

## 2022/23 Annual Financial Report & Audit Timelines and Instructions

### November 1, 2023 – AFR Filing Deadline

- Submission of the 2022/23 AFR is considered complete when:
  - The AFR csv flat file has been uploaded into the AFR Online System.
    - AFR Online Submission Instructions are available on the AFR homepage:  
<https://www.education.ne.gov/fos/annual-financial-report-school-district/>
  - All verifications and error/warning messages have been addressed or approved.
  - The “Approve AFR” button has been clicked which officially submits the data to NDE.
- AFRs not submitted by November 1st will be considered not meeting the AFR Deadline.
  - *NDE will initiate the process to withhold all local funds and State Aid Payments for districts submitted after November 1.*

### IMPORTANT SUBMISSION NOTES:

Reports generated by the AFR Online System can be used for checking accuracy in the AFR. See Step 5: Reports in the AFR Online Submission Instructions.

- AFR Summary Report
  - Used to compare information to the District’s year end audit. Information in the AFR Summary must match before District approves the AFR submission.
  - During the NDE Audit Review, this report will be compared to the district audit. If discrepancies are found District will be notified and have 48 hours to correct and resubmit AFR.
- Revenue and Disbursement Reports – multiple
  - Reports by Fund, at the district level and school level. At least 50% of total expenditures must be coded to the school levels.
- Per Pupil Reports
  - Costs displayed by District and School Level
  - NEP Report – Local school boards and patrons are very interested in these figures.
  - Major differences from year to year should be closely evaluated to identify potential coding issues
- SPED Comparison Report for Maintenance of Effort
  - Compares SPED Related Expenditures from prior year to current year submission. The intent of the report is to help identify possible MOE issues that should be corrected before submission of the AFR, thereby avoiding the need to amend the AFR in the future.
  - Report calculates an *estimate* of the SPED reimbursement to be paid in the upcoming school year. \*\*\*calculation updated with new 80% reimbursement rate\*\*\*

### November 6, 2023 - Audit Filing Deadline

- The final Audit must be uploaded via the NDE Portal to the “Annual Financial Report 2022/23” Data Collection at: <https://portal.education.ne.gov/>
  - *Emailed or mailed copies will not be accepted.*
- District audits must also include the Attendance Testing Letter from their auditor that district ADM and ADA has been verified.
  - NDE Rule 1 - 003.03
- File names of audits **must** include the six digit county district number and school name in this format, example: 99-0001 Huskerland Public Schools
- Submit audit to the Auditors of Public Accounts website at: <https://www.nebraska.gov/auditor/FileUpload/index.cgi?audit=1>

### January 31, 2024– Auditor’s Letter to Management & District Response Due

- Districts are required to respond to any compliance issue addressed in the district audit or in the Auditor’s Letter to Management (NDE Rule 1 – 003.05)
- The district response must include an explanation of how the district administration has corrected the issues or the plans put in place to resolve those concerns for the future.
- The district audit can include a schedule that lists out the compliance issues along with the district response.
- **If all compliance issues are addressed with a district response within the audit, this requirement is considered met and no other action is required.**
  - Districts can request this from the audit firm to be include as a schedule in the audit.

### Additional Resources

- The AFR Test Upload site closes once the AFR Collection opens in the Portal. Districts now must utilize the AFR collection to verify codes and any other uploading issues moving through the submission process.
- Use the following sources to complete the AFR, located at: <https://www.education.ne.gov/fos/annual-financial-report-school-district/>
  - AFR Online Submission Instructions
  - 2022/23 NDE Users’ Manual (See Summary of Changes for new coding changes)
  - 2022/23 Master Account Code List
  - District financial records
  - 2022/23 District Audit
  - NDE Audit Confirmation webpage to verify payment account available at: <https://www.education.ne.gov/fos/payment-information/>

### Specific Coding Reminders

- 3131 Property Tax Credit
  - Each district must report the amounts received as Property Tax Credit
- 3134 Personal Property Tax Credit – Railroads and Public Service Entities
- Negative Federal Program transactions will create a warning that must be approved by the district.

- Object Codes 395 & 396 Sub-Awards/Sub-Contracts. These Object Codes only apply to Federal Program disbursements.
  - o **395 Sub-Awards/Sub-Contracts** - \$25,000 or less: Amounts paid for a contract to perform programmatic work for federal program grant awards. Report amounts **up to \$25,000** in Object Code 395. The first \$25,000 paid out goes in object code 395 - amounts over the initial \$25,000 are reported into object code 396.
  - o **396 Sub-Awards/Sub-Contracts** – *In excess of \$25,000*. Amounts paid for a contract to perform programmatic work for federal program grant **that exceeds \$25,000**.
    - *For example: District contracts out programmatic work for a Title I Grant in the amount of \$35,000. \$25,000 is coded to object code 395; \$10,000 is coded to object code 396.*
- Flex-Funding School Age Support Services - 01-1-03166-000. *Not all districts are impacted so verify whether your district is included on the list.*
  - o A complete listing of district specific amounts (“Flex-Funding School Age Support Services”) can be found on the Finance & Organization Services Website at: <http://www.education.ne.gov/FOS/SchoolFinance/AFR/Index.html>
  - o Reduce School Age Special Education reimbursements (01-1-03210-000) received by the amount identified as Flex-Funding School Age Support Services (01-1-03166-000)
- District Legal Services Function Code – 01-2-02330-000
  - o All legal expenses are accounted for in the function code 01-2-02330-000
  - o Contracted Legal Services is only coded in function code 2330
  - o Lobbyist Fees (Object Code 314) must be reported in one of the following disbursement functions:
    - Executive Administration 01-2-02320-000
    - District Legal Services 01-2-02330-000
- Voluntary Termination Agreements – Object Code 238
  - o If district requested an expenditure exclusion for voluntary terminations, those expenditures should be coded to Object Code 238.
- Increased retirement contributions. *Report amounts even if the district did not utilize the Increased Retirement Contributions Expenditure Exclusion.*
  - o Record these costs between two object codes:
    - 23x – the amount equal to the 7.35% of salaries subject to retirement
    - 237 – the difference between 7.35% and 9.88% of the salaries subject to retirement
    - 237 now appears in Federal Program disbursements
- If necessary, show negative amounts or balances in parentheses. Negative amounts in Federal Programs are not permitted.

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