

# **Carthage School District No. 9**

**Dallas County, Arkansas**

## **General Purpose Financial Statements and Other Reports**

**June 30, 2003**

LEGISLATIVE JOINT AUDITING COMMITTEE

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CARTHAGE SCHOOL DISTRICT NO. 9  
DALLAS COUNTY, ARKANSAS  
TABLE OF CONTENTS  
JUNE 30, 2003

Independent Auditor's Report  
Combined Report(s) on Compliance, Internal Controls and Other Matters

GENERAL PURPOSE FINANCIAL STATEMENTS

Exhibit

Combined Balance Sheet – Governmental and Fiduciary Fund Types and Account Groups	A
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund Types	B
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General and Special Revenue Fund Types	C
Notes to Financial Statements	

Sen. Henry "Hank" Wilkins, IV  
Senate Co-Chair  
Rep. Tommy G. Roebuck  
House Co-Chair  
Sen. Randy Laverly  
Senate Co-Vice Chair  
Rep. David Evans  
House Co-Vice Chair

# Arkansas



Charles L. Robinson, CPA, CFE  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Carthage School District No. 9 and School Board Members  
Legislative Joint Auditing Committee

We have audited the accompanying general purpose financial statements of the Carthage School District No. 9 (the "District"), as of and for the year ended June 30, 2003, as listed in the table of contents. These financial statements are the responsibility of district management. Our responsibility is to express an opinion 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

DIVISION OF LEGISLATIVE AUDIT

A handwritten signature in blue ink, appearing to read "Charles L. Robinson".

Charles L. Robinson, CPA, CFE  
Legislative Auditor

Little Rock, Arkansas  
May 21, 2004  
EDSD10103

Sen. Henry "Hank" Wilkins, IV  
Senate Co-Chair  
Rep. Tommy G. Roebuck  
House Co-Chair  
Sen. Randy Laverty  
Senate Co-Vice Chair  
Rep. David Evans  
House Co-Vice Chair

# Arkansas



Charles L. Robinson, CPA, CFE  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### COMBINED REPORT(S) ON COMPLIANCE, INTERNAL CONTROLS AND OTHER MATTERS

Carthage School District No. 9 and School Board Members  
Legislative Joint Auditing Committee

We have audited the general purpose financial statements of the Carthage School District No. 9 (the "District") as of and for the year ended June 30, 2003, and have issued our report thereon dated May 21, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of the state constitution, laws and regulations, 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 that are required to be reported under *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are disclosed below in the Audit Findings section of this letter.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider the finding below to be a material weakness. Other matters involving compliance and/or internal control were reported to School District management in a separate letter.

## AUDIT FINDING

As a management service, we would like to bring to your attention the following compliance and/or internal control matter that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations and achieve adequate internal controls. This matter was discussed previously with district officials during the course of our audit fieldwork and at the exit conference.

The District had inadequate control over cash transactions because of insufficient segregation of duties due to a limited number of personnel.

This report is intended for the information and use of the Legislative Joint Auditing Committee, state executive and oversight management and district management and is not intended to be and should not be used by anyone other than these specific parties. However, this report is a matter of public record and its distribution is not limited.

DIVISION OF LEGISLATIVE AUDIT



William R. Baum, CPA, CFE  
Deputy Legislative Auditor

Little Rock, Arkansas  
May 21, 2004

CARTHAGE SCHOOL DISTRICT NO.9  
DALLAS COUNTY, ARKANSAS  
COMBINED BALANCE SHEET - GOVERNMENTAL AND FIDUCIARY FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2003

Exhibit A

	Governmental Fund Types			Fiduciary	Account Groups		Totals
	General	Special Revenue	Capital Projects	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)
<b>ASSETS</b>							
Cash	\$ 374,127	\$ 20,627	\$ 91,738	\$ 1,233			\$ 487,725
Land					\$ 11,978		11,978
Buildings					651,369		651,369
Improvements other than buildings					8,554		8,554
Equipment					256,300		256,300
Amount to be provided for retirement of general long-term debt						\$ 419,100	419,100
<b>TOTAL ASSETS</b>	<u>\$ 374,127</u>	<u>\$ 20,627</u>	<u>\$ 91,738</u>	<u>\$ 1,233</u>	<u>\$ 928,201</u>	<u>\$ 419,100</u>	<u>\$ 1,835,026</u>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>Liabilities:</b>							
Accounts payable		\$ 1,729					\$ 1,729
Due student groups				\$ 1,233			1,233
Bonds payable						\$ 406,555	406,555
Capital leases						12,545	12,545
<b>Total Liabilities</b>		<u>1,729</u>		<u>1,233</u>		<u>419,100</u>	<u>422,062</u>
<b>Fund Equity:</b>							
Investment in general fixed assets					\$ 928,201		928,201
<b>Fund balances:</b>							
Undesignated	\$ 374,127	18,898	\$ 91,738				484,763
<b>Total Fund Equity</b>	<u>374,127</u>	<u>18,898</u>	<u>91,738</u>		<u>928,201</u>		<u>1,412,964</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 374,127</u>	<u>\$ 20,627</u>	<u>\$ 91,738</u>	<u>\$ 1,233</u>	<u>\$ 928,201</u>	<u>\$ 419,100</u>	<u>\$ 1,835,026</u>

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

CARTHAGE SCHOOL DISTRICT NO.9  
DALLAS COUNTY, ARKANSAS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2003

Exhibit B

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
REVENUES					
Property taxes	\$ 401,707				\$ 401,707
State assistance	587,532	\$ 593			588,125
Federal assistance		288,505			288,505
Activity revenues	18,974				18,974
Meal sales		3,872			3,872
Interest on investments	11,275			\$ 4,821	16,096
Other revenues	15,740	81			15,821
<b>TOTAL REVENUES</b>	<b>1,035,228</b>	<b>293,051</b>		<b>4,821</b>	<b>1,333,100</b>
EXPENDITURES					
Regular programs	528,352	22,560			550,912
Special education	38,286	2,600			40,886
Workforce education	24,672				24,672
Compensatory education		31,461			31,461
Other instructional programs	500				500
Support services	303,825	234,812		327,621	866,258
Community services		380			380
Activity expenditures	16,707				16,707
Principal retirement			\$ 10,000	2,139	12,139
Interest and fiscal charges			18,507	750	19,257
<b>TOTAL EXPENDITURES</b>	<b>912,342</b>	<b>291,813</b>	<b>28,507</b>	<b>330,510</b>	<b>1,563,172</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	122,886	1,238	(28,507)	(325,689)	(230,072)

CARTHAGE SCHOOL DISTRICT NO.9  
DALLAS COUNTY, ARKANSAS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2003

Exhibit B

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
OTHER FINANCING SOURCES (USES)					
Transfers in		\$ 12,125	\$ 28,507	\$ 207,484	\$ 248,116
Transfers out	\$ (248,116)				(248,116)
 TOTAL OTHER FINANCING SOURCES (USES)	 (248,116)	 12,125	 28,507	 207,484	 0
 EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 (125,230)	 13,363		 (118,205)	 (230,072)
 FUND BALANCES - JULY 1	 499,357	 5,535		 209,943	 714,835
 FUND BALANCES - JUNE 30	 \$ 374,127	 \$ 18,898	 \$ 0	 \$ 91,738	 \$ 484,763

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



CARTHAGE SCHOOL DISTRICT NO.9  
DALLAS COUNTY, ARKANSAS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2003

Exhibit C

	General Fund			Special Revenue Fund			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Property taxes	\$ 489,000	\$ 401,707	\$ (87,293)				\$ 489,000	\$ 401,707	\$ 401,707
State assistance	692,751	587,532	(105,219)		\$ 593	\$ 593	692,751	588,125	(104,626)
Federal assistance				\$ 127,564	288,505	160,941	127,564	288,505	160,941
Activity revenues		18,974	18,974					18,974	18,974
Meal sales				2,500	3,872	1,372	2,500	3,872	1,372
Interest on investments	10,000	11,275	1,275				10,000	11,275	1,275
Other revenues	2,000	15,740	13,740		81	81	2,000	15,821	13,821
<b>TOTAL REVENUES</b>	<b>1,193,751</b>	<b>1,035,228</b>	<b>(158,523)</b>	<b>130,064</b>	<b>293,051</b>	<b>162,987</b>	<b>1,323,815</b>	<b>1,328,279</b>	<b>4,464</b>
EXPENDITURES									
Regular programs	512,425	528,352	(15,927)		22,560	(22,560)	512,425	550,912	(38,487)
Special education	35,193	38,286	(3,093)	20,500	2,600	17,900	55,693	40,886	14,807
Workforce education	23,047	24,672	(1,625)				23,047	24,672	(1,625)
Adult education	145,258		145,258				145,258		145,258
Compensatory education				29,241	31,461	(2,220)	29,241	31,461	(2,220)
Other instructional programs	500	500					500	500	
Support services	364,922	303,825	61,097	77,976	234,812	(156,836)	442,898	538,637	(95,739)
Community services					380	(380)		380	(380)
Activity expenditures		16,707	(16,707)					16,707	(16,707)
Capital outlay	150,000		150,000				150,000		150,000
<b>TOTAL EXPENDITURES</b>	<b>1,231,345</b>	<b>912,342</b>	<b>319,003</b>	<b>127,717</b>	<b>291,813</b>	<b>(164,096)</b>	<b>1,359,062</b>	<b>1,204,155</b>	<b>154,907</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(37,594)	122,886	160,480	2,347	1,238	(1,109)	(35,247)	124,124	159,371
OTHER FINANCING SOURCES (USES)									
Transfers in				8,824	12,125	3,301	8,824	12,125	3,301
Transfers out	(38,858)	(248,116)	(209,258)				(38,858)	(248,116)	(209,258)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(38,858)</b>	<b>(248,116)</b>	<b>(209,258)</b>	<b>8,824</b>	<b>12,125</b>	<b>3,301</b>	<b>(30,034)</b>	<b>(235,991)</b>	<b>(205,957)</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(76,452)	(125,230)	(48,778)	11,171	13,363	2,192	(65,281)	(111,867)	(46,586)
FUND BALANCES - JULY 1	499,357	499,357		5,535	5,535		504,892	504,892	
FUND BALANCES - JUNE 30	\$ 422,905	\$ 374,127	\$ (48,778)	\$ 16,706	\$ 18,898	\$ 2,192	\$ 439,611	\$ 393,025	\$ (46,586)

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

CARTHAGE SCHOOL DISTRICT NO. 9  
DALLAS COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Board of Education, a five (5) 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 Carthage School District (District). The District's financial statements reflect all funds and accounts directly under the control of the District. There are no component units.

B. Basis of Presentation - Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. 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. Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt. The following types of funds and account groups are recognized in the accompanying financial statements.

Governmental Funds

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the entity in a trustee capacity or as an agent for individuals, other governmental units, and other funds.

Account Groups

General Fixed Assets - to account for all fixed assets of the entity.

General Long-term Debt - to account for all long-term debt of the entity.

C. Basis of Accounting

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are generally recognized when the related fund liability is incurred. Exceptions include: (1) unmatured principal and interest on general long-term debt which are recognized when due; and (2) prepaid expenses, which are not recorded.

CARTHAGE SCHOOL DISTRICT NO. 9  
DALLAS COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. General Fixed Assets

General fixed assets purchased are recorded as expenditures in the applicable fund at the time of purchase. Such assets are reported at cost or estimated historical cost, if actual data is not available, in the general fixed assets account group. Donated fixed assets are reported at fair market value when received in the general fixed assets account group. Library holdings and textbooks are not capitalized. In accordance with generally accepted accounting principles applicable to governmental entities, no provision for depreciation is reported.

E. 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.

F. Inventories

Inventories are considered expenditures when purchased.

G. Liability for Compensated Absences

The accompanying financial statements do not include a liability for compensated absences as the amount is not material.

H. Fund Equity

Fund Balance - Undesignated fund balance indicates that portion of fund equity not reserved or designated.

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 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.

NOTE 2: Commitments

Operating Lease (noncapital leases with initial or remaining noncancellable lease terms in excess of one year):

General description of lease and leasing arrangements:

Four copiers for 26 remaining months.

A. Future minimum rental payments (aggregate) at June 30, 2003: \$7,337

CARTHAGE SCHOOL DISTRICT NO. 9  
DALLAS COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

NOTE 2: Commitments (Continued)

B. Future minimum rental payments for the three (3) succeeding years:

Year Ended June 30,	Amount
2004	\$ 3,387
2005	3,387
2006	563

NOTE 3: Budget Versus Actual

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Governmental Fund Types (Exhibit C) includes revenues and expenditures of the activity funds, which are not budgeted by the District.

NOTE 4: Public Fund Deposits

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)	\$ 100,000	\$ 100,000
Uninsured, Collateralized	387,678	446,291
Total Deposits	\$ 487,678	\$ 546,291

The above total deposits do not include cash in the amount of \$47 which was held in the County Treasury.

NOTE 5: Changes in General Fixed Assets

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Land	\$ 11,978			\$ 11,978
Buildings	651,369			651,369
Improvements other than buildings	8,554			8,554
Equipment	313,291	\$ 30,412	\$ 87,403	256,300
Totals	\$ 985,192	\$ 30,412	\$ 87,403	\$ 928,201

CARTHAGE SCHOOL DISTRICT NO. 9  
DALLAS COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

NOTE 6: 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, 2003	Maturities To June 30, 2003
11/17/98	2/1/19	3.75 to 4.50%	\$ 441,555	\$ 406,555	\$ 35,000
5/28/98	5/28/08	5.298%	<u>22,204</u>	<u>12,545</u>	<u>9,659</u>
Totals			<u>\$ 463,759</u>	<u>\$ 419,100</u>	<u>\$ 44,659</u>

NOTE 7: Changes in Long-term Debt

	Balance July 1, 2002	Retired	Balance June 30, 2003
Bonds payable	\$ 416,555	\$ 10,000	\$ 406,555
Capital leases	<u>14,684</u>	<u>2,139</u>	<u>12,545</u>
Totals	<u>\$ 431,239</u>	<u>\$ 12,139</u>	<u>\$ 419,100</u>

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

Year Ended June 30,	Principal	Interest	Total
2004	\$ 12,254	\$ 18,335	\$ 30,589
2005	14,430	17,819	32,249
2006	22,002	17,209	39,211
2007	22,636	16,285	38,921
2008	<u>347,778</u>	<u>111,823</u>	<u>459,601</u>
Totals	<u>\$ 419,100</u>	<u>\$ 181,471</u>	<u>\$ 600,571</u>

NOTE 8: Capital Leases

The District has executed the following capital leases:

Class of Property	Asset Balance June 30, 2003
School bus	<u>\$ 22,204</u>

CARTHAGE SCHOOL DISTRICT NO. 9  
DALLAS COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

NOTE 8: Capital Leases (Continued)

	June 30, 2003
Total Minimum Lease Payments	\$ 14,445
Less: Amount Representing Interest	1,900
Total Present Value of Net Minimum Lease Payments	\$ 12,545

NOTE 9: Retirement Plans

Arkansas Teacher Retirement System

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

Funding Policy. ATRS has contributory and non-contributory plans. Contributory members are required by law to contribute 6% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current employer rate is 12%. The District's contribution to ATRS for nonfederally funded employees for the years ended June 30, 2003, 2002 and 2001 were \$63,430, \$49,683 and \$55,184, respectively. The District's contributions to ATRS for federally funded employees for the years ended June 30, 2003, 2002 and 2001 were \$3,813, \$3,928 and \$3,224, 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 (PERS), a cost-sharing multiple-employer defined benefit pension plan that covers certain nonteaching Arkansas public school employees hired before July 1, 1989. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, One Union National Plaza, 124 W. Capitol, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Funding Policy. PERS has contributory and non-contributory plans. Contributory members are required by law to contribute 6% of their salary. Each participating employer is required by law to contribute at a rate established by the Arkansas General Assembly. The current statutory employer rate is 4% of annual covered payroll. The District's contributions to PERS for the years ended June 30, 2003, 2002 and 2001 were \$911, \$881 and \$747, respectively, equal to the required contributions for each year.

CARTHAGE SCHOOL DISTRICT NO. 9  
DALLAS COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2003

NOTE 10: Recent Legislation

Act 60 of the 2<sup>nd</sup> Extraordinary Session of the 84<sup>th</sup> General Assembly of the State of Arkansas, which became effective January 29, 2004, provides for the consolidation of school districts with fewer than three hundred fifty (350) students. Isolated school districts will consolidate administratively but will retain their campus. Carthage School is an isolated school with less than 350 students. Carthage School District was annexed into the Malvern School District by the Arkansas Board of Education, effective July 1, 2004.