



**ROGERS**  
Public Schools  
where all belong, all learn, and all succeed

**REGULATORY BASIS FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021**

**with**

**REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**HQJ**  
CPAs & Advisors PLLC

## CONTENTS

	<u>PAGE</u>
<b>Report of Independent Certified Public Accountants</b>	1 - 3
<b>Regulatory Basis Financial Statements:</b>	
Balance Sheet - Regulatory Basis	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Regulatory Basis	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - General and Special Revenue Funds - Regulatory Basis	6
<b>Notes to Financial Statements</b>	7 - 15
<b>Other Reports and Supplementary Information:</b>	
Schedule of Capital Assets	16
Schedule of Expenditures of Federal Awards	17 - 18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	19 - 20
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the <i>Uniform</i> <i>Guidance</i>	21 - 22
Schedule of State Assistance	23
Schedule of Findings and Questioned Costs	24 - 26
Independent Auditor's Report on Compliance with Arkansas State Requirements	27
Schedule of Statutes Required by Arkansas Department of Education to be Addressed in Independent Auditor's Report on Compliance	28 - 29
Supplemental Data Sheet as Required by Arkansas Department of Human Services Audit Guidelines	30

## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Education  
Rogers School District No. 30  
Rogers, Arkansas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of each major governmental fund, and the aggregate remaining fund information of the Rogers School District No. 30 (the “District”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District’s regulatory basis financial statements as listed in the table of contents.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting practices prescribed or permitted by Ark. Code Ann. § 10-4-413(c) as provided in Act 867 of 2019, which is described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, to meet the financial reporting requirements of the State of Arkansas, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 867 of 2019, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2021, or the changes in its 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.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective regulatory basis changes in financial position and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 867 of 2019 described in Note 1.

### **Other Matters**

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s regulatory basis financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, schedule of capital assets, schedule of state assistance, and the supplemental data sheet as required by Arkansas Department of Human Services Audit Guidelines 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 and schedule of state assistance are the responsibility of management and were 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 our opinion, the schedule of expenditures of federal awards and schedule of state assistance are fairly stated in all material respects in relation to the regulatory basis financial statements as a whole.

The schedule of capital assets and supplemental data sheet as required by Arkansas Department of Human Services Audit Guidelines has not been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

To the Board of Education  
Page Three

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of the District's internal control over financial reporting and 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

HCJ CPAs & Advisors, PLLC

Little Rock, Arkansas  
March 11, 2022

## **FINANCIAL STATEMENTS**

**ROGERS SCHOOL DISTRICT NO. 30****BALANCE SHEET - REGULATORY BASIS****JUNE 30, 2021**

	<b>Governmental Funds</b>			
	<b>Major</b>			<b>Fiduciary Fund Types</b>
	<b>General Funds</b>	<b>Special Revenue Funds</b>	<b>Other Governmental Funds</b>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 6,400,119	\$ 832,146	\$ 47,846,128	\$ 858,212
Assets Held with Fiscal Agent	-	-	5,686,861	-
Investments	-	-	19,962,630	-
Accounts Receivable	-	4,272,403	-	-
Due from Other Funds	3,971,812	-	-	-
Total Assets	<u>\$ 10,371,931</u>	<u>\$ 5,104,549</u>	<u>\$ 73,495,619</u>	<u>\$ 858,212</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ 527,741	\$ -
Accrued Expenses	703,824	-	-	-
Due to Other Funds	-	3,971,812	-	-
Due to Student Groups	-	-	-	858,212
Total Liabilities	703,824	3,971,812	527,741	858,212
<b>Fund Balances:</b>				
Restricted:				
Federal Programs	-	1,132,737	-	-
Capital Projects	-	-	468,331	-
Debt Service	-	-	5,686,861	-
State Programs	3,824,645	-	-	-
Other	103,719	-	-	-
Assigned:				
Capital Projects	-	-	66,812,686	-
Unassigned	5,739,743	-	-	-
Total Fund Balances	<u>9,668,107</u>	<u>1,132,737</u>	<u>72,967,878</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 10,371,931</u>	<u>\$ 5,104,549</u>	<u>\$ 73,495,619</u>	<u>\$ 858,212</u>

See Accompanying Notes.

**ROGERS SCHOOL DISTRICT NO. 30**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS - REGULATORY BASIS**

**YEAR ENDED JUNE 30, 2021**

	<b>Major</b>		
	<u>General Funds</u>	<u>Special Revenue Funds</u>	<u>Other Governmental Funds</u>
<b>REVENUES</b>			
Property Taxes	\$ 87,264,744	\$ -	\$ 6,486,642
Interest	469,458	85	-
State Revenues	67,063,489	51,626	-
Federal Revenues	-	23,954,026	-
Food Services	-	173,612	-
Other	144,138	73,539	5,206,857
	<u>154,941,829</u>	<u>24,252,888</u>	<u>11,693,499</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Instruction and Instructional-Related Services	84,666,903	5,627,990	1,552
Support Services	44,884,773	9,833,451	5,386,157
Non-Instructional Services	-	8,456,800	4,447,428
Student Activities	983,885	-	-
<b>Debt Service:</b>			
Principal Retirement	-	-	9,220,000
Interest and Fiscal Charges	-	-	5,505,978
Paying Agent's Fees	-	-	11,357
<b>Capital Outlay</b>	998,903	48,454	27,559,105
	<u>131,534,464</u>	<u>23,966,695</u>	<u>52,131,577</u>
<b>Excess of Revenues Over Expenditures</b>	23,407,365	286,193	(40,438,078)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers, Net	(44,220,793)	-	44,220,793
Other	(350)	(21)	-
Total Other Financing Sources (Uses)	<u>(44,221,143)</u>	<u>(21)</u>	<u>44,220,793</u>
<b>Net Change in Fund Balances</b>	(20,813,778)	286,172	3,782,715
<b>Fund Balance - Beginning</b>	<u>30,481,885</u>	<u>846,565</u>	<u>69,185,163</u>
<b>Fund Balance - Ending</b>	<u>\$ 9,668,107</u>	<u>\$ 1,132,737</u>	<u>\$ 72,967,878</u>

See Accompanying Notes.

## ROGERS SCHOOL DISTRICT NO. 30

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS

YEAR ENDED JUNE 30, 2021

	General Funds		
	Budget	Actual	Variance
<b>REVENUES</b>			
Property Taxes	\$ 84,123,676	\$ 87,264,744	\$ 3,141,068
Interest	-	469,458	469,458
State Revenues	68,008,089	67,063,489	(944,600)
Federal Revenues	-	-	-
Food Services	-	-	-
Other	44,050	144,138	100,088
	<u>152,175,815</u>	<u>154,941,829</u>	<u>2,766,014</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Instruction and Instructional-Related Services	82,672,234	84,666,903	(1,994,669)
Support Services	54,625,870	44,884,773	9,741,097
Non-Instructional Services	-	-	-
Student Activities	-	983,885	(983,885)
<b>Capital Outlay</b>	1,214,000	998,903	215,097
	<u>138,512,104</u>	<u>131,534,464</u>	<u>6,977,640</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	13,663,711	23,407,365	9,743,654
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers, Net	(15,644,750)	(44,220,793)	(28,576,043)
Other	-	(350)	(350)
Total Other Financing Sources (Uses)	<u>(15,644,750)</u>	<u>(44,221,143)</u>	<u>(28,576,393)</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,981,039)</u>	<u>\$ (20,813,778)</u>	<u>\$ (18,832,739)</u>

See Accompanying Notes.

**Special Revenue Funds**

<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
\$ -	\$ -	\$ -
-	85	85
-	51,626	51,626
13,467,037	23,954,026	10,486,989
6,985,000	173,612	(6,811,388)
-	73,539	73,539
<u>20,452,037</u>	<u>24,252,888</u>	<u>3,800,851</u>
3,054,037	5,627,990	(2,573,953)
7,908,289	9,833,451	(1,925,162)
8,955,163	8,456,800	498,363
-	-	-
8,877	48,454	(39,577)
<u>19,926,366</u>	<u>23,966,695</u>	<u>(4,040,329)</u>
525,671	286,193	(239,478)
-	-	-
-	(21)	(21)
-	(21)	(21)
<u>\$ 525,671</u>	<u>\$ 286,172</u>	<u>\$ (239,499)</u>

**ROGERS SCHOOL DISTRICT NO. 30**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1: Summary of Significant Accounting Policies**

**Reporting Entity**

The Rogers School District No. 30 (the "District") operates schools for students in grades Pre-Kindergarten through twelve in Rogers, Arkansas. The District operates under current standards prescribed by the Arkansas Department of Education in accordance with the provision of the School Laws of Arkansas. The Board of Education, a seven (7) 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 District. There are no component units.

**Fund Accounting**

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

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

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

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

Fiduciary Fund types include the following:

**Private Purpose Trust Fund** - Private Purpose Trust Fund accounts for activities that are not District programs, but are programs sponsored by private districts or other governments. Although the District serves as fiscal agent, the funds received and held under these programs are not available to support the District's activities and programs but are received and held for the benefit of individuals, private districts or other governments participating in the sponsored programs. The programs accounted for within this are expendable trust funds. The District does not have any private purpose accounts at year end.

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

**ROGERS SCHOOL DISTRICT NO. 30**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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 Ark. Code Ann. 10-4-413 (c), as provided in Act 867 of 2019, 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.

The RBA is not in accordance with generally accepted accounting principles (GAAP). GAAP requires that basic financial statements present government-wide financial statements. Additionally, GAAP requires 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, if any, will be reflected in the notes to the financial statements.

**Revenue Recognition Policies**

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

**Capital Assets**

Information on capital assets and related depreciation is reported in the accompanying 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 District maintains a threshold level of \$1,000 for capitalizing equipment. Library holdings are not capitalized.

**ROGERS SCHOOL DISTRICT NO. 30**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**Property Taxes**

Property taxes are levied in November based on property assessments 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 15 of the same calendar year.

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

**Fund Balance Classifications**

Fund balance is reported under the following five classifications:

1. **Nonspendable Fund Balance** - includes amounts that are not in a spendable form or are required to be maintained intact. The District does not have any nonspendable fund balance at year end.
2. **Restricted Fund Balance** - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. The Restricted for State Programs and Restricted for Federal Programs balances reflect amounts restricted for specific state and federal programs as mandated by respective state and federal grant or funding agreements. The Restricted for Capital Projects balance reflects unspent bond proceeds that are intended for construction projects. The Restricted for Debt Service balance reflects payments made to sinking funds to service future bond payments. The Restricted for Other balance reflects unspent private grant funds for specific purposes.
3. **Committed Fund Balance** - includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority (the Board of Education) and does not lapse at year end. The District does not have any committed fund balance at year end.
4. **Assigned Fund Balance** - includes amounts intended for a specific purpose by the Board of Education or by a District official that has been delegated authority to assign amounts. The Assigned for Capital Projects balance reflects amounts that are assigned for construction or other capital outlay projects.

**ROGERS SCHOOL DISTRICT NO. 30**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

5. **Unassigned Fund Balance** - includes any remaining fund balance that has not been reported in any other classification. 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.

The District's revenues, expenditures, and fund balances are tracked in the accounting system by numerous sources of funds. The fund balances of these sources of funds are combined to derive the District's total fund balances by fund. It is common for an individual source of funds to contain restricted and unrestricted (committed, assigned or unassigned) funds. The District has a policy addressing whether it considers restricted or unrestricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted amounts are available. The District's policy is to have expenditures spent from restricted amounts first at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District has a policy addressing which resources to use within the unrestricted fund balances when committed, assigned, or unassigned fund balances are available. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, committed fund balance (if any) is reduced first, followed by assigned fund balance, and lastly unassigned fund balance.

**Interfund Receivables and Payables**

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

**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.

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.

**Stabilization Arrangements**

The District's Board of Education has not formally set aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

**Minimum Fund Balance Policies**

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

**ROGERS SCHOOL DISTRICT NO. 30**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Encumbrances**

The District does not utilize encumbrance accounting.

**Subsequent Events**

The District has evaluated all subsequent events for potential recognition and disclosure through March 11, 2022, the date these financial statements were available to be issued.

**Note 2: Assets Held with Fiscal Agent**

Assets held with fiscal agent include funds held in escrow with banks totaling \$5,686,861 at June 30, 2021. The balance includes sinking fund deposits that are required to be used for future principal payments or interest payments on some of the District's long-term debt.

**Note 3: 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:

	<b>Carrying Amount</b>	<b>Bank Balance</b>
Insured (FDIC)	\$ 250,000	\$ 250,000
Collateralized - held by pledging bank or pledging bank trust department in the District's name	55,667,546	58,118,863
Total deposits	\$ 55,917,546	\$ 58,368,863

The above total deposits do not include cash on hand totaling \$19,059 at June 30, 2021.

**Note 4: Investments**

At June 30, 2021, the District's investments consisted of the following debt securities and money market investments reported at market value:

U.S. Treasuries	14,897,005
U.S. Treasury Bonds	5,065,625
Total	\$ 19,962,630

**Interest Rate Risk**

The District does not have a formal investment policy addressing interest rate risk. At June 30, 2021, all investments in debt securities had maturity dates of less than five years with the average time to maturity being 0.38 years.

**ROGERS SCHOOL DISTRICT NO. 30**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Credit Risk**

The District does not have a formal investment policy addressing credit risk. At June 30, 2021, all debt securities held had AAA ratings. The United States government guarantees the U.S. Treasuries and U.S. Treasury Bonds.

**Concentration of Credit Risk**

The District does not have a formal investment policy addressing concentration of credit risk. At June 30, 2021, 100% of the District's investments were held in U.S. Treasuries and U.S. Treasury Bonds.

**Fair Value of Investments**

Fair value measurements are based on the fair value hierarchy as follows:

- Level 1 - Quoted prices on active markets for identical assets
- Level 2 - Significant other observable inputs
- Level 3 - Significant unobservable inputs

All the above investments are classified in Level 1.

**Note 5: Accounts Receivable**

The accounts receivable balance consists of the following at June 30, 2021:

	<b><u>Special Revenue Funds</u></b>
Federal Assistance	\$ <u>4,272,403</u>

**Note 6: Accounts Payable and Accrued Expenses**

The accounts payable balance of \$527,741 is fully comprised of vendor payables at June 30, 2021. Accrued expenses totaling \$703,824 include insurance and payroll benefits payable at June 30, 2021.

**Note 7: Commitments**

**Construction Commitments**

At June 30, 2021, the District was contractually obligated for four construction contracts related to construction and renovation projects within the District, with remaining contract balances of approximately \$1,770,000. These projects are estimated to be completed in 2021 and 2022.

**ROGERS SCHOOL DISTRICT NO. 30**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Long-Term Debt Issued and Outstanding**

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

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding June 30, 2021</u>	<u>Maturities to June 30, 2021</u>
Bonds payable:					
12/21/2010	12/1/2029	5.50%	\$ 10,880,000	\$ 10,880,000	\$ -
8/1/2017	2/1/2033	3.00 - 3.375%	38,275,000	32,275,000	6,000,000
8/1/2017	2/1/2038	2.00 - 3.25%	17,925,000	15,880,000	2,045,000
6/1/2019	2/1/2033	3.00 - 5.00%	55,055,000	50,955,000	4,100,000
10/1/2019	2/1/2033	2.50 - 5.00%	14,855,000	13,505,000	1,350,000
10/1/2019	2/1/2038	2.00 - 5.00%	59,050,000	56,675,000	2,375,000
Totals			<u>\$ 196,040,000</u>	<u>\$ 180,170,000</u>	<u>\$ 15,870,000</u>

Changes in long-term debt as follows:

<u>Description</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
Bonds payable	<u>\$ 189,390,000</u>	<u>\$ -</u>	<u>\$ 9,220,000</u>	<u>\$ 180,170,000</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>Debt Sinking Fund</u>	<u>Total</u>
2022	\$ 9,610,000	5,452,063	572,632	15,634,695
2023	10,030,000	5,038,513	572,632	15,641,145
2024	10,470,000	4,598,513	572,632	15,641,145
2025	11,120,000	4,138,513	572,632	15,831,145
2026	11,585,000	3,687,213	572,632	15,844,845
2027 - 2031	74,400,000	12,831,463	(2,863,160)	84,368,303
2032 - 2036	42,570,000	4,318,481	-	46,888,481
2037 - 2038	10,385,000	468,638	-	10,853,638
	<u>\$ 180,170,000</u>	<u>\$ 40,533,397</u>	<u>\$ -</u>	<u>\$ 220,703,397</u>

**ROGERS SCHOOL DISTRICT NO. 30**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Operating Leases**

The District leases copiers and internet cables under non-cancelable operating leases with terms up to 5 years which will be charged to expense over the lease term as it becomes payable. Lease expense totaled approximately \$360,818 for the year ending June 30, 2021. At June 30, 2021, the minimum rental commitments for noncancelable operating leases are as follows:

2022	\$	146,982
2023		146,982
	\$	293,964

**Note 8: Interfund Transfers**

The following details the transfers between governmental and fiduciary funds for operating purposes:

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
Transfers in	\$ -	\$ 28,910,826	\$ 15,309,967	\$ 44,220,793
Transfers out	(44,220,793)	-	-	(44,220,793)
	\$ (44,220,793)	\$ 28,910,826	\$ 15,309,967	\$ -

**Note 9: 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 prior to July 1, 1989. ATRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution 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 non-contributory plans. Contributory members are required by law to contribute 6.50% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current employer rate is 14.50%.

The District's contributions to ATRS for non-federally funded employees for the years ended June 30, 2021, 2020 and 2019 were \$13,444,055, \$12,989,144, and \$12,156,779, respectively. The District's contributions to ATRS for federally funded employees for the years ended June 30, 2021, 2020 and 2019 were \$828,341, \$701,622, and \$688,958, respectively, equal to the required contributions for each year.

**ROGERS SCHOOL DISTRICT NO. 30**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Net Pension Liability**

The Arkansas Department of Education has stipulated that, under the regulatory basis of accounting, the requirements of Governmental Accounting Standards Board Statement No. 68 would be limited to disclosure of the District's proportionate share of the collective net pension liability. The District's proportionate share of the collective net pension liability at June 30, 2020 (actuarial valuation date and measurement date) was \$174,392,912.

**Note 10: Risk Management**

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The District is a member of the Arkansas School Board Association Self-Insurance Program, a public-entity risk pool currently operating a common risk management and insurance program for its members. The fund was created by members to formulate, develop and administer a program of self-funding for its membership, obtain lower Workmen's Compensation coverage and develop a comprehensive loss control program. The District pays an annual premium to the fund for its Workmen's Compensation Coverage. The Pool's governing agreement specifies that the Pool will be self-sustaining through the member premiums and will reissue through commercial carriers for claims in excess of specified stop loss amounts.

**Note 11: Litigation and Contingencies**

The District is subject to claims and lawsuits that arise primarily in the ordinary course of business. Neither the ultimate outcome nor an estimated range of potential loss can be determined. Management and legal counsel are of the opinion that the likelihood of a financially material outcome is small and, thus, no provision has been made in the financial statements for any potential liabilities.

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

The District participates in federally assisted grant programs. This District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of non-compliance which would result in the disallowance of program expenditures.

**Note 12: On-Behalf Payments**

During the year ending June 30, 2021, health insurance premiums of \$2,752,921 were paid by the Arkansas Department of Education to the Arkansas Employee Benefits Division on behalf of District Employees.

**OTHER REPORTS AND SUPPLEMENTARY INFORMATION**

**ROGERS SCHOOL DISTRICT NO. 30**  
**SCHEDULE OF CAPITAL ASSETS**  
**YEAR ENDED JUNE 30, 2021**  
**(Unaudited)**

**Nondepreciable Capital Assets:**

Land	\$ 11,653,572
Construction in Progress	86,391,291
Total Nondepreciable Capital Assets	98,044,863

**Depreciable Capital Assets:**

Buildings	197,049,041
Site Improvements	11,093,260
Bus/Vehicles	9,684,704
Equipment/Computers	13,582,674
Total Depreciable Capital Assets	231,409,679

**Less Accumulated Depreciation for:**

Buildings	67,046,983
Site Improvements	168,003
Bus/Vehicles	6,547,379
Equipment/Computers	7,246,314
Total Accumulated Depreciation	81,008,679

Total Depreciable Capital Assets, Net	150,401,000
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<b>Capital Assets, Net</b>	<b>\$ 248,445,863</b>
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**ROGERS SCHOOL DISTRICT NO. 30**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

<b>Federal Grant/pass-through grantor/program title</b>	<b>Pass through entity identifying number</b>	<b>Assistance listing number</b>	<b>Federal expenditures</b>
<b>CHILD NUTRITION CLUSTER</b>			
<b><u>U.S. Department of Agriculture</u></b>			
<b>Passed through Arkansas Department of Education:</b>			
School Breakfast Program - Cash Assistance	0405	10.553	\$ 2,208,758
National School Lunch Program - Cash Assistance	0405	10.555	<u>5,366,960</u>
Total Arkansas Department of Education			7,575,718
<b>Passed through Arkansas Department of Human Services:</b>			
National School Lunch Program - Non-Cash Assistance	0405	10.555	<u>565,045</u>
Total Child Nutrition Cluster			8,140,763
<b>OTHER PROGRAMS:</b>			
<b><u>U.S. Department of Education</u></b>			
<b>Passed through Arkansas Department of Education:</b>			
Title I, Part A - Grants to Local Education Agencies	0405	84.010	3,066,473
Title I, Part C - Migrant Education	0405	84.011	67,910
Title VI, Part B - Special Education Grants to States	0405	84.027	3,135,767
Individuals with Disabilities Education - Early Childhood	0405	84.173	86,839
Title III, Part A - English Language Acquisition	0405	84.365	561,374
Title II, Part A - Improving Teacher Quality	0405	84.367	367,794
SSI/SSDI Outreach, Access, and Recovery Grant	0405	84.371	38,321
Title IV, Part A - Student Support and Academic Enrichment	0405	84.424	209,408
COVID-19 Education Stabilization Fund - SPED Digital Learning	0405	84.425D	38,063
COVID-19 Education Stabilization Fund - Covid Emergency Leave	0405	84.425D	167,060
COVID-19 Education Stabilization Fund - ESSER I	0405	84.425D	1,957,915
COVID-19 Education Stabilization Fund - ESSER II	0405	84.425D	5,059,773
COVID-19 Education Stabilization Fund - ESSER II Supplemental	0405	84.425D	<u>27,416</u>
Total Arkansas Department of Education			14,784,113
<b>Passed through Arkansas Department of Career Education:</b>			
Career and Technical Education - Basic Grants to States	0405	84.048	<u>180,395</u>
Total U.S. Department of Education			<u>14,964,508</u>
<b><u>U.S. Department of The Treasury</u></b>			
<b>Passed through Arkansas Department of Education:</b>			
COVID-19 Coronavirus Relief Fund - COVID Emergency Leave	0405	21.019	<u>429,526</u>
Total U.S. Department of the Treasury			<u>429,526</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<b>Passed through Arkansas Department of Human Services:</b>			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	0405	93.243	5,653
Child Care Development Block Grant	0405	93.575	<u>49,192</u>
Total U.S. Department of Health and Human Services			<u>54,845</u>
Total expenditures of federal awards			<u>\$ 23,589,642</u>

**ROGERS SCHOOL DISTRICT NO. 30**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. This schedule includes the federal awards activity of the District and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.
2. The District did not elect to use the 10% de minimus indirect cost rate.
3. Nonmonetary assistance is reported at the approximate value as provided by the Arkansas Department of Human Services.
4. Medicaid reimbursements are defined as contracts for services and not federal awards, therefore, such reimbursements totaling \$420,206 are not covered by the reporting requirements of the Uniform Guidance.



**INDEPENDENT AUDITOR'S 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***

To the Board of Education  
Rogers School District No. 30  
Rogers, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the Rogers School District No. 30 (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated March 11, 2022.

We issued an adverse opinion because the District prepared the financial statements in conformity with accounting practices prescribed or permitted by the 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 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, 2021, and the respective changes in financial position thereof and the respective 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, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

To the Board of Education  
Page Two

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

### **Compliance and other matters**

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

### **Purpose of this report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HCJ CPAs & Advisors, PLLC

HCJ CPAs & Advisors, PLLC  
Little Rock, Arkansas  
March 11, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education  
Rogers School District No. 30  
Rogers, Arkansas

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the Rogers School District No. 30 (the "District") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

***Opinion on Each Major Federal Program***

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

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

HCJ CPAs & Advisors, PLLC

HCJ CPAs & Advisors, PLLC  
Little Rock, Arkansas  
March 11, 2022

**ROGERS SCHOOL DISTRICT NO. 30**  
**SCHEDULE OF STATE ASSISTANCE**  
**YEAR ENDED JUNE 30, 2021**

**Arkansas Department of Education**

State Foundation Funding	\$ 55,107,226
98% Uniform Rate of Tax Funding	733,146
Student Growth Funding	74,356
Bonded Debt Assistance	6,206
Flood Control Assistance	113,799
Professional Development Funding	562,882
LEP Allocation	1,782,528
National Board Certified Teacher Bonuses	412,256
Food Service State Matching	51,626
Special Education - Catastrophic Occurrences	612,062
Early Childhood Special Education/Medicaid Match	282,166
Preschool Special Education Services	100,190
Alternative Learning	847,063
National School Lunch Student Funding	4,585,142
National School Lunch Student Funding Match	146,792
Gifted and Talented - Advanced Placement	44,450
Arkansas Better Chance Program	1,419,600
HIPPY Program	159,096
Special Extended School Year Services	10,286
Computer Science Program	<u>11,702</u>

Total Arkansas Department of Education	67,062,574
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**Arkansas Department of Career Education**

Secondary Workforce Centers	<u>52,541</u>
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<b>Total State Assistance</b>	<b><u>\$ 67,115,115</u></b>
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**ROGERS SCHOOL DISTRICT NO. 30**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. Our report expresses an adverse opinion based on generally accepted accounting principles and an unmodified opinion based on regulatory basis of accounting on the basic financial statements of Rogers School District No. 30.

2. The independent auditor's report on internal control over financial reporting described:

Significant deficiency(ies) identified?  Yes  None reported

Material weakness(es) identified?  Yes  No

3. Noncompliance considered material to the financial statements was disclosed by the audit?  Yes  No

4. The independent auditor's report on internal control over compliance with requirements applicable to major federal awards programs described:

Significant deficiency(ies) identified?  Yes  None reported

Material weakness(es) identified?  Yes  No

5. The opinion expressed in the independent auditor's report on compliance with requirements applicable to major federal awards was:

Unmodified       Modified       Adverse       Disclaimed

6. The audit disclosed findings required to be reported by the Uniform Guidance?  Yes  No

7. The Auditee's major programs were:

Cluster/Program	Assistance listing number(s)
• COVID-19 Education Stabilization Fund	84.425D
• Coronavirus Relief Fund	21.019

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.

**ROGERS SCHOOL DISTRICT NO. 30**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**A. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)**

9. The Auditee qualified as a low-risk auditee as that term is defined in the Uniform Guidance?

Yes

No

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None noted

**C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS AUDIT**

None noted

**D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**SIGNIFICANT DEFICIENCIES**

**U.S. Department of Agriculture Passed through Arkansas Department of Education and Arkansas Department of Human Services**

**Child Nutrition Cluster: National School Lunch Program: CFDA #10.555, School Breakfast Program: CFDA #10.553**

**2020-001 Completion of Time Certifications**

*Statement of Condition:* Although payroll reports supporting employees' work in the Child Nutrition Cluster program were available for inspection, time certifications were not completed for 5 out of 20 employees tested for Child Nutrition Cluster.

*Recommendation:* To ensure all time certifications are completed by employees who work within federal programs, a review of completed time certifications should be compared to the employee listing for all federal program employees and procedures should be put in place to collect time certifications during the employee termination or transfer of position process.

*Current Status:* The recommendation was implemented during 2020. No similar findings were noted during the 2021 audit.

**U.S. Department of Agriculture Passed through Arkansas Department of Education and Arkansas Department of Human Services**

**Child Nutrition Cluster: National School Lunch Program: CFDA #10.555, School Breakfast Program: CFDA #10.553**

**2020-002 Approval of Time Certifications**

*Statement of Condition:* The time certification for the director of the Child Nutrition Cluster program was improperly approved by the director him/herself, and the time certifications for the child nutrition managers were improperly approved by the child nutrition managers themselves with no approval by the director.

**ROGERS SCHOOL DISTRICT NO. 30**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**YEAR ENDED JUNE 30, 2021**

*Recommendation:* To ensure time certifications are properly approved, all time certifications should be approved by a superior District officer or director to the person completing the time certification.

*Current Status:* The recommendation was implemented during 2020. No similar findings were noted during the 2021 audit.



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ARKANSAS STATE REQUIREMENTS

To the Board of Education  
Rogers School District No. 30  
Rogers, Arkansas

We have examined management's assertions that Rogers School District No. 30 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, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, Rogers School District No. 30 complied with the aforementioned requirements for the year ended June 30, 2021.

This report is intended solely for the information and use of the School Board, 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.

HCJ CPAs & Advisors, PLLC

HCJ CPAs & Advisors, PLLC  
Little Rock, Arkansas  
March 11, 2022

**ROGERS SCHOOL DISTRICT NO. 30  
SCHEDULE OF STATUTES REQUIRED BY ARKANSAS DEPARTMENT OF EDUCATION TO BE  
ADDRESSED IN INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
YEAR ENDED JUNE 30, 2021**

<b><u>DESCRIPTION</u></b>	<b><u>STATUTES</u></b>
<b>Bidding and Purchasing Commodities</b>	6-21-301 – 6-21-305
<b>Ethical Guidelines and Prohibitions</b>	6-13-628; 6-24-101 et seq.
<b>Collateralization and Investment of Funds</b>	6-20-222; 19-1-504
<b>Deposit of Funds</b>	19-8-104; 19-8-106
<b>District Finances</b>	
• Bonded and Non-bonded Debt, District School Bonds	6-20-402 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 Fund	19-1-504
<b>Management of Schools</b>	
• 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/checks	6-17-918; 6-17-919; 6-20-403
<b>Management Letter for Audit</b>	14-75-101 – 14-75-104
<b>Nonrecurring Salary Payments</b>	6-20-412
<b>Revolving Loan Fund</b>	6-19-114; 6-20-801 et seq.
<b>Salary Laws - Classified</b>	6-17-2201 et seq.; 6-17-2301 et seq.
<b>Salary Increases 5% or more (Certified and Classified)</b>	6-13-635
<b>School Elections</b>	6-13-622; 6-13-630; 6-13-631; 6-13-634; 6-14-106; 6-14-109; 6-14-118
<b>Teachers and Employees</b>	
• 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.
• Minimum Wage Act	11-4-213; 11-4-218; 11-4-403; 11-4-405
<b>Teacher Salaries and Foundation Funding Aid</b>	6-17-803; 6-17-907; 6-17-908; 6-17-911 – 6-17-913; 6-17-918; 6-17-919
<b>Trust Funds (Education Excellence)</b>	6-5-307
<b>Use of Contractors, Improvement Contracts</b>	22-9-201 – 22-9-205

**ROGERS SCHOOL DISTRICT NO. 30  
 SCHEDULE OF STATUTES REQUIRED BY ARKANSAS DEPARTMENT OF EDUCATION TO BE  
 ADDRESSED IN INDEPENDENT AUDITORS' REPORT ON COMPLIANCE (CONTINUED)  
 YEAR ENDED JUNE 30, 2021**

<b>Use of DM&amp;O Millage</b>	26-80-110
<b>On Behalf Payments</b>	The amount of funds paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of District's employees
<b>Regulatory Basis of Accounting</b>	10-4-413(c)
<b>Real Estate and Personal Property Tax Appeals</b>	26-35-802
<b>Arkansas Procurement Law</b>	19-11-201 et. Seq.
<b>Fiscal Accountability</b>	6-20-1901 et. Seq
<b>Enhanced Student Achievement Funding ESA</b>	6-20-2305(B)(4)(F)(I)
<b>Limitation on Fund Balances</b>	6-20-2210 (Waived for 2019-2020 only)
<b>CARES Act (COVID-19) Education Funding</b>	Commissioner's Memo LS-20-089
<b>Charter Facilities Funding</b>	6-23-908

**ROGERS SCHOOL DISTRICT NO. 30  
SUPPLEMENTAL DATA SHEET AS REQUIRED BY ARKANSAS  
DEPARTMENT OF HUMAN SERVICES AUDIT GUIDELINES  
YEAR ENDED JUNE 30, 2021**

The following information is being provided to satisfy the requirements of Arkansas Department of Human Services Audit Guidelines:

1. Entity's Full Name: Rogers School District No. 30
2. Entity's Address: 500 W. Walnut  
Rogers, AR 72756
3. Entity's FEIN: 71-6021134
4. Entity's Telephone Number: (479) 636-3910
5. Name of Director: Dr. Marlin Berry, Superintendent
6. Name of Contact Person: Jake Haak, Treasurer