street, Jacksonville, AR 72706
501-985-1200
Lenisha.roberts@lha.net

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2019

Lighthouse Academies of Arkansas, Inc. had no findings in the prior report for the fiscal year ending June 30, 2018.

LISA STEPHENS CERTIFIED PUBLIC ACCOUNTANT, PLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ARKANSAS STATE REQUIREMENTS

To the Board of Trustees
Lighthouse Academies of Arkansas, Inc.
Jacksonville, Arkansas

I have examined management's assertions that Lighthouse Academies of Arkansas, Inc. substantially complied with the requirements of Arkansas Code Annotated 6-1-101 and the applicable laws and regulations, including those listed in the accompanying schedule of statutes required to be addressed by the Arkansas Department of Education during the year ended June 30, 2019. Management is responsible for the Charter School's compliance with those requirements. My responsibility is to express an opinion on management's assertions about the Charter School's compliance based on my examination.

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

We did identify a significant deficiency in compliance with 2018 Arkansas Code Title 6 – Education Subtitle 2 – Elementary and Secondary Education Generally, chapter 21 – School Property and Supplies, Subchapter 3 – Acquisition of commodities Generally § 6-21-304. Manner of making purchases. This finding is addressed on the Schedule of Findings and Questioned Costs and the Charter School's response on the Management's Corrective Action Plan.

In my opinion, other than the deficiency noted above, Lighthouse Academies of Arkansas, Inc. complied with the aforementioned requirements for the year ended June 30, 2019.

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



Lisa Stephens Certified Public Accountant, PLC
Conway, Arkansas
October 28, 2019

LIGHTHOUSE ACADEMIES OF ARKANSAS, INC.
SCHEDULE OF STATUTES REQUIRED BY ARKANSAS DEPARTMENT OF EDUCATION TO BE
ADDRESSED IN INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
For the Year Ended June 30, 2019

Description	Statutes
Bidding and Purchasing Commodities	6-21-301 – 6-21-305
Ethical Guidelines and Prohibitions	6-13-628; 6-24-101 et seq.
Collateralization and Investment Funds	6-20-222; 19-1-504
Deposit of Funds	19-8-104; 19-8-106
District Finances	6-20-402
• Bonded and Non-bonded Debt, District School Bonds	6-20-1201 – 6-20-1208; 6-20-1210
• Petty Cash	6-20-409
• Changes in Pullback (no deferrals – declining accrual percentages)	6-20-401
• Investment of Funds	19-1-504
Management of Schools	
• Board of Directors	6-13-604; 6-13-606; 6-13-608; 6-13-611 – 6-13-613; 6-13-617 – 6-13-620; 6-24-101 et seq.
• District Treasurer	6-13-701
○ Warrants	6-17-918; 6-17-919; 6-20-403
Management Letter for Audit	14-75-101 – 14-75-104
Nonrecurring Salary Payments	6-20-412
Revolving Loan Fund	6-19-114; 6-20-801 et seq.
Salary Laws – Classified	6-17-2201 et seq.; 6-17-2301 et seq.
Salary Increases 5% or more (Certified & Classified)	6-13-635
School Elections	6-13-622; 6-13-630; 6-13-631; 6-13-634; 6-14-106; 6-14-109; 6-14-118
Teachers and Employees	
• Personnel Policies	6-17-201 et seq.; 6-17-2301
• Employment and Assignment	6-17-301 et seq.
• Teacher's License Requirement	6-17-401 et seq.
• Contracts	6-17-801 et seq.
• Certification Requirements	6-17-309; 6-17-401
• Fair Dismissal Act	6-17-1501 et seq.; 6-17-1701 et seq.
• Sick Leave Policies	6-17-1201 et seq.; 6-17-1301 et seq.
Teacher Salaries and Foundation Funding Aid	6-17-803; 6-17-907; 6-17-908; 6-17-911 – 6-17-913; 6-17-918; 6-17-919
Trust Funds (Education Excellence)	6-5-307
Use of Contractors, Improvement Contracts	22-9-201 – 22-9-205
Use of DM&O Millage	26-80-110
On Behalf Payments	The amount of funds paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of District's employees