

2013/4 Annual Financial Report and District Audit Instructions

November 1, 2014:

- **2013/14 AFR Submission due date**
- Submission of the 2013/14 AFR is considered complete when:
 - ✓ The AFR spreadsheet has been uploaded into the AFR Online System.
 - ✓ Narratives (2013/14 Poverty Programs, 2013/14 Limited English Proficiency Programs and 2013/14 ARRA Funds) have been completed through the AFR Online System.

November 5, 2014:

- **2013/14 School District Audit due date**
- Audits may be submitted via email as a *pdf* document to nde.sfos@nebraska.gov
- File names of audits must include the six digit county district number (i.e.55-0001)

January 31, 2015:

- **Auditor's Letter to Management and the School District Response due date**
- School Districts are required to respond to any compliance issue addressed in the school district 2013/14 audit or in the Auditor's Letter to Management (NDE Rule 1, 003.05)
- School district response will include an explanation of how the school has corrected the issues or how the school plans to resolve those concerns.
- The school district audit can include the school district response to compliance issues found in the audit or in Letter to Management. If all compliance issues are addressed in a separate schedule in the audit, this requirement is considered met and no other documentation is needed.

DEADLINES ARE DEADLINES!

- Like other NDE submissions, deadlines for submission of the AFR and School District Audits will be closely followed by NDE.
- On *November 4*, the process to withhold district funds (State Aid and property taxes) will start for those schools which have not submitted their AFR to NDE through the AFR Online System by the November 1 due date.

Completing 2013/14 Annual Financial Report Spreadsheet

The Annual Financial Report is a Microsoft Excel Spreadsheet and has been designed for use on a PC. *There may be difficulties saving information, printing, and opening the AFR spreadsheet when completed on a Mac.*

Downloading the *AFR Spreadsheet (1314AFR.xls)* and *narrative questions* from the Annual Financial Report Website:

- Available to download from the Annual Financial Report Website at:
<http://www.education.ne.gov/FOS/SchoolFinance/AFR/Index.html>

Use the following sources to complete your Annual Financial Report:

- School district's financial records and 2013/14 school district audit.
- NDE Audit Confirmation web page for verification of payment amounts (available mid-September):
<http://www.education.ne.gov/FOS/ADSS/AuditConfirmation/AuditConfirmation.aspx>
- 2013/14 Average Daily Attendance (ADA) and Average Daily Membership (ADM) Lookup System (available mid-September):
<http://www.education.ne.gov/FOS/ASPX/Search.aspx?id=12>
- Refer to the NDE 2014 Users' Manual for confirmation of receipt/disbursement codes.
 - See the Summary Page of the Users' Manual to see any coding changes.
- 2013/14 Indirect Cost Rates for completing information on the School Lunch Fund:
<http://www.education.ne.gov/FOS/ASPX/IndirectCost/Default.aspx>

Specific Coding Information

- **New General Fund Coding**
 - **Function 2900 Early Retirements or Terminations (formerly Object Code 284)** Collects the district's **total** expenditures for early retirements or terminations. Prior to the 2013/14 year, object code 284 was included in General Fund individual functions to record these costs.
 - Do not include any expenses for voluntary terminations for which the district utilized as General Fund expenditure exclusions.
 - Do not include any early retirements paid out during the first year of a district reorganization or merger. These expenses should be coded as 01-2-02200-281 Retirement Incentive Plan.
 - **Function 2905 Voluntary Terminations (formerly Object Code 285)** Collects the district's **total** expenditures for costs related to voluntary termination agreements for certificated staff. Prior to the 2013/14 year, object code 285 was included in General Fund individual functions to record these costs.
 - Include expenses for voluntary terminations for which the district utilized as General Fund expenditure exclusions.
 - Record amounts paid for voluntary terminations in place prior to July 1, 2009 and after the last day of the 2010/11 school year
- **New Lunch Fund Coding**
 - **06-2-95000-000 Non-Restricted Indirect Cost Rate** Collects the Non-Restricted Indirect Cost rate used to calculate indirect cost rate on the district's school lunch/food program. The rate reported can be less but cannot be more than the non-restricted indirect cost rate certified by NDE. The district's 2013/14 Non-Restricted Indirect Cost certified by NDE can be found at <http://www.education.ne.gov/FOS/ASPX/IndirectCost/Default.aspx>
 - **06-2-02100-695 Indirect Costs** reports the total of Indirect Costs expensed to the General Fund. This figure is calculated by adding the following lunch fund object codes (listed below) and multiplying by the Non-Restricted Indirect Cost Rate recorded on line 06-2-95000-000.

110 Salary – Professional Staff	140 Salary – Clerical and Cooks
200 Employee Benefits	600 Other Expenses
400 Supplies and Materials (excluding food)	

- Flex-Funding School Age Support Services:
 - Reduce School Age Special Education reimbursements (3120) received in 2013/14 by the amount identified as Flex-Funding School Age Support Services (3166).
 - A complete listing of district specific amounts can be found on the Finance and Organizational Services website (available in August) <http://www.education.ne.gov/FOS/SchoolFinance/AFR/Index.html>
 - Not all districts are impacted so verify whether your district is included on the list.

- Object codes 317 (Legal expenses) and 314 (Lobbyist fees) should be recorded in any of the following disbursement functions:
 - Function 2310 — Board of Education
 - Function 2320 — Executive Administration Services
 - Function 2510 — General Administration – Business Services

- Retirement contributions must be recorded in two object codes:
 - Object code 220 – record the amount equal to 7.35% of salaries subject to retirement
 - Object code 221 – record the **difference** between 7.35% and 9.88% of the salaries subject to retirement.

- Show negative amounts or balances in parentheses.

- Report *Bonds Outstanding At End of Year*, Line 99200 in the Bond Fund and the Qualified Capital Purpose Undertaking Fund

- Report *Total Staff Development Disbursements* on Page 6, Line 99500.
 - This is not a sub-total of any function. It is an estimated amount and may include expenditures related to staff development, substitute pay, mileage, workshop fees. etc.

For more information, please contact:

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