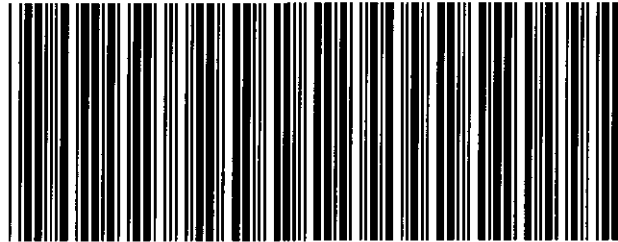


120458



DOC - 000120458

Do Not write above this line

Company	OG
Client	Millard Public Schools
Client ID	969
Class	Engagements
Subclass	Audit
Title	2011-Engagements-Audit Report YE 8-31-11, ISSUED.pdf
Document Name	Audit Report YE 8-31-11, ISSUED
Permanent	No
Expiration Date	11/7/2018
Year	2011
Created	Tfal01 - 11/7/2011 3:01:31 PM

Scanned By	Scan Folder(s)
Date	#1\\SQL\OG\RoutingQueue
No Of Pages	#2

**SCHOOL DISTRICT #17 - MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA**

**ANNUAL FINANCIAL STATEMENTS AND
ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS**

AUGUST 31, 2011

Board of Directors

Chairman

President

Secretary

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

Accounting describe

The required supplementary information, as listed in the accompanying table of contents, including Management's Discussion and Analysis and the required Budgetary Comparison Schedules and Notes, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the

MANAGEMENT'S DISCUSSION & ANALYSIS

USING THIS ANNUAL REPORT TO OBTAIN A BETTER UNDERSTANDING OF THE COMPANY'S FINANCIAL PERFORMANCE

This annual report is presented in a format

information is provided to address certain

fund what are reported which are in
statements on page 13.

The following table shows the status of the
the District's assets, liabilities and changes in them.

Over time, increases or decreases in

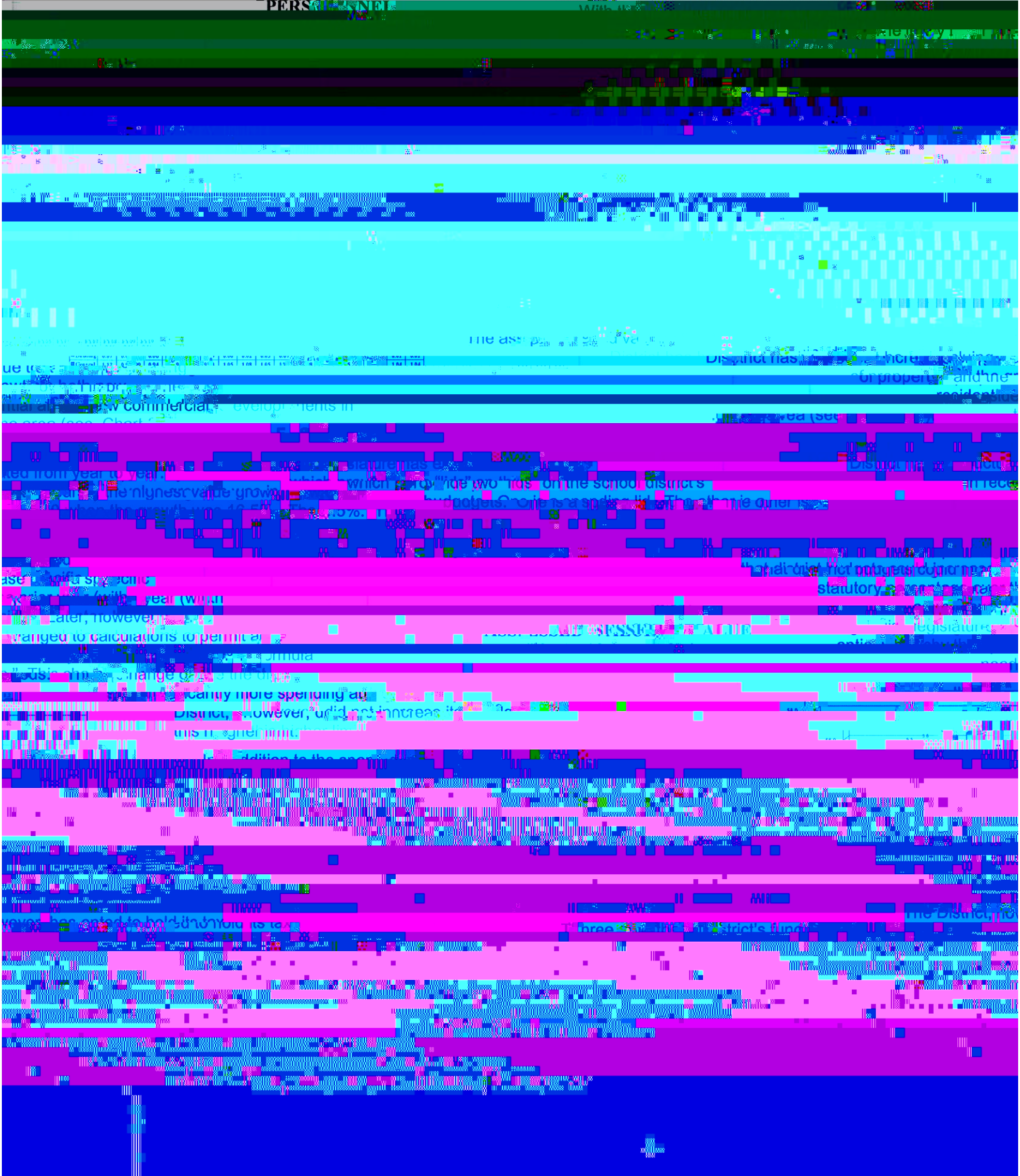
District's cash and

RENEWAL DISTRICT

ASSETS

CHART 2
PERSONAL INCOME

1993 and 1997. The income tax rate in 2005.

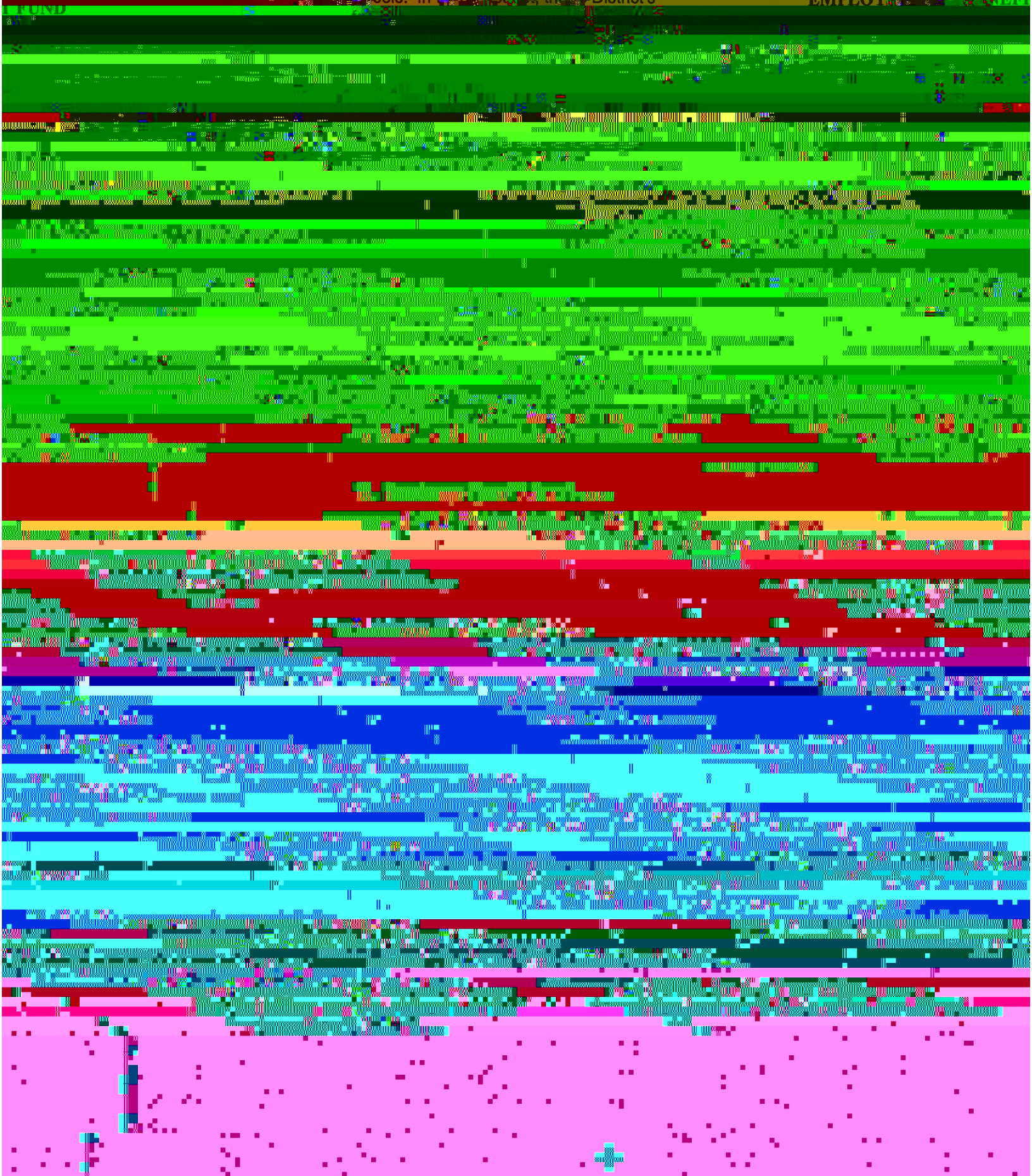


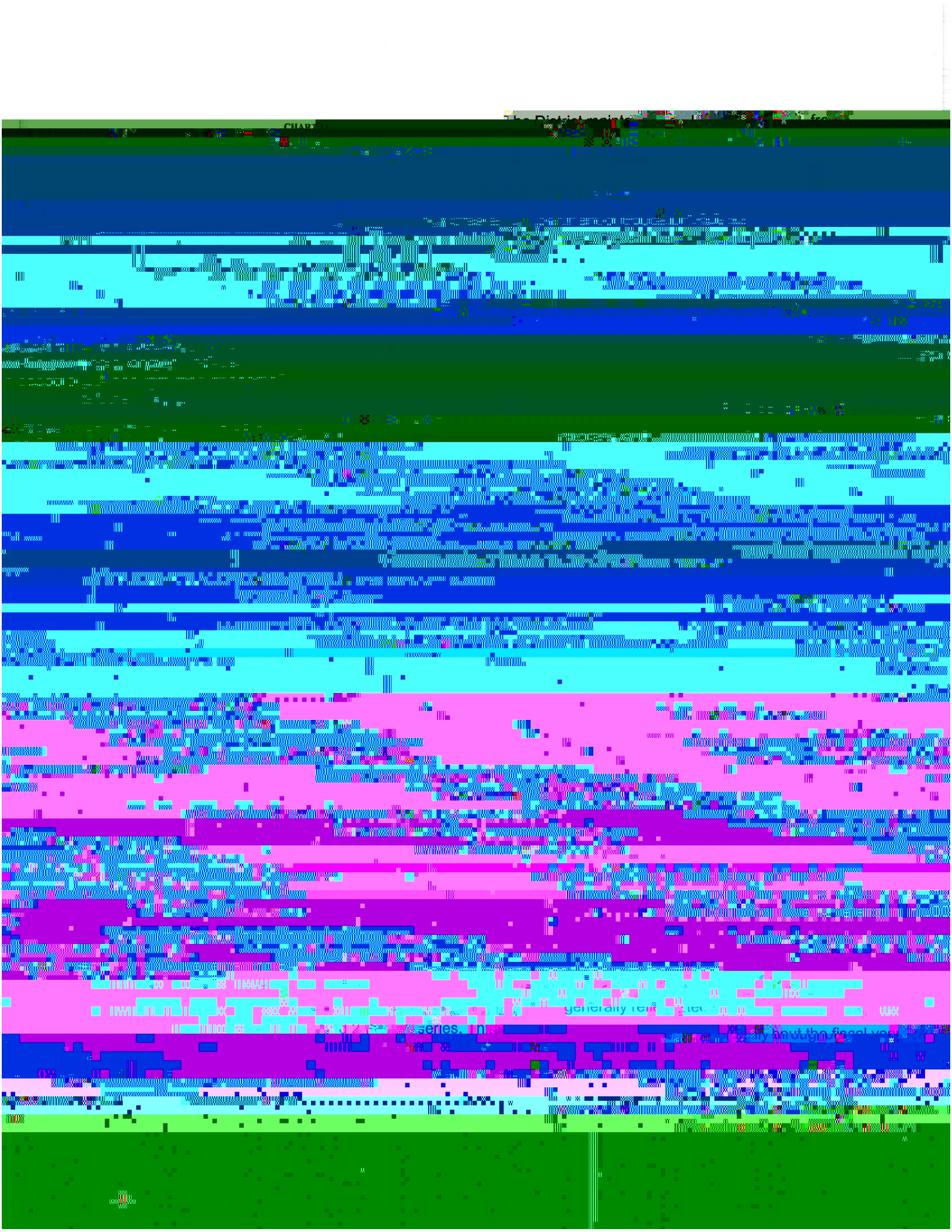
The District maintains a food service program in

each of its schools. In 1964, the District


City

1964





This Management's Discussion and Analysis (MD&A) is respectfully submitted this 5th day of November, 2011.



Kenneth J. Fossen, J.D.
Associate Superintendent
General Administration

DOUGLAS COUNTY, NEBRASKA

STATEMENT OF NET ASSETS - CASUALTY

AUGUST 31, 2011

ASSETS

	<u>Governmental Activities</u>	<u>Component Unit</u>
Cash	\$ 5,016,817	\$
Investments	<u>87,899,911</u>	<u></u>

SCHOOL DISTRICT #17 - MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA

STATEMENT OF ACTIVITIES - CASH BASIS

FOR THE YEAR ENDED AUGUST 31, 2011

Balance, August 31, 2010

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Cash	Charges for	Operating	Changes in Net Assets	
			School	Component
Balance	Operating	Grants and	District	Units
	Expenses	Contributions		

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

iation

589,417

589,417

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SCHOOL DISTRICT #17 - MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA

STATEMENT OF NET ASSETS AND CHANGES IN NET ASSETS - CASH BASIS - FIDUCIARY FUNDS

Beginning

Ending

ADMINISTRATIVE OFFICE	\$ 284,189	\$ 606,071	\$ 217,019	\$ 558	\$ 673,799
-----------------------	------------	------------	------------	--------	------------

HIGH SCHOOLS:	1,051,464	1,051,464	1,051,464	94,531	1,146,487
---------------	-----------	-----------	-----------	--------	-----------

South

	581,952	1,051,464	1,146,487	94,531	581,460
--	---------	-----------	-----------	--------	---------

DOUGLAS COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

School District #17 – Millard Public Schools, Douglas County, Nebraska (the "District") is a tax-

NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUND ACTIVITIES

General Fund – This fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all financing resources except those required to be accounted for in other funds. This fund also accounts for resources designated and maintained for the eventual purchase of capital assets and for the ~~purchase of~~ ~~for the benefit of School District employees for fringe benefits~~

Special Revenue Fund – These funds are used to account for the proceeds of the ~~specific revenue sources that are either legally restricted to expenditures for specified~~

DOUGLAS COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS. CONTINUED

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus and Basis of Accounting, Continued

Basis of Accounting

DOUGLAS COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Financial Statements, Continued

- b. Restricted – Fund balance is reported as restricted when constraints placed

SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS CONTINUED

Equity Classification, Continued

Fund Financial Statements, Continued

First when expenditures are incurred for

SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED

~~PROPERTY TAXES AND PROPERTY TAXES CONTINUED~~

PROPERTY TAXES levied by the Board of Education through passage of a resolution

SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS

MILLARD COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED

3. DEPOSITS AND INVESTMENTS, CONTINUED

Risks

SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED

5. NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Funding Policy: In accordance with Nebraska Statutes §70-1531 and §70-1540, employees

**SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA**

NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED

6. COMMITMENTS AND CONTINGENCIES, CONTINUED

Aggregate principal and interest payments applicable to the District's bonds subsequent to August 31, 2011 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 7,835,000	\$ 5,462,780	\$ 13,297,780
2013	8,110,000	5,115,105	13,225,105
2014	8,450,000	4,750,418	13,200,418
2015	8,805,000	4,365,068	13,170,068
2016	9,090,000	3,982,192	13,072,192
2017-2021	47,440,000	14,606,120	62,046,120
2022-2025	<u>45,770,000</u>	<u>4,371,387</u>	<u>50,141,387</u>
TOTAL	<u>\$ 135,500,000</u>	<u>\$ 42,653,070</u>	<u>\$ 178,153,070</u>

Lease Commitment

The District has non-cancelable operating lease agreements for the following:

- Thirty-three vans used for transportation of students in special education programs expiring

SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED

COMMITMENTS AND CONTINGENCIES CONTINUED.

Future minimum lease payments related to these COPS are as follows:

<u>Fiscal Year-end:</u>	<u>Amount</u>
2012	\$ 1,698,050
2013	1,700,200
2014	1,700,350
2015	1,698,450
2016	1,699,500

SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA

NOTES TO BASIC FINANCIAL STATEMENTS, CONTINUED

6. COMMITMENTS AND CONTINGENCIES, CONTINUED

Learning Community Legislation, Continued

Subsequent to the enactment of LB1024 (2006), litigation was commenced challenging its constitutionality. The litigation, however, was rendered moot after the legislature enacted LB 641 (2007). Under this new law, OPS will not be divided. The learning community concept, however, remained in place. The effective date for the creation of the new learning community was January 2009. Under LB641 (2007), LB 988 (2008) and LB 545 (2009) the eleven school

districts in the two county area began (in FY 2010) to operate under a common property tax levy for their general funds (not to exceed 95 cents per hundred dollars of valuation) and their building fund (not to exceed 2 cents). Each of the eleven districts may elect to levy an additional amount

(not exceeding the statutory limit) for funding either its general fund or its building fund or both.

**SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA**

FINANCIAL STATEMENTS CONTINUED

[REDACTED]

CONTINGENCIES AND CONTINGENCIES CONTINUED

[REDACTED]

Risk Management, continued

The District manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
a. Torts, errors and omissions	Self-funded and purchased insurance	Deductible
b. Health	Self-funded and purchased insurance	Stop-loss
c. Workers compensation	Purchased commercial insurance	None

- employee injuries
d. General liability Self-funded and purchased insurance Stop-loss

DOUGLAS COUNTY, NEBRASKA

GENERAL FUND

REVENUE

Original &
Proposed

Variance with
Budget
Favorable

**SCHOOL DISTRICT #17 - MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA**

GENERAL FUND, CONTINUED

FOR THE YEAR ENDED AUGUST 31, 2011

	Original & Final Budget	Actual	Variance with Budget Favorable (Unfavorable)
Receipts (continued):			
Non-revenue receipts:			
Sale of property		\$ 51,304	\$ 51,304
Other		706,807	706,807
Total receipts	\$ 216,330,496	214,234,800	(1,818,482)
Disbursements:			
Non-special education	88,776,904	88,233,705	543,199
Special education programs	22,269,530	20,357,780	1,911,750
Support services - pupils	12,409,050	11,598,455	810,595
Support services - staff	12,075,633	9,168,264	2,907,369
Board of education	2,142,326	2,439,331	(297,005)
Executive administration services	2,826,733	2,615,892	210,841
Office of the principal	11,591,163	11,525,018	66,145
General administration - business services	6,709,406	6,808,356	(98,950)
Vehicle acquisition and maintenance	446,000	366,007	79,993
Support services - maintenance and operation of building and site	26,756,882	26,854,536	(97,654)
Support services - regular pupil transportation	2,250,897	2,027,305	223,592
Support services - school age special education transportation	3,471,498	2,978,218	493,280
Community services	1,939	477,693	(475,754)
State categorical programs	51,109	41,940	9,169

**SCHOOL DISTRICT #17 - MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS -
SPECIAL BUILDING FUND**

FOR THE YEAR ENDED AUGUST 31, 2011

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Favorable (Unfavorable)</u>
Budgetary fund balance, September 1, 2010		\$ 22,233,288	
Receipts:			
Local receipts:			
Local property taxes		934,212	\$ 934,212
Carline taxes		217	217
Public Power District sales tax		21,158	21,158
Other local receipts		179,106	179,106
State reimbursement:			
Homestead exemptions		11,728	11,728
Pro rata motor vehicle		1,890	1,890
Proceeds from certificates of participation			
Interest		19,525	19,525
Non-revenue receipts		<u>154,132</u>	<u>154,132</u>
Total receipts		<u>1,321,968</u>	<u>1,321,968</u>
Disbursements:			
Purchased services		177,711	(177,711)
Capital outlays		643,233	(643,233)
Building, acquisition and improvement	\$ 21,400,522	1,376,639	20,023,883
Lease payments		649,000	(649,000)
Other		<u>15</u>	<u>(15)</u>
Total disbursements	<u>21,400,522</u>	<u>2,846,598</u>	<u>18,553,924</u>

SCHOOL DISTRICT #17 - MILLARD PUBLIC SCHOOLS

REPORT OF COUNTY TREASURER

SCHOOL LUNCH FUND

FOR THE YEAR ENDED AUGUST 31, 2011

	Original & Final Budget	Actual	Variance with Budget Favorable (Unfavorable)
Budgetary fund balance, September 1, 2010, as previously reported		\$ (83,355)	
Receipts:			
Sale of lunches/milk	\$ 11,000,000	7,875,909	\$ (3,124,091)

Total

Total

Total

DOUGLAS COUNTY, NEBRASKA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED AUGUST 31, 2011

1. BUDGETARY ACCOUNTING

The District prepares its budget for the Governmental Funds on the cash basis of accounting. This basis is consistent with the basis of accounting used in presenting the basic financial statements. Under this method of accounting, all governmental expenditures are recorded as

**SCHOOL DISTRICT #17 - MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS -
EMPLOYEE BENEFIT FUND**

FOR THE YEAR ENDED AUGUST 31, 2011

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Favorable (Unfavorable)</u>
Budgetary fund balance, September 1, 2010		\$ 7,915,610	
Receipts:			
Other receipts		1,159,146	1,159,146
Operational transfers from the General fund	<u>17,358,261</u>	<u>22,926,493</u>	<u>5,568,232</u>
Total receipts	<u>17,508,261</u>	<u>24,093,104</u>	<u>6,584,843</u>
Disbursements:			
Purchased services	<u>23,760,000</u>	<u>25,135,914</u>	<u>(1,375,914)</u>
Excess (deficiency) of receipts over disbursements	<u>\$ (6,251,739)</u>	<u>(1,042,810)</u>	<u>\$ 5,208,929</u>
Budgetary fund balance, August 31, 2011		<u>\$ 6,872,800</u>	

DOUGLAS COUNTY, NEBRASKA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS -
 DEPRECIATION FUND
 FOR THE YEAR ENDED AUGUST 31, 2011

	Original & Final	Variance with Budget Favorable (If Applicable)
Budgetary fund balance, September 1, 2010	\$ 8,135,665	
Receipts:		
Interest income	10,568	\$ 10,568
Operational transfers from the General fund	<u>4,824,867</u>	<u>4,824,867</u>
Total receipts	<u>4,835,435</u>	<u>4,835,435</u>
Disbursements:		
Capital outlays:		
Furniture and equipment	\$ 4,478,210	999,772 3,478,447

**SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA**

**NOTES TO OTHER SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED AUGUST 31, 2011**

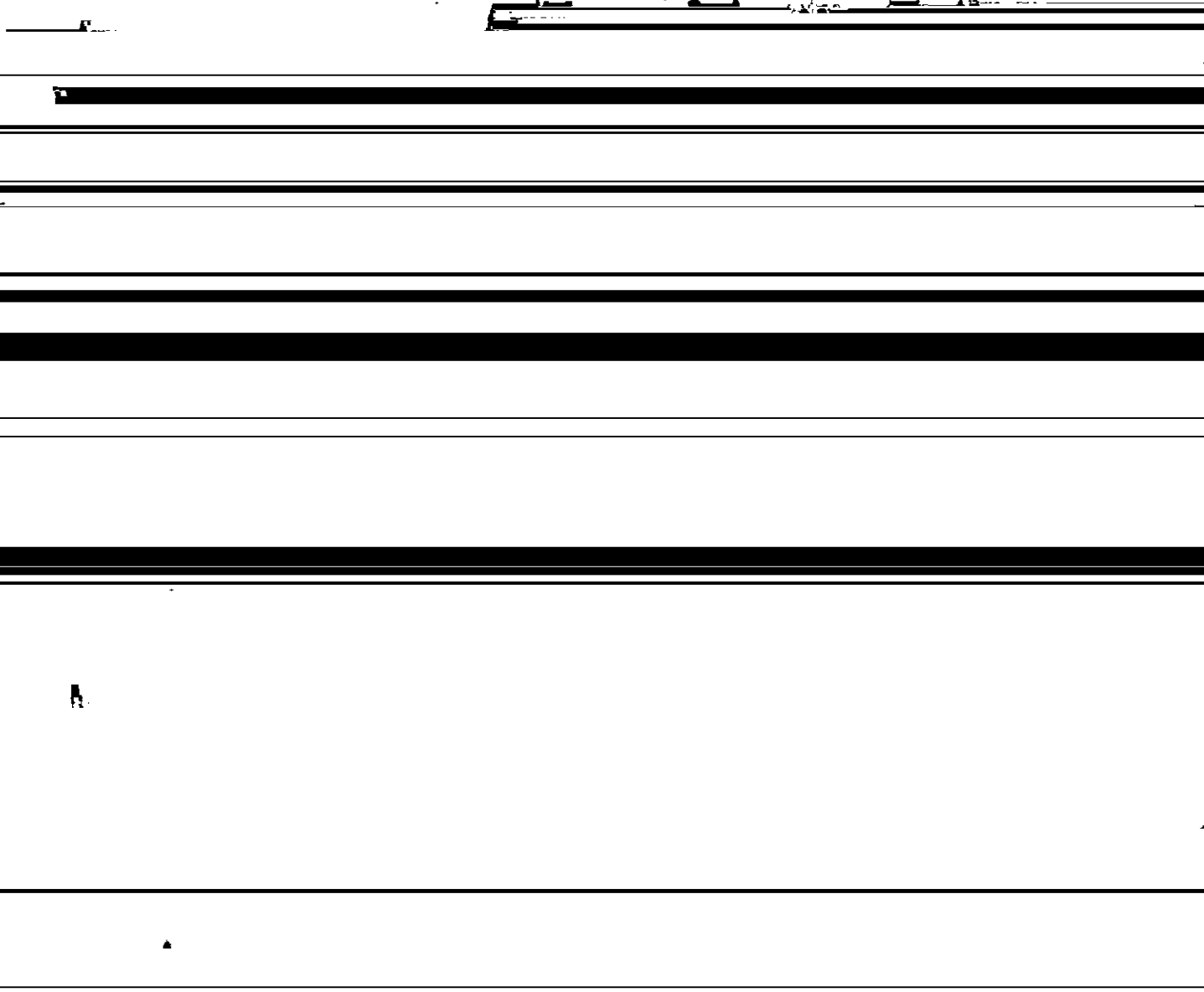
1. BUDGETARY ACCOUNTING

The District prepares its budget for the Governmental Funds on the cash basis of accounting. This basis is consistent with the basis of accounting used in presenting the basic financial statements. Under this method of accounting, all unexpended appropriations lapse at the end of the budget year.

The term "Budgetary Fund Balance" used in these supplementary schedules is synonymous with the terms "Fund Balance – Cash Basis" used in the basic financial statements.

2. OTHER FUNDS

Government Auditing Standards requires that for reporting purposes, the General Fund include all



**SCHOOL DISTRICT #17 - MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2011

<u>Federal Grantor/Pass Through Entity/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE - CHILD NUTRITION CLUSTER:		
<i>Passed through Nebraska Department of Education</i>		
National School Lunch Program	10.555	\$ 2,329,823
Summer Food Service Program for Children	10.559	9,414
<i>Passed through the Nebraska Department of Health and Human Services</i>		
	<u>10.555</u>	<u>2,329,823</u>

U.S. DEPARTMENT OF EDUCATION:		
<i>Passed through Nebraska Department of Education</i>		
TITLE I, PART A CLUSTER		
Title I of the Elementary and Secondary Education Act	84.010	1,218,655

SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS

DOUGLAS COUNTY, NEBRASKA

NOTES TO SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying Supplementary Schedule of Expenditures of Federal Awards has been prepared on a cash basis of accounting with the exception of commodities

expensed under the food distribution of \$660,929. Under this method, expenditures are recognized

songroup.com

November 4, 2011

UNDER NDE

ORIZON SPAS LLC
10000 W. 10TH AVENUE
DENVER, CO 80202
TEL: 303.733.1111
WWW.ORIZONSPAS.COM

Agency will perform control checks when the design of a... for performing... or assumed... and or detect a... correct...

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 are required to be reported under *Government Auditing Standards*. However, the District did exceed its authorized expenditures in the Employee Benefit Fund.

This report is intended solely for the information and use of the Board of Education, management, officials of the Nebraska Department of Education, the Nebraska Auditor of Public Accounts, federal awarding agencies and pass-through entities and is not intended to be and should not be

Education

School District

Douglas County, Nebraska

Compliance

Education

Government Auditing Standards

social audits

containing... Government Auditing Standards... social audits... the... compliance... requirements... referred to... that could... a... life... extra program...

Management of the District

Internal Control over Financial Reporting

School District

Internal Control over Compliance

Table with multiple columns and rows, containing numerical data and text. The table is partially obscured by a large black redaction box.

^ deficiency in internal control. Even compliance exists when the design or operation of a control

DOUGLAS COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2011

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Is any noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unqualified

Internal control over major program compliance:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
---	------------------------------	--

SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED AUGUST 31, 2011

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$ 860,352
Is the auditee qualified as a low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

~~Section II: Financial Statement Findings~~

None

Section III: Federal Awards Findings

None

**SCHOOL DISTRICT #17 – MILLARD PUBLIC SCHOOLS
DOUGLAS COUNTY, NEBRASKA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2011**

FINANCIAL STATEMENT FINDINGS

2010 – 1 SIGNIFICANT DEFICIENCY

During the year ended August 31, 2010, management of the District identified significant adjustments that impacted prior year's financial statements. These adjustments were therefore presented in the fiscal year 2010's financial statements

weaknesses in the design of year-end closing procedures and the District's personnel's familiarity with certain aspects of the accounting system for year-end reporting.

Status of Prior Finding: Planned corrective action completed this fiscal year.