

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**
August 31, 2014

ADAMS CENTRAL SCHOOL DISTRICT NO. 90

Hastings, Nebraska

August 31, 2014

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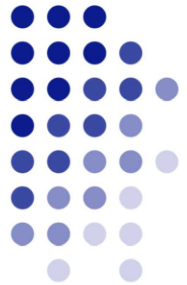
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Adams Central School District No. 90
Hastings, Nebraska

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Adams Central School District No. 90, Hastings, Nebraska, (the School District), as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 governmental activities, each major fund and the aggregate remaining fund information of the School District, as of August 31, 2014, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the 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 opinions are 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 the School District's basic financial statements. The management's discussion and analysis, budgetary comparison schedules and cash disbursements for operational expenses - general fund, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The management's discussion and analysis, budgetary comparison schedules and cash disbursements for operational expenses - general fund have not been subjected to the auditing procedures applied in the audit of the basic 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 November 3, 2014 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Muirau & Co., A.C.

York, Nebraska
November 3, 2014

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2014

This discussion and analysis of the financial performance of the Adams Central School District No. 90 (the District) provides an overview of the District's financial activities for the year ended August 31, 2014. It should be read in conjunction with the District's financial statements, which follow.

Financial Highlights

The District's net position on August 31, 2014 was \$11,545,401.08. Of this amount, \$9,040,444.70 is unrestricted and may be used to meet the District's ongoing obligations.

The net position of the District decreased by \$370,119.76, down from \$11,915,520.84 in the prior fiscal year.

The General Fund receipts were \$968,999.59 less than the prior year and disbursements were \$153,719.80 more than the prior year.

The District's student enrollment decreased by 22 students.

Overview of the Financial Statements

This financial report consists of three sections: management's discussion and analysis (this section), the basic financial statements and other information.

The basic financial statements include two kinds of statements that present different views of the District.

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities, which provide information about the District's overall financial status.

The remaining statements are governmental fund financial statements that focus on individual funds of the District, reporting the District's basic operations in more detail than the government-wide financial statements. Governmental funds are accountability units used to maintain control over resources segregated for specific activities or objectives. Major funds are separately reported while all others are combined.

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 other information that details the receipts and disbursements of the District by fund and program.

Financial Analysis of the District as a Whole

Receipts for the District's activities were \$12,734,897.23, while total disbursements were \$13,105,016.99.

The following table summarizes the District's changes in net position from receipts and disbursements. The District is heavily reliant on property taxes to support governmental activities since they provide 71% of the District's total receipts.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2014

Financial Analysis of the District as a Whole (cont'd)

A summary of the governmental receipts and disbursements follows:

	Current Year	Percent of Total	Prior Year	Percent of Total
Receipts:				
Program Receipts-				
Charges for services	\$ 531,381.48	4.17%	\$ 307,533.77	2.22%
Operating grants and contributions	1,021,668.93	8.02%	995,048.87	7.17%
Other Receipts-				
Property taxes	9,014,616.21	70.79%	10,266,430.31	73.96%
Other taxes	716,200.16	5.62%	701,015.15	5.05%
Interest income	23,570.11	0.19%	36,924.77	0.27%
County sources	56,034.99	0.44%	57,346.00	0.41%
State aid	380,566.46	2.99%	346,864.25	2.50%
Other state sources	574,093.49	4.51%	639,947.46	4.61%
Other general receipts	416,765.40	3.27%	528,569.79	3.81%
Total Receipts	<u>12,734,897.23</u>	<u>100.00%</u>	<u>13,879,680.37</u>	<u>100.00%</u>
Disbursements:				
Programs-				
Regular instruction	6,240,020.97	47.62%	6,536,190.41	49.57%
Special education	1,335,753.67	10.19%	1,184,687.17	8.98%
Support services	2,283,249.74	17.42%	1,989,171.29	15.08%
General administration	1,107,378.12	8.45%	1,098,393.68	8.33%
State programs	8,642.42	0.07%	6,924.35	0.05%
Federal programs	236,435.31	1.80%	388,437.53	2.95%
Non-instructional programs	946,929.33	7.23%	933,284.65	7.08%
Capital projects	801,818.68	6.12%	905,392.09	6.87%
Debt service	144,788.75	1.10%	144,222.28	1.09%
Total Disbursements	<u>13,105,016.99</u>	<u>100.00%</u>	<u>13,186,703.45</u>	<u>100.00%</u>
Change in net position	(370,119.76)		692,976.92	
Beginning Net Position	<u>11,915,520.84</u>		<u>11,222,543.92</u>	
Ending Net Position	<u>\$ 11,545,401.08</u>		<u>\$ 11,915,520.84</u>	
Restricted	\$ 2,504,956.38		\$ 2,472,095.03	
Unrestricted	<u>9,040,444.70</u>		<u>9,443,425.81</u>	
Total Net Position	<u>\$ 11,545,401.08</u>		<u>\$ 11,915,520.84</u>	

A portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The District's government-wide restricted net position is comprised of funds to be used for debt service and capital improvement projects.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2014

Financial Analysis of the District as a Whole (cont'd)

A summary of the District's governmental fund balances follows:

	Current Year	Prior Year	Variance
General Fund Balance	\$ 6,792,999.46	\$ 7,219,869.55	\$ (426,870.09)
Depreciation Fund Balance	416,036.05	414,388.76	1,647.29
Employee Benefit Fund Balance	6,633.98	7,364.66	(730.68)
Activities Fund Balance	182,466.15	220,115.85	(37,649.70)
Lunch Fund Balance	125,219.54	79,837.99	45,381.55
Bond Fund Balance	171,057.89	133,159.06	37,898.83
Special Building Fund Balance	2,333,898.49	2,338,935.97	(5,037.48)
Cooperative Fund Balance	1,502,087.89	1,479,258.78	22,829.11
Student Fee Fund Balance	15,001.63	22,590.22	(7,588.59)
Total Governmental Fund Balances	<u>\$ 11,545,401.08</u>	<u>\$ 11,915,520.84</u>	<u>\$ (370,119.76)</u>

Economic Factors

Factors, such as property tax rates, valuation, state funding (primarily state aid) and federal funding have a major impact on the District's receipts each year. State and federal mandated programs, fuel prices and insurance costs impact the District's disbursements. Changes in enrollment also factor heavily into the District's financial position.

Budget Analysis

The General Fund budget was not amended during the fiscal year and included \$16,629,758.00 in available resources and \$12,688,421.00 in disbursements. Actual General Fund receipts were \$1,261,708.45 more than budget. Actual General Fund disbursements were \$1,353,499.46 less than budget, due to lower than expected spending in several areas.

Debt Administration

As of August 31, 2014, the District had outstanding general obligation bonded indebtedness of \$140,000.00 as compared to \$275,000.00 on August 31, 2013. The payment of principal in the amount of \$135,000.00 accounted for the decrease.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, 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 questions about this report or would like to request additional information, please feel free to contact the administration at:

Adams Central School District No. 90
P.O. Box 1088
1090 S Adams Central Ave
Hastings, Nebraska 68902
(402) 463-3285

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
 Hastings, Nebraska
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 August 31, 2014

	<u>Governmental Funds</u>
<u>Assets</u>	
Cash in bank	\$ 5,399,595.41
Certificates of deposit	4,137,113.17
Cash at county treasurer	<u>2,008,692.50</u>
 Total Assets	 <u><u>11,545,401.08</u></u>
<u>Net Position</u>	
Restricted:	
Capital improvement projects	2,333,898.49
Debt service	171,057.89
Unrestricted	<u>9,040,444.70</u>
 Total Net Position	 <u><u>\$ 11,545,401.08</u></u>

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended August 31, 2014

Functions/Programs	Disbursements	Program Receipts		Net Receipts (Disbursements) Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Regular instruction	\$ 6,240,020.97		\$ 38,964.58	\$ (6,201,056.39)
Special education	1,335,753.67		572,617.00	(763,136.67)
Support services:				
Pupils	552,044.02			(552,044.02)
Staff	158,489.87			(158,489.87)
Plant operations and maint.	1,428,548.52	\$ 215,383.58		(1,213,164.94)
Transportation	144,167.33		16,004.00	(128,163.33)
General administration:				
Board of education	90,109.56			(90,109.56)
Executive administration	251,899.90			(251,899.90)
Office of principal	671,950.62			(671,950.62)
Business	93,418.04			(93,418.04)
State programs	8,642.42		2,461.73	(6,180.69)
Federal programs	236,435.31		279,321.30	42,885.99
Non-instructional programs	946,929.33	315,997.90	112,300.32	(518,631.11)
Capital projects	801,818.68			(801,818.68)
Debt service	144,788.75			(144,788.75)
Total Governmental Activities	\$ 13,105,016.99	\$ 531,381.48	\$ 1,021,668.93	(11,551,966.58)
General Receipts				
Property taxes				9,014,616.21
Carline tax				19,297.68
Public power district sales tax				12,470.92
Motor vehicle taxes				684,431.56
Interest income				23,570.11
County receipts				56,034.99
State aid				380,566.46
Other state receipts				574,093.49
Other general receipts				416,765.40
Total General Receipts				11,181,846.82
Change in Net Position - Modified Cash Basis				(370,119.76)
Net Position - Modified Cash Basis, Beginning of Year				11,915,520.84
Net Position - Modified Cash Basis, End of Year				\$ 11,545,401.08

See accompanying notes to the financial statements

ADAMS CENTRAL SCHOOL DISTRICT NO. 90

Hastings, Nebraska

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

August 31, 2014

	Major Funds		
	General Fund	Special Building Fund	Cooperative Fund
<u>Assets</u>			
Cash in bank	\$ 1,927,075.59	\$ 1,959,615.96	\$ 1,253,950.28
Certificates of deposit	3,146,897.51	255,674.28	248,137.61
Cash at county treasurer	1,719,026.36	118,608.25	
Total Assets	<u>6,792,999.46</u>	<u>2,333,898.49</u>	<u>1,502,087.89</u>
<u>Fund Balances</u>			
Reserved for:			
Capital improvement projects		2,333,898.49	
Debt service			
Assigned for:			
Capital purchases			
School employee benefits			
School lunch program			
Shared program costs			1,502,087.89
Student activities			
Unassigned	<u>6,792,999.46</u>		
Total Fund Balances	<u>\$ 6,792,999.46</u>	<u>\$ 2,333,898.49</u>	<u>\$ 1,502,087.89</u>

See accompanying notes to the financial statements

Exhibit C

Other Governmental Funds	Total Governmental Funds
\$ 258,953.58	\$ 5,399,595.41
486,403.77	4,137,113.17
171,057.89	2,008,692.50
<u>916,415.24</u>	<u>11,545,401.08</u>
171,057.89	2,333,898.49
416,036.05	416,036.05
6,633.98	6,633.98
125,219.54	125,219.54
197,467.78	1,502,087.89
<u>197,467.78</u>	<u>197,467.78</u>
<u>916,415.24</u>	<u>6,792,999.46</u>
<u>\$ 916,415.24</u>	<u>\$ 11,545,401.08</u>

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
**STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2014

	Major Funds		
	General Fund	Special Building Fund	Cooperative Fund
Receipts			
Taxes:			
Property	\$ 8,296,664.58	\$ 545,256.99	
Carline	17,593.39	1,371.59	
Public power district sales	11,409.92	812.85	
Motor vehicle	684,431.56		
Interest income	15,296.08	3,396.43	\$ 3,050.44
Other local receipts	174.48	215,383.58	
County receipts	56,034.99		
State aid	380,566.46		
Special education	588,621.00		
Other state receipts	548,451.74	30,559.76	
Federal receipts	306,423.88		
Non-revenue receipts	2,383.37		
Transfers			700,000.00
Total Receipts	10,908,051.45	796,781.20	703,050.44
Disbursements			
Instruction:			
Regular	6,244,058.12		680,221.33
Early retirement	15,000.00		
Special education	1,335,753.67		
Support services:			
Pupils	552,044.02		
Staff	158,489.87		
Plant operations and maintenance	1,428,548.52		
Transportation	144,167.33		
General administration:			
Board of education	90,109.56		
Executive administration	251,899.90		
Office of principal	671,950.62		
Business	93,418.04		
State programs	8,642.42		
Federal programs	236,435.31		
Non-instructional programs	4,404.16		
Capital projects		801,818.68	
Debt service			
Transfers	100,000.00		
Total Disbursements	11,334,921.54	801,818.68	680,221.33
Net Change in Fund Balance	(426,870.09)	(5,037.48)	22,829.11
Fund Balance, Beginning of Year	7,219,869.55	2,338,935.97	1,479,258.78
Fund Balance, End of Year	\$ 6,792,999.46	\$ 2,333,898.49	\$ 1,502,087.89

See accompanying notes to the financial statements

Exhibit D

Other Governmental Funds	Reclassifications	Total Governmental Funds
\$ 172,694.64		\$ 9,014,616.21
332.70		19,297.68
248.15		12,470.92
		684,431.56
1,827.16		23,570.11
730,205.45		945,763.51
		56,034.99
		380,566.46
		588,621.00
11,373.56		590,385.06
110,332.48		416,756.36
		2,383.37
115,000.00	\$ (815,000.00)	-
<u>1,142,014.14</u>	<u>(815,000.00)</u>	<u>12,734,897.23</u>
15,741.52	(700,000.00)	6,240,020.97
	(15,000.00)	-
		1,335,753.67
		552,044.02
		158,489.87
		1,428,548.52
		144,167.33
		90,109.56
		251,899.90
		671,950.62
		93,418.04
		8,642.42
		236,435.31
942,525.17		946,929.33
		801,818.68
144,788.75		144,788.75
	(100,000.00)	-
<u>1,103,055.44</u>	<u>(815,000.00)</u>	<u>13,105,016.99</u>
38,958.70	-	(370,119.76)
877,456.54		11,915,520.84
<u>\$ 916,415.24</u>	<u>\$ -</u>	<u>\$ 11,545,401.08</u>

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview – The significant accounting principles and practices followed by Adams Central School District No. 90 (the “School District”), are presented below to assist the reader in evaluating the financial statements and the accompanying notes. The financial statements presented represent all funds maintained by school authorities’ incident to school building construction, and the operation, maintenance and management of school services, activities, projects and investments.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

Reporting Entity – The Adams Central Board of Education (“Board”) is the basic level of government, which has the financial accountability and control over all activities related to the public school education in the School District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental “reporting entity” as defined by the GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 61, which are included in the District’s reporting entity.

Basis of Accounting – The District prepares its financial statements on the modified cash basis, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska Department of Education; consequently, these statements represent a summary of the cash activity of the various funds of the District and do not include certain transactions that would be included if the District prepared its financial statements in accordance with generally accepted accounting principles, as applicable to Governmental Units. Under the modified cash basis, county treasurer receipts are recognized when collected by the county, all other receipts are recognized when received by the District rather than when earned, and disbursements are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with generally accepted accounting principles in the United States of America.

Government-Wide and Fund Financial Statements - The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effects of interfund transfers (those within an activity) have been removed from these statements. The District does not allocate indirect costs.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program receipts are reported instead as general receipts.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The District's government-wide and fund financial statements utilize a "current financial resources" measurement focus. Only current financial assets are included on their Statement of Assets and Fund Balances. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.

Governmental Fund Types

Major Governmental Funds

General Fund – The General Fund is the main operating fund of the District and accounts for all receipts and disbursements of the District not encompassed within other funds. All property tax receipts and other receipts that are not allocated by law, budgetary requirement, or contractual agreement to some other fund are accounted for in this fund. General operating disbursements and the new and replacement capital outlay costs that are not paid through other funds are paid from the General Fund.

Special Building Fund – The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvements of buildings. General Fund disbursements for the purpose of this fund are not allowable. The Board of Education may approve a budget with a levy limitation of 14 cents per one hundred dollars of valuation; or a tax levy not to exceed 17.5 cents per one hundred dollars of valuation may be established for this fund by a vote of the people within the District.

Cooperative Fund – The Cooperative Fund may be used by the school district acting as the fiscal agent for any cooperative activity between two or more school districts. All school districts, including the school district acting as the fiscal agent, shall show the payment for services to a cooperative in their General Fund.

Other Governmental Funds

Depreciation Fund – The Depreciation Fund facilitates the eventual purchase of costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, the District will show the movement of monies as a disbursement from the General Fund and the Depreciation Fund will show the receipt as a transfer from the General Fund. The District may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The purpose of a Depreciation Fund is to spread replacement costs of capital outlays over a period of years in order to avoid a disproportionate tax effort in a single year to meet such a disbursement. This fund is restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act. The Depreciation Fund is considered a component of the General Fund.

Employee Benefit Fund - The Employee Benefit Fund is established in order to specifically reserve General Fund money for the benefit of school district employees. The District accounts for the allocation of funds from the General Fund to this fund as a disbursement in the General Fund and as a "transfer from General Fund" in the Employee Benefit Fund. This fund may consist of more than one account for valid allocation purposes. The Employee Benefit Fund is considered a component of the General Fund.

Activities Fund – The Activities Fund is used to account for the financial operations of quasi-independent student organizations, interschool athletics, and other self-supporting or partially self-supporting school activities, not part of another fund.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Lunch Fund – The Lunch Fund is used to accommodate all aspects of the lunch program and accounts for all receipts and disbursements of all child nutrition programs. Receipts in this fund include the federal and state program cost reimbursements received by the District and general fund support of the lunch program. All food purchases and other supplies are accounted for as disbursements of the school lunch fund; accordingly, no inventories are maintained in this fund.

Bond Fund – The Bond Fund is used to record receipts and disbursements for bond principal and interest payments. Proceeds from bond issuances are deposited and recorded as a receipt in the Special Building Fund. The General Fund is used to make interest and bond retirement payments if the Bond Fund balance is not sufficient to meet these requirements.

Student Fee Fund – The Student Fee Fund is a separate school district fund not funded by tax receipts, into which all money collected from students for participation in extracurricular activities, postsecondary education costs, summer or night school be deposited and from which money shall be disbursed for the purposes for which it was collected from students.

Governmental Fund Classifications – The Bond Fund is classified as a Debt Service Fund. The Special Building Fund is classified as a Capital Projects Fund. All remaining funds are classified as General Funds. The District does not maintain any Special Revenue Funds.

Property and Equipment – Disbursements for property and equipment are charged when paid. No allowance for depreciation is provided or included in the accompanying financial statements.

Equity Classifications –

Government-Wide Financial Statements - Equity is classified as net position and is displayed as two components:

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of restricted.

Governmental Fund Financial Statements - Equity is classified as fund balance and is displayed as the following components:

Non-Spendable Fund Balance – Amounts that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained intact. The District does not have any non-spendable fund balances.

Restricted Fund Balance – Amounts restricted to specific purposes when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, or state or federal laws; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts to be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education (the district's highest level of decision-making authority). The District does not currently have any committed fund balances.

These notes are an integral part of the accompanying financial statements.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Assigned Fund Balance – Amounts the Board of Education intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned Fund Balance –Residual classification for the District’s general fund and includes all spendable amounts not contained in other classifications. Amounts also included are deficit funds, if any, from other non-general funds.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the District’s policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned.

Property Taxes - Real estate taxes are levied on October 15 each year and may be paid in two actual installments. These taxes are due December 31. The first and second halves of the taxes become delinquent on the following May 1 and September 1, respectively. Real estate taxes become a lien against property on the levy date.

Personal property taxes are levied on October 15 each year, are due December 31 each year and may be paid in two equal installments. The first and second halves of the taxes become delinquent on May 1 and September 1, respectively.

Motor vehicle taxes are due when an application is made for registration of a motor vehicle.

NOTE B – CASH AND INVESTMENTS

The Statutes of the State of Nebraska authorize the School District to invest in certificates of deposit and time deposits of banks or capital stock financial institutions, obligations of the United States government and agencies thereof and any securities as provided in the Public Funds Deposit Security Act. Nonnegotiable certificates of deposit with original maturity of more than three months are classified as cash equivalents within the governmental funds.

The Statutes of the State of Nebraska provide that the District may, by and with the consent of the Board of Education, invest the funds of the District in securities, including repo agreements, the nature of which individuals of prudence, discretion and intelligence acquire or retain in dealing with the property of another.

The District had cash balances at August 31, 2014 of the following amounts in the following banks:

	<u>Bank Balance</u>
Adams County Bank	\$8,099,852.27
Five Points Bank	1,470,749.32

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

Of the total bank balance, \$662,927.56 was insured through the Federal Depository Insurance Corporation (FDIC). Another \$8,907,674.03 was collateralized with pooled securities held by the financial institution but not in the District’s name.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2014

NOTE C – BUDGET PROCESS AND PROPERTY TAXES

The District is required by state law to adopt annual budgets for all funds. Each budget is presented on the modified 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 disbursements 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 the proposed disbursements 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. The adopted budget is filed with the State Auditor, the County Clerk and the Nebraska Department of Education on or before September 20.
5. Total actual disbursements may not legally exceed the total budget of disbursements. Appropriations of disbursements lapse at year-end and any revisions require a public hearing and Board approval.
6. The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes, which attaches as an enforceable lien on property within the District as of January 1.

NOTE D – PENSION PLAN

Plan Description – 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. 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, 1221 N Street, Suite 325, PO Box 94816, Lincoln, NE 68509-4816 or by calling 1-800-245-5712.

Funding Policy - Plan members were required to contribute 8.88% of their annual covered salary from September 1, 2011 - August 31, 2012. Plan members were required to contribute 9.78% of their annual covered salary from September 1, 2012 - August 31, 2014. The Adams Central School District No. 90 is required to contribute 101% of the employee contribution. The contribution requirements of plan members and Adams Central School District No. 90 are established by the Nebraska statutes. The School District's contributions to NPERS for the years ending August 31, 2012, 2013, and 2014 were \$471,495.55, \$519,208.57 and \$541,384.60, respectively, equal to the required contributions for each year.

These notes are an integral part of the accompanying financial statements.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2014

NOTE E – LONG-TERM DEBT

Changes in governmental activities long-term debt for the period ended August 31, 2014 were as follows:

Bonds payable, beginning of year	\$ 275,000.00
Bonds retired	<u>135,000.00</u>
Bonds payable, end of year	<u>\$ 140,000.00</u>
Bond interest paid during the year	<u>\$ 9,788.75</u>

Long-term debt at August 31, 2014 consisted of the following:

Bonds payable in the original amount of \$1,420,000.00 dated November 1, 2001 with interest rates of 2.50% to 4.75%. See the following schedule for the principal and interest due. Final payment is due December 15, 2014. \$ 140,000.00

Annual future payments for debt payable at August 31, 2014 are as follows:

Year Ending August 31,	Interest	Principal	Total
2015	\$ 3,325.00	\$ 140,000.00	\$ 143,325.00
	<u>\$ 3,325.00</u>	<u>\$ 140,000.00</u>	<u>\$ 143,325.00</u>

NOTE F – NON-CASH TRANSACTIONS

The District receives USDA Federal Food Commodities that are passed through the State Department of Health & Human Services Food Distribution Program. The Department provides the District with various food items during the school year to be incorporated into the District's lunch program. For the year ending August 31, 2014, the value of commodities received by the District was \$23,534.52.

NOTE G – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, the District carried commercial insurance for property, liability, auto, workmen's compensation and other risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For The Year Ended August 31, 2014

	Actual	Original and Final Budget
Beginning Fund Balance	\$ 7,219,869.55	\$ 6,983,415.00
Receipts		
Local Sources:		
Property taxes	8,296,664.58	8,033,693.00
Carline tax	17,593.39	17,500.00
Public power district sales tax	11,409.92	11,000.00
Motor vehicle taxes	684,431.56	595,000.00
Interest income	15,296.08	6,000.00
Local license fees	100.00	
Other local sources	74.48	
Total Local Sources	9,025,570.01	8,663,193.00
County Sources:		
County fines and license fees	54,130.99	42,408.00
Educational service unit receipts	1,904.00	
Total County Sources	56,034.99	42,408.00
State Sources:		
State aid	380,566.46	380,566.00
Special education	562,959.00	230,000.00
Special education transportation	16,004.00	2,000.00
Homestead exemption	41,807.04	
Property tax credit	354,399.49	
High ability learners	7,862.00	5,000.00
Flex funding school age	9,658.00	
Pro-rate motor vehicle	30,299.20	15,000.00
State apportionment	110,084.01	60,000.00
Distance education	4,000.00	
Total State Sources	1,517,639.20	692,566.00
Federal Sources:		
Title I, part A	40,911.30	49,471.00
IDEA Base	89,806.00	50,000.00
IDEA Enrollment/poverty	148,604.00	130,000.00
Medicaid in public schools	27,102.58	18,705.00
Total Federal Sources	\$ 306,423.88	\$ 248,176.00

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
For The Year Ended August 31, 2013

	Actual	Original and Final Budget
Non-Revenue Sources:		
Other non-revenue sources	\$ 2,383.37	
Total Non-Revenue Sources	2,383.37	\$ -
Total Receipts From All Sources	10,908,051.45	9,646,343.00
Total Available Resources	18,127,921.00	16,629,758.00
<u>Disbursements</u>		
Program:		
Regular instruction	6,244,058.12	6,756,422.00
Special education instruction	1,335,753.67	1,957,834.00
Support services - pupils	552,044.02	663,241.00
Support services - staff	158,489.87	177,070.00
Board of education	90,109.56	97,900.00
Executive administration	251,899.90	260,713.00
Office of principal	671,950.62	718,505.00
General administration - business	93,418.04	109,400.00
Support services - plant operation and maintenance	1,428,548.52	1,299,704.00
Regular pupil transportation	95,873.87	110,350.00
Special education pupil transportation	48,293.46	101,930.00
Early retirement or termination	15,000.00	
State programs	8,642.42	8,000.00
Title I, part A	40,911.30	76,444.00
IDEA part B	77,493.00	64,908.00
IDEA part B preschool	5,458.00	90,000.00
IDEA enrollment/poverty	111,341.00	
IDEA proportionate share	1,232.01	40,000.00
Summer school	4,404.16	5,000.00
Transfers	100,000.00	151,000.00
Total Disbursements By All Programs	11,334,921.54	12,688,421.00
Ending Fund Balance	\$ 6,792,999.46	\$ 3,941,337.00

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
DEPRECIATION FUND
For The Year Ended August 31, 2014

	Actual	Original and Final Budget
Beginning Fund Balance	\$ 414,388.76	\$ 413,610.00
Cash Receipts:		
Interest income	\$ 1,647.29	
Total Cash Receipts	1,647.29	1,000.00
Total Funds Available	416,036.05	414,610.00
Cash Disbursements:		
Total Cash Disbursements	-	414,610.00
Ending Fund Balance	\$ 416,036.05	\$ -

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
EMPLOYEE BENEFIT FUND
For The Year Ended August 31, 2014

	Actual	Original and Final Budget
Beginning Fund Balance	\$ 7,364.66	\$ 7,354.00
Cash Receipts:		
Interest income	\$ 10.84	
Allocation from general fund	15,000.00	
Total Cash Receipts	15,010.84	20,000.00
Total Funds Available	22,375.50	27,354.00
Cash Disbursements:		
Benefits paid	15,741.52	
Total Cash Disbursements	15,741.52	27,354.00
Ending Fund Balance	\$ 6,633.98	\$ -

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ACTIVITIES FUND

For The Year Ended August 31, 2014

	Balance 9/1/2013	Receipts	Disbursements	Balance 8/31/2014
ACA DECA	\$ 1,131.80	\$ 500.00	\$ 215.00	1,416.80
Athletics	48,803.29	70,640.03	92,933.99	26,509.33
Band fund	5,165.95	7,038.85	9,078.52	3,126.28
Band trip	18,700.46	40,873.04	21,515.61	38,057.89
Boys basketball	21,699.93	15,474.61	4,773.35	32,401.19
Boys track	226.22	6,139.93	5,830.93	535.22
Cheerleaders	681.93	13,353.36	12,508.91	1,526.38
Choir	8,209.46	13,958.00	16,925.37	5,242.09
11th grade	1,078.92	6,821.10	6,514.97	1,385.05
12th grade	818.16	3,542.60	4,768.67	(407.91)
Close up	580.09	34,967.50	35,386.99	160.60
Concessions	1,378.92	53,408.46	53,393.02	1,394.36
Concessions	116.64			116.64
Cross country	813.14	383.60	1,311.71	(114.97)
Custodial	213.31			213.31
Donations	326.00			326.00
Drill team	796.18	5,666.51	5,786.86	675.83
DVD pictures	2,106.21	360.00	1,845.95	620.26
Elementary	81.35			81.35
Employee pop	565.85			565.85
FBLA	6,191.85	37,619.12	37,250.78	6,560.19
FFA	-	780.00	1,058.97	(278.97)
Football	8,061.09	28,597.65	44,855.50	(8,196.76)
Girls basketball	8,656.31	4,069.91	2,874.33	9,851.89
Girls track	(398.39)	15,919.94	8,527.26	6,994.29
Golf	(617.53)	2,438.48	2,276.99	(456.04)
Honor society	3,651.97	415.65	2,283.05	1,784.57
Industrial	2,018.58	5,067.30	5,534.96	1,550.92
Industrial arts	3,542.09	4,449.05	5,907.73	2,083.41
Insurance	3,870.03	23,770.38	25,829.42	1,810.99
Investments	6,236.40	129.46		6,365.86
Library fines	250.31	3,027.83	984.09	2,294.05
Miscellaneous	1,460.79	3,411.56	3,442.21	1,430.14
Paperback books	699.65			699.65
Postage	6.76			6.76
Power drive	(758.42)	1,141.19		382.77
Research survey	163.54			163.54
Rural vision	29,806.60		20,500.00	9,306.60
Sales tax	47.12			47.12

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
ACTIVITIES FUND
For The Year Ended August 31, 2014

	Balance 9/1/2013	Receipts	Disbursements	Balance 8/31/2014
Scholarships	\$ 446.35	\$ 200.00	\$ 200.00	\$ 446.35
Skills USA	2,974.48	5,301.00	7,563.78	711.70
Softball	1,368.05	3,369.10	2,443.53	2,293.62
SP acct.	6,560.70	818.16		7,378.86
Spanish club	-	1,771.00	1,771.00	-
Staff	309.00			309.00
Student council	4,607.53	4,296.55	6,191.79	2,712.29
Tennis	2,418.33	2,051.60	3,932.88	537.05
Theatre	1,649.76	2,005.00	3,133.48	521.28
Volleyball	(1,041.74)	10,146.81		9,105.07
Wrestling	(5,367.51)	17,438.93	11,072.74	998.68
Yearbook	19,808.34	11,208.00	29,796.62	1,219.72
Total	\$ 220,115.85	\$ 462,571.26	\$ 500,220.96	\$ 182,466.15
Original and Final Budget	\$ 205,944.00	\$ 430,000.00	\$ 635,944.00	\$ -

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
LUNCH FUND

For The Year Ended August 31, 2014

	Actual	Original and Final Budget
Beginning Fund Balance	\$ 79,837.99	\$ 75,706.00
Cash Receipts:		
Sale of lunches	\$ 315,997.90	
Other receipts	540.75	
State reimbursements	1,967.84	
Federal reimbursements	110,332.48	
Allocation from general fund	50,000.00	
 Total Cash Receipts	 478,838.97	 480,500.00
 Total Funds Available	 558,676.96	 556,206.00
Cash Disbursements:		
Salaries	107,652.19	
Social security	8,235.33	
Retirement	12,051.26	
Health insurance	23,762.68	
Supplies	14,435.34	
Food cost	245,231.30	
Equipment	17,730.20	
Other expenses	4,359.12	
 Total Cash Disbursements	 433,457.42	 556,206.00
 Ending Fund Balance	 \$ 125,219.54	 \$ -

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
BOND FUND
For The Year Ended August 31, 2014

	Actual	Original and Final Budget
Beginning Fund Balance	\$ 133,159.06	\$ 109,777.00
Cash Receipts:		
Property taxes	\$ 172,694.64	
Carline tax	332.70	
Public power district sales tax	248.15	
Interest income	6.37	
Homestead exemption	1,035.93	
Property tax credit	7,792.08	
Pro rate motor vehicle	577.71	
 Total Cash Receipts	 182,687.58	 185,111.00
 Total Funds Available	 315,846.64	 294,888.00
Cash Disbursements:		
Bond principal paid	135,000.00	
Bond interest paid	9,788.75	
 Total Cash Disbursements	 144,788.75	 294,888.00
 Ending Fund Balance	 \$ 171,057.89	 \$ -

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL BUILDING FUND
For The Year Ended August 31, 2014

	Actual	Original and Final Budget
Beginning Fund Balance	\$ 2,338,935.97	\$ 2,211,824.00
Cash Receipts:		
Property taxes	\$ 545,256.99	
Carline	1,371.59	
Public power district sales tax	812.85	
Interest income	3,396.43	
Homestead exemption	2,978.37	
Property tax credit	25,119.66	
Pro rate motor vehicle	2,461.73	
Sale of property	215,383.58	
 Total Cash Receipts	 796,781.20	 630,000.00
 Total Funds Available	 3,135,717.17	 2,841,824.00
Cash Disbursements:		
Building improvements	801,818.68	
 Total Cash Disbursements	 801,818.68	 2,841,824.00
 Ending Fund Balance	 \$ 2,333,898.49	 \$ -

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
COOPERATIVE FUND
For The Year Ended August 31, 2014

	Actual	Original and Final Budget
Beginning Fund Balance	\$ 1,479,258.78	\$ 1,476,402.00
Cash Receipts:		
Interest income	\$ 3,050.44	
Allocations from general fund	<u>700,000.00</u>	
Total Cash Receipts	<u>703,050.44</u>	<u>1,002,000.00</u>
Total Funds Available	2,182,309.22	2,478,402.00
Cash Disbursements:		
Purchased services	<u>680,221.33</u>	
Total Cash Disbursements	<u>680,221.33</u>	<u>2,478,402.00</u>
Ending Fund Balance	<u><u>\$ 1,502,087.89</u></u>	<u><u>\$ -</u></u>

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
 Hastings, Nebraska
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
STUDENT FEE FUND
 For The Year Ended August 31, 2014

	Actual	Original and Final Budget
Beginning Fund Balance	\$ 22,590.22	\$ 22,589.00
Cash Receipts:		
Interest income	\$ 33.20	
Activity fees	1,225.00	
Total Cash Receipts	1,258.20	20,000.00
Total Funds Available	23,848.42	42,589.00
Cash Disbursements:		
Supplies	8,846.79	
Total Cash Disbursements	8,846.79	42,589.00
Ending Fund Balance	\$ 15,001.63	\$ -

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
GENERAL FUND
For The Year Ended August 31, 2014
(Unaudited)

Regular Instruction:

Salaries - teachers	\$ 3,295,660.95
Salaries - substitutes	64,407.04
Salaries - paraprofessional	62,093.19
Social security	255,718.66
Retirement	247,755.93
Increased retirement contribution	81,911.14
Health insurance	763,439.37
Workers compensation	21,100.00
Other employee benefits	3,726.29
Purchased services	23,792.45
Tuition paid to others	714,277.20
Rents and leases	55,534.52
Teaching supplies	118,342.57
Textbooks	63,252.10
Audio visual materials	1,162.52
Furniture and equipment	125,419.52
Computer hardware	304,249.95
Travel and mileage	2,353.29
Other expenses	39,861.43
	<hr/>
	6,244,058.12

Special Education Instruction:

Salaries - teachers	513,066.04
Salaries - substitutes	6,389.00
Salaries - paraprofessional	174,306.68
Social security	52,218.35
Retirement	50,339.68
Increased retirement contribution	16,642.91
Health insurance	132,616.87
Other employee benefits	1,100.88
Purchased services	313,508.56
Teaching supplies	31,388.37
Furniture and equipment	36,610.57
Travel and mileage	3,636.93
Other expenses	3,928.83
	<hr/>
	\$ 1,335,753.67

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
GENERAL FUND
For The Year Ended August 31, 2014
(Unaudited)

Support Services - Pupils:

Salaries - professional	\$ 300,963.17
Salaries - paraprofessional	33,634.12
Social security	24,854.43
Retirement	24,418.48
Increased retirement contribution	8,073.05
Health insurance	53,769.48
Other employee benefits	2,151.60
Purchased services	18,067.96
Gas and oil	34,100.36
Tires and parts	3,449.23
Repairs and maintenance	35,981.27
Teaching supplies	5,847.13
Textbooks	203.30
Non-capitalized operational purchases	2,497.26
Travel and mileage	218.40
Other expenses	3,814.78
	552,044.02

Support Services - Staff:

Salaries - professional	56,211.49
Salaries - paraprofessional	30,257.43
Social security	6,578.25
Retirement	6,368.23
Increased retirement contribution	2,105.42
Health insurance	16,832.28
Other employee benefits	67.20
Supplies	889.70
Library books	13,821.81
Periodicals	13,155.72
Audio visual materials	9,835.50
Furniture and equipment	2,366.84
	158,489.87

Board of Education:

Fidelity bond premiums	
Advertising and printing	9,103.49
Liability insurance	37,091.00
Dues and fees	6,411.00
Contracted services	8,070.15
Other expenses	29,433.92
	90,109.56
	\$ 90,109.56

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
GENERAL FUND
For The Year Ended August 31, 2014
(Unaudited)

Executive Administration:

Salaries - professional	\$ 130,960.41
Salaries - clerical	50,439.41
Social security	12,628.06
Retirement	13,035.75
Increased retirement contribution	4,309.78
Health insurance	30,268.56
Other employee benefits	468.00
Supplies	508.46
Non-capitalized operational purchases	609.00
Dues and fees	1,346.00
Travel and mileage	346.64
Other expenses	6,979.83
	251,899.90

Office of the Principal:

Salaries - professional	371,454.29
Salaries - clerical	109,160.37
Social security	35,910.68
Retirement	35,442.54
Increased retirement contribution	11,717.74
Health insurance	93,160.86
Worker's compensation	500.00
Supplies	1,543.56
Furniture and equipment	7,108.18
Dues and fees	235.00
Travel and mileage	2,357.79
Other expenses	3,359.61
	671,950.62

General Administration - Business:

Legal services	10,890.00
Purchased services	9,163.49
Postage	8,391.79
Telecommunications	47,694.96
Supplies	5,132.37
Other expenses	12,145.43
	93,418.04
	\$ 93,418.04

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
GENERAL FUND
For The Year Ended August 31, 2014
(Unaudited)

Support Services - Plant Operation and Maintenance:

Salaries - custodial	\$ 271,687.68
Social security	20,353.33
Retirement	19,611.91
Increased retirement contribution	6,483.94
Health insurance	77,193.98
Workers compensation	11,800.00
Other employee benefits	143.80
Purchased services	707,955.41
Fuel	19,537.37
Electricity	157,728.89
Supplies	45,696.62
Building acquisition and improvement	1,300.00
Furniture and equipment	46,094.19
Travel and mileage	892.04
Other expenses	42,069.36
	1,428,548.52

Regular Pupil Transportation:

Mileage to parents	95,873.87
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Special Education Pupil Transportation:

Salaries-driver	89.67
Social security	6.08
Retirement	6.66
Increased retirement contribution	2.20
Purchased services	44,605.97
Mileage to parents	3,582.88
	48,293.46

Early Retirement or Termination:

Early retirement benefits	15,000.00
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State Programs:

Teaching supplies	8,642.42
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Title I, Part A:

Salaries - teachers	19,692.20
Salaries - substitutes	396.00
Social security	1,524.83
Retirement	1,467.53
Increased retirement contribution	485.19
Health insurance	16,648.52
Other benefits	67.20
Supplies	233.92
Other expenses	395.91
	40,911.30
	\$ 40,911.30

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
CASH DISBURSEMENTS FOR OPERATIONAL EXPENSES
GENERAL FUND
For The Year Ended August 31, 2014
(Unaudited)

IDEA Part B:

Purchased services	\$ 77,493.00
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IDEA Part B Preschool:

Purchased services	5,458.00
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IDEA Enrollment/Poverty:

Purchased services	111,341.00
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IDEA Proportionate Share:

Salaries - teachers	240.92
Social security	18.49
Retirement	17.89
Increased retirement contribution	5.91
Health insurance	944.88
Other benefits	3.92
	1,232.01

Summer School:

Salaries	173.71
Social security	13.29
Retirement	12.90
Increased retirement contribution	4.26
Other expenses	4,200.00
	4,404.16

Transfers:

Lunch fund	50,000.00
Activities fund	50,000.00
	100,000.00

Total Cash Disbursements	\$ 11,334,921.54
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INDEPENDENT AUDITOR'S 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

Board of Education
Adams Central School District No. 90
Hastings, Nebraska

We have audited, 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, the modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Adams Central School District No. 90 (the School District), as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon, dated November 3, 2014. Our report disclosed that, as described in Note A to the financial statements, the School District prepared its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given 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 one certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency as item 2014-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from 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 are required to be reported under *Government Auditing Standards*.

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

The School District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The School District'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 entity'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.

Muirau & Co., A.C.

York, Nebraska
November 3, 2014

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
SCHEDULE OF FINDINGS AND RESPONSES
August 31, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Adams Central School District No. 90.
2. One significant deficiency was disclosed during our audit of the financial statements of Adams Central School District No. 90.
3. No instances of noncompliance material to the financial statements of Adams Central School District No. 90 were disclosed during the audit.

B. FINDING

SIGNIFICANT DEFICIENCY

2014-1 Segregation of Duties

Condition: Due to a limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipt, disbursements and recording of transactions.

Criteria: According to SAS No. 55, the School District should assign different people the responsibilities of authorizing and recording transactions and controlling assets to reduce the opportunity of any person to be in a position to perpetrate and conceal errors or fraud in the normal course of his or her duties.

Recommendation: The size of the School District's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. We suggest that the Board of Education remain involved in the financial affairs of the School District to provide oversight and independent review functions.

Response: We concur with the finding. Due to the size and resources of our School District, proper segregation of duties cannot be obtained. We will, however, remain involved in the financial affairs of our School District to provide oversight and independent review functions.

ADAMS CENTRAL SCHOOL DISTRICT NO. 90
Hastings, Nebraska
SCHEDULE OF PRIOR YEAR FINDINGS
August 31, 2014

2013-1 FINDING

Segregation of Duties

Condition: Due to a limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipt, disbursements and recording of transactions.

Criteria: According to SAS No. 55, the School District should assign different people the responsibilities of authorizing and recording transactions and controlling assets to reduce the opportunity of any person to be in a position to perpetrate and conceal errors or fraud in the normal course of his or her duties.

Recommendation: The size of the School District's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. We suggest that the Board of Education remain involved in the financial affairs of the School District to provide oversight and independent review functions.

Current Status: See finding 2014-1.