

Crossett School District No. 52

Ashley County, Arkansas

**Regulatory Basis Financial Statements
and Other Reports**

June 30, 2012

LEGISLATIVE JOINT AUDITING COMMITTEE



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Crossett School District No. 52 and School Board Members
Legislative Joint Auditing Committee

Compliance

We have audited the Crossett School District No. 52 (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

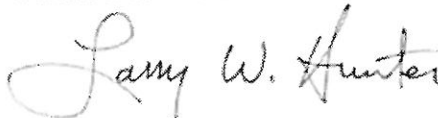
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, 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.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Larry W. Hunter".


Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
February 14, 2013

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, 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.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Larry W. Hunter".

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
February 14, 2013

CROSSETT SCHOOL DISTRICT NO. 52
ASHLEY COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2012

Exhibit A

	Governmental Funds			
	Major			Fiduciary
	General	Special Revenue	Other Aggregate	Fund Types
ASSETS				
Cash	\$ 547,710	\$ 36,992	\$ 696,396	\$ 161,899
Investments	3,027,118			535,319
Accounts receivable	202,969	237,552		
Due from other funds	13,266			
Accrued Interest				1,347
TOTAL ASSETS	\$ 3,791,063	\$ 274,544	\$ 696,396	\$ 698,565
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 358,949			\$ 13,497
Due student groups				62,220
Due to other funds		\$ 13,266		
Total Liabilities	358,949	13,266		75,717
Fund Balances:				
Nonspendable				584,932
Restricted	204,747	261,278	\$ 567,129	37,916
Assigned	44,479		129,267	
Unassigned	3,182,888			
Total Fund Balances	3,432,114	261,278	696,396	622,848
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,791,063	\$ 274,544	\$ 696,396	\$ 698,565

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

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CROSSETT SCHOOL DISTRICT NO. 52
ASHLEY COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B

	Major		Other
	General	Special Revenue	Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	\$ 6,497,318		\$ 245,311
State assistance	7,397,724	\$ 6,813	
Federal assistance	24,526	2,260,382	
Activity revenues	122,323		
Meal sales		203,527	
Investment income	50,722		
Other revenues	181,166	271,034	
TOTAL REVENUES	14,273,779	2,741,756	245,311
EXPENDITURES			
Regular programs	6,839,608	29,521	
Special education	595,572	323,417	
Workforce education programs	556,981		
Compensatory education programs	145,096	411,377	
Other instructional programs	629,660	55,928	
Student support services	429,530	409,864	
Instructional staff support services	1,163,210	590,735	
General administration support services	532,208		
School administration support services	1,025,529		
Central services support services	317,165	612	
Operation and maintenance of plant services	1,889,252		21,946
Student transportation services	612,561		103,030
Other support services	37,958		
Food services operations	18,510	982,277	
Community services operations		1,214	
Facilities acquisition and construction services			164,404
Non-programmed costs	1,555		
Activity expenditures	121,371		
Debt Service:			
Principal retirement	24,682		450,000
Interest and fiscal charges	3,825		384,475
TOTAL EXPENDITURES	14,944,273	2,804,945	1,123,855
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(670,494)	(63,189)	(878,544)
OTHER FINANCING SOURCES (USES)			
Transfers in		13,663	929,115
Transfers out	(942,778)		
TOTAL OTHER FINANCING SOURCES (USES)	(942,778)	13,663	929,115
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,613,272)	(49,526)	50,571
FUND BALANCES - JULY 1	5,045,386	310,804	645,825
FUND BALANCES - JUNE 30	\$ 3,432,114	\$ 261,278	\$ 696,396

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

CROSSETT SCHOOL DISTRICT NO. 52

Exhibit C

ASHLEY COUNTY, ARKANSAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	General		Special Revenue		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
REVENUES					
Property taxes (including property tax relief trust distribution)	\$ 6,380,000	\$ 6,497,318	\$ 117,318	\$ 6,813	\$ 813
State assistance	7,202,113	7,397,724	195,611		(233,306)
Federal assistance	103,000	24,526	(78,474)	2,260,382	
Activity revenues	49,000	122,323	73,323		
Meal sales				203,527	(37,473)
Investment income	50,000	50,722	722		
Other revenues	195,000	181,166	(13,834)	271,034	271,034
TOTAL REVENUES	13,979,113	14,273,779	294,666	2,741,756	1,068
EXPENDITURES					
Regular programs	7,219,120	6,839,608	379,512	29,521	(29,521)
Special education	617,387	595,572	21,815	323,417	(43,996)
Workforce education programs	549,408	556,981	(7,573)		
Compensatory education programs	162,176	145,096	17,080	411,377	55,924
Other instructional programs	721,494	629,660	91,834	55,928	(3,267)
Student support services	640,789	429,530	211,259	409,864	(64,971)
Instructional staff support services	1,086,644	1,163,210	(76,566)	590,735	(214,517)
General administration support services	474,903	532,208	(57,305)		
School administration support services	982,887	1,025,529	(42,642)	612	22,788
Central services support services	300,623	317,165	(16,542)		
Operation and maintenance of plant services	2,056,777	1,889,252	167,525		
Student transportation services	707,438	612,561	94,877		
Other support services	17,000	37,958	(20,958)		10,000
Food services operations	21,608	18,510	3,098	982,277	2,458
Community services operations				1,214	(214)
Non-programmed costs		1,555	200		
Activity expenditures	49,000	121,371	(72,371)		
Debt Service:					
Principal retirement		24,682	(24,682)		
Interest and fiscal charges		3,825	(3,825)		
TOTAL EXPENDITURES	15,607,454	14,944,273	663,181	2,804,945	(265,316)

CROSSETT SCHOOL DISTRICT NO. 52
ASHLEY COUNTY, ARKANSAS

Exhibit C

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	General		Variance Favorable (Unfavorable)	Special Revenue		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 6,380,000	\$ 6,497,318	\$ 117,318			
State assistance	7,202,113	7,397,724	195,611	\$ 6,000	\$ 6,813	\$ 813
Federal assistance	103,000	24,526	(78,474)	2,493,688	2,260,382	(233,306)
Activity revenues	49,000	122,323	73,323			
Meal sales				241,000	203,527	(37,473)
Investment income	50,000	50,722	722			
Other revenues	195,000	181,166	(13,834)		271,034	271,034
TOTAL REVENUES	13,979,113	14,273,779	294,666	2,740,688	2,741,756	1,068
EXPENDITURES						
Regular programs	7,219,120	6,839,608	379,512		29,521	(29,521)
Special education	617,387	595,572	21,815	279,421	323,417	(43,996)
Workforce education programs	549,408	556,981	(7,573)			
Compensatory education programs	162,176	145,096	17,080	467,301	411,377	55,924
Other instructional programs	721,494	629,660	91,834	52,661	55,928	(3,267)
Student support services	640,789	429,530	211,259	344,893	409,864	(64,971)
Instructional staff support services	1,086,644	1,163,210	(76,566)	376,218	590,735	(214,517)
General administration support services	474,903	532,208	(57,305)			
School administration support services	982,887	1,025,529	(42,642)	23,400	612	22,788
Central services support services	300,623	317,165	(16,542)			
Operation and maintenance of plant services	2,056,777	1,889,252	167,525			
Student transportation services	707,438	612,561	94,877	10,000		10,000
Other support services	17,000	37,958	(20,958)			
Food services operations	21,608	18,510	3,098	984,735	982,277	2,458
Community services operations			200	1,000	1,214	(214)
Non-programmed costs		1,555	(1,555)			
Activity expenditures	49,000	121,371	(72,371)			
Debt Service:						
Principal retirement						
Interest and fiscal charges		24,682	(24,682)			
		3,825	(3,825)			
TOTAL EXPENDITURES	15,607,454	14,944,273	663,181	2,539,629	2,804,945	(265,316)

CROSSETT SCHOOL DISTRICT NO. 52
ASHLEY COUNTY, ARKANSAS

Exhibit C

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

	General		Variance Favorable (Unfavorable)	Special Revenue		Variance Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,628,341)	\$ (670,494)	\$ 957,847	\$ 201,059	\$ (63,189)	\$ (264,248)
OTHER FINANCING SOURCES (USES)						
Transfers in	7,310,721		(7,310,721)	36,000	13,663	(22,337)
Transfers out	(8,141,361)	(942,778)	7,198,583			
TOTAL OTHER FINANCING SOURCES (USES)	(830,640)	(942,778)	(112,138)	36,000	13,663	(22,337)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(2,458,981)	(1,613,272)	845,709	237,059	(49,526)	(286,585)
FUND BALANCES - JULY 1	5,822,456	5,045,386	(777,070)	209,608	310,804	101,196
FUND BALANCES - JUNE 30	\$ 3,363,475	\$ 3,432,114	\$ 68,639	\$ 446,667	\$ 261,278	\$ (185,389)

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

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