

Hope School District No. 1-A

Hempstead County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2009

LEGISLATIVE JOINT AUDITING COMMITTEE



HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
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JUNE 30, 2009

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Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Hope School District No. 1-A and School Board Members
Legislative Joint Auditing Committee

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Hope School District No. 1-A (the "District"), as of and for the year ended June 30, 2009, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices prescribed or permitted by Arkansas Code, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

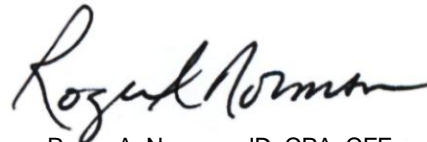
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2009, or the changes in financial position for the year then ended. Further, the District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position and budgetary results for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2010 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Capital Assets (Schedule 1), Schedule of Expenditures of Federal Awards (Schedule 2), as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Schedule of Findings and Questioned Costs (Schedule 3), Federal Award Programs – Summary Schedule of Prior Audit Findings (Schedule 4) and Schedule of Selected Information for the Last Five Years – Regulatory Basis (Schedule 5) 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 (Schedule 2), Schedule of Findings and Questioned Costs (Schedule 3) and Federal Award Programs – Summary Schedule of Prior Audit Findings (Schedule 4) have been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, in our opinion, are fairly stated in all material respects in relation to the regulatory basis financial statements taken as a whole. The Schedule of Capital Assets (Schedule 1) and the Schedule of Selected Information for the Last Five Years – Regulatory Basis (Schedule 5) have not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we express no opinion on them.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Roger A. Norman". The signature is fluid and cursive, with a large initial "R" and "N".

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

Little Rock, Arkansas
March 11, 2010
EDSD15309

Sen. Bobby L. Glover
Senate Co-Chair
Rep. Johnny Hoyt
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Sen. Bill Pritchard
Senate Co-Vice Chair
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Arkansas



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LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

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

Hope School District No. 1-A and School Board Members
Legislative Joint Auditing Committee

We have audited the financial statements of each major governmental fund and the aggregate remaining fund information of the Hope School District No. 1-A (the "District"), as of and for the year ended June 30, 2009, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated March 11, 2010. We issued an adverse opinion because the District prepared the financial statements using accounting practices prescribed or permitted by the Arkansas Code, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices 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 financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position and budgetary results for the year then ended, on the basis of accounting described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the regulatory basis of accounting as prescribed or permitted by Arkansas Code such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2009-1 to be a significant deficiency in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency referred to above and described in the accompanying Schedule of Findings and Questioned Costs as item 2009-1 to be a material weakness.

Compliance and Other Matters

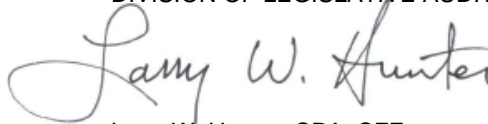
As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws and regulations, contracts, and grant agreements,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

We noted certain matters that we reported to management of the District in a separate letter dated March 11, 2010.

The District's response to the findings identified in our audit, excluding the management letter finding, is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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 Arkansas Code Annotated § 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 dark ink, reading "Larry W. Hunter". The signature is fluid and cursive, with the first name "Larry" being the most prominent.

Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 11, 2010

Sen. Bobby L. Glover
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Arkansas



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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hope School District No. 1-A and School Board Members
Legislative Joint Auditing Committee

Compliance

We have audited the compliance of the Hope School District No. 1-A (the "District") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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 requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

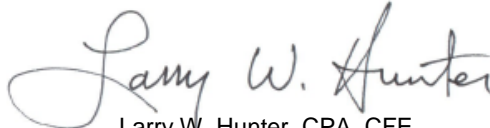
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Arkansas Code Annotated § 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

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Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 11, 2010

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LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

MANAGEMENT LETTER

Hope School District No. 1-A and School Board Members
Legislative Joint Auditing Committee

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and to improve internal control. This matter was discussed previously with District officials during the course of our audit fieldwork and at the exit conference.

Danita Thomas, Payroll Clerk/Custodian, who prepared her own overtime calculations, received unauthorized compensation of \$2,270 from July 1, 2008 through January 22, 2010. Of this amount, \$185 has been reimbursed by Thomas, leaving an amount due of \$2,085. Thomas improperly calculated custodian and overtime hours by:

- Inflating time card hours for overtime calculations;
- Including District paid leave as hours worked for overtime calculations; and
- Overlapping hours for her two jobs.

Although management approved time cards, calculation of overtime was not reviewed or approved.

This letter 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 Arkansas Code Annotated § 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

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Larry W. Hunter, CPA, CFE
Deputy Legislative Auditor

Little Rock, Arkansas
March 11, 2010

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2009

Exhibit A

	Governmental Funds			
	Major			Fiduciary
	General	Special Revenue	Other Aggregate	Fund Types
ASSETS				
Cash	\$ 652,226	\$ 879,219	\$ 2,230	\$ 71,715
Investments	2,520,000			10,000
Accounts receivable	6,682	32,202		
Property taxes receivable	374,354			
 TOTAL ASSETS	 \$ 3,553,262	 \$ 911,421	 \$ 2,230	 \$ 81,715
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 40,387	\$ 316		
Due student groups				\$ 70,143
Total Liabilities	40,387	316		70,143
Fund Balances:				
Reserved:				
Endowment				10,000
Scholarships				1,572
Unreserved:				
Designated:				
Capital projects			\$ 2,230	
Undesignated	3,512,875	911,105		
Total Fund Balances	3,512,875	911,105	2,230	11,572
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 3,553,262	 \$ 911,421	 \$ 2,230	 \$ 81,715

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

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2009

Exhibit B

	Major		Other
	General	Special Revenue	Aggregate
REVENUES			
Property taxes (including property tax relief trust distribution)	\$ 5,595,475		
State assistance	14,757,202	\$ 9,834	
Federal assistance		3,698,392	
Activity revenues	238,276		
Meal sales		132,886	
Investment income	56,298	1	
Other revenues	366,131	197,588	
TOTAL REVENUES	21,013,382	4,038,701	
EXPENDITURES			
Regular programs	9,006,898	272,620	
Special education	614,229	367,578	
Workforce education	830,531	67,484	
Adult/continuing education	197,106	84,920	
Compensatory education	1,157,267	1,139,667	
Other instructional programs	711,249	38,117	
Student support services	777,935	102,812	
Instructional staff support services	1,191,152	444,884	
General administration support services	358,680	129,063	
School administration support services	1,019,270		
Central services support services	440,497	5,474	
Operation and maintenance of plant services	2,122,837	6,986	
Student transportation services	825,102	30,324	
Other support services	8,270		
Food services operations		1,212,850	
Community services operations	77,082	19,571	
Facilities acquisition and construction services	208,332		\$ 34,145
Activity expenditures	383,818		
Debt Service:			
Principal retirement			535,000
Interest and fiscal charges			453,146
TOTAL EXPENDITURES	19,930,255	3,922,350	1,022,291
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,083,127	116,351	(1,022,291)
OTHER FINANCING SOURCES (USES)			
Transfers in			988,146
Transfers out	(988,146)		
TOTAL OTHER FINANCING SOURCES (USES)	(988,146)		988,146
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	94,981	116,351	(34,145)
FUND BALANCES - JULY 1	3,417,894	794,754	36,375
FUND BALANCES - JUNE 30	\$ 3,512,875	\$ 911,105	\$ 2,230

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

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD 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, 2009

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 4,940,074	\$ 5,595,475	\$ 655,401			
State assistance	13,680,408	14,757,202	1,076,794	\$ 9,500	\$ 9,834	\$ 334
Federal assistance				2,497,956	3,698,392	1,200,436
Activity revenues		238,276	238,276			
Meal sales				195,000	132,886	(62,114)
Investment income	125,000	56,298	(68,702)		1	1
Other revenues	355,350	366,131	10,781		197,588	197,588
TOTAL REVENUES	19,100,832	21,013,382	1,912,550	2,702,456	4,038,701	1,336,245
EXPENDITURES						
Regular programs	8,848,953	9,006,898	(157,945)	216,434	272,620	(56,186)
Special education	561,804	614,229	(52,425)	282,904	367,578	(84,674)
Workforce education	810,993	830,531	(19,538)	65,933	67,484	(1,551)
Adult/continuing education	191,263	197,106	(5,843)	82,302	84,920	(2,618)
Compensatory education	960,271	1,157,267	(196,996)	583,879	1,139,667	(555,788)
Other instructional programs	650,652	711,249	(60,597)	8,348	38,117	(29,769)
Student support services	735,655	777,935	(42,280)	32,432	102,812	(70,380)
Instructional staff support services	1,553,179	1,191,152	362,027	228,841	444,884	(216,043)
General administration support services	372,640	358,680	13,960	123,752	129,063	(5,311)
School administration support services	1,017,636	1,019,270	(1,634)			
Central services support services	367,242	440,497	(73,255)		5,474	(5,474)
Operation and maintenance of plant services	2,178,793	2,122,837	55,956		6,986	(6,986)
Student transportation services	897,730	825,102	72,628	19,269	30,324	(11,055)
Other support services	3,500	8,270	(4,770)			
Food services operations				1,220,513	1,212,850	7,663
Community services operations	78,287	77,082	1,205		19,571	(19,571)
Facilities acquisition and construction services		208,332	(208,332)			
Non-programmed costs						
Activity expenditures		383,818	(383,818)			
TOTAL EXPENDITURES	19,228,598	19,930,255	(701,657)	2,864,607	3,922,350	(1,057,743)

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD 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, 2009

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (127,766)</u>	<u>\$ 1,083,127</u>	<u>\$ 1,210,893</u>	<u>\$ (162,151)</u>	<u>\$ 116,351</u>	<u>\$ 278,502</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	10,013,741		(10,013,741)			
Transfers out	<u>(11,000,591)</u>	<u>(988,146)</u>	<u>10,012,445</u>			
TOTAL OTHER FINANCING SOURCES (USES)	<u>(986,850)</u>	<u>(988,146)</u>	<u>(1,296)</u>			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,114,616)	94,981	1,209,597	(162,151)	116,351	278,502
FUND BALANCES - JULY 1	<u>3,486,793</u>	<u>3,417,894</u>	<u>(68,899)</u>	<u>783,122</u>	<u>794,754</u>	<u>11,632</u>
FUND BALANCES - JUNE 30	<u><u>\$ 2,372,177</u></u>	<u><u>\$ 3,512,875</u></u>	<u><u>\$ 1,140,698</u></u>	<u><u>\$ 620,971</u></u>	<u><u>\$ 911,105</u></u>	<u><u>\$ 290,134</u></u>

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

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Description of Funds

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

General Fund - The General Fund is the general operating fund and is used to account for all financial resources, except those required to be reported in another fund.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.

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

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments).

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Fiduciary Fund types include the following:

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

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

C. Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with a regulatory basis of accounting (RBA). This basis of accounting is prescribed by 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.

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

D. Revenue Recognition Policies

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

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of \$1,500 for capitalizing equipment. Library holdings are not capitalized.

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

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

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Property Taxes

Property taxes are levied in November based on property assessment made between January 1 and May 31 and are an enforceable lien on January 1 for real property and June 1 for personal property. The tax records are opened on the first business day of March of the year following the levy date and are considered delinquent after October 10 of the same calendar year. Property taxes are accrued or deferred, as applicable, in accordance with guidelines issued by the Arkansas Department of Education (ADE), which were effective beginning with the fiscal year ended June 30, 2006. Arkansas law defines revenue receipts of a school district and includes 40% of the proceeds of local taxes which are not pledged to secure bonded indebtedness or 40% of the revenue from the uniform rate of tax whichever is greater collected in the succeeding calendar year, commonly known as 40% pullback, within that definition. The ADE has determined that school districts must utilize the 40% pullback amount, as calculated by the ADE and reflected on the respective county's abstract of assessments, in recording property tax revenue as follows:

- If the amount of 40% pullback collected by June 30th is less than the calculated 40% pullback amount, the difference must be accrued;
- If the amount of 40% pullback collected by June 30th is more than the calculated 40% pullback amount, the excess must be recorded as deferred taxes.

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

G. Fund Balance Designations

1. Reserved fund balance - represents that portion of the fund balance which is not appropriable for expenditure or is legally segregated for a specific future use.
2. Designated fund balance - represents that portion of the fund balance which indicates tentative plans for financial resource utilization in a future period.
3. Undesignated fund balance - indicates that portion of the fund balance not reserved or designated.

H. Budget and Budgetary Accounting

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

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

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

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 500,000	\$ 500,000
Collateralized:		
Collateral held by the pledging bank or pledging bank's trust department in the District's name	3,635,390	4,907,882
Total Deposits	<u>\$ 4,135,390</u>	<u>\$ 5,407,882</u>

The above total deposits include certificates of deposit of \$2,530,000 reported as investments and classified as nonparticipating contracts.

3: ACCOUNTS RECEIVABLE

The accounts receivable balance of \$38,884 at June 30, 2009 was comprised of the following:

Description	Governmental Funds		Total
	Major		
	General	Special Revenue	
State assistance	\$ 150		\$ 150
Federal assistance		\$ 32,202	32,202
Other	6,532		6,532
Totals	\$ 6,682	\$ 32,202	\$ 38,884

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2009:

Long-term Debt Issued and Outstanding

The District 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, 2009	Maturities To June 30, 2009
6/1/03	6/1/33	4.125 - 4.5%	\$ 9,530,000	\$ 8,460,000	\$ 1,070,000
6/1/03	6/1/13	2 - 4.5%	3,455,000	1,535,000	1,920,000
Totals			<u>\$ 12,985,000</u>	<u>\$ 9,995,000</u>	<u>\$ 2,990,000</u>

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

4: COMMITMENTS (CONTINUED)

Long-term Debt Issued and Outstanding (Continued)

Changes in Long-term Debt

	Balance July 1, 2008	Issued	Retired	Balance June 30, 2009
Bonds payable	\$ 10,530,000	\$ 0	\$ 535,000	\$ 9,995,000

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

Year Ended June 30,	Principal	Interest	Total
2010	\$ 560,000	\$ 431,075	\$ 991,075
2011	580,000	408,425	988,425
2012	600,000	384,031	984,031
2013	630,000	358,209	988,209
2014	235,000	330,684	565,684
2015-2019	1,345,000	1,499,144	2,844,144
2020-2024	1,720,000	1,192,075	2,912,075
2025-2029	2,200,000	781,565	2,981,565
2030-2033	2,125,000	245,475	2,370,475
Totals	\$ 9,995,000	\$ 5,630,683	\$ 15,625,683

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance of \$40,703 at June 30, 2009 was comprised of the following:

Description	Governmental Funds		Total
	Major		
	General	Special Revenue	
Vendor payables	\$ 13,521	\$ 316	\$ 13,837
Payroll withholdings and matching	26,866		26,866
Totals	\$ 40,387	\$ 316	\$ 40,703

6: INTERFUND TRANSFERS

The District transferred \$988,146 from the general fund to the other aggregate funds for debt related payments.

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

7: RETIREMENT PLANS

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers 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 District's contributions to ATRS for the years ended June 30, 2009, 2008 and 2007 were \$1,826,340, \$1,882,483 and \$1,846,841, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

Plan Description. The District contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteachers hired before July 1, 1989. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 West Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2009, 2008 and 2007 were \$12,636, \$12,526 and \$12,912, respectively, equal to the required contributions for each year.

8: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS

The Mike Lough-Brad Brown Memorial Athletic Scholarship Fund was established to award a scholarship to a deserving athlete of Hope High School to attend an institution of higher learning. The Athletic Booster Club determines the recipient of the award. The scholarship is awarded from interest earnings and the endowed portion of \$10,000 is maintained in a certificate of deposit classified as a nonparticipating contract.

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

8: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS (CONTINUED)

ADDITIONS	
Interest	\$ 500
DEDUCTIONS	
Scholarships	250
	<hr/>
CHANGE IN FUND BALANCE	250
FUND BALANCE - JULY 1	11,322
	<hr/>
FUND BALANCE - JUNE 30	\$ 11,572
	<hr/> <hr/>

9: RISK MANAGEMENT

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

The District carries commercial insurance for board liability and student accidents. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

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

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

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to \$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.

10: SUBSEQUENT EVENTS

The District issued construction bonds of \$2,840,000 on December 1, 2009 for energy conservation and management projects at the various campuses.

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2009
(Unaudited)

Schedule 1

	Balance June 30, 2009
<i>Nondepreciable capital assets:</i>	
Land	\$ 445,045
<i>Depreciable capital assets:</i>	
Buildings	21,366,249
Improvements/infrastructure	531,895
Equipment	4,277,227
Total depreciable capital assets	26,175,371
Less accumulated depreciation for:	
Buildings	6,862,450
Improvements/infrastructure	322,438
Equipment	2,870,488
Total accumulated depreciation	10,055,376
Total depreciable capital assets, net	16,119,995
Capital assets, net	\$ 16,565,040

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 2

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>			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 2)	10.555		\$ 2,849
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	29-03-000	332,709
National School Lunch Program - Cash Assistance	10.555	29-03-000	829,985
Total State Department of Education			<u>1,162,694</u>
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555	2902	<u>52,802</u>
TOTAL CHILD NUTRITION CLUSTER			<u>1,218,345</u>
SPECIAL EDUCATION CLUSTER (IDEA)			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	29-03	545,262
ARRA - Special Education - Grants to States, Recovery Act	84.391	29-03	<u>3,695</u>
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			<u>548,957</u>
OTHER PROGRAMS			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
Fresh Fruit and Vegetable Program	10.582	29-03	<u>65,976</u>
<u>U. S. Department of Education</u>			
Passed Through State Department of Workforce Education:			
Adult Education - Basic Grants to States	84.002	29-03	41,631
Career and Technical Education - Basic Grants to States	84.048	L29-03-000	67,484
Total State Department of Workforce Education			<u>109,115</u>
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	29-03	1,221,441
Safe and Drug-Free Schools and Communities - State Grants	84.186	29-03	30,586
Education for Homeless Children and Youth	84.196	29-03	36,754
Even Start - State Educational Agencies	84.213	29-03	68,537
State Grants for Innovative Programs	84.298	29-03	31,987
Reading First State Grants	84.357	29-03	296,098
Rural Education	84.358	29-03	72,812
English Language Acquisition Grants	84.365	29-03	38,282
Improving Teacher Quality State Grants	84.367	29-03	156,731
Total State Department of Education			<u>1,953,228</u>
Total U. S. Department of Education			<u>2,062,343</u>
TOTAL OTHER PROGRAMS			<u>2,128,319</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,895,621</u>

The accompanying notes are an integral part of this schedule.

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Hope School District No.1-A and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the regulatory basis financial statements.
- Note 2: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 3: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.
- Note 4: During the year ended June 30, 2009, the District received Medicaid funding of \$44,130 from the State Department of Human Services. Such payments are not considered Federal awards expended and therefore are not included in the above schedule.

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 3

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Types of auditor's reports issued: GAAP basis of reporting - adverse
Regulatory basis opinion units - unqualified

Internal control over financial reporting:

- ☒ Material weakness(es) identified? ☒ yes ☐ no
- ☒ Significant deficiency(ies) identified that are not considered
to be material weakness(es)? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

FEDERAL AWARDS

Internal control over major programs:

- ☒ Material weakness(es) identified? ☐ yes ☒ no
- ☒ Significant deficiency(ies) identified that are not considered
to be material weakness(es)? ☐ yes ☒ none reported

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

Any audit findings disclosed that are required to be reported in
accordance with Section 510(a) of OMB Circular A-133? ☐ yes ☒ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553 and 10.555	Child Nutrition Cluster
84.027 and 84.391	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies

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

\$ 300,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 3

SECTION II - FINANCIAL STATEMENT FINDING

MATERIAL WEAKNESS

2009-1. Internal Control

Criteria or specific requirement: Internal control is a process consisting of five interrelated component - *control environment, risk assessment, information and communication, control activities, and monitoring*. Management is responsible for adopting sound accounting policies and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Condition: A deficiency in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was more than a remote likelihood that a misstatement of the District's financial statements that would be more than inconsequential would not be prevented or detected. This District has not segregated financial accounting duties among appropriate employees to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting.

Context: An understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures was obtained.

Effect: The District's ability to initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements, as well as the ability to safeguard District assets, was adversely affected by the identified weakness in the above internal control component.

Cause: District management, due to inattention, lack of understanding of management responsibilities, and cost/benefit implications, which hindered the District's ability to hire sufficient appropriate personnel, did not effectively address the deficiency in internal control.

Recommendation: District management should adopt sound accounting policies and establish and maintain internal control that will initiate, authorize, record, process, and report transactions consistent with management's assertions embodied in the financial statements and that will safeguard District assets.

Views of responsible officials and planned corrective actions: We concur with the recommendation and will implement corrective procedures to the extent possible.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings and questioned costs noted.

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 4

U. S. DEPARTMENT OF AGRICULTURE
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
CHILD NUTRITION CLUSTER

U. S. DEPARTMENT OF EDUCATION
PASSED THROUGH STATE DEPARTMENT OF EDUCATION
SPECIAL EDUCATION - GRANTS TO STATES

2008 - Finding No. 2008-2: Child Nutrition Cluster - CFDA Numbers 10.553 and 10.555
 Special Education - Grants to States - CFDA Number 84.027

Condition: Monthly personnel activity reports were not prepared for four special education employees. Periodic time certifications were not prepared for twelve employees who worked solely with the child nutrition programs.

Recommendation: The District should prepare the monthly personnel activity reports or periodic time certifications for all applicable employees.

Current Status: Corrective action was taken.

HOPE SCHOOL DISTRICT NO. 1-A
HEMPSTEAD COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2009
(Unaudited)

	Year Ended June 30,				
	2009	2008	2007	2006	2005
<u>General Fund</u>					
Total Assets	\$ 3,553,262	\$ 3,553,694	\$ 3,752,431	\$ 4,224,756	\$ 4,381,527
Total Liabilities	40,387	135,800	734		
Total Fund Balances	3,512,875	3,417,894	3,751,697	4,224,756	4,381,527
Total Revenues	21,013,382	21,159,090	20,596,166	20,171,239	19,643,972
Total Expenditures	19,930,255	20,506,238	20,090,019	19,344,697	17,933,049
Total Other Financing Sources (Uses)	(988,146)	(986,655)	(979,206)	(983,313)	(867,911)
<u>Special Revenue Fund</u>					
Total Assets	911,421	795,859	787,725	610,343	542,266
Total Liabilities	316	1,105			
Total Fund Balances	911,105	794,754	787,725	610,343	542,266
Total Revenues	4,038,701	3,706,211	4,027,827	4,094,019	3,861,587
Total Expenditures	3,922,350	3,679,447	3,850,445	4,027,804	3,841,640
Total Other Financing Sources (Uses)		(19,735)		1,862	
<u>Other Aggregate Funds</u>					
Total Assets	2,230	36,375	3,543,866	3,543,866	1,799,048
Total Liabilities			3,511,486	2,297,499	
Total Fund Balances	2,230	36,375	32,380	1,246,367	1,799,048
Total Revenues		143,145			
Total Expenditures	1,022,291	1,310,986	2,792,743	4,812,188	3,151,417
Total Other Financing Sources (Uses)	988,146	1,171,836	1,578,756	4,259,507	1,596,796