

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska**

Basic Financial Statements

August 31, 2024

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Table of Contents**

Independent Auditor's Report	1
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position - Cash Basis	5
Statement of Activities - Cash Basis	6
Fund Financial Statements	
Statement of Assets and Fund Balances - Cash Basis - Governmental Funds	7
Statement of Receipts, Disbursements, and Changes in Fund Balances - Cash Basis - Governmental Funds	9
Notes to Basic Financial Statements	11
Supplementary Information	
Budgetary Comparison Schedule - Cash Basis - General Fund	26
Budgetary Comparison Schedule - Cash Basis - Special Building Fund	28
Budgetary Comparison Schedule - Cash Basis - School Nutrition Fund	29
Budgetary Comparison Schedule - Cash Basis - Employee Benefit Fund	30
Budgetary Comparison Schedule - Cash Basis - Depreciation Fund	31
Budgetary Comparison Schedule - Cash Basis - Contingency Fund	32
Budgetary Comparison Schedule - Cash Basis - Activities Fund	33
Budgetary Comparison Schedule - Cash Basis - Student Fee Fund	34
Budgetary Comparison Schedule - Cash Basis - Debt Service Fund	35
Notes to Supplementary Information - Budgetary Comparison Schedules	36
Schedule of Expenditures of Federal Awards	37
Notes to Schedule of Expenditures of Federal Awards	38
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	40
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	42
Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance	45



Independent Auditor's Report

Board of Education
School District No. 17 - Millard Public Schools
Douglas County, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of the School District No. 17 - Millard Public Schools, Douglas County, Nebraska (the "District"), as of and for the year ended August 31, 2024, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective cash basis financial position of the governmental activities and each major fund of the District as of August 31, 2024, and the respective changes in financial position-cash basis, thereof, for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the basic financial statements, which describes the basis of accounting. The basic 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 opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management of School District No. 17 - Millard Public Schools is responsible for the preparation and fair presentation of the basic financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the basic 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 the basic financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and *Governmental Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, and *Governmental Auditing Standards* we:

- ◆ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ◆ Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- ◆ Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the District's basic financial statements. The accompanying supplemental information identified in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplementary Information (Continued)

The supplemental information presented on pages 26-36 is the responsibility of management and 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 31, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of 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 the District's internal control over financial reporting and compliance.

Bryan KBV, LLC

Omaha, Nebraska
October 31, 2024

BASIC FINANCIAL STATEMENTS

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Statement of Net Position - Cash Basis
August 31, 2024

	Governmental Activities
Assets	
Cash	\$ 14,722,053
Investments	151,262,534
Total assets	\$ 165,984,587
Net Position	
Restricted	
Special building	\$ 39,413,576
School nutrition	6,125,922
Debt service	21,066,134
Unrestricted	
Board designated	
Employee benefit	13,265,413
Depreciation	21,293,918
Student activities	4,801,542
Student fees	499,598
Contingency	2,659,243
Undesignated	56,859,241
Total net position	\$ 165,984,587

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Statement of Activities - Cash Basis
Year Ended August 31, 2024

Functions/Programs	Program Cash Receipts			Net (Disbursements)
Cash	Charges for	Operating	Operating	Receipts and
Disbursements	Services	Grants and	Grants and	Changes in Net
		Contributions	Contributions	Position
Governmental activities				
Instructional services	\$ 180,904,853	\$ 729,738	\$ 9,440,654	\$ (170,734,461)
Support services and facilities	93,251,391	-	-	(93,251,391)
Food services	12,636,296	7,064,239	5,902,984	330,927
Building and site acquisition and improvement	38,960,209	-	-	(38,960,209)
Principal and interest on indebtedness	27,907,852	-	-	(27,907,852)
Other	9,731,636	-	-	(9,731,636)
Total governmental activities	<u>\$ 363,392,237</u>	<u>\$ 7,793,977</u>	<u>\$ 15,343,638</u>	<u>(340,254,622)</u>
General revenues				
Taxes collected				166,439,955
County receipts				612,489
State aid-formula grants				121,105,317
Other general receipts				11,683,307
Investment income				6,376,642
Proceeds from issuing bonds				20,225,000
Bond premium				735,945
Bond discount				(169,915)
Total general receipts				<u>327,008,740</u>
Change in net position				(13,245,882)
Net position - beginning of year				<u>179,230,469</u>
Net position - end of year				<u>\$ 165,984,587</u>

See notes to basic financial statements.

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Statement of Assets and Fund Balances - Cash Basis - Governmental Funds
August 31, 2024

	General Fund	Special Building	School Nutrition	Activities Fund
Assets				
Cash	\$ 3,275,943	\$ -	\$ 6,447,822	\$ 4,498,690
Investments	90,631,204	39,413,576	-	302,852
Due from (to) other funds	170,668	-	(321,900)	-
Total assets	<u>\$ 94,077,815</u>	<u>\$ 39,413,576</u>	<u>\$ 6,125,922</u>	<u>\$ 4,801,542</u>
Fund Balances				
Restricted for				
Capital projects	\$ -	\$ 39,413,576	\$ -	\$ -
School nutrition	-	-	6,125,922	-
Debt service	-	-	-	-
Committed to				
Depreciation	21,293,918	-	-	-
Activities	-	-	-	4,801,542
Student fees	-	-	-	-
Assigned to				
Contingency	2,659,243	-	-	-
Employee benefits	13,265,413	-	-	-
Unassigned	56,859,241	-	-	-
Total fund balance - cash basis	<u>\$ 94,077,815</u>	<u>\$ 39,413,576</u>	<u>\$ 6,125,922</u>	<u>\$ 4,801,542</u>

Student Fees Fund	Debt Service Fund	Total Governmental Funds
\$ 499,598	\$ -	\$ 14,722,053
-	20,914,902	151,262,534
-	151,232	-
<u>\$ 499,598</u>	<u>\$ 21,066,134</u>	<u>\$ 165,984,587</u>
\$ -	\$ -	\$ 39,413,576
-	-	6,125,922
-	21,066,134	21,066,134
-	-	21,293,918
-	-	4,801,542
499,598	-	499,598
-	-	2,659,243
-	-	13,265,413
-	-	56,859,241
<u>\$ 499,598</u>	<u>\$ 21,066,134</u>	<u>\$ 165,984,587</u>

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Statement of Receipts, Disbursements, and
Changes in Fund Balances - Cash Basis - Governmental Funds
Year Ended August 31, 2024

	General Fund	Special Building	School Nutrition	Activities Fund
Receipts				
Local receipts	\$ 145,510,665	\$ 6,290,028	\$ 404,087	\$ -
County receipts	612,489	-	20,477	-
State receipts	119,236,535	179,590	60,349	-
Federal receipts	8,160,999	-	5,750,457	-
Sales of lunch	-	-	6,731,853	-
Interest	2,473,871	2,926,717	-	-
Categorical grants from corporations and other private interests	2,000,823	-	-	-
Non-revenue receipts	867,429	1,236,528	-	8,253,719
Total receipts	<u>278,862,811</u>	<u>10,632,863</u>	<u>12,967,223</u>	<u>8,253,719</u>
Disbursements				
Instructional services	148,351,955	-	-	-
Support services and facilities	93,251,391	-	-	-
Other salaries and benefits	-	-	5,302,545	-
Supplies and materials	-	9,787	142,678	-
Purchased services	32,552,898	3,582,846	7,068,038	-
Capital outlay	698,566	2,086,402	123,035	-
Building and site acquisition and improvement	1,626,102	30,956,506	-	-
Other	1,014,826	-	-	8,251,543
Redemption of principal	-	-	-	-
Debt service interest and fiscal charges	151,232	110,760	-	-
Total disbursements	<u>277,646,970</u>	<u>36,746,301</u>	<u>12,636,296</u>	<u>8,251,543</u>
Excess (deficiency) of receipts over disbursements	<u>1,215,841</u>	<u>(26,113,438)</u>	<u>330,927</u>	<u>2,176</u>
Other Financing Sources				
Proceeds from the issuance of bonds	-	9,995,000	-	-
Bond premium	-	-	-	-
Bond discount	-	(169,915)	-	-
Payments to refunding bond agent	-	-	-	-
Total other financing sources	<u>-</u>	<u>9,825,085</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,215,841</u>	<u>(16,288,353)</u>	<u>330,927</u>	<u>2,176</u>
Fund balance - beginning of year	<u>92,861,974</u>	<u>55,701,929</u>	<u>5,794,995</u>	<u>4,799,366</u>
Fund balance - end of year	<u>\$ 94,077,815</u>	<u>\$ 39,413,576</u>	<u>\$ 6,125,922</u>	<u>\$ 4,801,542</u>

See notes to basic financial statements.

Student Fees Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 16,733,102	\$ 168,937,882
-	-	632,966
-	503,797	119,980,271
-	-	13,911,456
-	-	6,731,853
-	976,054	6,376,642
-	-	2,000,823
425,756	-	10,783,432
<u>425,756</u>	<u>18,212,953</u>	<u>329,355,325</u>
-	-	148,351,955
-	-	93,251,391
-	-	5,302,545
-	-	152,465
-	-	43,203,782
-	-	2,908,003
-	-	32,582,608
465,267	-	9,731,636
-	12,100,000	12,100,000
-	4,861,146	5,123,138
<u>465,267</u>	<u>16,961,146</u>	<u>352,707,523</u>
<u>(39,511)</u>	<u>1,251,807</u>	<u>(23,352,198)</u>
-	10,230,000	20,225,000
-	735,945	735,945
-	-	(169,915)
-	(10,684,714)	(10,684,714)
<u>-</u>	<u>281,231</u>	<u>10,106,316</u>
(39,511)	1,533,038	(13,245,882)
<u>539,109</u>	<u>19,533,096</u>	<u>179,230,469</u>
<u>\$ 499,598</u>	<u>\$ 21,066,134</u>	<u>\$ 165,984,587</u>

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

School District No. 17 - Millard Public Schools, Douglas County, Nebraska (the "District") is a tax-exempt political subdivision and a Class 3 school district of the State of Nebraska.

B. Reporting Entity

The District's basic financial statements are presented as the primary government and include all significant schools, departments, activities, and organizations for which the District is financially accountable. The District has determined that there are no potential component units that meet the criteria for inclusion in the basic financial statements.

C. Basis of Presentation

Government-Wide Financial Statements - The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information about the reporting government as a whole. They include all funds of the reporting entity. The statements present the District's basic financial statements as governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Alternatively, business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District does not operate any business-type activities.

Fund Financial Statements - Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its cash, cash held by County Treasurers, investments, fund balance, receipts, and disbursements. All of the District's funds are presented as governmental funds. The District currently has no proprietary or fiduciary funds. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District, meets specific mathematical criteria set forth by Governmental Accounting Standards Board (GASB) or is identified as a major fund by the District's management. In addition to the District's funds meeting the required criteria, the District's management has designated all remaining funds to be presented as major funds for financial reporting purposes.

The funds of the financial reporting entity are described below:

Governmental Fund Activities:

General Fund - This fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all financing resources except those required to be accounted for in other funds. The District has three additional special revenue funds: contingency, employee and depreciation. However, in accordance with GASB Financial Reporting Standards, these funds have been consolidated into the general fund since their revenues are mainly transfers from the general fund. The contingency fund accounts for the reserve of money for unexpected events, the depreciation fund accounts for resources designated and maintained for the eventual purchase of capital assets and the employee benefit fund accounts for the reserve of money for the benefit of District employees for fringe benefits.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Governmental Fund Activities: (Continued)

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are either legally restricted to disbursements for specified purposes or designated to finance particular functions or activities of the District. The reporting entity includes the following special revenue funds:

- ◆ Special Building Fund - This fund accounts for taxes levied and other revenues specifically maintained to acquire or improve sites and/or to erect, alter or improve buildings.
- ◆ School Nutrition Fund - This fund accounts for the operations of the District's child nutrition programs.
- ◆ Activities Fund - This fund is used to account for assets held by the District in a trustee capacity for various school organizations and activities.
- ◆ Student Fees Fund - This fund is used to account for money collected from students that shall be expended for the purpose for which it was collected from the students.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term obligations principal, interest, and related costs.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded, regardless of the measurement focus applied.

Measurement Focus - In both the government-wide financial statements and the fund financial statements, the governmental activities are presented using a cash basis measurement focus. Their reported net position/fund balance is considered a measure of "available cash and investments." The operating statements focus on cash received and cash disbursed.

Basis of Accounting - In the government-wide and the fund financial statements, the District prepares its financial statements using the cash basis of accounting. Accordingly, receipts are recognized when cash is received by the District and expenditures are recognized when cash is disbursed. This basis of accounting is applied to all transactions, including the disbursements for capital assets, receipt of proceeds from issuance of debt and the retirement of debt, except for reporting a bond refunding. The refunding of bonds are not presented in the financial statements as the District reports the original bond proceeds as revenues when the cash is received, records expenditures as the bond proceeds are spent and reports the payments of bond principal and interest payments as expenditures through maturity of the bonds. This basis is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Equity Classification

Government-Wide Statements

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

- ◆ Restricted Net Position - Consists of net position with constraints placed on the use either by 1) external groups, such as creditors, grantors, contributors or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- ◆ Unrestricted Net Position - All other net position that do not meet the definition of “restricted.” However, if the funds have been designated by the Board of Education, these funds have been shown separately to distinguish their designation.

It is the District’s policy to first use restricted net positions, first, prior to the use of unrestricted net position, when a disbursement is made for purposes in which both restricted and unrestricted net positions are available.

Governmental fund equity is reported as fund balance within each respective fund. For governmental funds, the fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- ◆ Nonspendable - This fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. At August 31, 2024, the District did not have any nonspendable funds.
- ◆ Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Board of Education to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Equity Classification (Continued)

Government-Wide Statements (Continued)

- ◆ Committed - This fund balance classification includes amounts that can only be used for the specific purposes imposed by formal action (resolution) of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- ◆ Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Board of Education or a District Administrator delegated that authority by the Board of Education.
- ◆ Unassigned - This fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. Internal and Interfund Balances and Activities

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

Interfund transfers, the flow of assets from one fund to another where repayment is not expected, are reported as cash receipts and disbursements. During the year ended August 31, 2024, the District transferred \$35,639,705 from the General Fund to the Employee Benefit Fund and \$1,078,484 to the Depreciation Fund. These transfers have been eliminated in the government-wide and are also not shown on the fund financial statements as the Employee Benefit and Depreciation funds are part of the General Fund.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 2 - BUDGET PROCESS AND PROPERTY TAXES

The District is required by state law to adopt annual budgets for the General Fund, Special Building Fund, School Nutrition Fund, Employee Benefit Fund, Contingency Fund, Depreciation Fund, Activities Fund, Student Fees Fund, and Debt Service Fund. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

State Statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

The District follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

- ◆ Prior to August 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing September 1. The operating budget includes proposed expenditures and the means of financing them.
- ◆ A public hearing is conducted at a public meeting to obtain taxpayer comments.
- ◆ The budget is legally adopted by the Board of Education through passage of a resolution and is filed with the appropriate agencies on or before September 30.
- ◆ Total fund expenditures may not legally exceed total appropriations at the fund level or for “regular education” in the general fund without holding a public budget hearing and obtaining approval from the Board of Education. Appropriations lapse at fiscal year-end and any revisions require Board approval.

The District had one budget amendment for the 2023-2024 fiscal year which only affected the debt service fund.

The property tax requirement resulting from the budget process is utilized by the County Assessor 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 December 31. The tax becomes due at that date with the first half becoming delinquent on April 1 and the second half becoming delinquent on August 1 following the levy date.

The 2024 property tax valuation was \$15,100,945,068. The combined tax rate of the District for the year ended August 31, 2024, was 1.0981 per \$100 of assessed valuation.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 3 - DEPOSITS AND INVESTMENTS

Nebraska Statutes §§ 79-408, 79-1042 and 79-1043 provide that the District may, by and with the consent of the Board of Education of the District, invest the funds of the District in securities, including repurchase agreements, the nature of which individuals of prudence, discretion, and intelligence acquire or retain in dealing with the property of another.

A. Deposits

As of August 31, 2024, the carrying amount of the District's deposits was \$14,722,053 and the bank balance was \$19,067,555.

While the District maintains separate bank accounts for individual funds for cash flow and investment purposes the District occasionally pools cash as part of their cash management procedures.

B. Investments

Investments include \$94,809,244 in Nebraska School District Liquid Asset Fund, which is similar in nature to an open-end mutual fund designed specifically for Nebraska school entities, investing only in those securities allowable for such entities under Nebraska Law. These investments are reported at cost.

Investments also include \$35,538,388 in money market funds and \$20,914,902 invested in a short-term cash fund. These investments are reported at cost.

C. Risks

The District attempts to mitigate the following types of deposit and investment risks through compliance with the State Statues referred to above. The three types of deposit and investment risks are as follows:

- ◆ **Custodial Credit Risk:** For deposits and investments, custodial credit risk is the risk that in the event of the failure of a bank or other counterparty, the District will not be able to recover the value of its deposits, investments or collateral securities in the possession of a third-party.
- ◆ **Credit Risk:** For deposits and investments, credit risk is the risk that a bank or other counterparty defaults on its principal and/or interest payments owed to the District.
- ◆ **Interest Rate Risk:** For deposits and investments, interest rate risk is the risk that the value of deposits and investments will decrease as a result of a rise in interest rates.

The bank balances of the District's deposits, which includes the savings and money market accounts held at banks, are insured through Federal Depository Insurance Corporation (FDIC) coverage or collateral held by the District's agent in the District's name. As of August 31, 2024, the entire bank balance was covered or collateralized.

The District's investment policy does not restrict investment maturities. The District minimizes its interest rate risk by structuring its investment portfolio so that securities mature to meet the District's cash needs, which is accomplished in part by investing primarily in short-term investments or in investment vehicles that allow for monthly cash draws.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 4 - FUNDS HELD BY COUNTY TREASURER

The following balances were held by Douglas and Sarpy County Treasurers for the District as of August 31, 2024. The monies were transferred to the District subsequent to August 31, 2024, and are not included as receipts or cash balances in the financial statements:

	Sarpy County	Douglas County
General Fund	\$ 1,224,149	\$ 8,666,006
Debt Service Fund	101,954	2,172,360
Building Fund	36,349	774,495
Total	\$ 1,362,452	\$ 11,612,861

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM

A. Plan Description

The District 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.

In 1945, the Nebraska Legislature enacted the law establishing a retirement plan for school employees of the State. During NPERS fiscal year ended June 30, 2023, there were 263 participating school districts. These were the districts that had contributions during the fiscal year. All regular public school employees in Nebraska, other than those who have their own retirement plans (Class V school districts, Nebraska State Colleges, University of Nebraska, Community Colleges), are members of the plan.

Normal retirement is at age 65. For an employee who became a member before 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 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 of 2 %, 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 of 2%, and an actuarial factor based on age.

Employees benefits are vested after five years of plan participation or when termination occurs at age 65 or later. Vested members are eligible to receive an unreduced retirement benefit at age 65.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

A. Plan Description (Continued)

A member's age will determine eligibility to begin receiving monthly benefits and if those benefits are reduced or unreduced. Benefit calculations vary with early retirement. At ages 55 to 64, members who are in tiers one, two, or three may qualify to receive unreduced benefits under the "Rule of 85" if the member's attained age plus creditable service equals 85 or greater. At aged 60 to 64, members may qualify to receive unreduced benefits under the tier four "Rule of 85" if the member's attained age plus creditable service equals 85 or greater.

For 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 2.5%. 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% of the purchasing power of the initial benefit.

For 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 1%. There is no purchasing power floor for employees who fall under this tier.

For the District's year ended August 31, 2024, the District's total payroll for all employees was \$163,824,085. Total covered payroll was \$157,848,551 Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

B. Contributions

The State's contribution is based on an annual actuarial valuation. In addition, the State contributes an amount equal to 2% of the compensation of all members. This contribution is considered a non-employer contribution since school employees are not employees of the State. The employee contribution was equal to 9.78% from July 1, 2022, to June 30, 2023, (and from July 1, 2023, through August 31, 2024). The school district (employer) contribution is 101% of the employee contribution. The District's contribution to the Plan for its year ended August 31, 2024, was \$14,954,192.

C. Pension Liability

At June 30, 2023, the District had a combined liability of \$22,983,833 its proportionate share of the net pension liability. (This liability is not recorded in the accompanying cash basis financial statements.) The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined using an actuarial valuation as of that date. The NPERS School Plan was 97.33% funded as of June 30, 2023, based on actuarial calculations comparing total pension liability to the plan fiduciary net position. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the District's proportion was 5.540503%, which was an increase of 0.036063% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District and allocated pension expense was \$4,072,957.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

D. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Single equivalent amortization period	5 Years
Asset valuation method	5 Year Smoothed Market
Inflation	2.45%
Investment rate of return, net of Investment expense and including inflation	7.10%
Salary increases, including wage inflation	2.95%-12.95%
Cost-of-living adjustment (COLA)	2.05% with a floor benefit equal to 75% purchasing power of original benefit*

* 1% and no floor benefit for members joining on or after July 1, 2013.

The School Plan's pre-retirement mortality rates for retirees were based on the Pub-2010 General Members (Above Median) Employee Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The School Plan's post-retirement mortality rates for retirees were based on the Pub-2010 General Members (Above Median) Employee Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The School Plan's post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members (Above Median) Contingent Survivor Mortality Table (100% of male rates, 95% of female rates), both male and female rates set back one year, projected generationally using MP-2019 modified to 75% of the ultimate rates.

The School Plan's disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table (static table).

The actuarial assumptions used in the July 1, 2023, valuations for the School Plan is based on the results of the most recent actuarial experience study, which covered the four-year period ending June 30, 2019. The experience study report is dated December 31, 2020.

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

D. Actuarial Assumptions (Continued)

The long-term expected real rate of return on pension plan investments was based upon the expected long-term investment returns provided by a consultant of the Nebraska Investment Council, who is responsible for investing the pension plan assets. The return assumptions were developed using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2023, (see the discussion of the pension plan's investment policy) are summarized in the table on the following page.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
U.S. Equity	27.00 %	4.50 %
Global Equity	19.00	5.30
Non-U.S. Equity	11.50	5.80
Fixed Income	30.00	0.70
Private Equity	5.00	7.40
Real Estate	7.50	4.20
Total	<u>100.00 %</u>	

* *Arithmetic mean, net of investment expenses.*

E. Discount Rate

The discount rate used to measure the Total Pension Liability at June 30, 2023, was 7.10%. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2015, through June 30, 2019. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from employers and non-employers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability. The projected future benefit payment for all current plan members was projected through 2122.

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

F. Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.10%, as well as what the District’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.1%) or one percentage point higher (8.1%) than the current rate:

District Proportionate Share of Net Pension Liability (Asset)		
1% Decrease in Discount Rate (6.1%)	Current Discount Rate (7.1%)	1% Increase in Discount Rate (8.1%)
\$ 144,099,069	\$ 22,983,833	\$ (76,298,834)

G. 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>.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

A. Bonds Payable

The following is a summary of changes in general obligation transactions of the District for the year ended August 31, 2024:

Balance, August 31, 2023	\$ 182,940,000
Additions	
New obligations	20,225,000
Deductions	
Payment of principal	(12,100,000)
Bonds refunded	(11,785,000)
	\$ 179,280,000
Balance August 31, 2024	

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

A. Bonds Payable (Continued)

The following is the indebtedness of the District as of August 31, 2024.

<u>Issue Date</u>	<u>Final Maturity Year</u>	<u>Interest Rate</u>	<u>Amount</u>
June 21, 2017	2028	3.00%	\$ 14,965,000
July 1, 2020	2034	1.09%	34,825,000
August 19, 2020	2041	5.00%	65,595,000
February 16, 2021	2025	3.00%	4,200,000
September 15, 2021	2035	0.60%	26,905,000
September 30, 2021	2025	1.02%	3,085,000
March 31, 2022	2042	4.00%	9,480,000
December 29, 2023	2043	4.00%	9,995,000
February 22, 2024	2034	5.00%	10,230,000
Total			<u>\$ 179,280,000</u>

Aggregate principal and interest payments applicable to the District's bonds subsequent to August 31, 2024, are as follows:

<u>Year Ended August 31,</u>	<u>Bonds Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 15,215,000	\$ 4,971,567	\$ 20,186,567
2026	9,675,000	4,557,476	14,232,476
2027	13,635,000	4,307,314	17,942,314
2028	9,285,000	4,016,284	13,301,284
2029	9,590,000	3,734,224	13,324,224
2030-2034	53,680,000	13,931,051	67,611,051
2035-2039	36,255,000	7,361,071	43,616,071
2040-2044	31,945,000	1,867,000	33,812,000
Total	<u>\$ 179,280,000</u>	<u>\$ 44,745,987</u>	<u>\$ 224,025,987</u>

On December 29, 2023, the District issued \$9,995,000 of General Obligation Bonds, Series 2023 with an interest rate of 4.00%. The purpose of these bonds is to provide funds to pay for a portion of the costs of various capital projects approved by the voters of the District. These bonds were issued at a discount of \$169,915 and bond issue costs of \$110,760, resulting in net proceeds of \$9,714,325.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

A. Bonds Payable (Continued)

On February 22, 2024, the District issued \$10,230,000 of General Obligation Refunding Bonds, Series 2024 at a premium of \$735,945 and a true interest cost of 2.942%. The proceeds were used for a partial tender and refunding of taxable Series 2020 and 2021C General Obligation Refunding Bonds in the amount of \$11,785,000 and to pay for issuance costs and accrued interest of \$279,404. As a result of this refunding, the District decreased its total debt service payments of the next 10 years by approximately \$502,000 and obtained a net present value savings of approximately \$435,000.

B. Lease Commitment

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

- ◆ Twenty-one vans used for transportation of students in special education programs expiring on various dates through February 2027.
- ◆ Vehicles used by administration and maintenance. These leases expire on various dates through August 2025.
- ◆ Several copiers used throughout the District expiring on various dates through 2026.

Future minimum lease payments for all leases are as follows:

Year Ended August 31,	Lease Commitments
2025	\$ 72,623
2026	23,553
2027	3,614
Total	\$ 99,790

The total paid for lease commitments for the year ended August 31, 2024, was \$135,097 all of which was paid-out of the General Fund.

C. Grant Program Involvement

The District participates in a number of state and federally assisted programs. These programs are subject to financial and compliance audits of various agencies and departments, many of which have not yet been performed. The District’s management believes that the amount of expenditures, if any, which may be disallowed by the granting agencies, would not be significant.

D. Compensated Absences

As a result of the District’s use of the cash basis of accounting, accrued liabilities related to compensated absences (sick leave only; vacation does not vest) and any employer-related costs earned and unpaid, are not reflected in the government-wide or fund financial statements. Under the District plan, faculty, administrators, and some support staff are paid between \$80 to a daily rate of pay per day for any sick leave accumulated over 80 days. Employees receive 12 days of sick leave per year and cannot accumulate over 87 days. Faculty and administrators accumulated sick leave over 75 days is paid at the end of the fiscal year.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Basic Financial Statements**

NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

E. Voluntary Early Separation Plan

The District has established a Voluntary Separation Plan that allows certain employees to receive benefits from the District when they take voluntary separation for a period of up to 24 months. As of August 31, 2024, the District estimates their liability under this plan at approximately \$760,000 with the final obligations payable in fiscal year 2026.

F. Litigation

The District is involved in various legal actions whereby certain parties are making claims for damages. Management believes the outcome of these proceedings will not have any material financial impact on the District.

G. Arbitrage

Investment earnings from bond proceeds during the current fiscal year could be subject to arbitrage rebate and other tax matters. Currently, the District's management believes that there is no liability at year-end.

H. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters.

Type of Loss	Method Managed	Risk of Loss Retained
Torts, errors and omissions	Self-funded and purchased insurance	Deductible
Health	Self-funded and purchased insurance	Stop-loss
Workers compensation- employee injuries	Purchased commercial insurance	None
General liability	Self-funded and purchased insurance	Stop-loss
Auto liability	Self-funded and purchased insurance	Stop-loss
School Board liability	Self-funded and purchased insurance	Stop-loss
Physical property loss and natural disasters	Purchased commercial insurance	Deductible

Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

I. Construction Contracts

During the year, the District entered into contracts for the construction and renovation of several school buildings. The amount of the contracts outstanding at August 31, 2024, was \$9,949,993.

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 31, 2024, the date which these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - General Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Local sources			
1100 Local property taxes	\$ 140,843,345	\$ 126,130,592	\$ (14,712,753)
1115 Carline tax	6,500	7,103	603
1120 Public power district sales tax	4,500,000	4,559,479	59,479
1125 Motor vehicle taxes	13,000,000	14,241,153	1,241,153
1312 Tuition received from individuals - summer school	200,000	231,681	31,681
1921 Local fines and license fees	225,000	340,657	115,657
1925 Categorical grants from corporations and private interests	3,427,822	2,000,823	(1,426,999)
Total local sources	<u>162,202,667</u>	<u>147,511,488</u>	<u>(14,691,179)</u>
County sources			
2110 Fines and licenses	<u>500,000</u>	<u>612,489</u>	<u>112,489</u>
State sources			
3110 State aid	75,045,219	75,045,219	-
3120 Special education	24,087,137	24,209,017	121,880
3125 Special education transportation	2,173,274	2,160,903	(12,371)
3130 Homestead exemption	-	3,885,537	3,885,537
3131 Personal property tax	-	7,210,104	7,210,104
3155 Textbook loan	61,000	175,372	114,372
3165 Flex funding ages 0-5 support services	-	8,570	8,570
3166 Flex funding school age support services	-	1,411,678	1,411,678
3180 Pro-rata motor vehicle	300,000	284,337	(15,663)
3400 State apportionment	4,100,000	4,258,168	158,168
3535 Payments for high ability learners	159,757	172,368	12,611
3541 Early childhood endowment grants	87,276	116,148	28,872
3551 Career Education	-	70,112	70,112
3552 School safety and security act	-	228,240	228,240
3990 Other state receipts	-	762	762
Total state sources	<u>106,013,663</u>	<u>119,236,535</u>	<u>13,222,110</u>
Federal sources			
4416 IDEA Part C, planning region team grant	25,250	24,863	(387)
4418 IDEA Part B, PEaK projects	180,135	183,147	3,012
4421 IDEA Part B, ARP - Base and enrollment poverty allocation	554,073	490,903	(63,170)
4422 IDEA Preschool (619) ARP	83,610	83,610	-
4423 IDEA Part B, ARP proportionate share	14,384	14,383	(1)
4505 Title I, Part A	1,650,000	815,797	(834,203)
4509 Title II, Part A	387,700	359,789	(27,911)
4510 Title IV, Part A	125,300	131,442	6,142
4516 IDEA Preschool (619)	-	100,435	100,435
4518 IDEA Part B (611)	4,530,285	4,473,794	(56,491)
4521 IDEA Part B proportionate share	274,950	269,685	(5,265)
4524 Other federal non-categorical receipts	245,000	151,368	(93,632)
4525 Vocational education	151,287	135,348	(15,939)
4527 Title III, Part A	170,000	164,405	(5,595)
4528 Title III, Immigrant education	20,250	32,292	12,042
4708 Medicaid	500,000	581,462	81,462
4709 Medicaid administrative activities	250,000	148,276	(101,724)
4998 ESSER III	3,000,000	-	(3,000,000)
Total federal sources	<u>12,162,224</u>	<u>8,160,999</u>	<u>(3,940,679)</u>
1510 Interest	<u>50,000</u>	<u>1,054,235</u>	<u>1,004,235</u>
Non-revenue sources			
5690 Non-revenue receipts	<u>-</u>	<u>111,037</u>	<u>111,037</u>
Total receipts	<u>\$ 280,928,554</u>	<u>\$ 276,686,783</u>	<u>\$ (4,241,771)</u>

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - General Fund (Continued)
Year Ended August 31, 2024

	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Disbursements			
1100 Regular instructional programs	\$ 131,323,521	\$ 132,407,962	\$ 1,084,441
1125 Regular instructional programs school age (flex-spending)	1,066,214	2,026,554	960,340
1150 Limited english proficiency programs	2,659,043	2,634,944	(24,099)
1160 Poverty programs	1,783,933	2,883,845	1,099,912
1190 Early childhood educational programs	-	454,494	454,494
1195 Regular instructional programs below age five	225,285	281,530	56,245
1200 Special education instruction programs	35,705,124	27,472,336	(8,232,788)
1291 Special education instruction programs - ages 3-5	3,518,307	598,208	(2,920,099)
1292 Special education instruction programs - ages 0-2	82,703	71,912	(10,791)
1300 Summer school	155,000	1,419,859	1,264,859
2100 Support Services - Students	12,960,977	16,330,201	3,369,224
2200 Support Services - Instruction	8,779,117	6,454,001	(2,325,116)
2300 Support Services - General Administration	14,665,351	18,848,365	4,183,014
2400 Support Services - School Administration	16,413,189	13,857,119	(2,556,070)
2500 Central Services	8,260,079	8,800,914	540,835
2600 Support Services - Maintenance and Operation of Building and Site	26,529,079	25,810,528	(718,551)
27RG Support services - regular pupil transportation	1,213,147	1,266,373	53,226
27SP Support services - school age special education transportation	3,938,385	3,683,250	(255,135)
3300 Community Services Operations	17,300	10,362	(6,938)
3400 Categorical grants from corporations/private interests	886,753	1,343,434	456,681
3500 State categorical programs	-	315,092	315,092
4000 Facilities	-	2,013,333	2,013,333
5000 Debt services	-	151,232	151,232
6000 Federal programs and other categorical aid	10,825,800	10,307,435	(518,365)
	<u>281,008,307</u>	<u>279,443,283</u>	<u>(1,565,024)</u>
 Total disbursements			
 Excess (deficiency) of receipts over disbursements	<u>\$ (79,753)</u>	<u>(2,756,500)</u>	<u>\$ (2,676,747)</u>
 Budgetary fund balance, September 1, 2023		<u>\$ 59,615,561</u>	
 Budgetary fund balance, August 31, 2024		<u>\$ 56,859,061</u>	
 Analysis of fund balance			
Cash in bank			
Checking accounts		\$ 3,275,943	
Investment		53,412,630	
Due from school nutrition fund		170,668	
Total fund balance		<u>\$ 56,859,241</u>	
 AFR rounding variances included in disbursements		<u>\$ (180)</u>	
 Cash at county treasurer's, not included above:			
County Treasurer's			
Douglas County		\$ 8,666,006	
Sarpy County		1,224,149	
 Total		<u>\$ 9,890,155</u>	

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Building Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Local sources			
Local property taxes	\$ 6,127,474	\$ 5,416,315	\$ (711,159)
Carline tax	-	303	303
Public power district sales tax	160,000	232,050	72,050
Other local receipts	-	641,360	641,360
Total local sources	6,287,474	6,290,028	2,554
State reimbursement			
Homestead exemption	-	167,697	167,697
Pro rata motor vehicle	10,000	11,893	1,893
Total state sources	10,000	179,590	169,590
Interest	20,000	2,926,717	2,906,717
Non-revenue sources			
Other	-	1,236,528	1,236,528
Total non-revenue sources	-	1,236,528	1,236,528
Total receipts	6,317,474	10,632,863	4,315,389
Disbursements			
Purchased services	-	3,592,633	3,592,633
Capital outlays	-	2,086,402	2,086,402
Buildings, acquisition and improvement	55,179,300	30,956,506	(24,222,794)
Other	-	-	-
Bond issuance costs	-	110,760	110,760
Total disbursements	55,179,300	36,746,301	(18,432,999)
Excess (deficiency) of receipts over disbursements	\$ (48,861,826)	(26,113,438)	\$ 22,748,388
Other financing sources (uses)			
Bond issuance	-	9,995,000	9,995,000
Bond discount	-	(169,915)	(169,915)
Total other financing sources (uses)	-	9,825,085	9,825,085
Net change in fund balances	\$ (48,861,826)	(16,288,353)	\$ 32,573,473
Budgetary fund balance, September 1, 2023		55,701,929	
Budgetary fund balance, August 31, 2024		\$ 39,413,576	
Analysis of fund balance			
Cash in bank			
Investments		\$ 39,413,576	
Total fund balance		\$ 39,413,576	
Cash at county treasurer's, not included above			
County Treasurer's			
Douglas County		\$ 774,495	
Sarpy County		36,249	
Total		\$ 810,744	

See notes to supplementary information - budgetary comparison schedules.

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - School Nutrition Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Sale of lunches/milk	\$ 6,250,000	\$ 6,731,853	\$ 481,853
Interest	50,000	-	(50,000)
County receipts	-	20,477	20,477
State reimbursement	150,000	60,349	(89,651)
Federal reimbursement	6,800,000	5,750,457	(1,049,543)
Local receipts	250,000	404,087	154,087
Total receipts	13,500,000	12,967,223	(532,777)
Disbursements			
Salaries and benefits	7,250,000	5,302,545	(1,947,455)
Supplies and materials	200,000	265,713	65,713
Contracted services	8,000,000	7,068,038	(931,962)
Equipment	500,000	-	(500,000)
Total disbursements	15,950,000	12,636,296	(3,313,704)
Excess (deficiency) of receipts over disbursements	\$ (2,450,000)	330,927	\$ 2,780,927
Budgetary fund balance, September 1, 2023		5,794,995	
Budgetary fund balance, August 31, 2024		\$ 6,125,922	
Analysis of fund balance			
Cash in bank			
Checking accounts		\$ 6,447,822	
Due to other funds		(321,900)	
Total fund balance		\$ 6,125,922	

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Employee Benefit Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Interest	\$ 250,000	\$ 436,850	\$ 186,850
Other receipts	1,000,000	756,392	(243,608)
Operational transfers from the General Fund	32,000,000	35,639,705	3,639,705
Total receipts	<u>33,250,000</u>	<u>36,832,947</u>	<u>3,582,947</u>
Disbursements			
Purchased services	38,172,693	32,552,898	(5,619,795)
Other	-	13,180	13,180
Total disbursements	<u>38,172,693</u>	<u>32,566,078</u>	<u>(5,606,615)</u>
Excess (deficiency) of receipts over disbursements	<u>\$ (4,922,693)</u>	4,266,869	<u>\$ 9,189,562</u>
Budgetary fund balance, September 1, 2023		<u>8,998,544</u>	
Budgetary fund balance, August 31, 2024		<u>\$ 13,265,413</u>	
Analysis of fund balance			
Cash in bank			
Investments		<u>\$ 13,265,413</u>	
Total fund balance		<u>\$ 13,265,413</u>	

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Depreciation Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Interest	\$ -	\$ 869,794	\$ 869,794
Operational Transfers from the General Fund	-	1,078,484	1,078,484
Total receipts	-	1,948,278	1,948,278
Disbursements			
Capital outlays			
Furniture and equipment	10,202,132	698,566	(9,503,566)
Building and site acquisition and improvement	-	1,626,102	1,626,102
Total disbursements	10,202,132	2,324,668	(7,877,464)
Excess (deficiency) of receipts over disbursements	\$ (10,202,132)	(376,390)	\$ 9,825,742
Budgetary fund balance, September 1, 2023		21,670,308	
Budgetary fund balance, August 31, 2024		\$ 21,293,918	
Analysis of fund balance			
Cash in bank			
Investments		\$ 21,293,918	
Total fund balance		\$ 21,293,918	

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Contingency Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Interest	\$ -	\$ 112,992	\$ 112,992
Total receipts	-	112,992	112,992
Disbursements			
Insurance Claims	2,000,000	31,310	(1,968,690)
Total disbursements	2,000,000	31,310	(1,968,690)
Excess (deficiency) of receipts over disbursements	\$ (2,000,000)	81,682	\$ 2,081,682
Budgetary fund balance, September 1, 2023		2,577,561	
Budgetary fund balance, August 31, 2024		\$ 2,659,243	
Analysis of fund balance			
Cash in bank			
Investments		\$ 2,659,243	
Total fund balance		\$ 2,659,243	

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Activities Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Activities revenue	\$ 10,000,000	\$ 8,253,719	\$ (1,746,281)
Total receipts	10,000,000	8,253,719	(1,746,281)
Disbursements			
Purchased services	13,241,916	8,251,543	(4,990,373)
Total disbursements	13,241,916	8,251,543	(4,990,373)
Excess (deficiency) of receipts over disbursements	\$ (3,241,916)	2,176	\$ 3,244,092
Budgetary fund balance, September 1, 2023		4,799,366	
Budgetary fund balance, August 31, 2024		\$ 4,801,542	
Analysis of fund balance			
Cash in bank			
Checking accounts		\$ 4,498,690	
Investments		302,852	
Total fund balance		\$ 4,801,542	

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Student Fees Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Activity fees	\$ 843,833	\$ 425,756	\$ (418,077)
Total receipts	843,833	425,756	(418,077)
Disbursements			
Support Services	950,000	465,267	(484,733)
Total disbursements	950,000	465,267	(484,733)
Excess (deficiency) of receipts over disbursements	\$ (106,167)	(39,511)	\$ 66,656
Budgetary fund balance, September 1, 2023		539,109	
Budgetary fund balance, August 31, 2024		\$ 499,598	
Analysis of fund balance			
Cash in bank			
Checking accounts		\$ 499,598	
Total fund balance		\$ 499,598	

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Debt Service Fund
Year Ended August 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts				
Local sources				
Local property taxes	\$ 17,192,427	\$ 17,192,427	\$ 16,733,102	\$ (459,325)
Total local sources	17,192,427	17,192,427	16,733,102	(459,325)
State Sources				
Homestead exemption	-	-	470,345	470,345
Pro-rata motor vehicle	30,000	30,000	33,359	3,359
Agriculture state tax credit	-	-	93	93
Total state sources	30,000	30,000	503,797	473,797
Interest	5,000	5,000	976,054	971,054
Total receipts	17,227,427	17,227,427	18,212,953	2,552,290
Disbursements				
Redemption of principal on bonds payable	12,100,000	12,100,000	12,100,000	-
Bond issuance costs	-	-	279,405	279,405
Debt service interest	4,491,764	4,491,764	4,581,741	89,977
Other expenses	85,000	85,000	-	(85,000)
Total disbursements	16,676,764	16,676,764	16,961,146	284,382
Excess (deficiency) of receipts over disbursements	\$ 550,663	\$ 550,663	1,251,807	\$ (743,707)
Other financing sources (uses)				
Bond issuance	-	11,000,000	10,230,000	(770,000)
Bond premium	-	-	735,945	735,945
Bond refunding	-	(11,000,000)	(10,684,714)	315,286
Total other financing sources (uses)	-	-	281,231	281,231
Net change in fund balances	\$ 550,663	\$ 550,663	1,533,038	\$ (462,476)
Budgetary fund balance, September 1, 2023			19,533,096	
Budgetary fund balance, August 31, 2024			\$ 21,066,134	
Analysis of fund balance				
Cash in bank				
Investments			\$ 20,914,902	
Due from other funds			151,232	
Total fund balance			\$ 21,066,134	
Cash at county treasurer's, not included above				
County Treasurer's				
Douglas County			\$ 2,172,360	
Sarpy County			101,954	
Total			\$ 2,274,314	

See notes to supplementary information - budgetary comparison schedules.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Supplementary Information -
Budgetary Comparison Schedules**

NOTE 1 - BUDGETARY ACCOUNTING

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

The term “Budgetary Fund Balance” used in these supplementary schedules is synonymous with the term “Fund Balance - Cash Basis” used in the basic financial statements.

NOTE 2 - PRESENTATION

Government Auditing Standards requires that for reporting purposes, the General Fund include all activity of funds that do not generate a significant amount of revenues from outside sources. Therefore, in the fund financial statements, the Depreciation Fund, Employee Benefit Fund and Contingency Fund have been included in the General Fund since their revenues are mainly derived from transfers from the General Fund. However, since the Depreciation Fund, Employee Benefit Fund and Contingency Fund are required by state law to adopt their own budget, their respective budgetary schedules have been included here. The presentation follows the same major function codes as those that are used by the District to prepare their annual financial report, which the District submits to the Nebraska Department of Education.

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2024

Federal Grantor/Pass Through Entity/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through Nebraska Department of Education			
Child Nutrition Cluster			
School Breakfast Program	280017	10.553	\$ 894,947
National School Lunch Program	280017	10.555	4,662,795
Child and Adult Care Food Program	280017	10.558	46,241
Summer Food Service Program	280017	10.559	146,474
Passed through the Nebraska Department of Health and Human Services			
Food Distribution Program	280017	10.555	<u>903,709</u>
Total Child Nutrition Cluster			<u>6,654,166</u>
Total U.S. Department of Agriculture			<u>6,654,166</u>
U.S. Department of Education			
Passed through Nebraska Department of Education			
Special Education Cluster (IDEA)			
Special Education - Grants to States (IDEA, Part B)	280017	84.027	5,306,426
Special Education - Preschool Grants (IDEA Preschool)	280017	84.173	<u>100,064</u>
Total Special Education Cluster (IDEA)			5,406,490
Perkins Grant	280017	84.048	146,152
Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)	280017	84.010	1,562,707
Positive Behavioral Interventions and Supports	280017	84.323	153
English Language Acquisition - Title III, Part A	280017	84.365	182,111
Supporting Effective Instruction State Grants - Title II, Part A	280017	84.367	338,575
Student Support and Academic Enrichment Grants Title IV, Part A	280017	84.186	90,962
Special Education - Grants for Infants and Families with Disabilities (IDEA, Part C)	280017	84.181	21,971
Education Stabilization Funds			
Elementary & Secondary School Emergency Relief (ESSER III)	280017	84.425U	2,338,494
American Rescue Plan - ESSER - Homeless Children and Youth (6993/6994)	280017	84.425W	19,815
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	280017	84.325	<u>2,962</u>
Total U.S. Department of Education			<u>10,110,392</u>
U.S. Department of Health and Human Services - Medicaid Cluster			
Direct Programs			
Substance Abuse and Mental Health Services		93.243	59,174
Passed through Nebraska Department of Education			
Afghan Refugee School Impact	280017	93.566	74,498
Passed through Nebraska Department of Health and Human Services			
Medical Assistance Program	47-6002642	93.778	<u>729,738</u>
Total U.S. Department of Health and Human Services			<u>863,410</u>
Total			<u>\$ 17,627,968</u>

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Schedule of Expenditures of Federal Awards

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards has been prepared on a cash basis of accounting with the exception of commodities received under the food distribution program of \$903,709. Under this method, expenditures are recognized when disbursements are made. Some programs are funded jointly by District appropriations and federal funds.

The information in this Schedule is presented in accordance with the requirements for *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Expenditure Presentation - Expenditures of federal funds for the School Breakfast Program, National School Lunch Program, Child and Adult Care Food Program, Summer Food Service Program, Medical Assistance Programs and Food Distribution are not separately identifiable in the accounting records of the District. These programs are jointly funded with District monies and expenditures and are not required to be accumulated in the accounting records by funding source. For report purposes, the amount of federal expenditures is shown equal to the amount of federal funds received.

Program Activity - Various reimbursement procedures are used for federal awards received by the District. Additionally, most federal grant periods end June 30, while the District's year-end is August 31. Consequently, timing differences between expenditures and program reimbursement can exist at the beginning and end of the year. These timing differences will be resolved over the term of the grants.

NOTE 2 - REPORTING ENTITY

The District, for purposes of the Schedule of Expenditures of Federal Awards, includes all funds for which the District is financially accountable.

NOTE 3 - PASS-THROUGH AWARDS

The District receives certain federal awards in the form of pass-through awards from the State of Nebraska and other various agencies. Such amounts received as pass-through awards are specifically identified on the Schedule of Expenditures of Federal Awards.

NOTE 4 - NON-CASH AWARDS

The National School Lunch Program involves both cash and non-cash awards to the District. Such non-cash awards consist of donated commodities, which are separately identified in the Schedule of Expenditures of Federal Awards. Donated commodity expenditures are determined on a first-in, first-out basis.

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Notes to Schedule of Expenditures of Federal Awards**

NOTE 5 - CONTINGENCIES

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 non-compliance. 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.

NOTE 6 - DE MINIMIS COST RATE

The District has not elected to use the 10% de minimis cost rate as covered in Uniform Guidance indirect costs section.



**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***

Independent Auditor's Report

To the Board of Education
School District No. 17 - Millard Public Schools
Douglas County, Nebraska

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the School District No. 17 - Millard Public Schools, Douglas County, Nebraska (the "District"), as of and for the year ending August 31, 2024, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 result of that testing, and not to provide an opinion on the effectiveness of the District’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 District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bergan KDV, LLC

Omaha, Nebraska
October 31, 2024



**Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance in Accordance
with the Uniform Guidance**

Independent Auditor's Report

Board of Education
School District No. 17 - Millard Public Schools
Douglas County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the School District No. 17 - Millard Public Schools, Douglas County, Nebraska's (the "District") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- ◆ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- ◆ Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bryan KDV, LLC

Omaha, Nebraska
October 31, 2024

School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Schedule of Findings and Questioned Costs
Year Ended August 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, and each major fund, in accordance with the cash basis of accounting.

Internal control over financial reporting:

- ◆ Material weakness(es) identified? No
- ◆ Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

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

- Internal control over major programs:
- ◆ Material weakness(es) identified? No
 - ◆ Significant deficiency(ies) identified? None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) ? No

Identification of Major Programs

Assistance Listing No.: 84.027/84.172
 Name of Federal Program or Cluster: IDEA (Special Education Cluster)

Assistance Listing No.: 84.425U
 Name of Federal Program or Cluster: Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low risk auditee? No

**School District No. 17 - Millard Public Schools
Douglas County, Nebraska
Schedule of Findings and Questioned Costs
Year Ended August 31, 2024**

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no questioned costs.

SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None