

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

August 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Adams Central School District No. 90
Adams County, Nebraska

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the fiduciary funds of Adams Central School District No. 90 as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the School District's 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 the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

Auditors' 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 disclosures 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures

SHAREHOLDERS

Robert D. Almquist
Phillip D. Maltzahn
Terry T. Galloway
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
Discretely Presented Component Unit	Disclaimed
General Fund	Unmodified
Special Building Fund	Unmodified
Cooperative Fund	Unmodified
Lunch Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on Governmental Activities

GASB 68 requires information used in the defined benefit pension footnote to be data from within twelve months of the District’s fiscal year end. The most current information available from the Nebraska Public Employees Retirement System (NPERS) is from June 30, 2014, which is 14 months prior to the District’s August 31, 2015 year end. The effect on the defined benefit plan footnote due to this departure has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities” paragraph, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities of Adams Central School District No. 90, as of August 31, 2015, and the changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis for Disclaimer Opinion on Discretely Presented Component Unit

We were unable to audit financial statements of the Adams Central Public Schools Foundation because we were not able to confirm the balances of the Foundations assets and net position. We were unable to obtain sufficient appropriate audit evidence about the assets and net position by other auditing procedures.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements of the discretely presented component unit.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the business-type activities, each major fund, the aggregate remaining fund information, and the fiduciary funds of Adams Central School District No. 90, as of August 31, 2015, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Adams Central School District No. 90's financial statements. The management's discussion and analysis and supplementary and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The management's discussion and analysis, budgetary comparison schedules, combining nonmajor fund financial statements, fiduciary fund statements, and general fund departmental disbursements compared to budget are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the first sentence of this paragraph are fairly stated, in all material respects, in relation to the financial statements as a whole.

The county treasurer statements of receipts and disbursements have not been subjected to the auditing procedures applied in the audit of the 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 October 29, 2015, on our consideration of Adams Central School District No. 90'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 Adams Central School District No. 90's internal control over financial reporting and compliance.

*Almquist, Malbyalm,
Dallaway & Smith P.C.*

Grand Island, Nebraska

October 29, 2015

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended August 31, 2015**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Adams Central School District No. 90's annual financial report presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended August 31, 2015. Please read the MD&A in conjunction with the entire financial report, which immediately follows this section.

FINANCIAL HIGHLIGHTS

- The District's General Fund fund balance decreased by \$1,018,081 (15.0 percent) compared to a decrease of \$426,870 the prior fiscal year.
- General Fund revenues were \$10,489,946, \$1,018,081 less than expenses.
- General Fund operational costs were \$11,508,027, a 1.5 percent increase from the prior year.
- Adams Central School District No. 90's student average daily membership increased by four students (0.5 percent) to an Average Daily Membership (ADM) of 834 for the year ended August 31, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This audited annual financial report consists of three sections: management's discussion and analysis (MD&A) [this section], the financial statements, and supplementary and other information. The financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status. The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* show how basic services, such as regular and special education, were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates *like a business*, such as Nutrition Services.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2015**

- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplementary and other information that further explains and supports the financial statements with a comparison of the District's budget for the year and various other supporting schedules and statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was lower on August 31, 2015, than it was the year before, decreasing 5.3 percent to \$10,750,243. The decline in the District's financial position came from its governmental activities, the net position of which fell from \$11,222,713 to \$10,616,712 in 2015. The net position of the District's business-type activities increased from \$125,220 to \$133,531 in 2015.

Summary Statements of Net Position

	August 31, <u>2015</u>	August 31, <u>2014</u>
Current Assets	\$ 10,750,243	\$ 11,347,933
Liabilities	<u>-</u>	<u>-</u>
Net Position:		
Restricted	2,631,606	2,504,956
Unrestricted	<u>8,118,637</u>	<u>8,842,977</u>
Total Net Position	<u><u>\$ 10,750,243</u></u>	<u><u>\$ 11,347,933</u></u>

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2015

Governmental Activities

A summary of the governmental receipts and expenses follows:

	Year Ended August 31, <u>2015</u>	Year Ended August 31, <u>2014</u>	Increase (Decrease)
Receipts:			
Charges for services	\$ 653,364	\$ 531,381	\$ 121,983
Operating grants	931,880	909,369	22,511
Taxes (property, motor vehicle, and other)	10,254,009	9,730,817	523,192
State aid	100,803	380,566	(279,763)
Other revenue	208,314	104,225	104,089
Total receipts	<u>12,148,370</u>	<u>11,656,358</u>	<u>492,012</u>
Expenses:			
Instruction	8,374,699	7,575,775	798,924
Support services:			
Pupils	568,658	552,044	16,614
Staff	143,571	158,490	(14,919)
General administration	370,493	342,010	28,483
School administration	726,248	671,951	54,297
Business	92,128	93,418	(1,290)
Building and grounds	1,052,728	1,428,549	(375,821)
Pupil transportation	160,702	144,167	16,535
State categorical programs	12,788	8,642	4,146
Federal programs	296,823	236,435	60,388
Summer school	12,558	4,404	8,154
Transfer to Activity Fund	65,000	15,000	50,000
Principal paid	140,000	140,000	-
Interest and fees on long-term debt	2,520	4,779	(2,259)
Capital outlay	735,455	801,819	(66,364)
Total expenses	<u>12,754,371</u>	<u>12,177,483</u>	<u>576,888</u>
Decrease in net position - governmental funds	<u>\$ (606,001)</u>	<u>\$ (521,125)</u>	<u>\$ (84,876)</u>

Tax receipts increased \$523,192 (5.4 percent), and charges for services increased \$121,983 (23.0 percent).

Total expenses increased \$576,888 (4.7 percent), due primarily to an increase in instruction of \$798,924 (10.5 percent).

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2015**

Business-type Activities

A summary of the business-type activities' receipts and expenses follows:

	Year Ended August 31, <u>2015</u>	Year Ended August 31, <u>2014</u>	Increase (Decrease)
Receipts:			
Charges for services	\$ 310,621	\$ 315,998	\$ (5,377)
Operating grants	137,020	112,300	24,720
Other income	1,599	50,540	(48,941)
Total receipts	<u>449,240</u>	<u>478,838</u>	<u>(29,598)</u>
Expenses:			
Nutrition Services	<u>440,929</u>	<u>433,457</u>	<u>7,472</u>
Increase in net position	<u>\$ 8,311</u>	<u>\$ 45,381</u>	<u>\$ (37,070)</u>

Revenues of the District's business-type activities (lunch program) decreased \$29,598 to \$449,240. Expenses increased \$7,472 to \$440,929.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported combined fund balances of \$10,616,712, which were \$606,001 lower than last year's ending combined balances of \$11,222,713. The decrease in fund balance is due primarily to a decrease in the General Fund of \$1,018,081.

The following is a summary of receipts and disbursements for the governmental funds for the year ended August 31, 2015:

	<u>Receipts</u>	<u>Disbursements</u>	Receipts Over (Under) <u>Disbursements</u>
General	\$ 10,489,946	\$ 11,508,027	\$ (1,018,081)
Special Building Fund	980,110	735,455	244,655
Cooperative Fund	652,985	621,678	31,307
Other Governmental Funds	278,638	142,520	136,118
Eliminations	(252,815)	(252,815)	-
Totals	<u>\$ 12,148,864</u>	<u>\$ 12,754,865</u>	<u>\$ (606,001)</u>

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2015**

The following is a summary of receipts and disbursements for the governmental funds for the year ended August 31, 2014:

	<u>Receipts</u>	<u>Disbursements</u>	Receipts Over (Under) <u>Disbursements</u>
General	\$ 10,772,181	\$ 11,349,913	\$ (577,732)
Special Building Fund	796,781	801,819	(5,038)
Cooperative Fund	703,050	680,221	22,829
Other Governmental Funds	199,346	160,530	38,816
Eliminations	(815,000)	(815,000)	-
Totals	<u>\$ 11,656,358</u>	<u>\$ 12,177,483</u>	<u>\$ (521,125)</u>

In addition to the district-wide financial statements, food services are reported in greater detail in the proprietary fund statements.

BUDGET ANALYSIS

General Fund disbursements were \$1,350,655 less than budgeted appropriations. Actual General Fund receipts were \$1,124,960 more than budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Significant capital asset additions (more than \$10,000 each) were:

- High school roof - \$299,795
- Science room remodel - \$161,261
- Mower with 60" deck - \$10,390
- Kitchen equipment and appliances - \$22,748
- Edge rider - \$11,262

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2015**

Long-term Debt

A summary of the District's debt follows:

	<u>2015</u>	<u>2014</u>	Increase (Decrease)
General obligation bonds	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ (140,000)</u>

Long-term debt decreased \$140,000 (100.0 percent) due to scheduled principal payments.

(More detailed information about the District's long-term liabilities is presented in note E to the financial statements.)

FACTORS BEARING ON THE DISTRICT'S FUTURE

- The General Fund property tax asking decreased \$163,110 (1.8 percent) for the year ending August 31, 2016, while budgeted General Fund expenditures increased by \$268,450 (1.3 percent).
- Certified state aid for next year will be \$37,279. This represents a \$63,523 (63.0 percent) decrease.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This audited financial report is designed to provide the District's stakeholders (i.e., citizens, taxpayers, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, please feel free to contact the following school official:

Shawn Scott
Superintendent

Adams Central School District No. 90
1090 S. Adams Central Road
P.O. Box 1088
Hastings, NE 68902-1088
(402) 463-3285
(402) 463-6344 – fax

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

August 31, 2015

	Primary Government			Component Unit (Unaudited)
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
ASSETS				
Current assets:				
Cash (note C)	\$ 6,074,624	\$ 133,531	\$ 6,208,155	\$ 338,293
Cash restricted for building projects (note C)	2,354,516	-	2,354,516	-
Cash with County Treasurers (note D)	<u>2,187,572</u>	<u>-</u>	<u>2,187,572</u>	<u>-</u>
Total assets	<u>10,616,712</u>	<u>133,531</u>	<u>10,750,243</u>	<u>338,293</u>
LIABILITIES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted	2,631,606	-	2,631,606	286,420
Unrestricted	<u>7,985,106</u>	<u>133,531</u>	<u>8,118,637</u>	<u>51,873</u>
Total net position	<u><u>\$ 10,616,712</u></u>	<u><u>\$ 133,531</u></u>	<u><u>\$ 10,750,243</u></u>	<u><u>\$ 338,293</u></u>

See notes to financial statements.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended August 31, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Receipts</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
Instruction	\$ 8,374,699	\$ 653,364	\$ 668,791
Support services:			
Pupils	568,658	-	-
Staff	143,571	-	-
General administration	370,493	-	-
School administration	726,248	-	-
Business	92,128	-	-
Building and grounds	1,052,728	-	-
Pupil transportation	160,702	-	-
State categorical programs	12,788	-	7,876
Federal programs	296,823	-	255,213
Summer school	12,558	-	-
Activities Support	65,000	-	-
Principal paid	140,000	-	-
Interest and fees on long-term debt	2,520	-	-
Capital outlay	735,455	-	-
	12,754,371	653,364	931,880
Total governmental activities			
Business-type activities:			
Nutrition services	440,929	310,621	137,020
	440,929	310,621	137,020
Total primary government	\$ 13,195,300	\$ 963,985	\$ 1,068,900
Component Unit			
Adams Central Public Schools Foundation	46,102	-	40,806
	46,102	-	40,806

See notes to financial statements.

<u>Program Receipts</u> Capital Grants and <u>Contributions</u>	Net (Expenses) Receipts and Changes in Net Position Primary Government			Component <u>Unit</u> (Unaudited)
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	
\$ -	\$ (7,052,544)		\$ (7,052,544)	
-	(568,658)		(568,658)	
-	(143,571)		(143,571)	
-	(370,493)		(370,493)	
-	(726,248)		(726,248)	
-	(92,128)		(92,128)	
-	(1,052,728)		(1,052,728)	
-	(160,702)		(160,702)	
-	(4,912)		(4,912)	
-	(41,610)		(41,610)	
-	(12,558)		(12,558)	
-	(65,000)		(65,000)	
-	(140,000)		(140,000)	
-	(2,520)		(2,520)	
-	(735,455)		(735,455)	
-	(11,169,127)	\$ -	(11,169,127)	
-	-	6,712	6,712	
\$ -	(11,169,127)	6,712	(11,162,415)	
\$ -				\$ (5,296)
General receipts:				
Taxes:				
Property	8,930,637	-	8,930,637	-
Motor vehicle	742,337	-	742,337	-
Other taxes	581,035	-	581,035	-
Fines and licenses	44,484	-	44,484	-
State aid	100,803	-	100,803	-
State apportionment	122,058	-	122,058	-
Interest and investment income	27,251	85	27,336	949
Other	14,521	1,514	16,035	240
Total general receipts	10,563,126	1,599	10,564,725	1,189
Change in net position	(606,001)	8,311	(597,690)	(4,107)
Net position - August 31, 2014				
As previously reported	11,545,401	-	11,545,401	-
Restatement	(322,688)	125,220	(197,468)	342,400
As restated	11,222,713	125,220	11,347,933	342,400
Net position - August 31, 2015	\$ 10,616,712	\$ 133,531	\$ 10,750,243	\$ 338,293

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**BALANCE SHEET - GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS**

August 31, 2015

	General <u>Fund</u>	Special Building <u>Fund</u>	Cooperative <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS					
Cash	\$ 3,864,436	\$ 2,354,516	\$ 1,533,395	\$ 676,793	\$ 8,429,140
Cash with County Treasurers	1,910,482	224,037	-	53,053	2,187,572
	<u>1,910,482</u>	<u>224,037</u>	<u>-</u>	<u>53,053</u>	<u>2,187,572</u>
Total assets	<u>\$ 5,774,918</u>	<u>\$ 2,578,553</u>	<u>\$ 1,533,395</u>	<u>\$ 729,846</u>	<u>\$ 10,616,712</u>
FUND BALANCES					
Fund balances:					
Restricted for:					
Building improvements	\$ -	\$ 2,578,553	\$ -	\$ -	\$ 2,578,553
Bond payments	-	-	-	53,053	53,053
Assigned for:					
Capital outlay	-	-	-	620,145	620,145
Employee benefits	-	-	-	56,648	56,648
Shared program costs	-	-	1,533,395	-	1,533,395
Budgetary stabilization	3,396,684	-	-	-	3,396,684
Unassigned	2,378,234	-	-	-	2,378,234
Total fund balances	<u>\$ 5,774,918</u>	<u>\$ 2,578,553</u>	<u>\$ 1,533,395</u>	<u>\$ 729,846</u>	<u>\$ 10,616,712</u>

See notes to financial statements.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS

For the year ended August 31, 2015

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Building</u> <u>Fund</u>
RECEIPTS		
Taxes:		
Property	\$ 7,993,315	\$ 913,048
Motor vehicle	742,337	-
Homestead exemption	35,510	4,299
Property tax credit	431,730	52,267
Pro-rate motor vehicle	27,005	2,906
Carline	13,821	1,497
Public power district tax	10,492	1,270
Fines and licenses	44,484	-
Tuition received	-	-
ESU receipts	3,364	-
State aid and grants	892,838	-
Federal grants	261,903	-
Interest income	18,133	4,823
Transfer from other funds	-	-
Other	<u>15,014</u>	<u>-</u>
Total receipts	10,489,946	980,110
DISBURSEMENTS		
Instruction	6,242,369	-
Special education programs	1,511,148	-
Support services:		
Pupils	568,658	-
Staff	143,571	-
General administration	370,493	-
School administration	726,248	-
Business	92,014	-
Vehicle acquisition and maintenance	111	-
Building and grounds	1,255,543	-
Pupil transportation	160,703	-
Early retirement	50,000	-
State categorical programs	12,788	-
Federal programs	296,823	-
Summer school	12,558	-
Activities support	65,000	-
Capital outlay	-	735,455
Debt service:		
Principal	-	-
Interest	-	-
Bond fees	-	-
Total disbursements	<u>11,508,027</u>	<u>735,455</u>
Excess (deficiency) of receipts over disbursements	(1,018,081)	244,655
Fund balances - August 31, 2014		
As previously reported	6,792,999	2,333,898
Restatement	<u>-</u>	<u>-</u>
As restated	6,792,999	2,333,898
Fund balances - August 31, 2015	<u>\$ 5,774,918</u>	<u>\$ 2,578,553</u>

*See note J for more information on restatement of fund balances.

See notes to financial statements.

Cooperative Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
\$ -	\$ 24,275	\$ -	\$ 8,930,638
-	-	-	742,337
-	-	-	39,809
-	-	-	483,997
-	159	-	30,070
-	77	-	15,395
-	-	-	11,762
-	-	-	44,484
650,000	-	-	650,000
-	-	-	3,364
-	-	-	892,838
-	-	-	261,903
2,985	1,312	-	27,253
-	252,815	(252,815)	-
-	-	-	15,014
<u>652,985</u>	<u>278,638</u>	<u>(252,815)</u>	<u>12,148,864</u>
621,678	-	-	6,864,047
-	-	-	1,511,148
-	-	-	568,658
-	-	-	143,571
-	-	-	370,493
-	-	-	726,248
-	-	-	92,014
-	-	-	111
-	-	(202,815)	1,052,728
-	-	-	160,703
-	-	(50,000)	-
-	-	-	12,788
-	-	-	296,823
-	-	-	12,558
-	-	-	65,000
-	-	-	735,455
-	140,000	-	140,000
-	2,520	-	2,520
-	-	-	-
<u>621,678</u>	<u>142,520</u>	<u>(252,815)</u>	<u>12,754,865</u>
31,307	136,118	<u>\$ -</u>	(606,001)
1,502,088	916,416		11,545,401
-	(322,688)	*	(322,688)
<u>1,502,088</u>	<u>593,728</u>		<u>11,222,713</u>
<u>\$ 1,533,395</u>	<u>\$ 729,846</u>		<u>\$ 10,616,712</u>

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**STATEMENT OF NET POSITION - PROPRIETARY FUND -
MODIFIED CASH BASIS**

August 31, 2015

	<u>Lunch Fund</u>
ASSETS	
Cash	\$ 133,531
LIABILITIES	<u>-</u>
NET POSITION	
Unrestricted	<u><u>\$ 133,531</u></u>

See notes to financial statements.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND -
MODIFIED CASH BASIS**

For the year ended August 31, 2015

	<u>Lunch Fund</u>
Operating receipts:	
Lunch sales	\$ 310,621
State sources	1,943
Federal sources	108,928
USDA commodities	26,148
Other revenue	1,516
Total operating receipts	449,156
 Operating disbursements:	
Salaries and employee benefits	101,666
Food and food service supplies	297,625
Capital outlay	33,254
Other	8,384
Total operating disbursements	440,929
Operating receipts in excess of disbursements	8,227
 Nonoperating receipts:	
Interest income	84
Receipts in excess of disbursements	8,311
Net position - August 31, 2014	125,220 *
Net position - August 31, 2015	\$ 133,531

*See note J for more information on restatement of net position.

See notes to financial statements.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**STATEMENT OF NET POSITION - FIDUCIARY FUNDS -
MODIFIED CASH BASIS**

August 31, 2015

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 199,488
LIABILITIES	
For the obligations of the Activity Fund	184,463
For the obligations of the Student Fee Fund	<u>15,025</u>
Total liabilities	<u>199,488</u>
NET POSITION	<u><u>\$ -</u></u>

See notes to financial statements.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS

August 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the District’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Reporting Entity

Adams Central School District No. 90 is a tax-exempt political subdivision and a Class III school district of the State of Nebraska. The District has considered whether any other organizations should be included in the reporting entity based upon the significance of the operational or financial relationship with the District and has concluded that Adams Central Public Schools Foundation is a component unit. The Foundation exists primarily for the benefit of the District.

The Adams Central Public Schools Foundation is a non-profit organization, which is engaged primarily in raising funds for extracurricular, academic purposes and scholarships. Support is received mostly through contributions and fundraising programs. As a non-profit organization the Adams Central Public Schools Foundation is exempt from income taxes in accordance with Internal Revenue Code Section 501(c)(3).

2. Basis of Presentation

The School District has adopted the provisions of Statement No. 34 (“Statement 34”) of the Governmental Accounting Standards Board, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” Effective September 1, 2010, the District adopted GASB Statement No. 54 regarding classification of governmental fund balances. Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by School Board resolution.

Assigned—Amounts that are designated by the Superintendent for a specific purpose but are not spendable until a budget ordinance is passed by the School Board.

Unassigned—All amounts not included in other spendable classifications.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 14). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the School Board or the Assignment has been changed by the Superintendent. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

The District's financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the nonfiduciary financial activities of the District. The effect of interfund activity has been eliminated from these statements. These statements report those activities of the District that are governmental (i.e., generally supported by taxes and intergovernmental revenues) and business-type (i.e., generally supported by fees for service). Fiduciary funds are not included in the government-wide financial statements.

The statement of net position presents the financial position of the District's governmental and business-type activities at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions (including related investment earnings) that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each function is self-financing or draws from the general revenues.

Fund Financial Statements – The District maintains fund accounting in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements, continued

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Proprietary funds are used to account for the School District's business-type activities. Proprietary funds distinguish operating receipts and disbursements from nonoperating items.

Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. The Lunch Fund is considered a proprietary fund.

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the School District's own programs. The Activity Fund and Student Fee Fund are fiduciary funds.

3. Basis of Accounting/Measurement Focus

The financial statements of the District have been prepared on the modified cash basis of accounting in that county treasurer cash and certificates of deposit are recorded. This basis recognizes assets, liabilities, net position, revenues and expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and capital assets) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, accrued expenses and liabilities and long-term debt) *are not recorded* in these financial statements. Accordingly, the financial statements and supplementary schedules are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Basis of Accounting/Measurement Focus, continued

The measurement focus establishes the basis of accounting. The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. There are no differences between the government-wide financial statements and the fund financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the modified cash basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

The governmental fund financial statements are prepared using a flow of current financial resources measurement focus and the modified cash basis of accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

4. Fund Types

Governmental Funds – Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they are to be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund: This fund is the operating fund of the District. It is used to account for all financing resources except those required to be accounted for in other funds.

Special Building Fund: Accounts for taxes levied and other revenue specifically maintained for acquiring and improving sites and buildings.

Cooperative Fund: This fund may be used by the school district acting as the fiscal agent for any cooperative activity between two or more school districts.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Fund Types, continued

The other governmental funds are:

Depreciation Fund: The Depreciation Fund was set up for the replacement of capital assets.

Employee Benefit Fund: The Employee Benefit Fund is a reserve for unemployment claims.

Bond Fund: The Bond Fund is used to record tax receipts, investment interest, and the payment of bond principal, interest, and other related costs (i.e. trustee fees).

Proprietary Funds – Proprietary funds include enterprise funds. Enterprise funds account for ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon the determination of change in net position. The District's only proprietary fund is the following fund:

Lunch Fund: Accounts for the operations of the District's lunch program.

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The District's fiduciary funds consist of the following:

Activity Fund: This fund is used to account for assets held by the District in a trustee/agency capacity for various school organizations and activities.

Student Fees Fund: This fund is used to account for student fees collected from students by the District in a trustee capacity for extracurricular activities, post-secondary education, and summer or night school.

5. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

6. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – BUDGET PROCESS AND PROPERTY TAXES

The District is required by state law to adopt annual budgets for all funds. The supplementary information presents budgets for the General Fund, Special Building Fund and Cooperative Fund. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

State Statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditures and/or tax levy limitations.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. As of August 1, or shortly thereafter, Administration of the District prepares a proposed operating budget for the fiscal year commencing the following September 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the budget filing date, the budget is legally adopted by the Board of Education through passage of a resolution.
4. Total actual expenditures may not legally exceed the Total Budget of Expenditures. Appropriations for expenditures lapse at year end and any revisions require a public hearing and Board approval.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE B – BUDGET PROCESS AND PROPERTY TAXES, continued

5. The county clerk certifies a preliminary property tax rate for each fund of the School District, which levied property taxes in the county the previous year. For school systems with multiple school districts, the county clerk certifies to each school district the combined valuation of the school system and the proportion of valuation of each district. The county clerk also certifies the preliminary levies based on the combined valuation and the amount requested for the school system for the prior year. The preliminary levy shall be the final levy unless the School Board passes, by a majority vote, a resolution setting a levy at a different amount. For school systems with multiple school districts, the School Board of the Class III school district, or kindergarten through grade twelve district, shall have the authority to set the tax rate for the school system.
6. The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with the procedures discussed above, which attaches as an enforceable lien on property within the District as of January 1. Taxes are due as of that date. The first half of the real estate taxes due January 1 become delinquent after the following May 1, with the second half becoming delinquent after September 1.

The assessed value at August 31, 2014, upon which the 2015 levy was based was \$1,505,094,237.

The tax levy per \$100 of assessed valuation of taxable property for the year ended August 31, 2015 was as follows:

General Fund	\$ 0.540486
Special Building Fund	<u>0.065434</u>
	<u>\$ 0.605920</u>

NOTE C – CASH

Cash

At August 31, 2015, the carrying value of the District's deposits was \$8,762,159 and the bank balance was \$8,846,246. For reporting purposes, the amounts of total School District bank deposits are classified in these categories as secured/insured:

1. Insured or collateralized with securities held by the School District or by its agent in the School District's name.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE C – CASH, continued

Cash, continued

2. Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.
3. Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the School District's name.

The bank balances of the School District's deposits as of August 31, 2015 were insured or collateralized by pledged securities. All securities are held by the pledging financial institution but not in the School District's name.

Cash for the School District at August 31, 2015 consisted of the following:

Certificates of deposit	\$ 4,155,904
Demand deposits	<u>4,606,255</u>
Total cash	<u>\$ 8,762,159</u>

Summary of Carrying Values

The carrying values of cash shown above are included in the fund financial statements at August 31, 2015, as follows:

Carrying value:	
Cash	<u>\$ 8,762,159</u>

Included in the following fund financial statements captions:

Statement of Net Position – Governmental Funds:	
Cash	\$ 6,074,624
Cash restricted for building projects	2,354,516
Statement of Net Position – Proprietary Fund:	
Cash	133,531
Statement of Net Position – Fiduciary Funds:	
Student Fee Cash	15,025
Activity Fund – Cash and certificates of deposit	<u>184,463</u>
	<u>\$ 8,762,159</u>

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE C – CASH, continued

Component Unit

The carrying values of cash and investments for the Adams Central Public Schools Foundation is made of the following at August 31, 2015:

Carrying value:	
Cash	\$ 133,061
Certificates of deposit	127,933
Investments	<u>77,299</u>
	<u>\$ 338,293</u>

Investments are stated at fair value at August 31, 2015.

NOTE D – FUNDS HELD BY COUNTY TREASURERS

The following receipts were held by the County Treasurers for the School District at August 31, 2015. The receipts were transferred subsequent to the fiscal year ended August 31, 2015.

General Fund	\$ 1,910,482
Special Building Fund	224,037
Bond Fund	<u>53,053</u>
Total cash with County Treasurers at August 31, 2015	<u>\$ 2,187,572</u>

NOTE E – LONG-TERM LIABILITIES

Long-term liabilities and activity in the governmental funds for the year ended August 31, 2015 were as follows:

	Balance August 31, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance August 31, <u>2015</u>	Due Within <u>One Year</u>
General obligation bonds	<u>\$ 140,000</u>	<u>\$ -</u>	<u>\$ (140,000)</u>	<u>\$ -</u>	<u>\$ -</u>

Payments on the general obligation bonds are made by the Bond Fund.

General obligation refunding bonds, Series 2008, were issued June 15, 2008 to refund general obligation bonds, Series 2001. The bonds matured December 15, 2014.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE F – 125 CAFETERIA PLAN

The School District has set up a 125 Cafeteria Plan for the benefit of its employees. The checking account had a balance of \$6,803 at August 31, 2015, with \$4,529 remaining to be claimed by employees. Funds are held at Adams County Bank in checking account #900373.

NOTE G – PENSION PLAN

Plan Description

The Adams Central School District No. 90 contributes to the Nebraska School Employees Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The School Employees Retirement Act establishes benefit provisions.

In 1945, the Nebraska Legislature enacted the law establishing a retirement plan for school employees of the State. During the NPERS fiscal year ended June 30, 2014, there were 270 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, Community Colleges), are members of the plan.

Normal retirement is at age 65. The monthly benefit is equal to the greater of the following: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or 2) the average of the three 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of two percent, and an actuarial factor based on age.

For an employee who became a member on or after July 1, 2013, the monthly benefit is equal to the greater of the following: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or 2) the average of the five 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of two percent, and an actuarial factor based on age.

Benefit calculations vary with early retirement. Employees' benefits are vested after five years of plan participation or when termination occurs at age 65 or later.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE G – PENSION PLAN, continued

Plan Description, continued

For school employees who became members prior to July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost of living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or two and one-half percent. The current benefit paid to a retired member or beneficiary is adjusted so that the purchasing power of the benefit being paid is not less than 75 percent of the purchasing power of the initial benefit.

For school employees who became members on or after July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost of living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or one percent.

For the District's year ended August 31, 2015, the District's total payroll for all employees was \$5,753,579. Total covered payroll was \$5,617,293. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

Contributions

The State's contribution is based on an annual actuarial valuation. In addition, the State contributes an amount equal to two percent of the compensation of all members. This contribution is considered a nonemployer contribution since school employees are not employees of the State. The employee contribution was equal to 9.78 percent from July 1, 2013, to June 30, 2014 (and from July 1, 2014 through August 31, 2015). The school district (employer) contribution is 101 percent of the employee contribution. The District's contribution to the Plan for its year ended August 31, 2015, was \$554,865.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE G – PENSION PLAN, continued

Pension Liabilities

At June 30, 2014 the District had a liability of \$2,580,405 for its proportionate share of the net pension liability. (This liability is not recorded in the accompanying modified cash basis financial statements.) The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPERS School Plan was 90.65% funded as of June 30, 2014 based on actuarial calculations comparing total pension liability to the plan fiduciary net position. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the District's proportion was 0.265405 percent. Its proportion measured as of June 30, 2013 was not available.

For the year ended June 30, 2014, the District's allocated pension income was \$4,098.

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price Inflation	3.25 percent
Wage Inflation	4.00 percent
Salary increases, including wage inflation	4.00-9.0 percent
Cost-of-Living Adjustment	Members hired before July, 2013: 2.50% with a floor benefit equal to 75% purchasing power of original benefit. Members hired on/after July 1, 2013: 1.00%
Long-term Rate of Return, net of investment expense, including price inflation	8.00 percent
Municipal Bond Index Rate	4.35 percent
Year FNP is Projected to be Depleted	N/A
Single Equivalent Int. Rate, net of investment expense, including price inflation	8.00 percent

*1% and no floor benefit for members joining on or after July 1, 2013.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE G – PENSION PLAN, continued

Actuarial Assumptions, continued

The School Plan's pre-retirement mortality rates were based on the 1994 Group Annuity Mortality Table, projected to 2015 using scale AA, set back one year (sex distinct with 55 percent of male rates for males and 40 percent of female rates for females).

The School Plan's post-retirement rates were based on the 1994 Group Annuity Mortality Table, projected to 2015 using Scale AA, set-back one year (sex distinct).

The School Plan's disability mortality rates were based on the 1983 Railroad Retirement Board Disabled Annuitants Morality (unisex).

The actuarial assumptions used in the July 1, 2014, valuations for the School plan is based on the results of the most recent actuarial experience study, which covered the five year period ending June 30, 2011. The experience study report is dated August 20, 2012.

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014, (see the discussion of the pension plan's investment policy) are summarized in the following table:

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE G – PENSION PLAN, continued

Actuarial Assumptions, continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Large Cap US Equity	26.10%	4.4%
Small Cap US Equity	2.90%	4.9%
Global Equity	15.00%	5.0%
International Developed Equity	11.14%	5.0%
Emerging Markets Equity	2.36%	6.2%
Fixed Income	25.00%	1.7%
Bank Loans	5.00%	2.0%
Real Estate	7.50%	4.7%
Private Equity	5.00%	6.5%
Total	100.00%	

*Geometric mean, net of investment expenses.

Discount Rate

The discount rate used to measure the Total Pension Liability at both June 30, 2013 and June 30, 2014, was 8 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2006, through June 30, 2011. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and nonemployers will be made at the contractually rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2113.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE G – PENSION PLAN, continued

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

	Discount rate	District's proportionate Share of net pension liability
1% decrease	7.0%	\$ 6,153,881
Current discount rate	8.0%	\$ 2,580,405
1% increase	9.0%	\$ (389,470)

Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained by writing the NPERS, P.O. Box 94816, Lincoln, NE 68509-4816, by calling 1-800-245-5715 or via the internet at http://www.auditors.nebraska.gov/APA_Reports/2015/SA185-03112015-July_1_2013_through_June_30_2014_Audit_Report.pdf.

NOTE H – RISK MANAGEMENT

The School District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District maintains commercial insurance coverage covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk of exposure to the School District.

Settled claims in the past three years have not exceeded the coverages.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE H – RISK MANAGEMENT, continued

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the School District’s investments at August 31, 2015 are held in the name of the School District. The underlying securities consist of certificates of deposit.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the School District’s investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The investment maturities are as follows:

<u>Maturities by Month</u>	<u>Amount</u>
September 2015	\$ 249,381
December 2015	864,148
January 2016	702,371
February 2016	294,035
March 2016	387,210
May 2016	837,304
July 2016	366,595
August 2016	<u>454,860</u>
	\$ <u>4,155,904</u>

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The School District’s investments consist of only certificates of deposit, minimizing credit risk associated with the School District’s investment portfolio.

Concentration of Credit Risk. The School District’s investment policy places no limit on the amount that may be invested in any one issuer. At August 31, 2015, the School District’s deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Adams County Bank	\$ 2,854,814
Five Points Bank	<u>1,301,090</u>
	\$ <u>4,155,904</u>

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2015

NOTE H – RISK MANAGEMENT, continued

Deposits and Investments, continued

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The School District's investments had no exposure to foreign currency risk and held no investments denominated in foreign currency at August 31, 2015.

NOTE I – INTERFUND BALANCES AND TRANSFERS

During the year ended August 31, 2015, the General Fund transferred \$65,000 to the Activity Fund to support various organizations.

During the year ended August 31, 2015, the General Fund transferred \$202,815 to the Depreciation Fund. This interfund transfer was eliminated on page 15.

The General Fund also transferred \$50,000 to the Employee Benefit Fund during the year ended August 31, 2015, for early retirement. This interfund transfer was eliminated on page 15.

NOTE J – EQUITY RESTATEMENT

Net position of the governmental activities and fund balance of the governmental funds at August 31, 2014, were decreased \$125,220 and net position of the business-type activities and proprietary funds were increased \$125,220 to report the Lunch Fund assets that were previously reported as an other governmental fund. Net position of the governmental activities and fund balance of the governmental funds at August 31, 2014, were also decreased \$182,466 to remove assets of the Activity Fund and decreased \$15,002 to remove the assets of the Student Fee Fund that are reported as a Fiduciary Fund that had been previously reported as an other governmental fund.

NOTE K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 29, 2015, the date on which the financial statements were available for issue.

SUPPLEMENTARY AND OTHER INFORMATION

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

Year ended August 31, 2015

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>
RECEIPTS			
Taxes:			
Property	\$ 8,053,479	\$ 7,993,315	\$ (60,164)
Motor vehicle	695,000	742,337	47,337
Homestead exemption	-	35,510	35,510
Property tax credit	-	431,730	431,730
Pro-rate motor vehicle	15,000	27,005	12,005
Carline	16,000	13,821	(2,179)
Public power district tax	-	10,492	10,492
Fines and licenses	30,000	44,484	14,484
ESU receipts	-	3,364	3,364
State aid and grants	165,802	892,838	727,036
Federal grants	385,705	261,903	(123,802)
Interest	4,000	18,133	14,133
Other	-	15,014	15,014
	<hr/>	<hr/>	<hr/>
Total receipts	9,364,986	10,489,946	1,124,960
DISBURSEMENTS			
Instructional services	8,451,175	7,753,517	(697,658)
Support services:			
Pupil	725,389	568,658	(156,731)
Instructional staff	180,660	143,571	(37,089)
General administration	390,498	370,493	(20,005)
School administration	737,984	726,248	(11,736)
Business	117,300	92,014	(25,286)
Vehicle acquisition and maintenance	-	111	111
Building and grounds	1,616,921	1,255,543	(361,378)
Pupil transportation	214,900	160,703	(54,197)
State categorical programs	8,000	12,788	4,788
Federal programs	299,855	296,823	(3,032)
Summer school	5,000	12,558	7,558
Early retirement	50,000	50,000	-
Transfer to Lunch Fund	50,000	-	(50,000)
Transfer to Activity Fund	61,000	65,000	4,000
	<hr/>	<hr/>	<hr/>
Total disbursements	12,908,682	11,508,027	(1,400,655)
RECEIPTS OVER (UNDER) DISBURSEMENTS			
	<u>\$ (3,543,696)</u>	<u>(1,018,081)</u>	<u>\$ 2,525,615</u>
Fund balances - August 31, 2014		<u>6,792,999</u>	
Fund balances - August 31, 2015		<u>\$ 5,774,918</u>	

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -
SPECIAL BUILDING FUND**

Year ended August 31, 2015

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>
RECEIPTS			
Taxes:			
Property	\$ 975,000	\$ 913,048	\$ (61,952)
Carline	1,000	1,497	497
Public Power District	-	1,270	1,270
Interest	-	4,823	4,823
Homestead exemption	-	4,299	4,299
Property tax credit	-	52,267	52,267
Pro-rate motor vehicle	3,000	2,906	(94)
Total receipts	<u>979,000</u>	<u>980,110</u>	<u>1,110</u>
DISBURSEMENTS			
Building improvements	<u>3,393,373</u>	<u>735,455</u>	<u>(2,657,918)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS			
	<u>\$ (2,414,373)</u>	244,655	<u>\$ 2,659,028</u>
Fund balances - August 31, 2014		<u>2,333,898</u>	
Fund balances - August 31, 2015		<u>\$ 2,578,553</u>	

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -
COOPERATIVE FUND**

Year ended August 31, 2015

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>
RECEIPTS			
Interest income	\$ 4,000	\$ 2,984	\$ (1,016)
Transfers from General Fund	700,000	650,000	(50,000)
Total receipts	<u>704,000</u>	<u>652,984</u>	<u>(51,016)</u>
DISBURSEMENTS			
Purchased services	<u>2,204,557</u>	<u>621,677</u>	<u>(1,582,880)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (1,500,557)</u>	31,307	<u>\$ 1,531,864</u>
Fund balances - August 31, 2014		<u>1,502,088</u>	
Fund balances - August 31, 2015		<u>\$ 1,533,395</u>	

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**COMBINING BALANCE SHEET - OTHER GOVERNMENTAL
FUNDS - MODIFIED CASH BASIS**

August 31, 2015

	<u>Depreciation Fund</u>	<u>Employee Benefits Fund</u>	<u>Bond Fund</u>	<u>Total Other Governmental Funds</u>
ASSETS				
Cash	\$ 620,145	\$ 56,648	\$ -	\$ 676,793
Cash with County Treasurers	<u>-</u>	<u>-</u>	<u>53,053</u>	<u>53,053</u>
Total assets	<u><u>\$ 620,145</u></u>	<u><u>\$ 56,648</u></u>	<u><u>\$ 53,053</u></u>	<u><u>\$ 729,846</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Debt service	-	-	53,053	53,053
Assigned for:				
Capital outlay	620,145	-	-	620,145
Employee benefits	<u>-</u>	<u>56,648</u>	<u>-</u>	<u>56,648</u>
Total fund balances	<u><u>620,145</u></u>	<u><u>56,648</u></u>	<u><u>53,053</u></u>	<u><u>729,846</u></u>
Total liabilities and fund balances	<u><u>\$ 620,145</u></u>	<u><u>\$ 56,648</u></u>	<u><u>\$ 53,053</u></u>	<u><u>\$ 729,846</u></u>

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - OTHER
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**

Year ended August 31, 2015

	Depreciation Fund	Employee Benefits Fund	Bond Fund	Total Other Governmental Funds
RECEIPTS				
Taxes:				
Property	\$ -	\$ -	\$ 24,275	\$ 24,275
Pro-rate motor vehicle	-	-	159	159
Carline	-	-	77	77
Interest income	1,294	14	4	1,312
Transfer from other funds	202,815	50,000	-	252,815
Total receipts	<u>204,109</u>	<u>50,014</u>	<u>24,515</u>	<u>278,638</u>
DISBURSEMENTS				
Debt service:				
Principal	-	-	140,000	140,000
Interest	-	-	2,520	2,520
Total disbursements	<u>-</u>	<u>-</u>	<u>142,520</u>	<u>142,520</u>
Receipts over (under) disbursements	204,109	50,014	(118,005)	136,118
Fund balances - August 31, 2014	<u>416,036</u>	<u>6,634</u>	<u>171,058</u>	<u>593,728</u>
Fund balances - August 31, 2015	<u>\$ 620,145</u>	<u>\$ 56,648</u>	<u>\$ 53,053</u>	<u>\$ 729,846</u>

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND NET POSITION -
FIDUCIARY FUND - ACTIVITY FUND**

Year ended August 31, 2015

	Balance August 31, <u>2014</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance August 31, <u>2015</u>
Athletics	\$ 26,509	\$ 50,606	\$ (43,308)	\$ 33,807
Hall of fame	-	372	(372)	-
Donations for athletic fence/projects	326	-	-	326
Football	(8,197)	33,782	(23,683)	1,902
Volleyball	9,105	13,416	(14,708)	7,813
Boys basketball	32,401	25,706	(28,936)	29,171
Girls basketball	9,852	18,652	(11,119)	17,385
Wrestling	999	13,543	(11,734)	2,808
Boys track	535	12,615	(12,638)	512
Girls track	6,994	12,453	(18,691)	756
Golf	(456)	6,508	(5,230)	822
Tennis	537	2,029	(1,739)	827
Cross country	(115)	3,968	(2,520)	1,333
Softball	2,294	5,061	(6,771)	584
Swimming	-	120	(120)	-
Band fund	3,126	7,333	(13,598)	(3,139)
Band trip	38,058	112,162	(136,687)	13,533
Cheerleaders	1,526	6,544	(5,673)	2,397
Choir	5,242	17,663	(23,337)	(432)
Close up	161	9,763	(403)	9,521
Concessions	1,394	49,841	(53,882)	(2,647)
Concession equipment	117	-	-	117
Drill team	676	5,233	(4,339)	1,570
FBLA	6,560	24,417	(27,835)	3,142
Honor society	1,785	4,106	(4,726)	1,165
Library fines	2,294	485	(358)	2,421
Student council	2,712	8,452	(8,350)	2,814
Rachel's challenge	-	374	(292)	82
Yearbook	1,220	4,748	(5,822)	146
Theater arts/speech	521	2,041	(4,235)	(1,673)
Spanish club	-	3,750	-	3,750
ACA DECA	1,417	500	(1,582)	335
Skills USA	712	8,055	(8,172)	595
Power drive	383	425	(1,140)	(332)
FFA	(279)	15,651	(14,003)	1,369
Industrial arts-wood	1,551	3,580	(4,226)	905
Industrial arts-metals	2,083	7,377	(7,377)	2,083
Industrial arts-other	-	13	-	13
Miscellaneous sales	1,430	12,858	(13,319)	969
Paperback books	700	-	-	700
Sales tax	47	-	(47)	-
DVDs, pictures, etc.	620	330	-	950
Scholarships	446	200	(646)	-
Custodial scholarships	213	-	(213)	-
Elementary schools	81	-	(11)	70
Tech research	-	2,708	-	2,708
Lou platte conference	-	500	(594)	(94)
Tech insurance-1-to-world	-	13,990	-	13,990

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND NET POSITION -
FIDUCIARY FUND - ACTIVITY FUND, Continued
Year ended August 31, 2015

Employee pop machine	566	100	(385)	281
Insurance	1,811	20,229	(18,993)	3,047
Research/surveys	164	-	-	164
Rural vision	9,307	-	-	9,307
Postage	7	-	-	7
Sp acct (Sr class carryover balance, etc)	7,379	90	(633)	6,836
Staff development	309	-	-	309
11th grade class	1,385	7,913	(6,418)	2,880
12th grade class	(408)	3,662	(3,280)	(26)
Investments	6,366	218	-	6,584
	<u>182,466</u>	<u>554,142</u>	<u>(552,145)</u>	<u>184,463</u>
Less intrafund transfers	-	(2,622)	2,622	-
	<u>\$ 182,466</u>	<u>* \$ 551,520</u>	<u>\$ (549,523)</u>	<u>\$ 184,463</u>

*See note J for more information on restatement of net position.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET POSITION -
FIDUCIARY FUND - STUDENT FEE FUND**

Year ended August 31, 2015

		<u>Student Fee Fund</u>
RECEIPTS		
Summer school fees	\$	825
Interest income		23
Total receipts		848
DISBURSEMENTS		
Salary - summer school		825
RECEIPTS OVER DISBURSEMENTS		23
Net position - August 31, 2014		15,002 *
Net position - August 31, 2015	\$	15,025

*See note J for more information on restatement of net position.

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**STATEMENTS OF ACCOUNTS WITH COUNTY TREASURERS -
GENERAL FUND**

**Year ended August 31, 2015
(Unaudited)**

	General Fund					<u>Total</u>
	<u>Adams County</u>	<u>Hall County</u>	<u>Clay County</u>	<u>Kearney County</u>	<u>Webster County</u>	
Fund Balance - August 31, 2014	\$ 1,586,702	\$ 11,181	\$ 118,980	\$ 1,529	\$ 634	\$ 1,719,026
Receipts:						
Local property taxes	7,519,294	46,920	492,919	16,769	3,697	8,079,599
Motor vehicle taxes	720,478	764	21,095	-	-	742,337
Carline	12,942	-	879	-	-	13,821
Pro-rate motor vehicle	25,271	157	1,531	38	9	27,006
Homestead exemption	34,867	-	643	-	-	35,510
Property tax credit	398,464	2,474	29,251	1,261	281	431,731
5% gross	10,492	-	-	-	-	10,492
Interest	11,627	28	211	-	-	11,866
Payments in lieu of taxes	383	-	115	-	-	498
Fines and licenses	43,772	-	-	-	-	43,772
Total receipts	<u>8,777,590</u>	<u>50,343</u>	<u>546,644</u>	<u>18,068</u>	<u>3,987</u>	<u>9,396,632</u>
Total funds available	10,364,292	61,524	665,624	19,597	4,621	11,115,658
Disbursements:						
To School District	8,502,443	49,237	531,052	17,696	4,568	9,104,996
Interfund Transfer-Trailblazer Pipeline	19,250	-	-	-	-	19,250
Treasurers' fees	75,309	494	4,923	168	36	80,930
Total disbursements	<u>8,597,002</u>	<u>49,731</u>	<u>535,975</u>	<u>17,864</u>	<u>4,604</u>	<u>9,205,176</u>
Fund Balance - August 31, 2015	<u>\$ 1,767,290</u>	<u>\$ 11,793</u>	<u>\$ 129,649</u>	<u>\$ 1,733</u>	<u>\$ 17</u>	<u>\$ 1,910,482</u>

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**STATEMENTS OF ACCOUNTS WITH COUNTY TREASURERS -
BUILDING FUND**

**Year ended August 31, 2015
(Unaudited)**

	Building Fund					<u>Total</u>
	<u>Adams County</u>	<u>Hall County</u>	<u>Clay County</u>	<u>Kearney County</u>	<u>Webster County</u>	
Fund Balance - August 31, 2014	\$ 109,255	\$ 796	\$ 8,448	\$ 109	\$ -	\$ 118,608
Receipts:						
Local property taxes	856,982	5,501	57,563	2,030	602	922,678
Carline	1,391	-	106	-	-	1,497
Pro-rate motor vehicle	2,739	14	148	4	1	2,906
Homestead exemption	4,221	-	78	-	-	4,299
Property tax credit	48,240	300	3,541	153	34	52,268
5% gross	1,270	-	-	-	-	1,270
Interest	915	2	16	-	-	933
Payments in lieu of taxes	46	-	-	-	-	46
Total receipts	<u>915,804</u>	<u>5,817</u>	<u>61,452</u>	<u>2,187</u>	<u>637</u>	<u>985,897</u>
Total funds available	1,025,059	6,613	69,900	2,296	637	1,104,505
Disbursements:						
To School District	808,316	5,127	53,719	2,066	631	869,859
Interfund Transfer-Trailblazer Pipeline	1,371	-	-	-	-	1,371
Treasurers' fees	8,579	58	577	20	4	9,238
Total disbursements	<u>818,266</u>	<u>5,185</u>	<u>54,296</u>	<u>2,086</u>	<u>635</u>	<u>880,468</u>
Fund Balance - August 31, 2015	<u>\$ 206,793</u>	<u>\$ 1,428</u>	<u>\$ 15,604</u>	<u>\$ 210</u>	<u>\$ 2</u>	<u>\$ 224,037</u>

**ADAMS CENTRAL SCHOOL DISTRICT NO. 90
ADAMS COUNTY, NEBRASKA**

**STATEMENTS OF ACCOUNTS WITH COUNTY TREASURERS -
BOND FUND**

**Year ended August 31, 2015
(Unaudited)**

	Bond Fund				<u>Total</u>
	<u>Adams County</u>	<u>Hall County</u>	<u>Clay County</u>	<u>Kearney County</u>	
Fund Balance - August 31, 2014	\$ 168,199	\$ 244	\$ 2,581	\$ 33	\$ 171,057
Receipts:					
Local property taxes	23,770	78	848	-	24,696
Funds from Adjacent Counties	3,812	-	-	-	3,812
Carline	77	-	-	-	77
Pro-rate motor vehicle	141	1	16	-	158
Interest	232	1	5	-	238
Total receipts	<u>28,032</u>	<u>80</u>	<u>869</u>	<u>-</u>	<u>28,981</u>
Total funds available	196,231	324	3,450	33	200,038
Disbursements:					
Bond principal and interest payments	142,520	-	-	-	142,520
Funds to Adjacent County	-	323	3,442	33	3,798
Interfund Transfer-Trailblazer Pipeline	419	-	-	-	419
Treasurers' fees	239	1	8	-	248
Total disbursements	<u>143,178</u>	<u>324</u>	<u>3,450</u>	<u>33</u>	<u>146,985</u>
Fund Balance - August 31, 2015	<u>\$ 53,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,053</u>

**ADAMS CENTRAL PUBLIC SCHOOLS
ADAMS COUNTY, NEBRASKA**

**CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES -
GENERAL FUND**

Year ended August 31, 2015

	<u>Actual</u>	<u>Budget</u> <u>"Unaudited"</u>	Variance- Favorable <u>(Unfavorable)</u>
REGULAR INSTRUCTION			
Regular salaries of teachers	\$ 3,342,751	\$ 3,269,888	\$ (72,863)
Substitute salaries	70,342	71,000	658
Clerical and paraprofessional staff salaries	105,816	65,515	(40,301)
Payroll taxes	263,075	260,591	(2,484)
Employee benefits	1,110,570	1,177,339	66,769
Purchased services	14,907	50,000	35,093
Tuition paid to other agencies	651,100	750,000	98,900
Supplies and materials	132,831	167,000	34,169
Textbooks	53,324	140,000	86,676
Computer software	55,016	100,000	44,984
Capital outlay	387,407	384,000	(3,407)
Other expenses	55,230	45,000	(10,230)
	<u>6,242,369</u>	<u>6,480,333</u>	<u>237,964</u>
SPECIAL EDUCATION PROGRAMS			
Regular salaries of teachers	532,978	550,863	17,885
Substitute salaries	7,059	7,000	(59)
Aides	167,869	215,000	47,131
Payroll taxes	53,417	59,135	5,718
Employee benefits	206,646	219,194	12,548
Purchased services	489,432	874,350	384,918
Supplies and materials	12,832	15,000	2,168
Capital outlay	35,518	21,000	(14,518)
Other expenses	5,397	9,300	3,903
	<u>1,511,148</u>	<u>1,970,842</u>	<u>459,694</u>
SUPPORT SERVICES - PUPILS			
Regular salaries	347,537	360,482	12,945
Payroll taxes	26,277	27,402	1,125
Employee benefits	107,831	115,105	7,274
Purchased services	75,732	106,200	30,468
Supplies and materials	4,626	8,900	4,274
Capital outlay	-	102,700	102,700
Other expenses	6,655	4,600	(2,055)
	<u>568,658</u>	<u>725,389</u>	<u>156,731</u>
SUPPORT SERVICES - INSTRUCTIONAL STAFF			
Regular salaries	58,414	59,700	1,286
Clerical and paraprofessional salaries	15,807	31,921	16,114

**ADAMS CENTRAL PUBLIC SCHOOLS
ADAMS COUNTY, NEBRASKA**

**CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES -
GENERAL FUND, Continued**

Year ended August 31, 2015

	<u>Actual</u>	<u>Budget</u> <u>"Unaudited"</u>	Variance- Favorable <u>(Unfavorable)</u>
SUPPORT SERVICES - INSTRUCTIONAL STAFF, continued			
Payroll taxes	5,641	7,010	1,369
Employee benefits	24,588	28,059	3,471
Purchased services	200	4,370	4,170
Supplies and materials	12,084	14,600	2,516
Library books	14,148	17,000	2,852
Periodicals	12,393	15,000	2,607
Capital outlay	296	2,500	2,204
Other expenses	-	500	500
	<u>143,571</u>	<u>180,660</u>	<u>37,089</u>
SUPPORT SERVICES - GENERAL ADMIN			
BOARD OF EDUCATION			
Purchased services	5,200	12,000	6,800
Liability insurance	37,943	41,000	3,057
Fidelity bond premiums	-	300	300
Advertising	10,732	10,000	(732)
Dues and fees	6,454	7,000	546
Other expenses	25,092	35,000	9,908
	<u>85,421</u>	<u>105,300</u>	<u>19,879</u>
EXECUTIVE ADMINISTRATION SERVICES			
Regular salaries	135,549	137,215	1,666
Clerical salaries	64,669	65,500	831
Payroll taxes	13,967	14,745	778
Employee benefits	53,185	56,638	3,453
Supplies and materials	1,073	1,000	(73)
Capital outlay	11,442	2,000	(9,442)
Dues and fees	1,615	1,600	(15)
Other expenses	3,572	6,500	2,928
	<u>285,072</u>	<u>285,198</u>	<u>126</u>
SUPPORT SERVICES - SCHOOL ADMIN			
OFFICE OF THE PRINCIPAL SERVICES			
Regular salaries	386,389	387,100	711
Clerical salaries	129,145	130,900	1,755
Payroll taxes	39,116	39,630	514
Employee benefits	153,392	160,754	7,362
Supplies and materials	2,603	2,000	(603)
Capital outlay	1,855	5,000	3,145
Dues and fees	2,615	3,000	385
Other expenses	11,133	9,600	(1,533)
	<u>726,248</u>	<u>737,984</u>	<u>11,736</u>

**ADAMS CENTRAL PUBLIC SCHOOLS
ADAMS COUNTY, NEBRASKA**

**CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES -
GENERAL FUND, Continued**

Year ended August 31, 2015

	<u>Actual</u>	<u>Budget "Unaudited"</u>	Variance- Favorable (Unfavorable)
SUPPORT SERVICES - GENERAL ADMIN			
BUSINESS SERVICES			
Purchased services	58,409	63,000	4,591
Supplies and materials	7,301	5,800	(1,501)
Accounting and auditing services	5,986	15,000	9,014
Legal services	14,198	20,500	6,302
Other expenses	6,120	13,000	6,880
	<u>92,014</u>	<u>117,300</u>	<u>25,286</u>
VEHICLE ACQUISITION AND MAINTENCE			
Gas and oil	111	-	(111)
SUPPORT SERVICES - MAINTENANCE AND OPERATION OF BUILDINGS			
Regular salaries	264,516	286,670	22,154
Payroll taxes	19,829	21,931	2,102
Employee benefits	122,635	122,072	(563)
Fuel	54,036	28,500	(25,536)
Electricity	142,986	169,000	26,014
Supplies and materials	60,698	55,500	(5,198)
Contracted services - repairmen	107,922	740,948	633,026
Property insurance	-	36,000	36,000
Plant furniture and equipment	454,910	110,000	(344,910)
Upkeep building and grounds	4,513	8,000	3,487
Other expenses	23,498	38,300	14,802
	<u>1,255,543</u>	<u>1,616,921</u>	<u>361,378</u>
SUPPORT SERVICES - PUPIL TRANSPORTATION			
Mileage to parents	90,609	104,000	13,391
SUPPORT SERVICES - SPECIAL EDUCATION			
PUPIL TRANSPORTATION			
Salaries - drivers	1,535	-	(1,535)
Payroll taxes	107	-	(107)
Employee benefits	152	-	(152)
Mileage to parents	3,834	4,800	966
Contractor services	64,466	106,100	41,634
	<u>70,094</u>	<u>110,900</u>	<u>40,806</u>
EARLY RETIREMENT	50,000	-	(50,000)
STATE CATEGORICAL PROGRAM			
Supplies	12,788	8,000	(4,788)
FEDERAL PROGRAMS			
Title I	75,739	78,579	2,840
Title I Part G - Accountability	-	-	-
Title II A	-	21,420	21,420
Title V Part A	-	-	-
IDEA	219,084	199,856	(19,228)
Other federal categorical	2,000	-	(2,000)
	<u>296,823</u>	<u>299,855</u>	<u>3,032</u>

**ADAMS CENTRAL PUBLIC SCHOOLS
ADAMS COUNTY, NEBRASKA**

**CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES -
GENERAL FUND, Continued**

Year ended August 31, 2015

	<u>Actual</u>	<u>Budget "Unaudited"</u>	<u>Variance- Favorable (Unfavorable)</u>
SUMMER SCHOOL			
Regular salaries	8,223	-	(8,223)
Payroll taxes	623	-	(623)
Employee benefits	812	-	(812)
Supplies and materials	2,900	5,000	2,100
	12,558	5,000	(7,558)
TRANSFER TO OTHER FUNDS:			
Transfer to Lunch Fund	-	50,000	50,000
Transfer to Activity Fund	65,000	61,000	(4,000)
	65,000	111,000	46,000
 Total Disbursements	 \$ 11,508,027	 \$ 12,858,682	 \$ 1,350,655



**INDEPENDENT AUDITORS' 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**

SHAREHOLDERS

Robert D. Almquist
Phillip D. Maltzahn
Terry T. Galloway
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump

To the Board of Education
Adams Central School District No. 90
Adams County, Nebraska

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 modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the fiduciary fund of Adams Central School District No. 90 as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated October 29, 2015. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the School District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of Nebraska, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our report also expressed a qualified opinion on the governmental activities because of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Adams Central School District No. 90'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Adams Central School District No. 90's internal control. Accordingly, we do not express an opinion on the effectiveness of Adams Central School District No. 90's internal control.

1203 W 2nd Street
PO Box 1407
Grand Island, NE 68802
Ph. 308-381-1810
Fax 308-381-4824
Email: cpa@gicpas.com

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 entity's 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 over financial reporting 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, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these 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. We did identify certain deficiencies in internal control, described below, that we consider to be significant deficiencies.

- Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adams Central School District No. 90's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, 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 is required to be reported under *Government Auditing Standards*.

Adams Central School District No. 90's Response to Findings

Adams Central School District No. 90's response to the findings identified above is that it is impractical to further segregate duties due to the limited number of personnel. Adams Central School District No. 90's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 results 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Almqvist, Maltzahn,
Galloway & Suth P.C.*

Grand Island, Nebraska
October 29, 2015