

# **East End School District No. 1**

**Perry County, Arkansas**

## **Regulatory Basis Financial Statements and Other Reports**

**June 30, 2012**

LEGISLATIVE JOINT AUDITING COMMITTEE

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PERRY COUNTY, ARKANSAS  
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**Sen. Bryan B. King**  
Senate Chair  
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**Rep. John W. Walker**  
House Vice Chair

# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE

### DIVISION OF LEGISLATIVE AUDIT

#### INDEPENDENT AUDITOR'S REPORT

East End School District No. 1 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 East End School District No. 1 (the "District"), as of and for the year ended June 30, 2012, 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, 2012, 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2013 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 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), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The 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 (Schedule 2), Schedule of Findings and Questioned Costs (Schedule 3), and Federal Award Programs - Summary Schedule of Prior Audit Findings (Schedule 4) are fairly stated in all material respects in relation to the regulatory basis financial statements taken as a whole.

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) and the Schedule of Selected Information for the Last Five Years - Regulatory Basis (Schedule 5) are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements. Such information 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.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Roger A. Norman". The signature is written in a cursive, flowing style.

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

Little Rock, Arkansas  
February 26, 2013  
EDSD28212

**Sen. Bryan B. King**  
Senate Chair  
**Rep. Kim Hammer**  
House Chair  
**Sen. Linda Chesterfield**  
Senate Vice Chair  
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House Vice Chair

# Arkansas



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

## 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*

East End School District No. 1 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 East End School District No. 1 (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated February 26, 2013. 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, 2012, 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. 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

Management of the District is responsible for establishing and maintaining effective 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be a material weakness.

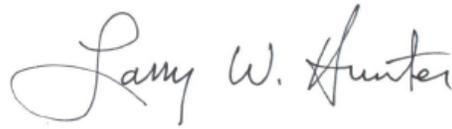
#### Compliance and Other Matters

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*.

The District's response to the finding identified in our audit 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 the response.

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

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

Larry W. Hunter, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
February 26, 2013

Sen. Bryan B. King  
Senate Chair  
Rep. Kim Hammer  
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# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE

### DIVISION OF LEGISLATIVE AUDIT

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

#### INDEPENDENT AUDITOR'S REPORT

East End School District No. 1 and School Board Members  
Legislative Joint Auditing Committee

#### Compliance

We have audited the East End School District No. 1 (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

#### Internal Control Over Compliance

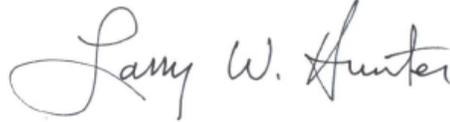
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over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

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

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

This report is intended solely for the information and use of the Legislative Joint Auditing Committee, the local school board and District management, state executive and oversight management, federal regulatory and oversight bodies, the federal awarding agencies and pass-through entities, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT

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Larry W. Hunter, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
February 26, 2013

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2012

Exhibit A

	Governmental Funds			
	Major			Fiduciary Fund Types
	General	Special Revenue	Other Aggregate	
<b>ASSETS</b>				
Cash	\$ 1,113,331	\$ 5,023	\$ 2,373,173	\$ 9,274
Accounts receivable	1,677	52,128		
Due from other funds		916		
Deposit with paying agent			375,599	
<b>TOTAL ASSETS</b>	<b>\$ 1,115,008</b>	<b>\$ 58,067</b>	<b>\$ 2,748,772</b>	<b>\$ 9,274</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 57,505	\$ 6,920	\$ 2,308	\$ 126
Due student groups				9,148
Due to other funds	916			
<b>Total Liabilities</b>	<b>58,421</b>	<b>6,920</b>	<b>2,308</b>	<b>9,274</b>
Fund Balances:				
Restricted	43,755	51,147	1,871,739	
Assigned	74,998		874,725	
Unassigned	937,834			
<b>Total Fund Balances</b>	<b>1,056,587</b>	<b>51,147</b>	<b>2,746,464</b>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,115,008</b>	<b>\$ 58,067</b>	<b>\$ 2,748,772</b>	<b>\$ 9,274</b>

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

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit B

	Major		Other Aggregate
	General	Special Revenue	
<b>REVENUES</b>			
Property taxes (including property tax relief trust distribution)	\$ 1,347,727		
State assistance	3,530,626	\$ 2,501	\$ 51,121
Federal assistance	840	570,032	34,299
Activity revenues	123,264		
Meal sales		99,761	
Investment income	27,901		5,644
Other revenues	29,908	49,398	
<b>TOTAL REVENUES</b>	<b>5,060,266</b>	<b>721,692</b>	<b>91,064</b>
<b>EXPENDITURES</b>			
Regular programs	1,589,340	31,182	
Special education	285,992	118,101	
Workforce education programs	175,416	58	
Compensatory education programs	23,374	113,075	151
Other instructional programs	203,731	116	
Student support services	143,759	39,575	
Instructional staff support services	285,074	70,269	19,974
General administration support services	269,723		
School administration support services	245,663	348	
Central services support services	63,896		
Operation and maintenance of plant services	535,630	1,290	18,281
Student transportation services	312,466	11,862	
Other support services	16,347		
Food services operations		380,790	
Community services operations		326	
Facilities acquisition and construction services			619,746
Activity expenditures	114,668		
Debt Service:			
Principal retirement			60,000
Interest and fiscal charges			121,275
<b>TOTAL EXPENDITURES</b>	<b>4,265,079</b>	<b>766,992</b>	<b>839,427</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>795,187</b>	<b>(45,300)</b>	<b>(748,363)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		44,112	792,973
Transfers out	(837,085)		
Proceeds from construction bonds			1,780,000
Net bond issuance costs			(57,317)
Refund to grantors		(16,910)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(837,085)</b>	<b>27,202</b>	<b>2,515,656</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(41,898)</b>	<b>(18,098)</b>	<b>1,767,293</b>
<b>FUND BALANCES - JULY 1 (RESTATED)</b>	<b>1,098,485</b>	<b>69,245</b>	<b>979,171</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 1,056,587</b>	<b>\$ 51,147</b>	<b>\$ 2,746,464</b>

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

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Property taxes (including property tax relief trust distribution)	\$ 1,050,000	\$ 1,347,727	\$ 297,727			
State assistance	3,428,500	3,530,626	102,126		\$ 2,501	\$ 2,501
Federal assistance		840	840	\$ 675,062	570,032	(105,030)
Activity revenues		123,264	123,264			
Meal sales				94,000	99,761	5,761
Investment income	16,000	27,901	11,901			
Other revenues		29,908	29,908		49,398	49,398
<b>TOTAL REVENUES</b>	<b>4,494,500</b>	<b>5,060,266</b>	<b>565,766</b>	<b>769,062</b>	<b>721,692</b>	<b>(47,370)</b>
<b>EXPENDITURES</b>						
Regular programs	1,628,067	1,589,340	38,727	29,536	31,182	(1,646)
Special education	280,828	285,992	(5,164)	143,681	118,101	25,580
Workforce education programs	162,222	175,416	(13,194)		58	(58)
Compensatory education programs	30,144	23,374	6,770	117,274	113,075	4,199
Other instructional programs	199,607	203,731	(4,124)		116	(116)
Student support services	143,852	143,759	93	109,582	39,575	70,007
Instructional staff support services	285,823	285,074	749	135,109	70,269	64,840
General administration support services	285,557	269,723	15,834			
School administration support services	247,376	245,663	1,713		348	(348)
Central services support services	66,671	63,896	2,775			
Operation and maintenance of plant services	583,302	535,630	47,672	1,000	1,290	(290)
Student transportation services	306,267	312,466	(6,199)	52,470	11,862	40,608
Other support services	12,000	16,347	(4,347)			
Food services operations				374,764	380,790	(6,026)
Community services operations				500	326	174
Non-programmed costs				1,010		1,010
Activity expenditures		114,668	(114,668)			
<b>TOTAL EXPENDITURES</b>	<b>4,231,716</b>	<b>4,265,079</b>	<b>(33,363)</b>	<b>964,925</b>	<b>766,992</b>	<b>197,933</b>

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 262,784	\$ 795,187	\$ 532,403	\$ (195,863)	\$ (45,300)	\$ 150,563
OTHER FINANCING SOURCES (USES)						
Transfers in	5,934,572		(5,934,572)	80,564	44,112	(36,452)
Transfers out	(6,197,411)	(837,085)	5,360,326			
Refund to grantors					(16,910)	(16,910)
TOTAL OTHER FINANCING SOURCES (USES)	(262,839)	(837,085)	(574,246)	80,564	27,202	(53,362)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(55)	(41,898)	(41,843)	(115,299)	(18,098)	97,201
FUND BALANCES - JULY 1	1,106,293	1,098,485	(7,808)	78,223	69,245	(8,978)
FUND BALANCES - JUNE 30	<u>\$ 1,106,238</u>	<u>\$ 1,056,587</u>	<u>\$ (49,651)</u>	<u>\$ (37,076)</u>	<u>\$ 51,147</u>	<u>\$ 88,223</u>

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

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

The Board of Education, a five 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 East End 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 used to account for and report all financial resources not accounted for and 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 required matching for those federal programs, program income required to be used to further the objectives of those programs, and transfers from the general fund to supplement such programs.

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 expenditure for principal and interest.

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).

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 Ark. Code Ann. § 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.

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.

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Measurement Focus and Basis of Accounting (Continued)

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 \$1,000 for capitalizing equipment. Library holdings are not capitalized.

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

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

F. Property Taxes

Property taxes are levied (tax rates are established) in November of each year based on property assessment (real and personal) that occurred within a specific period of time beginning January 1 of the same year. Property taxes are collectible beginning 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.

Ark. Code Ann. § 6-20-401 allows, but does not mandate, the District to accrue the difference between the amount of 2011 calendar year taxes collected by June 30, 2012 and 36 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue property 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. 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.

G. Interfund Receivables and Payables

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

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

H. Fund Balance Classifications

1. Restricted fund balance – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Assigned fund balance – represents amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed.
3. Unassigned fund balance – represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

I. 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.

J. 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.

K. Minimum Fund Balance Policies

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

L. Fund Balance Classification Policies and Procedures

The Superintendent, in conjunction with other management and accounting personnel, is authorized to assign amounts to a specific purpose. The District's Board of Education has not adopted a formal policy addressing this authorization.

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 uncommon for an individual source of funds to contain restricted and unrestricted (committed, assigned, or unassigned) funds. The District does not have a policy addressing whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. District personnel decide which resources (source of funds) to use at the time expenditures are incurred. For classification of fund balance amounts, restricted resources are considered spent before unrestricted. The District does not have a policy addressing which resources to use within the unrestricted fund balance 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 amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

M. Encumbrances

The District does not utilize encumbrance accounting.

**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)	\$ 250,000	\$ 250,000
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	3,243,739	3,330,826
Total Deposits	\$ 3,493,739	\$ 3,580,826

The above total deposits do not include cash of \$7,062 which was held in the Perry County Treasury.

**3: ACCOUNTS RECEIVABLE**

The accounts receivable balance of \$53,805 at June 30, 2012 was comprised of the following:

Description	Governmental Funds		Total
	Major		
	General	Special Revenue	
Federal assistance		\$ 52,124	\$ 52,124
Activity fund accounts	\$ 1,677		1,677
Meal sales		4	4
Totals	\$ 1,677	\$ 52,128	\$ 53,805

**4: COMMITMENTS**

The District was contractually obligated for the following at June 30, 2012:

A. Construction Contracts

Project Name	Estimated Completion Date	Contract Balance
Elementary School outside doors	August 15, 2012	\$ 11,375
Gym plumbing project	August 15, 2012	107,770
High School fire hood	August 15, 2012	62,495

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**4: COMMITMENTS (Continued)**

B. 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, 2012	Maturities To June 30, 2012
12/1/10	6/1/33	1 - 4.375%	\$ 3,105,000	\$ 3,045,000	\$ 60,000
11/1/11	2/1/41	1.25 - 4.2%	1,780,000	1,780,000	
9/24/02	9/24/12		250,000	250,000	
6/18/03	6/18/13		148,381	148,381	
10/15/10	10/15/20	4.8%	300,000	300,000	
Totals			<u>\$ 5,583,381</u>	<u>\$ 5,523,381</u>	<u>\$ 60,000</u>

Changes in Long-term Debt

	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
Bonds payable	\$ 3,105,000	\$ 1,780,000	\$ 60,000	\$ 4,825,000
Postdated warrants	698,381			698,381
Totals	<u>\$ 3,803,381</u>	<u>\$ 1,780,000</u>	<u>\$ 60,000</u>	<u>\$ 5,523,381</u>

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

Year Ended June 30,	Principal	Interest	Total
2013	\$ 528,381	\$ 196,111	\$ 724,492
2014	145,000	179,649	324,649
2015	145,000	177,086	322,086
2016	160,000	174,524	334,524
2017	160,000	171,211	331,211
2018-2022	1,175,000	778,206	1,953,206
2023-2027	1,025,000	568,613	1,593,613
2028-2032	1,240,000	353,895	1,593,895
2033-2037	580,000	131,450	711,450
2038-2041	365,000	39,060	404,060
Totals	<u>\$ 5,523,381</u>	<u>\$ 2,769,805</u>	<u>\$ 8,293,186</u>

Qualified Zone Academy Bond (QZAB)

On September 24, 2002 and June 18, 2003, the District obtained funding of \$250,000 and \$148,381, respectively, through the Qualified Zone Academy Bond (QZAB) program, a debt financial arrangement authorized under the Taxpayer Relief Act of 1997. The District will deposit \$22,823 and \$13,698 annually into a sinking fund for 10 years for a total of \$228,230 and \$136,980, respectively. These amounts plus interest earned will be used to retire the debt when due.

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**4: COMMITMENTS (Continued)**

B. Long-term Debt Issued and Outstanding (Continued)

Qualified Zone Academy Bond (QZAB) (Continued)

On October 15, 2010, the District obtained funding of \$300,000 through the Qualified Zone Academy Bond (QZAB) program, a debt financial arrangement authorized under the Taxpayer Relief Act of 1997. The District will deposit a specified amount annually into a sinking fund for 10 years. This amount plus interest earned will be used to retire the debt when due.

**5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The accounts payable and accrued liabilities balance of \$66,859 at June 30, 2012 was comprised of the following:

Description	Governmental Funds			Fiduciary Fund Types	Total
	Major		Other Aggregate		
	General	Special Revenue			
Vendor payables	\$ 57,505	\$ 920	\$ 2,308	\$ 126	\$ 60,859
Due to grantors		6,000			6,000
Totals	<u>\$ 57,505</u>	<u>\$ 6,920</u>	<u>\$ 2,308</u>	<u>\$ 126</u>	<u>\$ 66,859</u>

**6: INTERFUND TRANSFERS**

The District transferred \$792,973 from the general fund to the other aggregate funds for debt related payments of \$171,216, to supplement capital projects by \$572,032, and debt savings of \$49,725 required to be utilized for capital expenditures. Additionally, the District transferred \$44,112 from the general fund to the special revenue fund to supplement its food services operations.

**7: RETIREMENT PLAN**

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, 2012, 2011, and 2010 were \$402,678, \$416,755, and \$437,997, respectively, equal to the required contributions for each year.

**8: PRIOR YEAR RESTATEMENT**

The beginning fund balances of the special revenue fund and the other aggregate funds were increased and decreased, respectively, by \$2,033 to reclassify certain financial resources that were not utilized for capital expenditures in the 2012 fiscal year.

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**9: PLEDGED REVENUES**

The District has pledged a portion of its property taxes to retire bonds of \$4,885,000 issued from December 1, 2010 through November 1, 2011. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$7,465,205, payable through February 1, 2041. Principal and interest paid for the current year and total property taxes pledged for debt service were \$166,875 and \$513,738, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 32.48 percent.

**10: 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. 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 \$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.

**11: ON-BEHALF PAYMENTS**

The allocation of the health insurance premiums paid by the Arkansas Department of Education to the Employee Benefits Division, on-behalf of the District's employees, totaled \$52,386 for the year ended June 30, 2012.

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**12: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE**

Description	Governmental Funds			Total
	Major		Other Aggregate	
	General	Special Revenue		
Fund Balances:				
Restricted for:				
Educational programs - national school lunch state categorical funding	\$ 16,226			\$ 16,226
Professional development	2,581			2,581
Capital projects			\$1,493,457	1,493,457
Debt service			378,282	378,282
Medical services		\$ 45,021		45,021
Special education programs	2,050			2,050
Title I programs		280		280
Other purposes	22,898	5,846		28,744
Total Restricted	<u>43,755</u>	<u>51,147</u>	<u>1,871,739</u>	<u>1,966,641</u>
Assigned to:				
Capital projects			874,725	874,725
Student activities	74,998			74,998
Total Assigned	<u>74,998</u>		<u>874,725</u>	<u>949,723</u>
Unassigned	<u>937,834</u>			<u>937,834</u>
Totals	<u>\$1,056,587</u>	<u>\$ 51,147</u>	<u>\$2,746,464</u>	<u>\$3,854,198</u>

**13: SUBSEQUENT EVENTS**

On January 30, 2013, the District executed a guaranteed maximum price contract of \$3,445,754 from ECO Construction for an addition to the high school.

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
SCHEDULE OF CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012  
(Unaudited)

Schedule 1

	Balance June 30, 2012
<i>Nondepreciable capital assets:</i>	
Land	\$ 79,583
Construction in progress	162,994
Total nondepreciable capital assets	242,577
 <i>Depreciable capital assets:</i>	
Buildings	5,186,934
Improvements/infrastructure	862,233
Equipment	1,329,062
Total depreciable capital assets	7,378,229
 Less accumulated depreciation for:	
Buildings	1,507,221
Improvements/infrastructure	259,561
Equipment	683,247
Total accumulated depreciation	2,450,029
Total depreciable capital assets, net	4,928,200
Capital assets, net	\$ 5,170,777

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>CHILD NUTRITION CLUSTER</b>			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	53-01	\$ 59,672
National School Lunch Program - Cash Assistance	10.555	53-01	153,984
Total State Department of Education			213,656
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555	5301000	15,824
TOTAL CHILD NUTRITION CLUSTER			229,480
<b>TITLE I, PART A CLUSTER</b>			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	53-01	174,276
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	5301000	20,125
TOTAL TITLE I, PART A CLUSTER			194,401
<b>SPECIAL EDUCATION CLUSTER (IDEA)</b>			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
Special Education - Grants to States	84.027	53-01	127,402
ARRA - Special Education - Grants to States, Recovery Act	84.391	5301000	2,033
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			129,435
<b>OTHER PROGRAMS</b>			
<u>U. S. Department of Education</u>			
Direct Program:			
Rural Education	84.358		1,370
Passed Through State Department of Education:			
Improving Teacher Quality State Grants	84.367	53-01	29,536
ARRA - Education Jobs Fund, Recovery Act	84.410	53-01	4,289
Total State Department of Education			33,825
Total U. S. Department of Education			35,195
TOTAL OTHER PROGRAMS			35,195
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 588,511

The accompanying notes are an integral part of this schedule.

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 2

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of East End School District No. 1 (District) under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in financial position of the District.
- Note 2: Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.
- 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, 2012, the District received Medicaid funding of \$23,097 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.



EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 3

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

2012-1 Internal control

Criteria or specific requirement: Internal control is a process consisting of five interrelated components - *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: Deficiencies 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 a reasonable possibility that a material misstatement of the District's financial statements would not be prevented, or detected and corrected on a timely basis. Financial accounting duties were not adequately segregated among employees. Primarily, the responsibilities of receipting, disbursing, and reconciliation procedures were not adequately segregated.

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 weaknesses in the above internal control component.

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees, did not affectively address the deficiencies 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 matters were reported.

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
FEDERAL AWARD PROGRAMS -  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 4

There were no findings in the prior audit.

EAST END SCHOOL DISTRICT NO. 1  
PERRY COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012  
(Unaudited)

<b>General Fund</b>	Year Ended June 30,				
	2012	2011	2010	2009	2008
Total Assets	\$ 1,115,008	\$ 1,306,268	\$ 1,292,618	\$ 1,298,447	\$ 1,265,501
Total Liabilities	58,421	207,783	208,546	205,710	199,358
Total Fund Balances	1,056,587	1,098,485	1,084,072	1,092,737	1,066,143
Total Revenues	5,060,266	4,931,310	5,054,256	5,123,325	4,977,349
Total Expenditures	4,265,079	4,335,991	4,607,961	4,735,586	4,530,527
Total Other Financing Sources (Uses)	(837,085)	(580,906)	(454,960)	(361,145)	(458,217)
 <b><u>Special Revenue Fund</u></b>					
Total Assets	58,067	120,627	107,068	94,376	174,444
Total Liabilities	6,920	53,415	4,787	726	1,438
Total Fund Balances	51,147	67,212	102,281	93,650	173,006
Total Revenues	721,692	958,991	883,756	726,264	655,815
Total Expenditures	766,992	1,031,362	912,591	888,274	673,517
Total Other Financing Sources (Uses)	27,202	49,802	37,466	82,654	54,066
 <b><u>Other Aggregate Funds</u></b>					
Total Assets	2,748,772	1,048,036	483,489	286,579	250,480
Total Liabilities	2,308	66,832			
Total Fund Balances	2,746,464	981,204	483,489	286,579	250,480
Total Revenues	91,064	594,266	2,847	2,324	
Total Expenditures	839,427	942,439	217,800	220,800	218,800
Total Other Financing Sources (Uses)	2,515,656	833,388	411,863	254,575	404,151