

**Delight School District No. 44**

**Pike County, Arkansas**

**General Purpose Financial Statements  
and Other Reports  
June 30, 2001**

LEGISLATIVE JOINT AUDITING COMMITTEE

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PIKE COUNTY, ARKANSAS  
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JUNE 30, 2001

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Sen. Kevin A. Smith  
Senate Co-Chair  
Rep. Danny W. Ferguson  
House Co-Chair  
Sen. Henry "Hank" Wilkins, IV  
Senate Co-Vice Chair  
Rep. Tommy Roebuck  
House Co-Vice Chair

# Arkansas



Charles L. Robinson, CPA, CFE  
Legislative Auditor

## LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

### INDEPENDENT AUDITOR'S REPORT

Delight School District No. 44 and School Board Members  
Legislative Joint Auditing Committee

We have audited the accompanying general purpose financial statements of the Delight School District No. 44 (the "District"), as of and for the year ended June 30, 2001, 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, 2001, 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 July 31, 2002 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  
July 31, 2002  
EDSD29201

Sen. Kevin A. Smith  
Senate Co-Chair  
Rep. Danny W. Ferguson  
House Co-Chair  
Sen. Henry "Hank" Wilkins, IV  
Senate Co-Vice Chair  
Rep. Tommy Roebuck  
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

Delight School District No. 44 and School Board Members  
Legislative Joint Auditing Committee

We have audited the general purpose financial statements of the Delight School District No. 44 (the "District") as of and for the year ended June 30, 2001, and have issued our report thereon dated July 31, 2002. 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 number 1 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 FINDINGS

As a management service, we would like to bring to your attention the following compliance and/or internal control matter(s) that came to our attention during this audit. The purpose of such comments 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. These matters were discussed previously with district officials during the course of our audit fieldwork and at the exit conference.

1. The District had inadequate control over cash transactions because of insufficient segregation of duties due to a limited number of personnel.
2. Our examination of cash receipts of the daycare program for the period July 1, 2000 through June 30, 2002, noted discrepancies by Sally Williams, District Treasurer. Analysis of the receipt date to the deposit date noted a considerable time delay, often several months, and receipts deposited out of date sequence. The amount of cash and checks receipted and subsequently deposited by Sally Williams noted nine (9) occasions of her personal checks or checks of other family members cashed from the daycare deposits. This reflects a material weakness in fiscal management, which precludes the accurate reporting of the financial position to the School Board.

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  
July 31, 2002

DELIGHT SCHOOL DISTRICT NO. 44

Exhibit A

PIKE COUNTY, ARKANSAS

COMBINED BALANCE SHEET - GOVERNMENTAL AND FIDUCIARY FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 2001

	Governmental Fund Types		Fiduciary	Account Groups		Totals
	General	Special Revenue	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)
ASSETS						
Cash	\$ 387,084	\$ 16,976	\$ 16,367			\$ 420,427
Investments	462,208					462,208
Land				\$ 66,797		66,797
Buildings				1,451,732		1,451,732
Improvements other than buildings				23,921		23,921
Equipment				919,578		919,578
Amount to be provided for retirement of general long-term debt					\$ 498,630	498,630
<b>TOTAL ASSETS</b>	<b>\$ 849,292</b>	<b>\$ 16,976</b>	<b>\$ 16,367</b>	<b>\$ 2,462,028</b>	<b>\$ 498,630</b>	<b>\$ 3,843,293</b>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ 4,420		\$ 450			\$ 4,870
Due student groups			15,518			15,518
Due employees			399			399
Bonds payable					\$ 440,000	440,000
Postdated warrants					46,130	46,130
Capital leases					12,500	12,500
<b>Total Liabilities</b>	<b>4,420</b>		<b>16,367</b>		<b>498,630</b>	<b>519,417</b>

DELIGHT SCHOOL DISTRICT NO. 44  
 PIKE COUNTY, ARKANSAS  
 COMBINED BALANCE SHEET - GOVERNMENTAL AND FIDUCIARY FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2001

Exhibit A

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long- Term Debt</u>	
LIABILITIES AND FUND EQUITY (CONTINUED)						
Fund Equity:						
Investment in general						
fixed assets				\$ 2,462,028		\$ 2,462,028
Fund balances:						
Unreserved:						
Undesignated	\$ 844,872	\$ 16,976				861,848
Total Fund Equity	<u>844,872</u>	<u>16,976</u>		<u>2,462,028</u>		<u>3,323,876</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 849,292</u>	 <u>\$ 16,976</u>	 <u>\$ 16,367</u>	 <u>\$ 2,462,028</u>	 <u>\$ 498,630</u>	 <u>\$ 3,843,293</u>

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

DELIGHT SCHOOL DISTRICT NO. 44  
 PIKE COUNTY, ARKANSAS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2001

Exhibit B

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
REVENUES				
Property taxes	\$ 453,534			\$ 453,534
State assistance	1,368,480	\$ 1,726		1,370,206
Federal assistance		184,264		184,264
Activity revenues	100,955			100,955
Meal sales		57,525		57,525
Interest on investments	32,066			32,066
Other revenues	22,675	22,198		44,873
<b>TOTAL REVENUES</b>	<b>1,977,710</b>	<b>265,713</b>		<b>2,243,423</b>
EXPENDITURES				
Regular programs	824,520	17,656		842,176
Special education	83,644	11,132		94,776
Workforce education	127,171			127,171
Compensatory education	16,690	49,872		66,562
Other instructional programs	49,271			49,271
Support services	687,585	179,073		866,658
Community services	11,148			11,148
Non-programmed costs		3,650		3,650
Activity expenditures	91,148			91,148
Debt service:				
Principal retirement			\$ 30,000	30,000
Interest and fiscal charges			22,099	22,099
<b>TOTAL EXPENDITURES</b>	<b>1,891,177</b>	<b>261,383</b>	<b>52,099</b>	<b>2,204,659</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>86,533</b>	<b>4,330</b>	<b>(52,099)</b>	<b>38,764</b>



DELIGHT SCHOOL DISTRICT NO. 44  
 PIKE COUNTY, ARKANSAS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2001

Exhibit B

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
OTHER FINANCING SOURCES (USES)				
Transfers in			\$ 48,798	\$ 48,798
Transfers out	\$ (48,798)			(48,798)
Proceeds from postdated warrants	46,130			46,130
Sale of fixed assets	600			600
Value of capital lease	12,500			12,500
	10,432		48,798	59,230
TOTAL OTHER FINANCING SOURCES (USES)				
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	96,965	\$ 4,330	(3,301)	97,994
FUND BALANCES - JULY 1	747,907	12,646	3,301	763,854
FUND BALANCES - JUNE 30	\$ 844,872	\$ 16,976	\$ 0	\$ 861,848

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

DELIGHT SCHOOL DISTRICT NO. 44  
PIKE COUNTY, ARKANSAS

Exhibit C

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 416,442	\$ 453,534	\$ 37,092
State assistance	1,365,423	1,370,206	4,783
Federal assistance	163,923	184,264	20,341
Activity revenues		100,955	100,955
Meal sales	46,500	57,525	11,025
Interest on investments	20,000	32,066	12,066
Other revenues	6,000	44,873	38,873
	<u>2,018,288</u>	<u>2,243,423</u>	<u>225,135</u>
<b>EXPENDITURES</b>			
Regular programs	856,079	842,176	13,903
Special education	89,410	94,776	(5,366)
Workforce education	128,024	127,171	853
Compensatory education	65,255	66,562	(1,307)
Other instructional programs	49,828	49,271	557
Support services	754,306	866,658	(112,352)
Community services	100	11,148	(11,048)
Non-programmed costs	3,500	3,650	(150)
Activity expenditures		91,148	(91,148)
Debt service:			
Principal retirement	30,000	30,000	
Interest and fiscal charges	18,917	22,099	(3,182)
	<u>1,995,419</u>	<u>2,204,659</u>	<u>(209,240)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>22,869</u>	<u>38,764</u>	<u>15,895</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	48,917	48,798	(119)
Transfers out	(48,917)	(48,798)	119
Proceeds from postdated warrants		46,130	46,130
Sale of fixed assets		600	600
Value of capital lease		12,500	12,500
	<u>0</u>	<u>59,230</u>	<u>59,230</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>22,869</u>	<u>97,994</u>	<u>75,125</u>
<b>FUND BALANCES - JULY 1</b>	<u>742,928</u>	<u>763,854</u>	<u>20,926</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 765,797</u>	<u>\$ 861,848</u>	<u>\$ 96,051</u>

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

DELIGHT SCHOOL DISTRICT NO. 44  
PIKE COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Board of Education, a seven (7) member group, is the level of government, which has responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Delight 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.

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 is recognized when due; and (2) prepaid expenses, which are not recorded.

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.

DELIGHT SCHOOL DISTRICT NO. 44  
PIKE COUNTY, ARKANSAS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2001

NOTE 1: Summary of Significant Accounting Policies (Continued)

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. Investments

Investments consist of certificates of deposits classified as nonparticipating contracts and are reported at cost.

G. Inventories

Inventories are considered expenditures when purchased.

H. Liability for Compensated Absences

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

I. Fund Equity

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

J. 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.

K. Encumbrances

Encumbrances are defined as commitments related to unperformed contracts for goods or services. The District does not record encumbrances in its accounting system and none are reported in the accompanying financial statements.

L. Cash Equivalents

For purposes of the statement of cash flows for nonexpendable trust funds, all highly liquid investments (including restricted assets) with a maturity of three (3) months or less when purchased are considered to be cash equivalents.

NOTE 2: 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 and the District does not budget these activities.

DELIGHT SCHOOL DISTRICT NO. 44  
 PIKE COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2001

NOTE 3: 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	320,427	401,500
Total Deposits	\$ 420,427	\$ 501,500

NOTE 4: Public Fund Investments

The District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the District's name.

Type of Investment	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of deposit	\$ 462,208	\$ 0	\$ 0	\$ 462,208	\$ 462,208

NOTE 5: Changes in General Fixed Assets

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Land	\$ 66,797			\$ 66,797
Buildings	1,450,232	\$ 1,500		1,451,732
Improvements other than buildings	22,921	1,000		23,921
Equipment	886,324	83,134	\$ 49,880	919,578
Totals	\$ 2,426,274	\$ 85,634	\$ 49,880	\$ 2,462,028

DELIGHT SCHOOL DISTRICT NO. 44  
 PIKE COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2001

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, 2001	Maturities To June 30, 2001
11/1/1996	2/1/2016	5.19%	\$ 295,000	\$ 260,000	\$ 35,000
5/1/2000	2/1/2007	4.975%	200,000	180,000	20,000
8/1/2000	8/1/2008	5.20%	46,130	46,130	
6/25/2001	06/25/2006	6.975%	12,500	12,500	
Totals			<u>\$ 553,630</u>	<u>\$ 498,630</u>	<u>\$ 55,000</u>

NOTE 7: Changes in Long-term Debt

	Balance July 1, 2000	Issued	Retired	Balance June 30, 2001
Bonds payable	\$ 470,000		\$ 30,000	\$ 440,000
Postdated warrants		\$ 46,130		46,130
Capital leases		12,500		12,500
Totals	<u>\$ 470,000</u>	<u>\$ 58,630</u>	<u>\$ 30,000</u>	<u>\$ 498,630</u>

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

Year Ended June 30,	Principal	Interest	Total
2002	\$ 41,961	\$ 25,651	\$ 67,612
2003	42,367	23,483	65,850
2004	52,796	21,291	74,087
2005	53,251	18,565	71,816
2006	58,734	15,811	74,545
To Maturity	<u>249,521</u>	<u>64,269</u>	<u>313,790</u>
Totals	<u>\$ 498,630</u>	<u>\$ 169,070</u>	<u>\$ 667,700</u>

NOTE 8: Capital Leases

The District has executed the following capital leases:

Class of Property	Asset Balance June 30, 2001
Cafeteria equipment	<u>\$ 12,500</u>

DELIGHT SCHOOL DISTRICT NO. 44  
 PIKE COUNTY, ARKANSAS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2001

NOTE 8: Capital Leases (Continued)

	June 30, 2001
Total Minimum Lease Payments	\$ 14,842
Less: Amount Representing Interest	2,342
Total Present Value of Net Minimum Lease Payments	\$ 12,500

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, 2001, 2000 and 1999 were \$138,292, \$131,616 and \$134,719, respectively. The District's contributions to ATRS for federally funded employees for the years ended June 30, 2001, 2000 and 1999 were \$6,002, \$4,808 and \$4,817, 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, 2001, 2000 and 1999 were \$0, \$716 and \$1,328, respectively, equal to the required contributions for each year.