

2010/11 Annual Financial Report & School District Audit Guidelines

New AFR Information

- A summary of new codes and coding changes has been included in this document and also appears in the 2011 Users' Manual.
- Object codes 317 (Legal expenses) and 314 (Lobbyist Fees) can 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 8.36% of the salaries subject to retirement.
- Voluntary terminations must be recorded based on the date of voluntary termination agreements:
 - *Object code 285* – record the amount paid for voluntary terminations in place (a) prior to July 1, 2009 and (b) on or after the last day of the 2010/11 school year.
 - *Object code 284* – record early retirement or voluntary terminations not classified under Object code 281 or 285.
 - *Object code 281* – used **only** for expenditures for payments to employees leaving or retiring from a school district when two or more school districts reorganize or unify.
- General Fund IDEA Disbursements must equal or exceed IDEA Receipts. (*This includes ARRA IDEA Disbursements or Receipts. Revised 9/14/11.*)
 - *The total of the following IDEA Disbursements:*
 - 4402 IDEA Part B (611) Base Allocation
 - 4403 IDEA Part B (611) Base Allocation – School Age
 - 4404 IDEA Part B (611) Base Allocation – Birth through Age Four
 - 4406 IDEA Preschool (619) Base Allocation/IDEA Enrollment/Poverty (619) Allocation
 - 4407 IDEA Preschool (619) Base Allocation Transportation
 - 4409 IDEA Enrollment/Poverty (619)
 - 4410 IDEA Enrollment/Poverty (611)
 - 4411 IDEA Part B Early Intervening Services
 - 4412 IDEA Part B Proportionate Share
 - 4611 ARRA: IDEA Part B Early Intervening Services
 - 4612 ARRA: IDEA Part B Proportionate Share
 - 4630 ARRA: IDEA Preschool (619) Enrollment/Poverty

- *Must equal or exceed the total of the following IDEA Receipts:*
 - 4410 IDEA Part B Special Education
 - 4404 IDEA Part B (611) Base Allocation – Birth through Age Four
 - 4406 IDEA Preschool (619) Base Allocation/ IDEA Enrollment/Poverty (619) Allocation
 - 4410 IDEA Enrollment/Poverty
 - 4411 IDEA Part B Early Intervening Services
 - 4412 IDEA Part B Proportionate Share
 - 4610 IDEA Part B (611) Enrollment Poverty
 - 4611 IDEA: Part B Early Intervening Services
 - 4611 IDEA: Preschool (619) Enrollment /Poverty

General Information about the 2010/11 AFR

Use the following sources to complete your Annual Financial Report:

- School district's financial records.
- 2010/11 school district Audit.
- 2010/11 Average Daily Attendance (ADA) and Average Daily Membership (ADM) Lookup System
<http://www.education.ne.gov/FOS/ASPX/Search.aspx?id=12>
- NDE Audit Confirmation web page for verification of payment amounts
<http://www.education.ne.gov/FOS/ADSS/AuditConfirmation/AuditConfirmation.aspx>

Refer to the NDE 2011 Users' Manual for confirmation of receipt and disbursement codes when there are questions about coding.

<http://www.education.ne.gov/FOS/SchoolFinance/AFR/Downloads/1011/11UsersManual.pdf>

Show negative amounts or balances in parentheses.

Report *Bonds Outstanding At End of Year*, Line 99200 in following funds:

- Bond Fund
- Qualified Capital Purposed Undertaking Fund

Report *Total Staff Development Disbursements on Page 6*, Line 99500.

This is not a subtotal of any function. Include expenditures that are related to staff development. Examples of these Expenditures:

- Workshop registration and materials costs
- Substitute teacher costs
- Mileage and associated costs
- Teacher Time and stipends
- Presenter Fees

Completing 2010/11 Annual Financial Report Spreadsheet

2010/11 Annual Financial Report is a Microsoft Excel Spreadsheet

- Designed for use on a PC. *There may be difficulties saving information, printing, and opening the AFR spreadsheet when completed on a Mac.*
- Available to download from the Annual Financial Report Website at:
<http://www.education.ne.gov/FOS/SchoolFinance/AFR/Index.html>

Downloading the Spreadsheet from the Annual Financial Report Website:

- Click on the link [2010/11 AFR Spreadsheet \(Excel file\)](#) to download.
- Follow your program, operating system, or computer system instructions to download the file and save to your hard drive with an **.xls extension**.
- After opening the AFR spreadsheet file, a Security Warning appears inquiring about macros. Click “*Enable Macros*” then click “*okay*”.

AFR Submission Information:

- All districts are required to file the 2010/11 Annual Financial Report (AFR) through the AFR Online System in the NDE Portal. Notarized signatures are not necessary for submission.
- Report receipts and expenditures for ARRA Funds that were received/expended by school districts during the 2010/11 school year on the AFR Supplement – ARRA Receipts and ARRA Disbursements.
- The deadline to complete this submission is November 1, 2011.
- Submission of the 2010/11 Annual Financial Report is considered **complete** when the AFR spreadsheet has been uploaded and the narratives (2010/11 Poverty Programs, 2010/11 Limited English Proficiency Programs and 2010/11 ARRA Funds) have been completed through the AFR Online System.
- Based on information provided on the AFR, the AFR Online System will generate the appropriate narratives for the district. Narrative information is keyed directly into the AFR Online System.
- The AFR Online System runs the AFR spreadsheet through a series of checks (verifications and validations) to assure that the AFR does not include information that is incomplete or incorrect. The following briefly describes the AFR upload process:
 - Download the 2010/11 AFR Spreadsheet at:
<http://www.education.ne.gov/FOS/SchoolFinance/AFR/Index.html>
 - Enter 2010/11 district information onto front cover of the AFR spreadsheet and save to local hard drive with an **.xls extension**.
 - Obtain a district activation code in the NDE Portal to access the AFR Online System through the Portal.
 - Proceed to the AFR Online System Home Page to view the steps for uploading the completed AFR spreadsheet.
 - After an AFR spreadsheet is uploaded into the AFR Online System, verification and validation messages are generated which describes information that needs to be addressed and how to make corrections.
 - If changes have been made to the AFR spreadsheet, upload the spreadsheet again through the AFR Online System.
 - After the AFR spreadsheet has been re-uploaded into the AFR Online System and all validations have been addressed completely, complete the narratives required for the district (2010/11 Poverty Programs, the 2010/11 Limited English Proficiency Programs and the 2010/11 ARRA Funds).

- The AFR Online System will display an “Approve” button. This button indicates that the AFR spreadsheet has completed the series of verification and validations, the narratives have been completed and the district approves the AFR spreadsheet to submit the data to NDE.
- After submission of the AFR spreadsheet is complete, a link appears to print a copy of the AFR spreadsheet (as submitted) for district files.

General Information about the 2010/11 School District Audit

- School District Audit is due on or before November 5, 2011
 - File school district Audit with the Nebraska Department of Education and the Auditor of Public Accounts.
 - NDE **prefers** audits submitted via email as a pdf document. Submit to nde.sfos@nebraska.gov.
 - Please include the six digit county district number in each file name (*example: 55-0001*).
 - *If you do submit hard copies of the audit, please submit the audit **without** covers or binding.*
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Auditor’s Letter to Management and the School District’s Response

- School districts are required to respond to **any** compliance issue addressed in the school district Audit **or** in the auditor’s Letter to Management. (NDE Rule 1, 003.05)
- School district responses will include an explanation of how the school has corrected or how the school plans to resolve those concerns.
- Submit copies of auditor’s Letter to Management (if provided by auditor) **and** school district response to the items the Letter to Management to Nebraska Department of Education on or before January 31, 2012.

For more information, please contact:

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SUMMARY OF CHANGES FROM THE 2010 USERS' MANUAL

Note: New functions and object codes are indicated in the **shaded rows**.
Revised language in functions has been underlined.

Page	Code	RECEIPT FUNCTIONS: Description of Change
14	3133	<u>New Function:</u> NAMEPLATE CAPACITY TAX Funds appropriated by the state and distributed by the county treasurer for personal property directly used in wind energy generation
	4400	<u>Deleted Function:</u> IDEA SPECIAL EDUCATION Funds received for special education services.
16	4404	<u>Added/deleted Language:</u> IDEA PART B (611) BASE ALLOCATION Part B LEA flow-through funds received for special education services <u>[IDEA Part B (611) Base receipts must be recorded here; disbursements must be recorded in any of the following functions: 4402, 4403, 4404]</u>
16	4406	<u>Added Language:</u> IDEA PRESCHOOL(619) BASE/IDEA ENROLLMENT/POVERTY (619) ALLOCATION IDEA preschool LEA Flow-through funds received for special education services for children ages three and four only. <u>[IDEA Preschool (619) Base and IDEA Enrollment/Poverty (619) disbursements must be recorded in any of the following functions: 4406, 4407, 4409]</u>
16	4412	<u>New Function:</u> IDEA PART B PROPORTIONATE SHARE Part B LEA flow-through funds received for special education services of parentally placed nonpublic children with disabilities ages three to twenty-one.
33	4580	<u>New Function:</u> EDUCATION JOBS FUND PROGRAM (ED JOBS) Funds to pay salary, benefits and other expenses for LEA staff who are directly involved in educational and related services for early childhood, elementary, and secondary education. (General administrative expenses such as superintendent and other central office salaries and benefits are not allowed.)

Page	Code	DISBURSEMENT FUNCTIONS: Description of Change
	4400	<u>Deleted Function:</u> IDEA SPECIAL EDUCATION Used to identify IDEA expenditures for special education services.
23	4402	<u>Deleted Language:</u> IDEA PART B (611) BASE ALLOCATION TRANSPORTATION Expenditures financed through IDEA Part B (611) Base Allocation funds received for special education transportation for children birth to age five.
24	4409	<u>New Function:</u> IDEA ENROLLMENT/POVERTY (619) Expenditures funded through Part B LEA flow-through for special education services for children ages three and four only.
24	4410	<u>Added Language:</u> IDEA ENROLLMENT/POVERTY 611 Expenditures funded through Part B LEA flow-through for special education services for children to age twenty-one.

Nebraska Department of Education
School Finance & Organization Services

24	4415	<u>Added/deleted Language:</u> IDEA SPECIAL PROJECTS Expenditures financed through IDEA funds received for special education services for infants and toddlers below age three discretionary projects for children through age twenty-one.
24	4800	FEDERAL NUTRITION PROGRAMS Expenditures funded through Federal nutrition programs for services offered to children who qualify for free or reduced lunch programs.
33	4581	<u>New Function:</u> EDUCATION JOBS FUND PROGRAM - Ed Jobs Non-Special Education Instructional Programs Expenditures to pay salary, benefits and other expenses for LEA staff directly involved in educational and related services for Non-Special Education Instructional Programs. (General administrative expenses such as superintendent and other central office salaries and benefits are not allowed.)
33	4582	<u>New Function:</u> EDUCATION JOBS FUND PROGRAM - Ed Jobs LEP Instructional Programs Expenditures to pay salary, benefits and other expenses for LEA staff directly involved in educational and related services in Limited English Proficiency Instructional Programs. (General administrative expenses such as superintendent and other central office salaries and benefits are not allowed.)
33	4583	<u>New Function:</u> EDUCATION JOBS FUND PROGRAM - Ed Jobs Poverty Instructional Programs Expenditures to pay salary, benefits and other expenses for LEA staff directly involved in Poverty Instructional Programs. (General administrative expenses such as superintendent and other central office salaries and benefits are not allowed.)
33	4584	<u>New Function:</u> EDUCATION JOBS FUND PROGRAM - Ed Jobs Early Childhood Instructional Programs Expenditures to pay salary, benefits and other expenses for LEA staff directly involved in Early Childhood Instructional Programs. (General administrative expenses such as superintendent and other central office salaries and benefits are not allowed.)
33	4585	<u>New Function:</u> EDUCATION JOBS FUND PROGRAM - Ed Jobs Special Education Instructional Programs Expenditures to pay salary, benefits and other expenses for LEA staff directly involved in Special Education Instructional Programs. (General administrative expenses such as superintendent and other central office salaries and benefits are not allowed.)

Page	Code	OBJECT CODES: Description of Change
27	285	<u>Added/Deleted Language:</u> VOLUNTARY TERMINATIONS Agreements for expenditures paid to certificated employees in exchange for voluntary terminations agreements in place: (a) prior to July 1, 2009; and (b) on or after the last day of the 2010/11 school year and prior to the first day of the 2013/14 school year as permitted in §79-1028.01.
27	314	<u>New Object Code:</u> LOBBYIST FEES AND EXPENSES Services performed by a registered lobbyist acting on behalf of a school district. This would include any amounts paid by the district for lobbyist fees and expenses reported to the Clerk of the Legislature pursuant to state statute.
31	607	<u>New Object Code:</u> REPAYMENT OF TAXES PAID FOR REVALUED PROPERTY Repayment of property taxes received in prior years due to the revaluation of taxable property.