

**Lamar School District No. 39**

**Johnson County, Arkansas**

**Regulatory Basis Financial Statements  
and Other Reports**

**June 30, 2010**

LEGISLATIVE JOINT AUDITING COMMITTEE



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JOHNSON COUNTY, ARKANSAS  
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JUNE 30, 2010

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**Sen. Bill Pritchard**  
Senate Chair  
**Rep. Tim Summers**  
House Chair  
**Sen. David Wyatt**  
Senate Vice Chair  
**Rep. Toni Bradford**  
House Vice Chair

# Arkansas



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

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Lamar School District No. 39 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 Lamar School District No. 39 (the "District"), as of and for the year ended June 30, 2010, 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, 2010, 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, 2010, 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 16, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Roger A. Norman". The signature is fluid and cursive, with the first name "Roger" being particularly prominent.

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

Little Rock, Arkansas  
February 16, 2011  
EDSD19810

**Sen. Bill Pritchard**  
Senate Chair  
**Rep. Tim Summers**  
House Chair  
**Sen. David Wyatt**  
Senate Vice Chair  
**Rep. Toni Bradford**  
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*

Lamar School District No. 39 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 Lamar School District No. 39 (the "District"), as of and for the year ended June 30, 2010, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated February 16, 2011. 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, 2010, 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

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 2010-1 to be a material weakness.

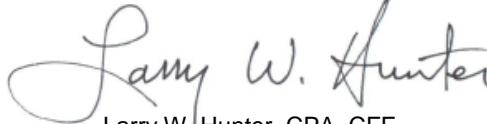
Compliance and Other Matters

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



Larry W. Hunter, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
February 16, 2011

**Sen. Bill Pritchard**  
Senate Chair  
**Rep. Tim Summers**  
House Chair  
**Sen. David Wyatt**  
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 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

Lamar School District No. 39 and School Board Members  
Legislative Joint Auditing Committee

### Compliance

We have audited the Lamar School District No. 39's (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 its major federal programs for the year ended June 30, 2010. 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, 2010.

### Internal Control Over Compliance

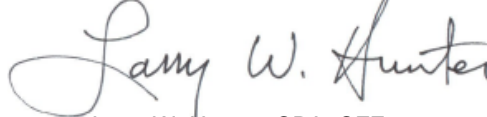
The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control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

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

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

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

DIVISION OF LEGISLATIVE AUDIT

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

Larry W. Hunter, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
February 16, 2011

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
BALANCE SHEET - REGULATORY BASIS  
JUNE 30, 2010

Exhibit A

	Governmental Funds			
	Major			Fiduciary Fund Types
	General	Special Revenue	Other Aggregate	
<b>ASSETS</b>				
Cash	\$ 964,263	\$ 51,912	\$ 482,109	\$ 70,805
Investments	795,445			17,641
Accounts receivable		50,712		
Property taxes receivable	340,974			
Deposit with paying agent			243,622	
<b>TOTAL ASSETS</b>	<b>\$ 2,100,682</b>	<b>\$ 102,624</b>	<b>\$ 725,731</b>	<b>\$ 88,446</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 15,143	\$ 52,063		
Due student groups				\$ 70,805
<b>Total Liabilities</b>	<b>15,143</b>	<b>52,063</b>		<b>70,805</b>
Fund Balances:				
Reserved:				
Scholarships				17,641
Debt service			\$ 243,622	
Capital projects			280,453	
Unreserved:				
Designated:				
Debt service			201,656	
Undesignated	2,085,539	50,561		
<b>Total Fund Balances</b>	<b>2,085,539</b>	<b>50,561</b>	<b>725,731</b>	<b>17,641</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,100,682</b>	<b>\$ 102,624</b>	<b>\$ 725,731</b>	<b>\$ 88,446</b>

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

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit B

	Major		Other Aggregate
	General	Special Revenue	
<b>REVENUES</b>			
Property taxes (including property tax relief trust distribution)	\$ 2,105,692		
State assistance	5,652,463	\$ 4,239	
Federal assistance	326,108	1,315,610	
Activity revenues	182,952		
Meal sales		86,879	
Investment income	16,040		\$ 4,976
Other revenues	139,755	40,484	1,117
<b>TOTAL REVENUES</b>	<b>8,423,010</b>	<b>1,447,212</b>	<b>6,093</b>
<b>EXPENDITURES</b>			
Regular programs	3,627,464	112,092	
Special education	476,020	275,002	
Workforce education	370,217		
Compensatory education	132,018	405,199	
Other instructional programs	293,916	5,000	
Student support services	310,974	116,131	
Instructional staff support services	418,749	122,116	
General administration support services	179,172		
School administration support services	370,353		
Central services support services	314,192		
Operation and maintenance of plant services	826,553	55,193	
Student transportation services	376,318	10,080	
Other support services	4,820		
Food services operations		459,935	
Community services operations		195	
Facilities acquisition and construction services	5,800		42,725
Activity expenditures	191,714		
Debt Service:			
Principal retirement			111,349
Interest and fiscal charges			154,684
<b>TOTAL EXPENDITURES</b>	<b>7,898,280</b>	<b>1,560,943</b>	<b>308,758</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>524,730</b>	<b>(113,731)</b>	<b>(302,665)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		3,553	396,797
Transfers out	(400,350)		
Compensation for loss of capital assets	90,325		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(310,025)</b>	<b>3,553</b>	<b>396,797</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>214,705</b>	<b>(110,178)</b>	<b>94,132</b>
<b>FUND BALANCES - JULY 1</b>	<b>1,870,834</b>	<b>160,739</b>	<b>631,599</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 2,085,539</b>	<b>\$ 50,561</b>	<b>\$ 725,731</b>

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

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON 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, 2010

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)	\$ 2,011,235	\$ 2,105,692	\$ 94,457			
State assistance	5,610,188	5,652,463	42,275	\$ 6,075	\$ 4,239	\$ (1,836)
Federal assistance	280,000	326,108	46,108	1,463,604	1,315,610	(147,994)
Activity revenues		182,952	182,952			
Meal sales				102,515	86,879	(15,636)
Investment income	5,000	16,040	11,040			
Other revenues	262,310	139,755	(122,555)		40,484	40,484
<b>TOTAL REVENUES</b>	<b>8,168,733</b>	<b>8,423,010</b>	<b>254,277</b>	<b>1,572,194</b>	<b>1,447,212</b>	<b>(124,982)</b>
<b>EXPENDITURES</b>						
Regular programs	3,793,182	3,627,464	165,718	79,685	112,092	(32,407)
Special education	514,048	476,020	38,028	345,164	275,002	70,162
Workforce education	377,890	370,217	7,673			
Compensatory education	104,867	132,018	(27,151)	398,494	405,199	(6,705)
Other instructional programs	312,873	293,916	18,957		5,000	(5,000)
Student support services	316,377	310,974	5,403	93,237	116,131	(22,894)
Instructional staff support services	438,364	418,749	19,615	24,950	122,116	(97,166)
General administration support services	193,672	179,172	14,500			
School administration support services	376,168	370,353	5,815			
Central services support services	315,785	314,192	1,593			
Operation and maintenance of plant services	884,861	826,553	58,308	322,909	55,193	267,716
Student transportation services	383,506	376,318	7,188	9,124	10,080	(956)
Other support services	7,000	4,820	2,180			
Food services operations				468,705	459,935	8,770
Community services operations	26,591		26,591	500	195	305
Facilities acquisition and construction services	70,258	5,800	64,458			
Activity expenditures		191,714	(191,714)			
<b>TOTAL EXPENDITURES</b>	<b>8,115,442</b>	<b>7,898,280</b>	<b>217,162</b>	<b>1,742,768</b>	<b>1,560,943</b>	<b>181,825</b>

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON 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, 2010

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 53,291	\$ 524,730	\$ 471,439	\$ (170,574)	\$ (113,731)	\$ 56,843
OTHER FINANCING SOURCES (USES)						
Transfers in	4,321,549		(4,321,549)	8,806	3,553	(5,253)
Transfers out	(4,641,797)	(400,350)	4,241,447			
Compensation for loss of capital assets		90,325	90,325			
TOTAL OTHER FINANCING SOURCES (USES)	(320,248)	(310,025)	10,223	8,806	3,553	(5,253)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(266,957)	214,705	481,662	(161,768)	(110,178)	51,590
FUND BALANCES - JULY 1	1,959,038	1,870,834	(88,204)	161,778	160,739	(1,039)
FUND BALANCES - JUNE 30	<u>\$ 1,692,081</u>	<u>\$ 2,085,539</u>	<u>\$ 393,458</u>	<u>\$ 10</u>	<u>\$ 50,561</u>	<u>\$ 50,551</u>

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

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**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 Lamar School District (District). There are no component units.

B. Description of Funds

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

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

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

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

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

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

Fiduciary Fund types include the following:

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

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

C. Measurement Focus and Basis of Accounting

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

LAMAR SCHOOL DISTRICT NO. 39  
 JOHNSON COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

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

C. Measurement Focus and Basis of Accounting (Continued)

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

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

D. Revenue Recognition Policies

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

E. Capital Assets

Information on capital assets and related depreciation is reported at Schedule 1. Capital assets are capitalized at historical cost or estimated historical cost, if actual data is not available. Capital assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Donated capital assets are reported at fair value when received. The District maintains a threshold level of \$1,000 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

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

**F. Property Taxes**

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

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

Amendment no. 74 to the Arkansas Constitution established a uniform minimum property tax millage rate of 25 mills for maintenance and operation of public schools. 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. Fund Balance Designations**

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

**H. Budget and Budgetary Accounting**

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

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

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

H. Budget and Budgetary Accounting (Continued)

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.

**2: CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

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

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 500,000	\$ 500,000
Collateralized:		
Collateral held by the pledging bank or pledging bank's trust department in the District's name	1,882,175	2,507,791
Total Deposits	\$ 2,382,175	\$ 3,007,791

The above total deposits include certificates of deposit of \$813,086 reported as investments and classified as nonparticipating contracts.

**3: ACCOUNTS RECEIVABLE**

The accounts receivable balance of \$50,712 at June 30, 2010 was comprised of the following:

Description	Governmental Fund Major Special Revenue
Federal assistance	\$ 50,712

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**4: COMMITMENTS**

The District was contractually obligated for the following at June 30, 2010:

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, 2010	Maturities To June 30, 2010
3/1/09	6/1/28	1.75 - 4.125%	\$ 4,555,000	\$ 4,470,000	\$ 85,000
10/5/08	9/5/13	6.9%	7,364	5,062	2,302
10/15/02	10/15/12		356,017	356,017	
Totals			<u>\$ 4,918,381</u>	<u>\$ 4,831,079</u>	<u>\$ 87,302</u>

Changes in Long-term Debt

	Balance July 1, 2009	Issued	Retired	Balance June 30, 2010
Bonds payable	\$ 4,580,000		\$ 110,000	\$ 4,470,000
Postdated warrants	356,017			356,017
Capital leases	6,411		1,349	5,062
Totals	<u>\$ 4,942,428</u>	<u>\$ 0</u>	<u>\$ 111,349</u>	<u>\$ 4,831,079</u>

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

Year Ended June 30,	Principal	Interest	Total
2011	\$ 186,446	\$ 151,172	\$ 337,618
2012	196,548	147,831	344,379
2013	552,676	143,821	696,497
2014	200,409	139,347	339,756
2015	210,000	134,343	344,343
2016-2020	1,140,000	579,265	1,719,265
2021-2025	1,370,000	366,270	1,736,270
2026-2028	975,000	81,435	1,056,435
Totals	<u>\$ 4,831,079</u>	<u>\$ 1,743,484</u>	<u>\$ 6,574,563</u>

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**4: COMMITMENTS (Continued)**

Long-term Debt Issued and Outstanding (Continued)

Capital Leases

The District has executed the following capital leases:

Class of Property	Asset Balance June 30, 2010
Copier	\$ 7,364
	June 30, 2010
Total Minimum Lease Payments	\$ 5,462
Less: Amount Representing Interest	400
Total Present Value of Net Minimum Lease Payments	\$ 5,062

Qualified Zone Academy Bond (QZAB)

On October 15, 2002, the District obtained funding through the Qualified Zone Academy Bond (QZAB) program, a financial arrangement authorized under the Taxpayer Relief Act of 1997. A QZAB does not generally require interest payments from the borrower. The eligible financial institution holding the bond receives a tax credit in lieu of interest payments. The principal is not due until the end of the term. The District borrowed \$356,017 through this program by issuing postdated warrants. The District will deposit \$32,128 annually into a sinking fund for 10 years for a total of \$321,280. This amount plus interest will be used to retire the debt when due.

**5: ACCOUNTS PAYABLE**

The accounts payable balance of \$67,206 at June 30, 2010 was comprised of the following:

Description	Governmental Funds		Total
	Major		
	General	Special Revenue	
Vendor payables	\$ 15,143	\$ 52,063	\$ 67,206

**6: INTERFUND TRANSFERS**

The District transferred \$396,797 from the general fund to the other aggregate funds for debt related payments of \$346,797 and to supplement capital expenditures by \$50,000. Additionally, \$3,553 was transferred from the general fund to the special revenue fund to supplement the District's food services operations.

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**7: RETIREMENT PLANS**

Arkansas Teacher Retirement System

Plan Description. The District contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan that covers all Arkansas public school employees, except certain nonteachers hired before July 1, 1989. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Funding Policy. ATRS has contributory and noncontributory plans. Contributory members are required by State law to contribute 6% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14% of covered salaries, the maximum allowed by State law. The District's contributions to ATRS for the years ended June 30, 2010, 2009, and 2008 were \$802,366, \$760,227, and \$701,619, respectively, equal to the required contributions for each year.

Arkansas Public Employees Retirement System

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

Funding Policy. APERS has contributory and noncontributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate for school districts is 4% of covered salaries. The District's contributions to APERS for the years ended June 30, 2010, 2009, and 2008 were \$554, \$604, and \$586, respectively, equal to the required contributions for each year.

**8: CHANGES IN PRIVATE-PURPOSE TRUST FUNDS**

ADDITIONS	
Interest	\$ <u>308</u>
CHANGE IN FUND BALANCE	308
FUND BALANCE - JULY 1	<u>17,333</u>
FUND BALANCE - JUNE 30	<u><u>\$ 17,641</u></u>

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**9: PENDING MATTERS**

During the 2001-2002 school year, the District executed a \$299,000 contract with Jennifer Construction Company to construct a technology center. In August 2002, Jennifer Construction Company filed for bankruptcy and ceased all work on the technology center. Jennifer Construction Company obtained a \$299,000 performance bond and a \$299,000 payment bond through Cumberland Casualty and Surety Company before the technology center project was started. On March 25, 2003, the District filed suit in the Circuit Court of Johnson County, Arkansas, against Cumberland Casualty and Surety Company in the amount of \$62,048. This amount was determined by subtracting the balance due under the original contract with Jennifer Construction Company from the amount contracted with Circle G Construction to complete work on the technology center project. Cumberland Casualty and Surety was placed into receivership in their home state of Florida on February 26, 2004. Proceedings in this matter have been postponed until otherwise ordered by the Florida courts. This matter is unresolved as of the audit report date.

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

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

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

The District participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to \$250,000 with a \$1,000 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the Public School Fund.

**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 \$94,472 for the year ended June 30, 2010.

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**12: LESTER ZACHARY SCHOLARSHIP FUND**

The Lester Zachary Scholarship Fund is a private-purpose trust fund established to assist Lamar High School students in need of financial assistance. The interest generated from the trust fund investment is distributed on a 75% to 25% ratio. Of the income, 75% is distributed to deserving students and 25% is returned to investments.

**13: COMPENSATION FOR LOSS OF CAPITAL ASSETS**

On September 5, 2009, an electrical storm caused considerable damage to the District's intercom system, fire alarm system, several laser printers, computers, and smartboards. The District was reimbursed \$90,325 for this damage.

**14: SUBSEQUENT EVENTS**

On November 24, 2010, the District issued Qualified School Construction Bonds of \$385,000 with an interest rate of 5.15% to finance the safe room project.

LAMAR SCHOOL DISTRICT NO. 39  
 JOHNSON COUNTY, ARKANSAS  
 SCHEDULE OF CAPITAL ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2010  
 (Unaudited)

Schedule 1

	Balance June 30, 2010
<i>Nondepreciable capital assets:</i>	
Land	\$ 342,961
<i>Depreciable capital assets:</i>	
Buildings	8,083,234
Improvements/infrastructure	746,072
Equipment	3,004,009
Total depreciable capital assets	11,833,315
Less accumulated depreciation for:	
Buildings	3,226,526
Improvements/infrastructure	174,045
Equipment	1,903,126
Total accumulated depreciation	5,303,697
Total depreciable capital assets, net	6,529,618
Capital assets, net	\$ 6,872,579

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010

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>			
Direct Program:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 2)	10.555		\$ 1,109
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	36-04	70,663
National School Lunch Program - Cash Assistance	10.555	36-04	267,965
Total State Department of Education			<u>338,628</u>
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555	3604	28,754
<b>TOTAL CHILD NUTRITION CLUSTER</b>			<u>368,491</u>
<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	36-04	280,166
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	3604000	101,194
<b>TOTAL TITLE I, PART A CLUSTER</b>			<u>381,360</u>
<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	36-04	212,357
ARRA - Special Education - Grants to States, Recovery Act	84.391	36-04	87,610
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>			<u>299,967</u>
<b>STATE FISCAL STABILIZATION FUND CLUSTER</b>			
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	3604000	182,374
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	3604000	9,935
<b>TOTAL STATE FISCAL STABILIZATION FUND CLUSTER</b>			<u>192,309</u>
<b>CCDF CLUSTER</b>			
<u>U. S. Department of Health and Human Services:</u>			
Passed Through State Department of Human Services:			
Child Care and Development Block Grant	93.575	36-04	1,880
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Unavailable	11,169
ARRA - Child Care and Development Block Grant	93.713	Unavailable	4,133
<b>TOTAL CCDF CLUSTER</b>			<u>17,182</u>

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>OTHER PROGRAMS</b>			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Human Services:			
Child and Adult Care Food Program	10.558	A543	\$ 28,437
<u>U. S. Department of Education</u>			
Passed Through State Department of Education:			
Safe and Drug-Free Schools and Communities -			
State Grants	84.186	36-04	4,481
Improving Teacher Quality State Grants	84.367	36-04	77,696
Total U. S. Department of Education			82,177
<u>U. S. Department of Health and Human Services:</u>			
Passed Through State Department of Human Services:			
Foster Care - Title IV-E	93.658	Unavailable	230
ARRA - Foster Care - Title IV-E	93.658	Unavailable	20
Total U.S. Department of Health and Human Services			250
TOTAL OTHER PROGRAMS			110,864
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,370,173

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lamar School District No. 39 and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the regulatory basis financial statements.
- Note 2: Nonmonetary assistance is reported at the approximate value as provided by the U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 3: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.
- Note 4: During the year ended June 30, 2010, the District received Medicaid funding of \$4,389 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.



LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010

Schedule 3

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

2010-1 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: A deficiency in the internal control component of control activities adversely affected the District's ability to initiate, authorize, record, process, and report financial data in accordance with the regulatory basis of accounting such that there was 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. The District has not segregated financial accounting duties among appropriate employees to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting.

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

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

Cause: District management, due to cost/benefit implications, which hindered the District's ability to adequately segregate financial accounting duties among employees, did not effectively address the deficiency in internal control.

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

Views of responsible officials and planned corrective actions: We concur with the recommendation.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
FEDERAL AWARD PROGRAMS -  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2010

Schedule 4

There were no findings in the prior audit.

LAMAR SCHOOL DISTRICT NO. 39  
JOHNSON COUNTY, ARKANSAS  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2010  
(Unaudited)

<b>General Fund</b>	Year Ended June 30,				
	2010	2009	2008	2007	2006
Total Assets	\$ 2,100,682	\$ 1,901,765	\$ 1,864,987	\$ 2,705,369	\$ 3,638,041
Total Liabilities	15,143	30,931	70,177	102,067	477,405
Total Fund Balances	2,085,539	1,870,834	1,794,810	2,603,302	3,160,636
Total Revenues	8,423,010	8,351,068	8,560,938	8,639,407	7,337,691
Total Expenditures	7,898,280	7,889,888	7,965,411	7,897,090	7,625,017
Total Other Financing Sources (Uses)	(310,025)	(385,156)	(1,404,019)	(1,299,651)	(331,496)
<b>Special Revenue Fund</b>					
Total Assets	102,624	161,778	234,762	219,347	212,043
Total Liabilities	52,063	1,039	19,150	1,426	
Total Fund Balances	50,561	160,739	215,612	217,921	212,043
Total Revenues	1,447,212	995,096	1,073,079	972,799	871,585
Total Expenditures	1,560,943	1,054,126	1,075,388	966,921	834,327
Total Other Financing Sources (Uses)	3,553	4,157			
<b>Other Aggregate Funds</b>					
Total Assets	725,731	631,599	848,783	834,335	165,927
Total Liabilities			176,641		
Total Fund Balances	725,731	631,599	672,142	834,335	165,927
Total Revenues	6,093	313,151	599,585	141,435	526,201
Total Expenditures	308,758	749,267	2,165,797	847,241	691,770
Total Other Financing Sources (Uses)	396,797	395,573	1,404,019	1,374,214	331,496