

Cabot School District No. 4

Lonoke County, Arkansas

Regulatory Basis Financial Statements and Other Reports

June 30, 2013

LEGISLATIVE JOINT AUDITING COMMITTEE



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LONOKE COUNTY, ARKANSAS
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JUNE 30, 2013

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Rep. Kim Hammer
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Arkansas



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

LEGISLATIVE JOINT AUDITING COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Cabot School District No. 4 and School Board Members
Legislative Joint Auditing Committee

Report on the Financial Statements

We have audited the accompanying financial statements of each major governmental fund and the aggregate remaining fund information of the Cabot School District No. 4 (the "District"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, as described in Note 1, to meet the reporting requirements of the State of Arkansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the State of Arkansas, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraphs, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2013, or the changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2013, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended in accordance with the financial reporting provisions of Ark. Code Ann. § 10-4-413(c) as provided in Act 2201 of 2005 described in Note 1.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's regulatory basis financial statements. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years - Regulatory Basis are presented for the purposes of additional analysis and are not a required part of the regulatory basis financial statements.

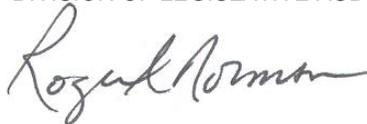
The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statements or to the regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The Schedule of Capital Assets and the Schedule of Selected Information for the Last Five Years - Regulatory Basis have 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DIVISION OF LEGISLATIVE AUDIT



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

Little Rock, Arkansas
February 19, 2014
EDSD22813

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*

INDEPENDENT AUDITOR'S REPORT

Cabot School District No. 4 and School Board Members
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major governmental fund and the aggregate remaining fund information of the Cabot School District No. 4 (the "District"), as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated February 19, 2014. We issued an adverse opinion because the District prepared the financial statements on the basis of the financial reporting provisions of Arkansas Code, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting 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 regulatory basis financial position of each major governmental fund and the aggregate remaining fund information of the District as of June 30, 2013, and the respective regulatory basis changes in financial position thereof and the respective regulatory basis budgetary comparison for the general and special revenue funds for the year then ended, on the basis of accounting described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's regulatory basis financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

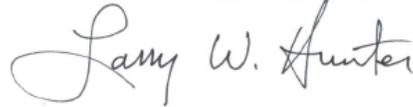
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state and federal laws 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*.

Purpose of this Report

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

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 19, 2014

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 FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Cabot School District No. 4 and School Board Members
Legislative Joint Auditing Committee

Report on Compliance for Each Major Federal Program

We have audited the Cabot School District No. 4 (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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

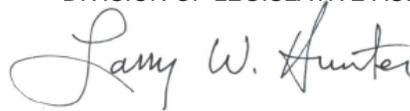
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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 19, 2014

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
BALANCE SHEET - REGULATORY BASIS
JUNE 30, 2013

Exhibit A

	Governmental Funds			
	Major			Fiduciary Fund Types
	General	Special Revenue	Other Aggregate	
ASSETS				
Cash	\$ 7,635,410	\$ 130,778	\$ 14,028,708	\$ 922,878
Accounts receivable	3,552	860,659		
Due from other funds	541,785			
TOTAL ASSETS	\$ 8,180,747	\$ 991,437	\$ 14,028,708	\$ 922,878
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 498,395	\$ 41,194	\$ 1,408,996	
Due student groups				\$ 922,878
Due to other funds		541,785		
Deferred revenue		59,038		
Total Liabilities	498,395	642,017	1,408,996	922,878
Fund Balances:				
Restricted	268,530	379,719	4,468,434	
Assigned	543,170		8,151,278	
Unassigned	6,870,652	(30,299)		
Total Fund Balances	7,682,352	349,420	12,619,712	
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,180,747	\$ 991,437	\$ 14,028,708	\$ 922,878

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

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

Exhibit B

	Major		Other Aggregate
	General	Special Revenue	
REVENUES			
Property taxes (including property tax relief trust distribution)	\$ 22,911,959		
State assistance	53,866,497	\$ 28,780	\$ 9,201,008
Federal assistance	295,990	6,642,111	
Activity revenues	613,298		
Meal sales		1,406,489	
Investment income		3,289	76,200
Other revenues	168,492	4,772	
TOTAL REVENUES	77,856,236	8,085,441	9,277,208
EXPENDITURES			
Regular programs	32,625,038	2,134	42,645
Special education	7,477,766	995,490	
Career education programs	2,280,137	1,524	
Compensatory education programs	140,647	514,485	
Other instructional programs	3,274,468	73,927	
Student support services	3,304,717	999,303	
Instructional staff support services	4,706,638	1,662,257	
General administration support services	1,190,920	44,702	
School administration support services	4,137,126	3,636	
Central services support services	1,981,920	357	
Operation and maintenance of plant services	7,609,207	5,923	
Student transportation services	3,802,911	68	
Other support services	125,440		
Food services operations	35,264	3,689,228	
Community services operations	4,000	1,237	
Facilities acquisition and construction services			17,763,681
Activity expenditures	547,441		
Debt Service:			
Principal retirement			1,810,000
Interest and fiscal charges			1,859,410
TOTAL EXPENDITURES	73,243,640	7,994,271	21,475,736
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,612,596	91,170	(12,198,528)
OTHER FINANCING SOURCES (USES)			
Transfers in			4,257,502
Transfers out	(4,257,502)		
Proceeds from construction bonds			11,740,000
Net bond issuance costs			(155,954)
Payment to refunding bond escrow agent			(21,168,288)
Proceeds from refunding bonds			21,270,000
TOTAL OTHER FINANCING SOURCES (USES)	(4,257,502)		15,943,260
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	355,094	91,170	3,744,732
FUND BALANCES - JULY 1	7,327,258	258,250	8,874,980
FUND BALANCES - JUNE 30	\$ 7,682,352	\$ 349,420	\$ 12,619,712

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

CABOT SCHOOL DISTRICT NO. 4
LONOKE 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, 2013

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes (including property tax relief trust distribution)	\$ 23,830,000	\$ 22,911,959	\$ (918,041)			
State assistance	53,230,301	53,866,497	636,196	\$ 27,800	\$ 28,780	\$ 980
Federal assistance	230,000	295,990	65,990	6,716,168	6,642,111	(74,057)
Activity revenues		613,298	613,298			
Meal sales				1,437,000	1,406,489	(30,511)
Investment income				3,000	3,289	289
Other revenues	179,800	168,492	(11,308)	62,000	4,772	(57,228)
TOTAL REVENUES	77,470,101	77,856,236	386,135	8,245,968	8,085,441	(160,527)
EXPENDITURES						
Regular programs	33,275,010	32,625,038	649,972	2,134	2,134	
Special education	7,683,901	7,477,766	206,135	1,070,386	995,490	74,896
Career education programs	2,344,692	2,280,137	64,555		1,524	(1,524)
Compensatory education programs	205,320	140,647	64,673	542,087	514,485	27,602
Other instructional programs	3,661,831	3,274,468	387,363	78,754	73,927	4,827
Student support services	3,335,943	3,304,717	31,226	935,386	999,303	(63,917)
Instructional staff support services	5,132,656	4,706,638	426,018	1,799,138	1,662,257	136,881
General administration support services	1,229,569	1,190,920	38,649	45,641	44,702	939
School administration support services	4,216,777	4,137,126	79,651	3,650	3,636	14
Central services support services	1,174,556	1,981,920	(807,364)	3,652	357	3,295
Operation and maintenance of plant services	7,532,866	7,609,207	(76,341)	7,296	5,923	1,373
Student transportation services	3,676,628	3,802,911	(126,283)	500	68	432
Other support services	100,000	125,440	(25,440)			
Food services operations	9,500	35,264	(25,764)	3,810,103	3,689,228	120,875
Community services operations	13,000	4,000	9,000	8,100	1,237	6,863
Activity expenditures	38,097	547,441	(509,344)			
TOTAL EXPENDITURES	73,630,346	73,243,640	386,706	8,306,827	7,994,271	312,556

CABOT SCHOOL DISTRICT NO. 4
LONOKE 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, 2013

Exhibit C

	General			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 3,839,755	\$ 4,612,596	\$ 772,841	\$ (60,859)	\$ 91,170	\$ 152,029
OTHER FINANCING SOURCES (USES)						
Transfers in	39,623,622		(39,623,622)			
Transfers out	(43,704,555)	(4,257,502)	39,447,053			
TOTAL OTHER FINANCING SOURCES (USES)	(4,080,933)	(4,257,502)	(176,569)			
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(241,178)	355,094	596,272	(60,859)	91,170	152,029
FUND BALANCES - JULY 1	8,347,587	7,327,258	(1,020,329)	297,011	258,250	(38,761)
FUND BALANCES - JUNE 30	\$ 8,106,409	\$ 7,682,352	\$ (424,057)	\$ 236,152	\$ 349,420	\$ 113,268

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

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Board of Education, a seven 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 Cabot 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.

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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
Building improvement	7-20

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 2012 calendar year taxes collected by June 30, 2013 and 32 percent of the proceeds of the local taxes that are not pledged to secure bonded indebtedness. The District elected not to accrue property taxes or the option to accrue property taxes was not applicable because the amount of property taxes collected by June 30, 2013 equaled or exceeded the 32 percent calculation.

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (Continued)

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.

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. Additionally, the District routinely budgets restricted federal programs as part of the special revenue fund. Significant variances may result in the budgetary comparison of the revenues and expenditures of the special revenue fund because of the reclassification of those federal programs primarily utilized for capital projects to the other aggregate funds for reporting purposes.

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.

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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	\$ 254,869
Collateralized:		
Collateral held by the District's agent, pledging bank or pledging bank's trust department or agent in the District's name	22,467,774	23,856,923
Total Deposits	\$ 22,717,774	\$ 24,111,792

3: ACCOUNTS RECEIVABLE

The accounts receivable balance of \$864,211 at June 30, 2013 was comprised of the following:

Description	Governmental Funds		Total
	Major		
	General	Special Revenue	
Federal assistance		\$ 844,083	\$ 844,083
Meal sales		16,576	16,576
Other	\$ 3,552		3,552
Totals	\$ 3,552	\$ 860,659	\$ 864,211

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

4: COMMITMENTS

The District was contractually obligated for the following at June 30, 2013:

A. Construction Contracts

Project Name	Estimated Completion Date	Contract Balance
Freshman Academy	August 1, 2014	\$ 13,263,149
High School agri building renovations	August 1, 2014	3,607,246
Ward Central addition	January 1, 2014	625,424
Press box	October 1, 2013	98,023
Band canopy	November 1, 2013	90,768
198 North Polk house	July 1, 2013	6,300

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, 2013	Maturities To June 30, 2013
6/1/10	2/1/32	2 - 4.25%	\$ 32,645,000	\$ 30,550,000	\$ 2,095,000
11/1/10	6/30/32	2.25 - 4%	5,840,000	5,365,000	475,000
7/1/12	2/1/38	3 - 4%	21,270,000	21,230,000	40,000
10/1/12	2/1/38	2 - 3.5%	11,740,000	11,195,000	545,000
Totals			<u>\$ 71,495,000</u>	<u>\$ 68,340,000</u>	<u>\$ 3,155,000</u>

Changes in Long-term Debt

	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
Bonds payable	<u>\$ 57,025,000</u>	<u>\$ 33,010,000</u>	<u>\$ 21,695,000 *</u>	<u>\$ 68,340,000</u>

*Includes \$19,885,000 early retirement of debt - See Note 6.

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

Year Ended June 30,	Principal	Interest	Total
2014	\$ 2,235,000	\$ 2,362,895	\$ 4,597,895
2015	2,255,000	2,312,057	4,567,057
2016	2,320,000	2,260,657	4,580,657
2017	2,360,000	2,201,995	4,561,995
2018	2,430,000	2,132,883	4,562,883
2019-2023	13,485,000	9,493,425	22,978,425
2024-2028	16,170,000	7,009,100	23,179,100
2029-2033	17,085,000	3,726,998	20,811,998
2034-2038	10,000,000	1,175,994	11,175,994
Totals	<u>\$ 68,340,000</u>	<u>\$ 32,676,004</u>	<u>\$ 101,016,004</u>

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance of \$1,948,585 at June 30, 2013 was comprised of the following:

Description	Governmental Funds			Total
	Major			
	General	Special Revenue	Other Aggregate	
Vendor payables	\$ 345,183	\$ 41,194	\$ 1,408,996	\$ 1,795,373
Due to grantors	153,212			153,212
	<u>\$ 498,395</u>	<u>\$ 41,194</u>	<u>\$ 1,408,996</u>	<u>\$ 1,948,585</u>

6: DEBT REFUNDINGS

On July 1, 2012, the District issued refunding bonds of \$21,270,000 with interest rates of 3 to 4 percent to advance refund \$19,885,000 of outstanding bonds dated April 1, 2008 with interest rates of 4 to 4.63 percent. Net bond proceeds of \$21,168,288 were remitted to an escrow agent to provide all future debt service payments for the bonds advance refunded. These bonds will be called on August 1, 2013. The outstanding principal of the April 1, 2008 bond issue was \$19,255,000 at June 30, 2013. U. S. Treasury obligations of \$19,669,743, purchased by the escrow agent, were committed to the retirement of the remaining 2008 bonds as of June 30, 2013.

The remaining proceeds of \$5,712 (after payment of \$96,000 net bond issuance costs) will be utilized for subsequent debt payments. The issuance of these bonds will result in a savings of \$1,117,016 to the District over a period of 26 fiscal years.

7: INTERFUND TRANSFERS

The District transferred \$4,257,502 from the general fund to the other aggregate funds for debt related payments of \$3,635,601, debt refunding savings of \$121,901 required to be used for capital expenditures, and \$500,000 for capital expenditures.

8: 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, 2013, 2012, and 2011 were \$7,541,743, \$7,391,292, and \$7,266,949, respectively, equal to the required contributions for each year.

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

8: RETIREMENT PLANS (Continued)

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, 2013, 2012, and 2011 were \$6,376, \$6,441, and \$6,668, respectively, equal to the required contributions for each year.

9: DEFICIT FUND BALANCES

The deficit unassigned fund balance of \$30,299 in the special revenue fund, as displayed in the table at Note 13, pertains to the following federal programs: Department of Defense Competitive grant (\$478), Title I (\$1,980), Carl Perkins career and technical education (\$6,729), and special education (\$21,112). The temporary deficit balances were caused by the recognition of minor accounts payable at year end.

10: PLEDGED REVENUES

The District has pledged a portion of its property taxes to retire bonds of \$71,495,000 issued from June 1, 2010 through October 1, 2012. The bonds were issued for various capital projects. Total principal and interest remaining on the bonds is \$101,016,004, payable through February 1, 2038. Principal and interest paid for the current year and total property taxes pledged for debt service were \$3,667,035 and \$8,410,719, respectively. The percentage of property taxes pledged for the current year for principal and interest payments was 43.60 percent.

11: 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 builders' risk, graduation liability, student accidents, business trip accidental death and dismemberment, and 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.

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.

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

11: RISK MANAGEMENT (Continued)

The District participates in the Public School Property and Vehicle Insurance Trust Fund Program administered by the Risk Management Division of the Arkansas Insurance Department. The program's general objectives are to formulate, develop, and administer, on behalf of member districts, a program of insurance to obtain lower costs for property and vehicles coverage, and to develop a comprehensive loss control program. The fund uses a reinsurance policy to reduce exposure to large losses on insured events. The District pays an annual premium for its coverage of buildings, contents, and vehicles.

12: 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 \$800,994 for the year ended June 30, 2013.

13: DETAILS OF GOVERNMENTAL FUND BALANCE CLASSIFICATIONS DISPLAYED IN THE AGGREGATE

Description	Governmental Funds			Total
	Major			
	General	Special Revenue	Other Aggregate	
Fund Balances:				
Restricted for:				
Alternative learning environment	\$ 38,720			\$ 38,720
Educational programs - national school lunch state categorical funding	134,027			134,027
English-language learners	1,705			1,705
Professional development	38,433			38,433
Capital projects			\$ 4,468,434	4,468,434
Child nutrition programs		\$ 123,448		123,448
Medical services		256,271		256,271
Special education programs	16,498			16,498
Other purposes	39,147			39,147
Total Restricted	268,530	379,719	4,468,434	5,116,683
Assigned to:				
Capital projects			8,151,278	8,151,278
Student activities	543,170			543,170
Total Assigned	543,170		8,151,278	8,694,448
Unassigned	6,870,652	(30,299)		6,840,353
Totals	\$7,682,352	\$ 349,420	\$ 12,619,712	\$ 20,651,484

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
SCHEDULE OF CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2013
(Unaudited)

Schedule 1

	Balance June 30, 2013
<i>Nondepreciable capital assets:</i>	
Land	\$ 3,218,617
Construction in progress	19,452,794
Total nondepreciable capital assets	22,671,411
 <i>Depreciable capital assets:</i>	
Buildings	126,609,731
Improvements/infrastructure	4,866,105
Equipment	15,097,856
Total depreciable capital assets	146,573,692
 Less accumulated depreciation for:	
Buildings	22,306,220
Improvements/infrastructure	2,370,607
Equipment	10,331,400
Total accumulated depreciation	35,008,227
Total depreciable capital assets, net	111,565,465
Capital assets, net	\$ 134,236,876

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 2

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
<u>U. S. Department of Agriculture</u>			
Direct Program:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 3)	10.555		\$ 39,993
Passed Through State Department of Education:			
School Breakfast Program - Cash Assistance	10.553	43-04	412,746
National School Lunch Program - Cash Assistance	10.555	43-04	1,627,841
Total State Department of Education			<u>2,040,587</u>
Passed Through State Department of Human Services:			
National School Lunch Program - Non-Cash Assistance (Food Distribution) (Note 4)	10.555	4304000	211,593
TOTAL CHILD NUTRITION CLUSTER			<u>2,292,173</u>
OTHER PROGRAMS			
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Education:			
Fresh Fruit and Vegetable Program	10.582	43-04	71,955
<u>U. S. Department of Defense</u>			
Direct Programs:			
ROTC (Note 5)	12.AR040053		63,010
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556		73,564
Total U. S. Department of Defense			<u>136,574</u>
<u>U. S. Department of Education</u>			
Direct Program:			
Impact Aid	84.041		231,325
Passed Through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	43-04	1,024,864
Special Education - Grants to States	84.027	43-04	2,032,494
Twenty-First Century Community Learning Centers	84.287	43-04	2,134
English Language Acquisition Grants	84.365	43-04	13,345
Improving Teacher Quality State Grants	84.367	43-04	192,989
Total State Department of Education			<u>3,265,826</u>
Total U. S. Department of Education			<u>3,497,151</u>
Passed Through State Department of Career Education:			
Career and Technical Education - Basic Grants to States	84.048	43-04	112,163
<u>U. S. Department of Health and Human Services</u>			
Passed Through State Department of Education:			
Temporary Assistance for Needy Families	93.558	0000200085	64,665
TOTAL OTHER PROGRAMS			<u>3,882,508</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 6,174,681</u>

The accompanying notes are an integral part of this schedule.

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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 Cabot School District No. 4 (District) under programs of the federal government for the year ended June 30, 2013. 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 U. S. Department of Defense through an agreement with the U. S. Department of Agriculture.
- Note 4: Nonmonetary assistance is reported at the approximate value as provided by the State Department of Human Services.
- Note 5: The Federal CFDA Number was not available. An alternative identifying number was utilized.
- Note 6: During the year ended June 30, 2013, the District received Medicaid funding of \$426,530 from the State Department of Human Services. Such payments are not considered Federal awards expended, and therefore, are not included in the above schedule.

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
FEDERAL AWARD PROGRAMS -
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 4

There were no findings in the prior audit.

CABOT SCHOOL DISTRICT NO. 4
LONOKE COUNTY, ARKANSAS
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2013
(Unaudited)

General Fund	Year Ended June 30,				
	2013	2012	2011	2010	2009
Total Assets	\$ 8,180,747	\$ 7,549,759	\$ 11,830,932	\$ 11,411,537	\$ 9,816,655
Total Liabilities	498,395	222,501	5,432,557	5,299,120	5,451,307
Total Fund Balances	7,682,352	7,327,258	6,398,375	6,112,417	4,365,348
Total Revenues	77,856,236	81,162,371	73,855,971	72,525,704	67,565,898
Total Expenditures	73,243,640	70,073,082	68,890,272	64,715,680	62,199,886
Total Other Financing Sources (Uses)	(4,257,502)	(10,160,406)	(4,431,951)	(6,062,955)	(5,592,565)
 Special Revenue Fund					
Total Assets	991,437	348,810	523,707	637,639	532,380
Total Liabilities	642,017	90,560	36,829	31,322	91,430
Total Fund Balances	349,420	258,250	486,878	606,317	440,950
Total Revenues	8,085,441	9,731,369	8,498,934	10,288,223	6,893,881
Total Expenditures	7,994,271	9,957,564	8,598,985	10,122,856	6,886,288
Total Other Financing Sources (Uses)		(2,433)			70,132
 Other Aggregate Funds					
Total Assets	14,028,708	9,136,889	10,907,943	15,523,323	19,267,194
Total Liabilities	1,408,996	261,909	676,389	1,397,940	391,947
Total Fund Balances	12,619,712	8,874,980	10,231,554	14,125,383	18,875,247
Total Revenues	9,277,208	3,322,938	4,806,978	9,429,690	1,688,988
Total Expenditures	21,475,736	14,839,918	12,823,474	20,246,210	13,053,830
Total Other Financing Sources (Uses)	15,943,260	10,160,406	4,103,279	6,066,656	5,272,433