

Preliminary Draft for Internal Use Only!

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69

RAVENNA, NEBRASKA

FINANCIAL STATEMENTS

AUGUST 31, 2017



**DANA F. COLE  
& COMPANY, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Ravenna Public Schools District No. 69  
Ravenna, Nebraska

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Ravenna Public Schools District No. 69, Ravenna, Nebraska, as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the 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 cash basis of accounting described in Note 1; this includes determining that the 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.

### *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 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.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Ravenna Public Schools District No. 69, Ravenna, Nebraska, as of August 31, 2017, and the respective changes in financial position - cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

## ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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***

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ravenna Public Schools District No. 69, Ravenna, Nebraska's basic financial statements. The supplementary information on pages 23 to 41 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information on pages 23 to 24 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 on pages 23 to 24 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The supplementary information included on pages 25 to 41, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has 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 it.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2017, on our consideration of the Ravenna Public Schools District No. 69, Ravenna, Nebraska's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Ravenna Public Schools District No. 69, Ravenna, Nebraska's internal control over financial reporting and compliance.

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Ord, Nebraska  
October 18, 2017

Preliminary Draft for Internal Use Only!

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS  
FOR THE YEAR ENDED AUGUST 31, 2017

					Net (Disbursements) Receipts and Changes in Net Position
					Primary Government
					Total Governmental
					Activities
					Component Unit
FUNCTIONS/PROGRAMS					
Governmental Activities					
Regular instructional programs					
	2,529,839	20,985		(2,508,854)	
Special education instructional programs					
	1,167,647		526,488	(641,159)	
Support services					
Pupils					
	144,141			(144,141)	
Staff					
	181,427			(181,427)	
Maintenance and operation of buildings and sites					
	456,269	50		(456,219)	
Pupil transportation					
	200,048			(200,048)	
General and administrative					
General administration					
	37,823			(37,823)	
School administration					
	557,064			(557,064)	
Business services					
	149,426			(149,426)	
State categorical programs					
	31,292		5,215	(26,077)	
Federal programs					
	235,724		186,108	(49,616)	
Debt service					
Principal					
	135,340			(135,340)	
Interest					
	10,448			(10,448)	
Food services					
	265,263	133,940	111,888	(19,435)	
Capital outlay					
	396,391			(396,391)	
Total governmental activities					
	<u>6,498,142</u>	<u>154,975</u>	<u>829,699</u>	<u>(5,513,468)</u>	
Component Unit					
Ravenna Public School Foundation					
	<u>4,096</u>				<u>(4,096)</u>

	Disbursements	Program Receipts	
		Charges for Services	Operating Grants and Contributions
sales tax			
fees			
not restricted			
receipts			
other			

				Net (Disbursements) Receipts and Changes in Net Position	
				Primary Government	
				Total	Component
				Governmental	Unit
				Activities	
				</	

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS  
FOR THE YEAR ENDED AUGUST 31, 2017

	Disburse- ments	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Primary Government Total Governmental Activities	Component Unit
Change in net position resulting from receipts and disbursements				758,031	26,215
NET POSITION, beginning of year				<u>3,493,348</u>	<u>99,288</u>
NET POSITION, end of year				<u>4,251,379</u>	<u>125,503</u>
ASSETS					
Cash and certificates of deposit				2,914,591	125,503
Cash at County Treasurer				<u>1,336,788</u>	
TOTAL ASSETS				<u>4,251,379</u>	<u>125,503</u>
NET POSITION					
Restricted for debt service				195,198	
Restricted for capital outlays				314,893	
Unrestricted				<u>3,741,288</u>	<u>125,503</u>
TOTAL NET POSITION				<u>4,251,379</u>	<u>125,503</u>

See accompanying notes to financial statements.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS AND  
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2017

	Major Funds					Reclassi- fications	Total Governmental Funds
	General Fund	School Nutrition Fund	Bond Fund	Special Building Fund	Quality Capital Purpose Undertaking Fund		
RECEIPTS							
Taxes							
Property	4,989,681		2,455	150,025	104,722		5,246,883
Motor vehicle	207,043						207,043
Carline	17,417						17,417
Public Power District sales tax	149,757						149,757
Interest	4,434	18		2,189	803		7,444
Other local sources	21,035	865		17,316			39,216
County fines and license fees	35,623						35,623
State receipts	1,052,105	1,474	18	12,342	9,066		1,075,005
Federal receipts	201,884	110,414					312,298
Lunch sales		133,940					133,940
Other sources	42,360						42,360
Total receipts	<u>6,721,339</u>	<u>246,711</u>	<u>2,473</u>	<u>181,872</u>	<u>114,591</u>		<u>7,266,986</u>
DISBURSEMENTS							
Regular instructional programs	2,529,839						2,529,839
Special education instructional programs	1,167,647						1,167,647
Support services							
Pupils	144,141						144,141
Staff	181,427						181,427
Maintenance and operation of buildings and sites	456,246			23			456,269
Pupil transportation	200,048						200,048
General and administrative							
General administration	37,823						37,823
School administration	557,064						557,064
Business services	149,426						149,426
State categorical programs	31,292						31,292
Federal programs	235,724						235,724
Debt service							
Principal	35,340				100,000		135,340
Interest	506				9,942		10,448
Lunch program and other		265,263					265,263
Capital outlay	170,993			225,398			396,391
Total disbursements	<u>5,897,516</u>	<u>265,263</u>		<u>225,421</u>	<u>109,942</u>		<u>6,498,142</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>823,823</u>	<u>(18,552)</u>	<u>2,473</u>	<u>(43,549)</u>	<u>4,649</u>		<u>768,844</u>

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH BASIS AND  
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2017

	Major Funds						Total Governmental Funds
	General Fund	School Nutrition Fund	Bond Fund	Special Building Fund	Quality Capital Purpose Undertaking Fund	Reclassi- fications	
OTHER FINANCING SOURCES (USES)							
Transfers in	7,473	18,195				(25,668)	
Transfers out	(29,008)		(7,473)			25,668	(10,813)
Total other financing sources (uses)	(21,535)	18,195	(7,473)				(10,813)
NET CHANGE IN FUND BALANCES	802,288	(357)	(5,000)	(43,549)	4,649		758,031
FUND BALANCES, beginning of year	2,929,617	9,740	5,000	358,442	190,549		3,493,348
FUND BALANCES, end of year	3,731,905	9,383		314,893	195,198		4,251,379
<b>ASSETS</b>							
ASSETS							
Cash and certificates of deposit	2,454,500	9,383		280,710	169,998		2,914,591
County Treasurer's balances	1,277,405			34,183	25,200		1,336,788
TOTAL ASSETS	3,731,905	9,383		314,893	195,198		4,251,379
<b>FUND BALANCES</b>							
FUND BALANCES							
Restricted for:							
Debt service					195,198		195,198
Capital outlays				314,893			314,893
Assigned							
Lunch program		9,383					9,383
Capital outlays	16,439						16,439
Employee benefits	14,794						14,794
Subsequent year's budget	686,392						686,392
Unassigned	3,014,280						3,014,280
TOTAL FUND BALANCES	3,731,905	9,383		314,893	195,198		4,251,379

See accompanying notes to financial statements.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
STATEMENT OF NET POSITION - CASH BASIS  
FIDUCIARY FUNDS  
AUGUST 31, 2017

	Private Purpose Trust Fund	Agency Funds	
	Scholarships Fund	Activities Fund	Cafeteria Plan
ASSETS			
Cash	<u>20,980</u>	<u>137,988</u>	<u>3,812</u>
LIABILITIES			
Due to student groups and others	<u>20,980</u>	<u>137,988</u>	<u>3,812</u>
NET POSITION	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying notes to financial statements.



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Ravenna Public Schools District No. 69, Ravenna, Nebraska (the District).

Reporting Entity

The Ravenna Public Schools District No. 69, Ravenna, Nebraska's Board of Education (the Board) is the basic level of government, which has financial accountability and control over all activities related to public school education in the District. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since the District's 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.

All significant activities and organizations on which the District exercises oversight responsibility have been included in the District's financial statements.

Discretely Presented Component Unit

The Ravenna Public School Foundation is a legally separate, tax-exempt component unit of the Ravenna Public Schools District No. 69, Ravenna, Nebraska. The Foundation acts primarily as a fundraising organization to fund scholarships to graduating seniors of Ravenna Public Schools District No. 69, Ravenna, Nebraska, and fund any special requests of the Foundation's benefactors. The Board of Directors of the Ravenna Public School Foundation is appointed by majority vote of the Board of Education of Ravenna Public Schools District No. 69, Ravenna, Nebraska. The Foundation's operations are not subject to approval or modification by any governmental entity except that the Board of Education of the Ravenna Public Schools District No. 69, Ravenna, Nebraska, shall have veto power to reject any property or funds offered by the Foundation. Because of these controls by the District, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

The Foundation does not issue separate financial statements.

Basic Financial Statements - Government-Wide Statements

The District utilizes the provisions of Statement No. 34 of the Government Accounting Standards Board, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Statement No. 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements, and the classification of net position into the following components: restricted and unrestricted.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Government-Wide Statements (Continued)

The statement of net position and statement of activities report information on the District as a whole. They include all funds of the District except for fiduciary funds. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

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 properly included among program receipts are reported instead as general receipts.

Basic Financial Statements - Fund Financial Statements

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

The financial transactions of the District are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts, and disbursements.

Fund Types

The accounts of the District are organized on the basis of funds, which are grouped into the following fund types:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the District and accounts for all receipts and disbursements of the District not encompassed within other funds. It may finance all facets of services rendered by the District, inclusive of operation and maintenance. General fund receipts are classified according to source while its disbursements are classified according to specific functions. 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 replacement capital outlay costs that are not paid through other funds are paid from the General Fund. General Fund disbursements are limited by the Tax Equity and Educational Opportunities Support Act.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types (Continued)

Governmental Fund Types (Continued)

Depreciation Fund - The Depreciation Fund is established by a district in order to facilitate the eventual purchase of a costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, a district will show the movement of monies as an expense 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 effect in a single year to meet such an expense. 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 to specifically reserve General Fund money for the benefit of the 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 the receipt as a "transfer from the General Fund" in the Employee Benefit Fund. This fund may consist of more than one account for valid allocation purposes. The cash reserve of this fund is restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act. The Employee Benefit Fund is considered a component of the General Fund.

School Nutrition Fund - The School Nutrition Fund is used to accommodate all aspects of the school 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 expenses of the School Nutrition Fund; accordingly, no inventories are maintained in this fund.

Bond Fund - The Bond Fund is used to record tax receipts and disbursements for bond principal and interest payments. Receipts from a levy to retire bonds in the District are retained in a separate fund by the county treasurer, the financial institution serving as a fiscal agent, or the District. Funds are disbursed upon appropriate demand. All records of the transaction are maintained in this fund. Proceeds from bond issuance 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.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types (Continued)

Governmental Fund Types (Continued)

Special Building Fund - The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvement of buildings. The primary sources of receipts for the Special Building Fund include the sale of bonds, the sale of property, and tax receipts. Regardless of the source, all receipts for this purpose are accountable in through this fund. 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 \$0.14 per one hundred dollars of valuation, or a tax levy not to exceed \$0.175 per one hundred dollars of valuation may be established for this fund by a vote of the people within the District for a term not to exceed ten years.

Qualified Capital Purpose Undertaking Fund - The Qualified Capital Purpose Undertaking Fund may be established for the removal of environmental hazards, the reduction or elimination of accessibility barriers in District buildings, and the repayment of a qualified zone academy bond issued for a qualified capital purpose (or any American Recovery and Reinvestment Act of 2009 bond), for modifications due to life safety code violations, indoor air quality projects, or mold abatement and prevention projects. General Fund disbursements for the purpose of this fund are not allowed. The tax levy for this fund is limited to \$0.052 per one hundred dollars of valuation for the District and shall not exceed 10 years for each environmental hazard abatement project, accessibility barrier elimination project modifications due to life safety code violations, indoor air quality project, or mold abatement and prevention project and shall not exceed 15 years for each qualified capital purpose for which the qualified zone academy bond was issued according to Section 79-10, 110 R.R.S. Any bonds issued under the American Recovery and Reinvestment Act of 2009 are limited to a period not exceeding the maximum term established according to federal law for the type of bonds as permitted by the American Recovery and Reinvestment Act, or, if no term is established, thirty years.

Fiduciary Fund Types

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.

Cafeteria Fund - The Cafeteria Fund was established to facilitate the funding and operation of the District's cafeteria plan which is an Internal Revenue Code Section 125 plan used by employees to fund medical and dependent care reimbursements on a pretax basis.

Private Purpose Trust Funds - These funds are used to account for funds held by the District in a trustee capacity. The District's trust funds consist of various scholarship funds.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types (Continued)

Major Funds

The District reports all governmental funds as major funds. The General Fund and its components are considered one fund for reporting purposes.

Basis of Accounting

The District prepares its financial statements on the 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 accounting principles generally accepted in the United States of America, as applicable to governmental units.

Under the cash basis, receipts are recognized when collected rather than when earned and expenses 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 accounting principles generally accepted in the United States of America, as applicable to governmental units.

Taxes and other receipts collected by the county treasurers are included in receipts of the District in the year collected by the counties, and the District funds held by the county treasurers at year-end are included as assets of the District. This is in accordance with the requirements of the State of Nebraska Department of Education.

Capital Assets

Capital assets are not recorded as assets on the government-wide or fund financial statements, and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

Compensated Absences

Vacation and sick leave are recorded when paid. Management believes the amounts attributable to accumulated annual leave will not have a material financial impact on the accompanying financial statements. There was no liability for accrued vacation at August 31, 2017, as all vacation earned during the year must be used by August 31 with no carryover. Vacation and sick leave are accumulated as follows:

Certified Staff

Vacation is earned at the rate of two weeks per year after one year of employment. Vacation is not cumulative. Sick leave is cumulative at the rate of 10 days per year up to a maximum of 40 days per year but is not payable upon termination.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

Noncertified Full-Time Staff

Vacation is earned at the rate of two weeks per year after one year of employment. After 10 or more years of employment, an employee accrues vacation at the rate of three weeks per year. Vacation is not cumulative. Sick leave is cumulative at the rate of 6 days per year up to a maximum of 30 days but is not payable upon termination. Personal leave with pay is granted to employees at a maximum of two days per year and may not be accumulated.

Custodial, maintenance, and bus driver personnel with more than 20 years of employment will be granted a four-week vacation.

Long-Term Obligations

Long-term debt is not reported as a liability in the government-wide or fund financial statements. Proceeds from long-term debt are reported as receipts and payments of principal are reported as disbursements in both the government-wide and fund financial statements.

Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in two components:

Restricted net position consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provision or enabling legislation.

Unrestricted net position consists of net assets that do not meet the definition of restricted.

It is the District's policy to use restricted net assets first, prior to the use of unrestricted net assets, when a disbursement is paid for purposes in which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact. The District currently has no amounts classified in this category.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District currently has no amounts classified in this category.

Assigned

This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board delegating this responsibility to the District administrator through the budgetary process.



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

Unassigned

This classification includes the residual fund balance for the General Fund.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Interfund Balances and Activities

In the process of aggregating the financial information of the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Budget Process and Property Taxes

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. The General Fund is also subject to a total non-special education expenditure limit. Appropriations for expenditures lapse at year-end. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with state statutes, which tax levy attaches as an enforceable lien on property within the District as of January 1. Taxes are due as of that date. One-half of the real estate taxes due January 1 become delinquent after the following May 1, with the second one-half becoming delinquent after September 1.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS

For the following disclosures, deposits - including checking accounts, savings accounts, and money market accounts - are all classified as cash on the financial statements. Certificates of deposit are shown separately or in combination with cash on the financial statements.

The District's cash and investments are reported as follows:

Governmental activities	<u>2,914,591</u>
-------------------------	------------------

The carrying value (fair value) of the cash and investments consisted of the following:

Demand deposits	2,758,853
Certificates of deposits	<u>155,738</u>
Total cash and investments	<u>2,914,591</u>

Maturities of certificates of deposits are as follows:

One year	<u>155,738</u>
----------	----------------

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. As of August 31, 2017, all of the District's deposits with financial institutions were fully insured or collateralized by securities held in the District's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized, and the District's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

Investments

Nebraska statutes allow the District to make any investment allowed by the State Investment Officer. This includes bank certificates of deposit.

As defined by Governmental Accounting Standards Board Statement No. 3, the District had no investments as of August 31, 2017.

NOTE 3. RETIREMENT PLAN

**Plan Description**

The Ravenna Public Schools District No. 69 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. All permanent employees working at least 20 hours per week on an on-going, regular basis, or with a full-time contract are covered members.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

**Benefits Provided**

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 (currently 2%) set by statute, 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 (currently 2%) set by statute, 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.

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.

**Contributions**

Contribution provisions are established by State law and may be amended only by the Nebraska legislature. The State contribution is considered a nonemployer contribution since school employees are not employees of the State. The contribution rates (as a percentage of covered payroll for the year) were as follows:

- Members (employees): Each member contributed 9.78% of monthly salary.
- School District: The School District contributed 101% of the member contributions.
- State: The State contributed 2% of estimated payroll for the plan year.

The District's contribution to the Plan for its year ended August 31, 2017, was \$325,195.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

**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 1.800.245.5712 or via the internet at [http://www.auditors.nebraska.gov/APA\\_Reports](http://www.auditors.nebraska.gov/APA_Reports).

NOTE 4. RISK MANAGEMENT

The District has joined together with other districts in the state to form the Nebraska Association of School Board's (NASB's) Workers' Compensation Pool, a public entity risk pool. The District pays an annual premium to the NASB pool for its workers' compensation insurance coverage. The pool self-insures the first \$200,000 of risk for job-related injury or disease and then purchases commercial insurance to cover claims in excess of this amount. The pool is allowed to assess participating districts additional premiums should benefit payments exceed funds available.

The District continues to carry commercial insurance for all other risks of loss including general liability, property, and employee health and accident.

NOTE 5. LONG-TERM DEBT

In April 2010, the District issued Limited Tax Obligation Build America Bonds in the amount of \$530,000, with interest rates of 1.40% to 4.80% with a final maturity date of December 1, 2017. The proceeds of the bonds were used to finance the renovation of the District's learning center. By issuing Build America Bonds, the District agreed that more than 75% of the proceeds of the bonds would be used for construction. In return, the federal government agreed to pay 35% of the District's annual interest costs.

In September 2014, the District issued Limited Tax Obligation Bonds in the amount of \$435,000, with interest rates of 0.45% to 1.85% with a final maturity date of December 1, 2021. The proceeds of the bonds were used to finance the indoor air quality projects.

Changes to long-term debt for the year ended August 31, 2017, are as follows:

Long-term debt outstanding, September 1, 2016	575,340
Payments of current maturities	(135,340)
Long-term debt outstanding, August 31, 2017	<u>440,000</u>
Current maturities within one year	<u>105,000</u>

→ Will be paid off in 2021 or before.



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

*QCPUF Repayment  
Schedule*

NOTE 5. LONG-TERM DEBT (Continued)

Debt service requirements at August 31, 2017, were as follows:

Year Ending August 31,	Bonds Payable Principal	Interest and Fees	Total
2018	105,000	7,109	112,109
2019	110,000	4,575	114,575
2020	110,000	3,008	113,008
2021	115,000	1,064	116,064
	<u>440,000</u>	<u>15,756</u>	<u>455,756</u>

NOTE 6. LEASE COMMITMENTS

On August 14, 2014, the District entered into a lease agreement with Eakes Office Plus for the use of 3 copiers and 20 printers. The noncancellable lease was financed by a one-time payment of \$2,166 at lease signing and 58 monthly payments of \$1,063 that commenced September 14, 2014.

At August 31, 2017, a schedule of the future minimum rental payments required under the above is as follows:

Year Ending August 31,	Amount
2018	12,756
2019	<u>10,630</u>
	<u>23,386</u>

*Ongoing debt due  
to lease renewal.*

NOTE 7. FEDERAL AWARD PROGRAMS

The District receives funds under various federal grant programs, and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies, which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND TRANSFERS AND COMMITMENTS OF FUND BALANCES (RESERVES)

The District transferred the following amounts during the year to the following funds for support:

General Fund component transfers as expensed in the General Fund:

School Nutrition Fund	18,195
Activities Fund (an agency fund)	<u>10,813</u>
Interfund transfers	<u>29,008</u>

The District made a commitment of \$120,000 General Fund balance (reserves) to facilitate future capital outlay.

NOTE 9. SUBSEQUENT EVENTS

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through October 18, 2017, the date the financial statements were available to be issued.

Transferred \$40K to lunch  
and \$14,430 in previous  
fiscal year

Preliminary Draft for Internal Use Only!

#### SUPPLEMENTARY INFORMATION



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
GENERAL FUND COMPONENTS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS AND COMBINING SCHEDULE OF ASSETS AND FUND BALANCES - CASH BASIS  
YEAR ENDED AUGUST 31, 2017

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassi- fication	Total
<b>RECEIPTS</b>					
Taxes					
Property	4,989,681				4,989,681
Motor vehicle	207,043				207,043
Carline	17,417				17,417
Public Power District sales tax	149,757				149,757
Interest	4,317	95	22		4,434
Other local sources	21,035				21,035
County fines and license fees	35,623				35,623
State receipts	1,052,105				1,052,105
Federal receipts	201,884				201,884
Other sources	42,360				42,360
<b>Total receipts</b>	<b>6,721,222</b>	<b>95</b>	<b>22</b>		<b>6,721,339</b>
<b>DISBURSEMENTS</b>					
Regular instructional programs	2,529,839				2,529,839
Special education instructional programs	1,167,647				1,167,647
Support services					
Pupils	144,141				144,141
Staff	181,427				181,427
Maintenance and operation of buildings and sites	576,246			(120,000)	456,246
Pupil transportation	200,048				200,048
General and administrative					
General administration	37,823				37,823
School administration	557,064				557,064
Business services	149,426				149,426
State categorical programs	31,292				31,292
Federal programs	235,724				235,724
Debt service					
Principal	35,340				35,340
Interest	506				506
Capital outlay		170,993			170,993
<b>Total disbursements</b>	<b>5,846,523</b>	<b>170,993</b>		<b>(120,000)</b>	<b>5,897,516</b>

\$ 874,699  
Difference

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA

GENERAL FUND COMPONENTS

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS AND COMBINING SCHEDULE OF ASSETS AND FUND BALANCES - CASH BASIS  
YEAR ENDED AUGUST 31, 2017

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassi- fication	Total
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>874,699</u>	<u>(170,898)</u>	<u>22</u>	<u>120,000</u>	<u>823,823</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	7,473	120,000		(120,000)	7,473
Transfers out	<u>(29,008)</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>(29,008)</u>
Total other financing sources (uses)	<u>(21,535)</u>	<u>120,000</u>	<u>          </u>	<u>(120,000)</u>	<u>(21,535)</u>
NET CHANGE IN FUND BALANCES	853,164	(50,898)	22		802,288
FUND BALANCES, beginning of year	<u>2,847,508</u>	<u>67,337</u>	<u>14,772</u>	<u>          </u>	<u>2,929,617</u>
FUND BALANCES, end of year	<u>3,700,672</u>	<u>16,439</u>	<u>14,794</u>	<u>          </u>	<u>3,731,905</u>
ASSETS					
ASSETS					
Cash and certificates of deposit	2,423,267	16,439	14,794		2,454,500
County Treasurer's balances	<u>1,277,405</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>1,277,405</u>
TOTAL ASSETS	<u>3,700,672</u>	<u>16,439</u>	<u>14,794</u>	<u>          </u>	<u>3,731,905</u>
FUND BALANCES					
FUND BALANCES					
Assigned for capital outlays		16,439			16,439
Assigned for employee benefits			14,794		14,794
Assigned for General Fund	686,392				686,392
Unassigned	<u>3,014,280</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>3,014,280</u>
TOTAL FUND BALANCES	<u>3,700,672</u>	<u>16,439</u>	<u>14,794</u>	<u>          </u>	<u>3,731,905</u>

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
**GENERAL FUND**  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Original and Final Budget	2017 Actual	2016 Actual
RECEIPTS			
Local sources			
Taxes			
Property	5,503,812	4,989,681	4,726,568
Motor vehicle	205,000	207,043	199,885
Carline	12,000	17,417	13,863
Public Power District sales tax	150,000	149,757	154,770
Tuition	15,000	20,985	23,375
Other	2,500	50	
Interest		4,317	2,999
Local license fees and fines	2,000		1,500
Total local sources	<u>5,890,312</u>	<u>5,389,250</u>	<u>5,122,960</u>
County sources			
Fines and licenses	30,000	35,623	34,926
Other			7,954
Total county sources	<u>30,000</u>	<u>35,623</u>	<u>42,880</u>
State sources			
State aid			80,128
Special education	400,000	518,185	404,293
Special education transportation	500	8,303	103
Homestead exemption		71,401	52,526
Property tax credit		365,618	324,215
Payments for high-ability learners	5,000	5,215	5,284
Pro-rate motor vehicle	10,000	13,792	13,697
State apportionment	50,000	64,591	63,363
Other state receipts		5,000	
State categorical programs	20,000		37,518
Total state sources	<u>485,500</u>	<u>1,052,105</u>	<u>981,127</u>



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Original and Final Budget	2017 Actual	2016 Actual
RECEIPTS (Continued)			
Federal sources			
Title I, Part A NCLB	50,000	79,066	93,252
Title II, Part A NCLB	20,000	20,820	20,942
IDEA Base		2,284	101,829
Medicaid Administrative Activities	15,000	15,776	20,588
IDEA Enrollment/Poverty	50,000	54,682	58,113
REAP (Small Rural School Achievement Grants)	20,000	22,739	21,772
Other federal programs	65,000	6,517	915
Total federal sources	<u>220,000</u>	<u>201,884</u>	<u>317,411</u>
Nonrevenue receipts			
Insurance adjustments		34,378	3,727
Sale of property	500	6,668	2,959
Other nonrevenue receipts	250	1,314	1,310
Interfund transfers	10,000	7,473	19,978
Total nonrevenue receipts	<u>10,750</u>	<u>49,833</u>	<u>27,974</u>
Total receipts	<u>6,626,062</u>	<u>6,728,695</u>	<u>6,492,352</u>
		+ 236,343	
DISBURSEMENTS			
Regular instructional programs	2,775,000	2,529,839	2,479,201
Special education instructional programs	1,180,000	1,167,647	1,094,946
Support services			
Pupils	165,000	144,141	147,761
Staff	210,000	181,427	186,613
Maintenance and operation of buildings and sites	560,000	576,246	504,130
Pupil transportation	320,000	200,048	230,270
General and administrative			
General administration	65,000	37,823	62,400
School administration	650,000	557,064	549,383
Business services	183,000	149,426	179,327

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Original and Final Budget	2017 Actual	2016 Actual
DISBURSEMENTS (Continued)			
State categorical programs	20,000	31,292	22,578
Federal programs	300,000	235,724	206,034
Debt service	43,053	35,846	43,052
Interfund transfers	55,000	29,008	56,930
Total disbursements	<u>6,526,053</u>	<u>5,875,531</u>	<u>5,762,625</u>
RECEIPTS OVER DISBURSEMENTS		853,164	729,727
FUND BALANCE, beginning of year		<u>2,847,508</u>	<u>2,117,781</u>
FUND BALANCE, end of year		<u>3,700,672</u>	<u>2,847,508</u>

See accompanying notes to budgetary schedules.

\$ 853,164 - This year

\$ 1,582,891 - From 2 years ago

\$ 2,098,609 - From 3 years ago

Wrong - \$ 6,970,962

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
**DEPRECIATION FUND**  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Original and Final Budget	2017 Actual	2016 Actual
RECEIPTS			
Interest		95	113
Transfer from other funds	193,416	120,000	50,000
Total receipts	193,416	120,095	50,113
DISBURSEMENTS			
Capital outlay	209,760	170,993	64,150
RECEIPTS UNDER DISBURSEMENTS		(50,898)	(14,037)
FUND BALANCE, beginning of year		67,337	81,374
FUND BALANCE, end of year		16,439	67,337

See accompanying notes to budgetary schedules.

→ ending balance

→ large transfer due  
to computer refresh  
and van purchase

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
**EMPLOYEE BENEFIT FUND**  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Original and Final Budget	2017 Actual	2016 Actual
RECEIPTS			
Interest	<u>          </u>	<u>22</u>	<u>22</u>
DISBURSEMENTS			
Employee benefit	<u>14,770</u>	<u>          </u>	<u>          </u>
RECEIPTS OVER DISBURSEMENTS		22	22
FUND BALANCE, beginning of year		<u>14,772</u>	<u>14,750</u>
FUND BALANCE, end of year		<u>14,794</u>	<u>14,772</u>

See accompanying notes to budgetary schedules.

*rarely used  
balance carries  
forward! earns  
interest.*



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
**SCHOOL NUTRITION FUND**  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Original and Final Budget	2017 Actual	2016 Actual
<b>RECEIPTS</b>			
Interest	20	18	20
Lunch sales	170,000	133,940	133,779
State sources	2,500	1,474	2,579
Federal sources	140,000	110,414	111,502
Other		865	2,731
Transfers from other funds	25,266	18,195	40,000
Total receipts	337,786	264,906	290,611
<b>DISBURSEMENTS</b>			
Salaries	110,000	108,831	119,704
Employee benefits	40,000	34,941	36,030
Purchased services	2,000	1,659	218
Supplies	18,000	8,190	9,655
Food	175,000	111,255	136,891
Other	5,000	387	403
Total disbursements	350,000	265,263	302,901
<b>RECEIPTS UNDER DISBURSEMENTS</b>		(357)	(12,290)
<b>FUND BALANCE, beginning of year</b>		9,740	22,030
<b>FUND BALANCE, end of year</b>		9,383	9,740

See accompanying notes to budgetary schedules.

Similar ending balance  
great reduction  
in transfers from  
GF - \$20K+

Food cost reduced by  
\$25K

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL

**BOND FUND**

(UNAUDITED)

YEAR ENDED AUGUST 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Original and Final Budget	2017 Actual	2016 Actual
<b>RECEIPTS</b>			
Local sources			
Taxes			
Property	87,675	2,455	30,970
Interest			208
Total local sources	<u>87,675</u>	<u>2,455</u>	<u>31,178</u>
State sources			
Homestead exemption			227
Property tax credit			1,277
Motor vehicle pro-rate		18	233
Total state sources		<u>18</u>	<u>1,737</u>
Other receipts			
Transfers from the General Fund			2,500
Total receipts	<u>87,675</u>	<u>2,473</u>	<u>35,415</u>
<b>DISBURSEMENTS</b>			
Other			413
Principal			175,000
Interest			2,363
Interfund transfers	100,000	7,473	19,978
Total disbursements	<u>100,000</u>	<u>7,473</u>	<u>197,754</u>
<b>RECEIPTS UNDER DISBURSEMENTS</b>		(5,000)	(162,339)
<b>FUND BALANCE, beginning of year</b>		<u>5,000</u>	<u>167,339</u>
<b>FUND BALANCE, end of year</b>			<u>5,000</u>

See accompanying notes to budgetary schedules.

*total "back taxes"  
collected 16-17*

*transferred to GF*

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
**SPECIAL BUILDING FUND**  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Original and Final Budget	2017 Actual	2016 Actual
<b>RECEIPTS</b>			
Local sources			
Taxes	150,400	150,025	198,848
Interest	1,200	2,189	1,267
Other local receipts		17,316	7,000
Total local sources	<u>151,600</u>	<u>169,530</u>	<u>207,115</u>
State sources			
Homestead exemption		1,946	2,237
Property tax credit		9,965	13,820
Pro-rate motor vehicle	300	431	477
Total state sources	<u>300</u>	<u>12,342</u>	<u>16,534</u>
Total receipts	<u>151,900</u>	<u>181,872</u>	<u>223,649</u>
<b>DISBURSEMENTS</b>			
Capital outlay	459,601	225,398	151,741
Other expenses		23	
Total disbursements	<u>459,601</u>	<u>225,421</u>	<u>151,741</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		(43,549)	71,908
FUND BALANCE, beginning of year		<u>358,442</u>	<u>286,534</u>
FUND BALANCE, end of year		<u>314,893</u>	<u>358,442</u>

See accompanying notes to budgetary schedules.

*total spent*  
\$ 431,277 - allowed to  
spend in  
2017-18

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
**QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND**  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2016)

	Original and Final Budget	2017 Actual	2016 Actual
<b>RECEIPTS</b>			
Local sources			
Taxes	110,583	104,722	106,584
Interest		803	866
Total local sources	<u>110,583</u>	<u>105,525</u>	<u>107,450</u>
State sources			
Homestead exemption		1,435	1,152
Property tax credit		7,346	7,109
Pro-rate motor vehicle		285	293
Total state sources		<u>9,066</u>	<u>8,554</u>
Total receipts	<u>110,583</u>	<u>114,591</u>	<u>116,004</u>
<b>DISBURSEMENTS</b>			
Capital outlay	161,317		51,641
Principal	100,000	100,000	100,000
Interest	10,583	9,942	11,054
Other expenses	2,000		950
Total disbursements	<u>273,900</u>	<u>109,942</u>	<u>163,645</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		4,649	(47,641)
FUND BALANCE, beginning of year		<u>190,549</u>	<u>238,190</u>
FUND BALANCE, end of year		<u>195,198</u>	<u>190,549</u>

See accompanying notes to budgetary schedules.

\* \$112,500 to be spent  
2017-18 on bond repayment  
Bonds scheduled to be paid  
of in Dec 2021.



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
NOTES TO BUDGETARY SCHEDULES

NOTE 1. SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

Basis of Accounting

The accompanying schedules of receipts, disbursements, and changes in fund balance - cash basis - budget and actual are presented on the cash basis of accounting. This basis is consistent with the basis of accounting used in preparing the basic financial statements. All unexpended appropriations lapse at the end of the budget year.

Budget Law

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. The General Fund is also subject to a total non-special education expenditure limit. Appropriations for expenditures lapse at year-end. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

Comparative Data

Comparative data for the prior year have been presented in the budgetary schedules in order to provide an understanding of the changes in the District's financial position and operation (cash basis).

Reconciliation

The Nebraska Department of Education requires separate budgets for those funds considered as General Fund components for budget purposes.

A reconciliation of the General Fund financial reporting basis to the budgetary basis is as follows:

Receipts over disbursements - financial reporting basis	
General Fund	<u>802,288</u>
Receipts over (under) disbursements - budgetary basis	
General Fund	853,164
Depreciation Fund	(50,898)
Employee Benefit Fund	22
	<u>802,288</u>

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017

How much stuff  
cost...

DISBURSEMENTS

Regular Instructional Programs

Salary - teachers	1,628,381
Salary - substitutes	44,300
Salary - clerical and paraprofessional staff	20,192
Employee benefits	659,698
Purchased services	18,427
Distance education and telecommunications	14,650
Supplies and materials	109,549
Textbooks	18,516
Other expenses	16,126
Total regular instructional programs	<u>2,529,839</u>

Special Education Instructional Programs

Salary - teachers	391,994
Salary - substitutes	7,734
Salary - clerical and paraprofessional staff	222,331
Employee benefits	216,146
Purchased services	276,219
Tuition paid to other districts (regular education) - secondary	48,411
Supplies and materials	4,587
Other expenses	225
Total special education instructional programs	<u>1,167,647</u>

Total regular instructional programs and  
special education instructional programs

3,697,486

Support Services - Pupils

Salary - professional staff	90,452
Salary - clerical and paraprofessional staff	15,273
Employee benefits	35,259
Purchased services	260
Supplies and materials	2,757
Other expenses	140
Total support services - pupils	<u>144,141</u>

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017

DISBURSEMENTS (Continued)

Support Services - Staff

Salary - professional staff	116,528
Salary - substitutes	1,650
Employee benefits	45,469
Purchased services	6,449
Supplies and materials	9,151
Other expenses	2,180
Total support services - staff	<u>181,427</u>

Support Services - General Administration

Purchased services	6,290
Accounting and auditing services	5,800
Legal services	8,816
Liability insurance	196
Supplies and materials	2,555
Other expenses	14,166
Total support services - general administration	<u>37,823</u>

Support Services - School Administration

Salary - professional staff	322,284
Salary - substitutes	1,661
Salary - clerical staff	84,556
Employee benefits	140,186
Supplies and materials	2,177
Other expenses	6,200
Total support services - school administration	<u>557,064</u>

Support Services - Business Services

Salary - clerical staff	84,155
Employee benefits	41,788
Purchased services	6,803
Distance education and telecommunications	9,366
Supplies and materials	7,164
Other expenses	150
Total support services - business services	<u>149,426</u>



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017

DISBURSEMENTS (Continued)

Support Services - Maintenance and Operation of Buildings and Sites	
Salary - clerical staff	176,594
Employee benefits	74,262
Purchased services	184,613
Supplies and materials	20,679
Capital outlay (new and replacement)	120,000
Other expenses	98
Total support services - maintenance and operation of buildings and sites	<u>576,246</u>
Support Services - Pupil Transportation	
Regular Pupil Transportation	
Salary - clerical staff and drivers	99,046
Employee benefits	11,032
Purchased services	81,655
Other expenses	1,056
Total regular pupil transportation	<u>192,789</u>
Special Education Pupil Transportation	
Salary - clerical staff and drivers	2,376
Employee benefits	457
Purchased services	4,426
Total special education pupil transportation	<u>7,259</u>
Total pupil transportation	<u>200,048</u>
State Categorical Programs	
Salary - professional staff	14,991
Employee benefits	2,173
Supplies and materials	10,150
Other expenses	3,978
Total state categorical programs	<u>31,292</u>

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017

DISBURSEMENTS (Continued)

Federal Programs

Title I, NCLB

Salary - professional staff	43,626
Employee benefits	20,095
Supplies and materials	9,790
Total Title I, NCLB	<u>73,511</u>

Title II, Part A NCLB

Salary - professional staff	18,299
Employee benefits	8,990
Total Title II, Part A NCLB	<u>27,289</u>

IDEA Part B, Birth to Age Four

Salary - professional staff	22,566
Salary - clerical staff	11,895
Employee benefits	12,895
Total IDEA Part B, Birth to Age Four	<u>47,356</u>

IDEA Preschool

Salary - professional staff	2,329
Employee benefits	213
Total IDEA Preschool	<u>2,542</u>

IDEA Enrollment/Poverty

Purchased services	<u>60,540</u>
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Carl Perkins

Salary - professional staff	1,350
Employee benefits	397
Total Carl Perkins	<u>1,747</u>

REAP

Salary - professional staff	15,252
Employee benefits	7,487
Total REAP	<u>22,739</u>

Total federal programs	<u>235,724</u>
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RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017

DISBURSEMENTS (Continued)

Debt Services

Repayment of principal	35,340
Repayment of interest	506
Total debt services	<u>35,846</u>

Transfers

Transfers to the School Nutrition Fund	18,195
Transfers to the Activities Fund	10,813
Total transfers	<u>29,008</u>

TOTAL DISBURSEMENTS

5,875,531

Preliminary Draft for Internal Use Only!

Total budgeted  
was \$6,970,276  
\$1,095,431 of  
budget was not  
spent.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
**ACTIVITIES FUND**  
SCHEDULE OF CHANGES IN CASH BALANCES  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017

	Balance 9/1/16	Receipts	Disburse- ments	Balance 8/31/17
ACCADECCA	3,224	535	1,130	2,629
Yearbook	3,769	3,380	4,068	3,081
Athletics	891	97,823	96,349	2,365
Band Instruments	1,051	252		1,303
Bluejay Trap Team	8,031	4,878	12,909	
Boy's Basketball	120	9,753	8,811	1,062
Boy's Golf		595	431	164
Cheerleaders	1	16,140	15,723	418
Circle of Friends	5	2,100	1,879	226
Class of 2016	(1)	1		
Class of 2017	930	457	1,094	293
Class of 2018	2,909	2,955	3,645	2,219
Class of 2019	2,512	2,724		5,236
Class of 2020	923	2,163	613	2,473
Class of 2021	584	1,519		2,103
Class of 2022		152		152
Club Volleyball	6,013		6,013	
Computers	2,363	281	450	2,194
Cross Country	5,003	2,974	5,267	2,710
Dance Team	60	6,478	6,538	
Drama/Plays	975	2,673	2,105	1,543
Elementary Fund	9,889	5,241	4,723	10,407
FBLA	7,462	2,171	4,934	4,699
FCCLA	21			21
FFA	13,156	28,678	17,976	23,858
Fine Arts	995	6,473	6,192	1,276
Flag Corp	483	1,322	1,633	172
Football	4,635	6,950	7,296	4,289
General Flo Thru	6,442	8,456	7,046	7,852
Girl's Basketball	656	12,602	10,604	2,654
Girl's Golf	379	284	417	246
Graduates' Reserve	5,943		150	5,793
Guidance	345	1,866	1,708	503
Independent Living	374			374
Industrial Arts	1,315			1,315

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
ACTIVITIES FUND  
SCHEDULE OF CHANGES IN CASH BALANCES  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2017

	Balance 9/1/16	Receipts	Disburse- ments	Balance 8/31/17
Insurance	13,874		13,874	
Interest Income	141	361	483	19
Jeans	1,699	1,100	1,500	1,299
Jr. High Volleyball	77	300	300	77
Kid's Wrestling	2,096	4,302	3,379	3,019
Library/AR	60	40		100
Life Skills	1,805	510	310	2,005
NHS	590	200	200	590
Playground Equipment	3,177			3,177
RHS Foundation	1,990	300	261	2,029
Robotics	8,174	6,472	2,178	12,468
Science		203	203	
Skills USA	1,443	724	336	1,831
Special Olympics	909	200		1,109
Speech	116			116
Star	1,568	1,812	1,611	1,769
Student Assist	1,364	1,127	775	1,716
Student Council	1,164		377	787
TAK	3,742	475	926	3,291
Track	2,966	3,514	3,484	2,996
Volleyball	2,217	15,223	16,251	1,189
Youth Center	8,650	5,423	9,302	4,771
<b>TOTAL ACTIVITIES FUND</b>	<u>149,280</u>	<u>274,162</u>	<u>285,454</u>	<u>137,988</u>
<b>BUDGET</b>		<u>257,059</u>	<u>400,000</u>	



**DANA F. COLE  
& COMPANY<sup>LLP</sup>**  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Education  
Ravenna Public Schools District No. 69  
Ravenna, 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 financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Ravenna Public Schools District No. 69, Ravenna, Nebraska, as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise Ravenna Public Schools District No. 69, Ravenna, Nebraska's basic financial statements, and have issued our report thereon dated October 18, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Ravenna Public Schools District No. 69, Ravenna, Nebraska'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 Ravenna Public Schools District No. 69, Ravenna, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of Ravenna Public Schools District No. 69, Ravenna, Nebraska'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 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 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 in the accompanying schedule of findings and responses, that we consider to be significant deficiencies as items 2017-001 and 2017-002.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ravenna Public Schools District No. 69, Ravenna, Nebraska's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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*.

## Ravenna Public Schools District No. 69, Ravenna, Nebraska's Responses to Findings

Ravenna Public Schools District No. 69, Ravenna, Nebraska's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Ravenna Public Schools District No. 69, Ravenna, Nebraska's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

## 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.

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Ord, Nebraska  
October 18, 2017



RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED AUGUST 31, 2017

2017-001 SEGREGATION OF DUTIES

Criteria

Internal controls should be in place to ensure proper segregation of duties.

Condition

The District has a limited number of personnel involved in the accounting function, thus limiting its internal control procedures. The District has implemented some mitigating controls, and the present system seems to be operating as understood by all parties involved.

Cause

The District has a limited number of personnel involved in the accounting functions.

Potential Effect

Inadequate segregation of duties could lead to the misappropriation of assets or improper reporting.

Recommendation

We recommend that the District continue to monitor and evaluate its internal controls with the use of limited personnel and to provide as much segregation of duties as determined to be feasible within its operations.

District's Response

The cost to the District for additional staff to segregate accounting functions would be prohibitive. Measures have been put in place to segregate as many duties as possible.

2017-002 ESTABLISH INTERNAL CONTROL OVER FINANCIAL STATEMENT PREPARATION AND REVIEW

Criteria

As described in our engagement letter, management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of financial statements, including the notes to the financial statements, in conformity with the cash basis of accounting.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED AUGUST 31, 2017

2017-002 ESTABLISH INTERNAL CONTROL OVER FINANCIAL STATEMENT PREPARATION AND REVIEW  
(Continued)

Condition

Management is responsible for establishing and maintaining internal control and for the fair presentation of the financial statements, supplementary information, and disclosures in the financial statements in conformity with the cash basis of accounting. The District does not have a system of internal control that would provide management with reasonable assurance that the District financial statements and related disclosures are complete and presented in accordance with the cash basis of accounting. As such, management requested us to compile the trial balance from the general ledger and prepare a draft of the financial statements, including the related note disclosures.

Cause

Management does not prepare the financial statements in accordance with the cash basis of accounting.

Potential Effect

The potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the District's internal control.

Recommendation

We recommend that the District review and approve the proposed auditor adjusting entries and the adequacy of financial statement disclosures prepared by the auditors and apply analytic procedures to the draft financial statements, among other procedures as considered necessary by management.

District's Response

The District relies on the auditor to propose adjustments necessary to prepare the financial statements, including the related note disclosures. The District reviews such financial statements and approves all adjustments.

RAVENNA PUBLIC SCHOOLS DISTRICT NO. 69  
RAVENNA, NEBRASKA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2017

2016-001 SEGREGATION OF DUTIES

The District had a limited number of personnel involved in the accounting function, thus limiting its internal control procedures. The District implemented some mitigating controls in certain areas. We recommended that the District continue to monitor and evaluate its internal controls with the use of limited personnel to provide as much segregation of duties as feasible. This is a continuing finding, as noted in the schedule of findings and responses as item 2017-001, and is considered to be a significant deficiency for the year ended August 31, 2017.

2016-002 ESTABLISH INTERNAL CONTROL OVER FINANCIAL STATEMENT PREPARATION AND REVIEW

Management did not possess the ability to prepare financial statements in accordance with the cash basis of accounting. The preparation of financial statements under this basis of accounting requires that management possess the ability to properly record and classify transactions in a general ledger, reconcile all accounts, measure and record needed adjustments to the accounts, and prepare the financial statements and related disclosures without the assistance from the auditors. We recommended that the District review and approve the proposed auditor adjusting entries and the adequacy of financial statement disclosures prepared by the auditors and apply analytic procedures to the draft financial statements, among other procedures as considered necessary by management. This is a continuing finding, as noted in the schedule of findings and responses as item 2017-002, and is considered to be a significant deficiency for the year ended August 31, 2017.

2016-003 BOND FUND BUDGET

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. The District had expenditures in the Bond Fund of \$197,754, which exceeded the authorized budgeted amount of \$180,276. Management did not review actual disbursements spent versus the budgeted amounts and take action to amend the budget. The District was not in compliance with budgetary regulations.

We recommended that management amend the budget document when funds are expended in excess of the appropriated disbursements for that fund prior to year-end. The District will compare and review budgeted receipts and disbursements and amend the budget document in future years, if required.