

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

August 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Lexington Public Schools - District #1
Dawson County, Nebraska

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary funds of Lexington Public Schools - District #1 as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise the financial statements of the School District's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

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no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary funds of Lexington Public Schools - District #1, as of August 31, 2016, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lexington Public Schools - District #1's financial statements. The management's discussion and analysis and supplementary and other information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The management's discussion and analysis, budgetary comparison schedules, combining nonmajor fund financial statements, fiduciary fund statements, combining component unit statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the first sentence of this paragraph and the schedule of expenditures of

federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

The county treasurer statements of receipts and disbursements have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2016, on our consideration of Lexington Public Schools - District #1'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 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 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 Lexington Public Schools - District #1's internal control over financial reporting and compliance.

Amquist, Mark

Godhaug & Luth, P.C.

Grand Island, Nebraska

October 28, 2016

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended August 31, 2016**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Lexington Public Schools - District #1's annual financial report presents management's discussion and analysis (MD&A) of the District's financial performance during the fiscal year ended August 31, 2016. Please read the MD&A in conjunction with the entire financial report, which immediately follows this section.

FINANCIAL HIGHLIGHTS

- General Fund revenues were \$33,897,118, \$1,559 more than expenses.
- General Fund operational costs were \$33,895,559, a 0.7 percent decrease from the prior year.
- Lexington Public Schools - District #1's student enrollment increased by 26 students (1.0 percent) to an Average Daily Membership (ADM) of 2,726 for the year ended August 31, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This audited annual financial report consists of three sections: management's discussion and analysis (MD&A) [this section], the financial statements, and supplementary and other information. The financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status. The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* show how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates *like a business*, such as Nutrition Services.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2016**

- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplementary and other information that further explains and supports the financial statements with a comparison of the District's budget for the year and various other schedules and statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was lower on August 31, 2016 than it was the year before, decreasing to \$12,220,661. The decrease in the District's financial position came from its governmental activities, the net position of which decreased \$120,344 to \$11,531,945 in 2016. In 2016, the net position of the District's business-type activities increased \$116,663 to \$688,716.

Summary Statements of Net Position

	August 31, <u>2016</u>	August 31, <u>2015</u>
Assets	\$ 12,220,661	\$ 12,224,342
Liabilities	<u>-</u>	<u>-</u>
Net Position:		
Restricted	365,451	684,973
Unrestricted	<u>11,855,210</u>	<u>11,539,369</u>
Total Net Position	<u><u>\$ 12,220,661</u></u>	<u><u>\$ 12,224,342</u></u>

LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2016

Governmental Activities

A summary of the governmental activities' receipts and expenses follows:

	Year Ended August 31, <u>2016</u>	Year Ended August 31, <u>2015</u>	Increase (Decrease)
Receipts:			
Charges for services	\$ 120,713	\$ 89,618	\$ 31,095
Operating grants	3,419,807	4,753,557	(1,333,750)
Taxes (property, motor vehicle, and other)	10,973,260	10,199,070	774,190
State aid	18,953,010	19,089,506	(136,496)
Other revenue	698,197	687,712	10,485
Total receipts	<u>34,164,987</u>	<u>34,819,463</u>	<u>(654,476)</u>
Expenses:			
Instruction	20,672,183	20,620,675	51,508
Support services:			
Pupils	2,142,733	1,781,465	361,268
Staff	565,120	442,037	123,083
General administration	379,777	367,537	12,240
School administration	1,131,117	1,199,149	(68,032)
Business	709,536	578,321	131,215
Building and grounds	3,389,484	5,402,152	(2,012,668)
Pupil transportation	432,973	429,233	3,740
State categorical programs	261,106	76,299	184,807
Federal programs	2,466,216	2,646,545	(180,329)
Summer school	607,786	481,573	126,213
Transfer to activity fund	125,939	125,000	939
Capital outlay	959,860	2,594,272	(1,634,412)
Debt service	441,501	847,905	(406,404)
Other	-	46,245	(46,245)
Total expenses	<u>34,285,331</u>	<u>37,638,408</u>	<u>(3,353,077)</u>
Decrease in net position - governmental funds	<u>\$ (120,344)</u>	<u>\$ (2,818,945)</u>	<u>\$ 2,698,601</u>

Total receipts decreased \$654,476 (1.9 percent), due to a decrease in operating grants of \$1,333,750 (28.1 percent).

Total expenses decreased \$3,353,077 (8.9 percent), due primarily to a decrease in building and grounds expenses of \$2,012,668 (37.3 percent) and a decrease in capital outlay of \$1,634,412 (63.0 percent).

LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2016

Business-type Activities

A summary of the business-type activities' receipts and expenses follows:

	Year Ended August 31, <u>2016</u>	Year Ended August 31, <u>2015</u>	Increase (Decrease)
Receipts:			
Charges for services	\$ 215,374	\$ 208,284	\$ 7,090
Operating grants	1,716,068	1,402,306	313,762
Other income	11,181	9,991	1,190
Total receipts	<u>1,942,623</u>	<u>1,620,581</u>	<u>322,042</u>
Expenses:			
Nutrition Services	<u>1,825,960</u>	<u>1,734,949</u>	<u>91,011</u>
Increase (decrease) in net position	<u>\$ 116,663</u>	<u>\$ (114,368)</u>	<u>\$ 231,031</u>

In 2016, revenues of the District's business-type activities (nutrition program) increased 19.9 percent to \$1,942,623, and expenses increased 5.2 percent to \$1,825,960.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported combined fund balances of \$11,531,945, \$120,344 less than last year's ending combined fund balances of \$11,652,289.

The following is a summary of receipts and disbursements for the governmental funds for the year ended August 31, 2016:

	<u>Receipts</u>	<u>Disbursements</u>	Receipts Over (Under) <u>Disbursements</u>
General	\$ 33,897,118	\$ 33,895,559	\$ 1,559
Depreciation	1,325,423	959,860	365,563
Special building	87,203	-	87,203
Employee benefit	301,582	546,003	(244,421)
Bond	34,365	441,090	(406,725)
Cooperative	119,802	43,325	76,477
Eliminations	(1,600,506)	(1,600,506)	-
Totals	<u>\$ 34,164,987</u>	<u>\$ 34,285,331</u>	<u>\$ (120,344)</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2016**

The following is a summary of receipts and disbursements for the governmental funds for the year ended August 31, 2015:

	<u>Receipts</u>	<u>Disbursements</u>	Receipts Over (Under) <u>Disbursements</u>
General	\$ 34,260,180	\$ 34,130,785	\$ 129,395
Depreciation	36,356	2,594,272	(2,557,916)
Special building	77,307	-	77,307
Employee benefit	476,559	537,514	(60,955)
Bond	385,252	847,905	(462,653)
Cooperative	88,318	32,441	55,877
Eliminations	(504,507)	(504,507)	-
Totals	<u>\$ 34,819,465</u>	<u>\$ 37,638,410</u>	<u>\$ (2,818,945)</u>

As mentioned, the business-type activities' receipts exceeded expenses for 2016. In addition to the district-wide financial statements, food services are reported in greater detail in the proprietary fund statements.

BUDGET ANALYSIS

In 2016, General Fund disbursements were \$7,662,279 less than budgeted appropriations, with instructional actual costs \$7,897,345 less than the budget. Actual General Fund receipts were \$819,707 less than budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Significant additions (more than \$20,000 each) were:

- 150 MacBook Pros acquired under capital lease - \$132,381
- Software for Macs - \$37,512
- Furniture for addition - \$26,536
- 130 MacBook Pros - \$116,870
- High School video surveillance - \$26,773
- Welding equipment - \$27,561
- Wireless network upgrade - \$43,376
- Majestic Theatre rehab - \$134,176
- Shot put area - \$26,280

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2016**

- High School dirt work and sod - \$41,848
- Armory renovation - \$61,167
- High School renovation construction in progress - \$3,297,836
- 2016 Thomas bus - \$128,880
- 2016 Chevy Silverado - \$23,962
- 2016 Blue Bird bus - \$117,670

Long-term Debt

A summary of the District's debt follows:

	<u>2016</u>	<u>2015</u>	Increase (Decrease)
General obligation refunding bonds	\$ -	\$ 435,000	\$ (435,000)
Capital leases	659,140	939,961	(280,821)
Total long-term debt	\$ 659,140	\$ 1,374,961	\$ (715,821)

Long-term debt decreased \$715,821 (52.1 percent) due to scheduled payments.

(More detailed information about the District's long-term liabilities is presented in note E to the financial statements.)

FACTORS BEARING ON THE DISTRICT'S FUTURE

- The General Fund tax asking for the year ending August 31, 2017 of \$10,730,805 is \$606,616 (6.0 percent) higher than the tax asking for the prior year (\$10,124,189). The District increased its Special Building Fund tax asking \$5,132 (6.0 percent) to \$90,787.
- Certified state aid for next year is \$18,679,105. This represents a \$273,906 (1.4 percent) decrease.
- As of August, 31, 2016, the District had remaining contractual commitments of \$611,544 for the High School addition project, \$312,913 for the armory welding project and \$75,371 for the Majestic Theatre renovation project.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended August 31, 2016**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This audited financial report is designed to provide the District's stakeholders (i.e., citizens, taxpayers, customers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, please feel free to contact the following school official:

Erin Heineman
Finance Director

Lexington Public Schools
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**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

August 31, 2016

	Primary Government			Component <u>Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
ASSETS				
Cash (note C)	\$ 8,564,993	\$ 688,716	\$ 9,253,709	\$ 903,526
Cash restricted for building projects (note C)	269,462	-	269,462	-
Cash restricted for bond payments (note C)	74,498	-	74,498	-
Cash with County Treasurers (note D)	2,622,992	-	2,622,992	-
Total assets	<u>\$ 11,531,945</u>	<u>\$ 688,716</u>	<u>\$ 12,220,661</u>	<u>\$ 903,526</u>
LIABILITIES				
	\$ -	\$ -	\$ -	\$ -
NET POSITION				
Restricted	365,451	-	365,451	903,526
Unrestricted	11,166,494	688,716	11,855,210	-
Total net position	<u>\$ 11,531,945</u>	<u>\$ 688,716</u>	<u>\$ 12,220,661</u>	<u>\$ 903,526</u>

See notes to financial statements.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended August 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Receipts</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
Instruction	\$ 20,672,183	\$ -	\$ 1,552,743
Support services:			
Pupils	2,142,733	-	-
Staff	565,120	-	-
General administration	379,777	-	-
School administration	1,131,117	-	-
Business	709,536	-	-
Building and grounds	3,389,484	120,713	-
Pupil transportation	432,973	-	-
State categorical programs	261,106	-	335,009
Federal programs	2,466,216	-	1,532,055
Summer school	607,786	-	-
Activities support	125,939	-	-
Capital outlay	959,860	-	-
Principal and interest on long-term debt	441,501	-	-
Total governmental activities	34,285,331	120,713	3,419,807
Business-type activities:			
Nutrition services	1,825,960	215,374	1,716,068
Total primary government	\$ 36,111,291	\$ 336,087	\$ 5,135,875
Component units:			
Lexington Public School Building Corporation	\$ 3,219,859	\$ -	\$ -
Lexington Community Facilities Agency	359,448	-	-
Total component units	\$ 3,579,307	\$ -	\$ -

See notes to financial statements.

Program Receipts Capital Grants and Contributions	Net (Expenses) Receipts and Changes in Net Position			
	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (19,119,440)		\$ (19,119,440)	
-	(2,142,733)		(2,142,733)	
-	(565,120)		(565,120)	
-	(379,777)		(379,777)	
-	(1,131,117)		(1,131,117)	
-	(709,536)		(709,536)	
-	(3,268,771)		(3,268,771)	
-	(432,973)		(432,973)	
-	73,903		73,903	
-	(934,161)		(934,161)	
-	(607,786)		(607,786)	
-	(125,939)		(125,939)	
-	(959,860)		(959,860)	
-	(441,501)		(441,501)	
-	(30,744,811)	\$ -	(30,744,811)	
-	-	105,482	105,482	
<u>\$ -</u>	<u>(30,744,811)</u>	<u>105,482</u>	<u>(30,639,329)</u>	
\$ 3,870,000				\$ 650,141
450,033				90,585
<u>\$ 4,320,033</u>				<u>740,726</u>
General receipts:				
Taxes:				
Property	9,525,755	-	9,525,755	-
Motor vehicle	659,376	-	659,376	-
Other taxes	788,129	-	788,129	-
Fines and licenses	254,916	-	254,916	-
State aid	18,953,010	-	18,953,010	-
State apportionment	385,144	-	385,144	-
Interest income	24,023	1,242	25,265	227
Gain on disposal of property	22,555	-	22,555	-
Other	11,559	9,939	21,498	-
Total general receipts	<u>30,624,467</u>	<u>11,181</u>	<u>30,635,648</u>	<u>227</u>
Change in net position	(120,344)	116,663	(3,681)	227
Net position - August 31, 2015				
As previously reported	11,656,603	572,053	12,228,656	-
Restatement	(4,314)	-	(4,314)	162,573
As restated	<u>11,652,289</u>	<u>572,053</u>	<u>12,224,342</u>	<u>162,573</u>
Net position - August 31, 2016	<u>\$ 11,531,945</u>	<u>\$ 688,716</u>	<u>\$ 12,220,661</u>	<u>\$ 903,526</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**BALANCE SHEET - GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS**

August 31, 2016

	<u>General Fund</u>	<u>Depreciation Fund</u>	<u>Special Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 5,663,075	\$ 2,140,502	\$ 269,462	\$ 835,914	\$ 8,908,953
Cash with County Treasurers	2,601,501	-	21,491	-	2,622,992
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 8,264,576	\$ 2,140,502	\$ 290,953	\$ 835,914	\$ 11,531,945
LIABILITIES AND FUND BALANCES					
Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:					
Restricted for:					
Building additions	-	-	290,953	-	290,953
Debt service	-	-	-	74,498	74,498
Assigned for:					
Capital outlay	-	2,140,502	-	-	2,140,502
Employee benefits	-	-	-	629,062	629,062
Maintenance	-	-	-	132,354	132,354
Budgetary stabilization	6,861,013	-	-	-	6,861,013
Unassigned	1,403,563	-	-	-	1,403,563
Total fund balances	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,264,576	2,140,502	290,953	835,914	11,531,945
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 8,264,576	\$ 2,140,502	\$ 290,953	\$ 835,914	\$ 11,531,945

See notes to financial statements.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS**

For the year ended August 31, 2016

	General <u>Fund</u>	Depreciation <u>Fund</u>
RECEIPTS		
Taxes:		
Property	\$ 9,412,444	\$ -
Motor vehicle	659,373	-
Homestead exemption	136,079	-
Property tax credit	530,895	-
Pro-rate motor vehicle	26,917	-
Carline	25,667	-
In lieu of taxes	61,616	-
Fines and licenses	254,916	-
Rental of facilities	1,112	-
State aid and grants	20,934,799	-
Federal grants	1,693,277	-
Interest income	18,579	2,862
Donations	129,885	-
Transfer from other funds	-	1,300,506
Sale of property/insurance proceeds	-	22,055
Other	11,559	-
Total receipts	<u>33,897,118</u>	<u>1,325,423</u>
DISBURSEMENTS		
Instruction	18,505,860	-
Special education programs	3,004,276	-
Support services:		
Pupils	2,162,733	-
Staff	565,120	-
General administration	379,777	-
School administration	1,131,117	-
Business	685,217	-
Vehicle acquisition and maintenance	220,869	-
Building and grounds	3,346,159	-
Pupil transportation	432,973	-
State categorical programs	261,106	-
Federal programs	2,466,216	-
Summer school/driver's education	607,786	-
Activities support	125,939	-
Capital outlay	-	959,860
Debt service:		
Principal	-	-
Interest	411	-
Total disbursements	<u>33,895,559</u>	<u>959,860</u>
Excess (deficiency) of receipts over disbursements	1,559	365,563
Fund balances - August 31, 2015	<u>8,263,017</u>	<u>1,774,939</u>
Fund balances - August 31, 2016	<u><u>\$ 8,264,576</u></u>	<u><u>\$ 2,140,502</u></u>

*See note L for more information on restatement of funds previously reported as governmental funds.

See notes to financial statements.

Special Building Fund	Other Governmental Funds	Eliminations	Total Governmental Funds
\$ 79,635	\$ 33,676	\$ -	\$ 9,525,755
3	-	-	659,376
1,151	-	-	137,230
4,492	-	-	535,387
228	356	-	27,501
217	-	-	25,884
511	-	-	62,127
-	-	-	254,916
-	119,601	-	120,713
-	-	-	20,934,799
-	-	-	1,693,277
466	2,116	-	24,023
-	-	-	129,885
-	300,000	(1,600,506)	-
500	-	-	22,555
-	-	-	11,559
<u>87,203</u>	<u>455,749</u>	<u>(1,600,506)</u>	<u>34,164,987</u>
-	546,003	(1,383,956)	17,667,907
-	-	-	3,004,276
-	-	(20,000)	2,142,733
-	-	-	565,120
-	-	-	379,777
-	-	-	1,131,117
-	-	-	685,217
-	-	(196,550)	24,319
-	43,325	-	3,389,484
-	-	-	432,973
-	-	-	261,106
-	-	-	2,466,216
-	-	-	607,786
-	-	-	125,939
-	-	-	959,860
-	435,000	-	435,000
-	6,090	-	6,501
<u>-</u>	<u>1,030,418</u>	<u>(1,600,506)</u>	<u>34,285,331</u>
87,203	(574,669)	<u>\$ -</u>	(120,344)
<u>203,750</u>	<u>1,410,583</u>		<u>11,652,289</u> *
<u>\$ 290,953</u>	<u>\$ 835,914</u>		<u>\$ 11,531,945</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENT OF NET POSITION - PROPRIETARY FUND -
MODIFIED CASH BASIS**

August 31, 2016

	<u>Nutrition Fund</u>
ASSETS	
Cash	\$ 688,716
LIABILITIES	<u>-</u>
NET POSITION	
Unrestricted	<u><u>\$ 688,716</u></u>

See notes to financial statements.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUND -
MODIFIED CASH BASIS**

For the year ended August 31, 2016

	<u>Nutrition Fund</u>
Operating receipts:	
Lunch sales	\$ 215,374
State sources	70,258
Federal sources	1,545,446
USDA commodities	100,364
Other revenue	9,939
Total operating receipts	1,941,381
 Operating disbursements:	
Salaries and employee benefits	746,802
Food and food service supplies	1,075,232
Other	3,926
Total operating disbursements	1,825,960
Operating receipts in excess of disbursements	115,421
 Nonoperating receipts:	
Interest income	1,242
Receipts in excess of disbursements	116,663
Net position - August 31, 2015	572,053
Net position - August 31, 2016	\$ 688,716

See notes to financial statements.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENT OF NET POSITION - FIDUCIARY FUNDS -
MODIFIED CASH BASIS**

August 31, 2016

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 578,411
LIABILITIES	
For the obligations of the Activity Fund	573,692
For the obligations of the Student Fees Fund	<u>4,719</u>
Total liabilities	<u>578,411</u>
NET POSITION	<u><u>\$ -</u></u>

See notes to financial statements.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS

August 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the District’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Reporting Entity

Lexington Public Schools - District #1 is a tax-exempt political subdivision and a Class III school district of the State of Nebraska. The District has considered whether any other organizations should be included in the reporting entity based upon the significance of the operational or financial relationship with the District and has concluded that no organization should be included. Therefore, the financial statements present the District as the primary government.

The Lexington Public Schools Building Corporation is a non-profit organization, which is engaged primarily in raising funds for capital projects for Lexington Public Schools. Support is received primarily through contributions and fundraising programs. As a non-profit organization, the Lexington Public Schools Building Corporation is exempt from income taxes in accordance with Internal Revenue Code Section 501(c).

The Lexington Community Facilities Agency is joint venture with the City of Lexington which is engaged primarily in raising funds for capital projects for Lexington Public Schools. Support is received primarily through contributions and fundraising programs.

2. Basis of Presentation

The School District has adopted the provisions of Statement No. 34 (“Statement 34”) of the Governmental Accounting Standards Board, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Effective September 1, 2010, the District adopted GASB Statement No. 54 regarding classification of governmental fund balances. Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Committed—Amounts that can be used only for specific purposes determined by a formal action by School Board resolution.

Assigned—Amounts that are designated by the Superintendent for a specific purpose but are not spendable until a budget ordinance is passed by the School Board.

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 15). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the School Board or the Assignment has been changed by the Superintendent. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

The District's financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the nonfiduciary financial activities of the District. The effect of interfund activity has been eliminated from these statements. These statements report those activities of the District that are governmental (i.e., generally supported by taxes and intergovernmental revenues) and business-type (i.e., generally supported by fees for service). Fiduciary funds are not included in the government-wide financial statements.

The statement of net position presents the financial position of the District's governmental and business-type activities at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions (including related investment earnings) that are restricted to meeting the operational or capital requirements of a particular program.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Government-wide Financial Statements, continued

Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each function is self-financing or draws from the general revenues.

Fund Financial Statements – The District maintains fund accounting in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level.

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

Proprietary funds are used to account for the School District's business-type activities. Proprietary funds distinguish operating receipts and disbursements from nonoperating items.

Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. The Nutrition Fund is considered a proprietary fund.

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the School District's own programs. The Activity Fund and Student Fee Fund are fiduciary funds.

3. Basis of Accounting/Measurement Focus

The financial statements of the District have been prepared on the modified cash basis of accounting in that county treasurer cash is recorded. This basis recognizes assets, liabilities, net position, revenues and expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Basis of Accounting/Measurement Focus, continued

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and capital assets) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, accrued expenses and liabilities and long-term debt) *are not recorded* in these financial statements. Accordingly, the financial statements and supplementary schedules are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

The measurement focus establishes the basis of accounting. The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. There are no differences between the government-wide financial statements and the fund financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the modified cash basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

The governmental fund financial statements are prepared using a flow of current financial resources measurement focus and the modified cash basis of accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

The Lexington Public Schools Building Corporation and Lexington Community Facilities Agency (component units) use the modified-cash basis of accounting.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Fund Types

Governmental Funds – Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they are to be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District’s major governmental funds:

General Fund: This fund is the operating fund of the District. It is used to account for all financing resources except those required to be accounted for in other funds.

Depreciation Fund: The Depreciation Fund was established to facilitate future purchases of capital assets by reserving money from the General Fund.

Special Building Fund: Accounts for taxes levied and other revenue specifically maintained for future building purchases.

The other governmental funds are:

Employee Benefit Fund: Accounts for monies specifically reserved by the General Fund to be used for unemployment claims or early retirement benefits.

Bond Fund: The Bond Fund accounts for taxes levied and other revenues specifically earmarked for the retirement of bonded indebtedness.

Cooperative Fund: Accounts for rents received and expenses paid for the rental of school facilities.

Proprietary Funds – Proprietary funds include enterprise funds. Enterprise funds account for ongoing organizations and activities, which are similar to those often found in the private sector. The measurement focus is upon the determination of change in net position. The District’s only proprietary fund is the following fund:

Nutrition Fund: Accounts for the operations of the District’s nutrition program.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Fund Types, continued

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The District's fiduciary fund consists of the following:

Activity Fund: This fund is used to account for assets held by the District in a trustee/agency capacity for various school organizations and activities.

Student Fee Fund: This fund is used to account for student fees collected from students by the District in a trustee capacity for extracurricular activities.

5. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

6. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – BUDGET PROCESS AND PROPERTY TAXES

The District is required by state law to adopt annual budgets for all funds. The supplementary information presents budgets for the General Fund, the Depreciation Fund, and the Special Building Fund (the major governmental funds). Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE B – BUDGET PROCESS AND PROPERTY TAXES, continued

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 following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. As of August 1, or shortly thereafter, Administration of the District prepares a proposed operating budget for the fiscal year commencing the following September 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to the budget filing date, the budget is legally adopted by the Board of Education through passage of a resolution.
4. Total actual expenditures may not legally exceed the Total Budget of Expenditures. Appropriations for expenditures lapse at year end and any revisions require a public hearing and Board approval.
5. The county clerk certifies a preliminary property tax rate for each fund of the School District, which levied property taxes in the county the previous year. For school systems with multiple school districts, the county clerk certifies to each school district the combined valuation of the school system and the proportion of valuation of each district. The county clerk also certifies the preliminary levies based on the combined valuation and the amount requested for the school system for the prior year. The preliminary levy shall be the final levy unless the School Board passes, by a majority vote, a resolution setting a levy at a different amount. For school systems with multiple school districts, the School Board of the Class III school district, or kindergarten through grade twelve district, shall have the authority to set the tax rate for the school system.
6. The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with the procedures discussed above, which attaches as an enforceable lien on property within the District as of January 1. Taxes are due as of that date. The first half of the real estate taxes due January 1 become delinquent after the following May 1, with the second half becoming delinquent after September 1.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE B – BUDGET PROCESS AND PROPERTY TAXES, continued

The assessed value for Lexington Public Schools - District #1 at August 31, 2015, upon which the 2016 levy was based, was \$973,464,718.

The tax levy per \$100 of assessed valuation of taxable property for the year ended August 31, 2016 was as follows:

General Fund levy subject to levy limit	\$ 1.040016
Qualified Capital Purpose Undertaking Fund	<u>0.008799</u>
	<u>\$ 1.048815</u>

NOTE C – CASH

Cash

At August 31, 2016, the carrying value of the District's deposits was \$10,176,080 and the bank balance was \$10,797,602. For reporting purposes, the collateral on the School District bank deposits is classified in these categories:

1. Insured or collateralized with securities held by the School District or by its agent in the School District's name.
2. Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name.
3. Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the School District's name.

The bank balances of the School District's deposits as of August 31, 2016 are entirely insured or collateralized. All securities are held by the pledging financial institution, but not in the School District's name.

Cash for the School District at August 31, 2016 consisted of the following:

Demand deposits and money market accounts	<u><u>\$ 10,176,080</u></u>
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**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE C – CASH, continued

Summary of Carrying Values

The carrying values of cash shown above are included in the fund financial statements at August 31, 2016, as follows:

Carrying value:	
Cash	<u><u>\$ 10,176,080</u></u>
Included in the following fund financial statements captions:	
Statement of Net Position – Governmental Funds –	
Cash	\$ 8,564,993
Cash restricted for building projects	269,462
Cash restricted for bond payments	74,498
Statement of Net Position – Proprietary Fund –	
Cash	688,716
Statement of Net Position – Fiduciary Funds	
Activities Fund and Student Fees Fund-Cash	<u>578,411</u>
	<u><u>\$ 10,176,080</u></u>

Component Unit

The carrying value of cash for the component units is made up of the following at August 31, 2016:

Carrying value:	
Demand deposits and money market accounts:	
Lexington Public School Building Corporation	\$ 654,682
Lexington Community Facilities Agency	<u>248,844</u>
Total component unit cash	<u><u>\$ 903,526</u></u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE D – FUNDS HELD BY COUNTY TREASURERS

The following receipts were held by the County Treasurers for the School District at August 31, 2016. The receipts were transferred subsequent to the fiscal year ended August 31, 2016.

General Fund	\$ 2,601,501
Building Fund	21,491
Total cash with County Treasurers	21,491
at August 31, 2016	\$ 2,622,992

NOTE E – LONG-TERM DEBT

Following is a summary of changes in the District’s governmental activities long-term debt for the year ended August 31, 2016:

	Balance August 31, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance August 31, <u>2016</u>	Due Within <u>One Year</u>
General obligation refunding bonds	\$ 435,000	\$ -	\$ (435,000)	\$ -	\$ -
Capital leases	939,961	132,381	(413,202)	659,140	417,278
	\$ 1,374,961	\$ 132,381	\$ (848,202)	\$ 659,140	\$ 417,278

The principal and interest payments on the general obligation refunding bonds will be paid by the Bond Fund. The General Fund will pay capital leases.

General Obligation Refunding Bonds

On September 3, 2009, the District issued \$4,525,000 of general obligation refunding bonds. Interest is payable semi-annually on June 15 and December 15 of each year through maturity at rates ranging from 0.75 – 2.80 percent. Principal payments are due beginning December 15, 2009 through December 15, 2015. These bonds were paid off during the year ended August 31, 2016.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE E – LONG-TERM DEBT, continued

Capital Leases

On May 10, 2014, the District entered into a capital lease for 910 MacBook Pro computers with Apple, Inc. The original principal amount was \$845,385. The lease bears interest at 2.30 percent and is due in four annual payments of \$217,350, commencing May 10, 2014 through May 10, 2017.

On June 19, 2015, the District entered into a capital lease for 750 MacBook Pro computers with Apple, Inc. The original principal amount was \$696,385. The lease bears interest at 2.30 percent and is due in four annual payments of \$179,042, commencing June 19, 2015 through June 19, 2018.

On May 12, 2016, the District entered into a capital lease for 150 MacBook Pro computers with Apple, Inc. The original principal amount was \$132,381. The lease bears interest at 3.19 percent and is due in four annual payments of \$34,670, commencing May 12, 2016 through May 12, 2019.

Following is a summary of remaining annual debt service requirements to maturity on the District's governmental activities long-term debt:

Year Ending <u>August 31,</u>	Principal <u>Payments</u>	Interest <u>Payments</u>	Total Annual <u>Requirements</u>
2017	\$ 417,278	\$ 13,784	\$ 431,062
2018	208,263	5,449	213,712
2019	33,599	1,072	34,671
Totals	<u>\$ 659,140</u>	<u>\$ 20,305</u>	<u>\$ 679,445</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE F – PENSION PLAN

Plan Description

Lexington Public Schools - District #1 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 the NPERS fiscal year ended June 30, 2015, there were 266 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. 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 two percent, 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 two percent, and an actuarial factor based on age.

Benefit calculations vary with early retirement. Employees' benefits are vested after five years of plan participation or when termination occurs at age 65 or later.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE F – PENSION PLAN, continued

Plan Description, continued

For school employees who became members prior to July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost of living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or two and one-half percent. The current benefit paid to a retired member or beneficiary is adjusted so that the purchasing power of the benefit being paid is not less than 75 percent of the purchasing power of the initial benefit.

For school employees who became members on or after July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost of living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or one percent.

For the District's year ended August 31, 2016, the District's total payroll for all employees was \$20,130,007. Total covered payroll was \$18,850,485. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

Contributions

The State's contribution is based on an annual actuarial valuation. In addition, the State contributes an amount equal to two percent of the compensation of all members. This contribution is considered a nonemployer contribution since school employees are not employees of the State. The employee contribution was equal to 9.78 percent from July 1, 2014, to June 30, 2015 (and from July 1, 2015 through August 31, 2016). The school district (employer) contribution is 101 percent of the employee contribution. The District's contribution to the Plan for its year ended August 31, 2016, was \$1,862,012.

Pension Liabilities

At June 30, 2015 the District had a liability of \$9,462,151 for its proportionate share of the net pension liability. (This liability is not recorded in the accompanying modified cash basis financial statements.) The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NPERS School Plan was 89.86% funded as of June 30, 2015 based on actuarial calculations comparing total pension liability to the plan fiduciary net position.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE F – PENSION PLAN, continued

Pension Liabilities, continued

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, 2015, the District’s proportion was 0.868808 percent, which was an increase of 0.020858 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the District’s allocated pension expense was \$(215,585).

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price Inflation	3.25 percent
Wage Inflation	4.00 percent
Salary increases, including wage inflation	4.00-9.0 percent
Cost-of-Living Adjustment	Members hired before July, 2013: 2.50% with a floor benefit equal to 75% purchasing power of original benefit. Members hired on/after July 1, 2013: 1.00% with no floor benefit
Long-term Rate of Return, net of investment expense, including price inflation	8.00 percent
Municipal Bond Index Rate	4.35 percent
Year FNP is Projected to be Depleted	N/A
Single Equivalent Int. Rate, net of investment expense, including price inflation	8.00 percent

The School Plan’s post-retirement rates were based on the 1994 Group Annuity Mortality Table, projected to 2015 using Scale AA, set-back one year (sex distinct).

The School Plan’s disability mortality rates were based on the 1983 Railroad Retirement Board Disabled Annuitants Morality (unisex).

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE F – PENSION PLAN, continued

Actuarial Assumptions, continued

The actuarial assumptions used in the July 1, 2014, valuations for the School plan is based on the results of the most recent actuarial experience study, which covered the five year period ending June 30, 2011. The experience study report is dated August 20, 2012.

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 geometric real rates of return for each major asset class included in the pension plans' target asset allocation as of first quarter 2016, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
US Equity	26.10%	4.4%
Non-US Equity	2.90%	5.2%
Global Equity	15.00%	4.8%
Fixed Income	11.14%	2.1%
Private Equity	2.36%	6.7%
Real Estate	25.00%	4.4%
Total	100.00%	

*Geometric mean, net of investment expenses.

Discount Rate

The discount rate used to measure the Total Pension Liability at both June 30, 2014 and June 30, 2015, was 8 percent. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2006, through June 30, 2011. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE F – PENSION PLAN, continued

Discount Rate, continued

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 nonemployers will be made at the contractually 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 payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2114.

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 calculated using the discount rate of 8.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

	<u>Discount rate</u>	<u>District's proportionate Share of net pension liability</u>
1% decrease	7.0%	\$ 21,484,387
Current discount rate	8.0%	\$ 9,462,151
1% increase	9.0%	\$ (535,220)

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE F – PENSION PLAN, continued

Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained by writing the NPERS, P.O. Box 94816, Lincoln, NE 68509-4816, by calling 1 -800- 245- 5715 or via the internet at http://www.auditors.nebraska.gov/APA_Reports.

NOTE G – RISK MANAGEMENT

The School District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year, the District carried commercial insurance for general liability, public officials’ liability, property coverage, workers’ compensation coverage, commercial excess liability coverage and fidelity bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the School District’s investments at August 31, 2016 are held in the name of the School District. The underlying securities consist of money market accounts.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the School District’s investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The School District does not have any investments with maturity dates.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The School District’s investments consist of only money market accounts, minimizing credit risk associated with the School District’s investment portfolio.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE G – RISK MANAGEMENT, continued

Deposits and Investments, continued

Concentration of Credit Risk. The School District’s investment policy places no limit on the amount that may be invested in any one issuer. At August 31, 2016, the School District’s deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Pinnacle Bank	\$ 10,161,784
Great Western Bank	14,296
	<u>\$ 10,176,080</u>

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The School District’s investments had no exposure to foreign currency risk and the School District held no investments denominated in foreign currency at August 31, 2016.

NOTE H – INTERFUND TRANSFERS

During the year ended August 31, 2016, the General Fund transferred \$125,939 to the Activity Fund to support various organizations.

Also during the year ended August 31, 2016, the General Fund transferred \$1,300,506 to the Depreciation Fund. This transfer was eliminated on page 16.

The General Fund also transferred \$300,000 to the Employee Benefit Fund during the year ended August 31, 2016. This transfer was eliminated on page 16.

NOTE I – SECTION 125 PLAN

The District has a Section 125 Cafeteria Plan for the benefit of its employees. At August 31, 2016, the Section 125 checking account had a balance of \$63,119. The balance of unclaimed employee funds for the plan year as of August 31, 2016 was \$21,104. The \$42,015 remaining cash balance represents prior year employee forfeitures.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE J – OPERATING LEASES

On March 12, 2013, the District entered into a lease agreement with Unite Private Networks, LLC, for the District’s wide area network. This lease qualifies as an operating lease for accounting purposes. The lease agreement requires annual payments of \$93,828 until termination of the lease on June 30, 2024.

On February 6, 2015, the District entered into a lease agreement with MailFinance, Inc. for mailing equipment. This lease qualifies as an operating lease for accounting purposes. The lease agreement requires quarterly payments of \$780 until termination of the lease on May 6, 2020.

On October 29, 2015, the District entered into a lease agreement with MailFinance, Inc. for a folder/insert machine. This lease qualifies as an operating lease for accounting purposes. The lease agreement requires quarterly payments of \$1,049 until termination of the lease on October 29, 2020.

On May 3, 2016, the District entered into a lease agreement with Eakes Office Plus, for copiers. This lease qualifies as an operating lease for accounting purposes. The lease agreement requires monthly payments of \$14,150 until termination of the lease on May 3, 2021.

Rent expense was \$180,964 for the year ended August 31, 2016.

The future minimum lease payments are as follows for years ending August 31:

2017	\$ 270,945
2018	270,945
2019	270,945
2020	269,385
2021	192,878
Thereafter	<u>187,656</u>
	<u>\$ 1,462,754</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE K – CONSTRUCTION COMMITMENTS

Construction commitments consisted of the following as of August 31, 2016:

	<u>Contract</u>	<u>Paid as of 8/31/16</u>	<u>Remaining Obligation</u>	<u>Expected Completion Date</u>
High School addition:				
Joint sealants	\$ 5,675	\$ 5,108	\$ 567	
Food service equipment	155,780	140,202	15,578	
Terrazo flooring	25,940	24,643	1,297	
Architectural wood casework	50,961	39,181	11,780	
Steel studs, drywall and EIFS	391,526	352,373	39,153	
Tiling	62,575	42,017	20,558	
Electrical	491,284	442,155	49,129	
Fluid applied membrane and painting	64,922	55,730	9,192	
Windows and doors	131,284	120,463	10,821	
Foam insulation	2,498	2,248	250	
Masonry	245,330	220,797	24,533	
Sanitary sewage utilities	57,766	51,989	5,777	
Flooring and carpet	25,072	22,565	2,507	
Fire sprinklers	42,800	36,270	6,530	
Construction management	324,903	239,890	85,013	
Construction	448,158	391,640	56,518	
Mechanical	637,718	492,493	145,225	
Polished concrete floors	42,055	37,850	4,205	
Skylights	9,350	8,415	935	
Ceilings	55,235	45,900	9,335	
Demolition, concrete and pavement	331,383	268,742	62,641	
Roofing and overhead doors	192,172	172,955	19,217	
Site clearing	64,676	58,208	6,468	
Windows	13,215	-	13,215	
Window shades	6,100	-	6,100	
Fence	5,000	-	5,000	
	<u>3,883,378</u>	<u>3,271,834</u>	<u>611,544</u>	December 2016
Armory project:				
Equipment	80,006	-	80,006	
Remodel	249,200	16,293	232,907	
	<u>329,206</u>	<u>16,293</u>	<u>312,913</u>	December 2016
Majestic Theatre renovation:				
Equipment	597,270	521,899	75,371	December 2016
	<u>\$ 4,809,854</u>	<u>\$ 3,810,026</u>	<u>\$ 999,828</u>	

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

NOTES TO FINANCIAL STATEMENTS, Continued

August 31, 2016

NOTE L – EQUITY RESTATEMENT

Net position of the governmental activities and fund balance of the governmental funds at August 31, 2015, were decreased \$4,314 and net position of the component units was increased \$4,314 to report the Lexington Public Schools Building Corporation's assets that were previously reported as a blended component unit. Net position of the component units at August 31, 2015, was also increased \$158,259 to report the Lexington Community Facilities Agency's assets.

NOTE M – SUBSEQUENT EVENTS

On September 16, 2016, the District approved a quote of \$21,432 for the Majestic Theatre digital signage.

On September 12, 2016, the District approved a quote of \$60,000 for canopy, concrete and storm sewer work for the Majestic Theatre.

On October 10, 2016, the District approved the purchase of a 2017 Chevrolet van for \$28,027.

Management has evaluated subsequent events through October 28, 2016, the date on which the financial statements were available for issue.

SUPPLEMENTARY AND OTHER INFORMATION

LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

Year ended August 31, 2016

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>
RECEIPTS			
Taxes:			
Property	\$ 10,022,947	\$ 9,412,444	\$ (610,503)
Motor vehicle	610,000	659,373	49,373
Homestead exemption	-	136,079	136,079
Property tax credit	-	530,895	530,895
Pro-rate motor vehicle	464,000	26,917	(437,083)
Carline	30,000	25,667	(4,333)
In lieu of taxes	30,000	61,616	31,616
Fines and licenses	161,300	254,916	93,616
Rental of facilities	-	1,112	1,112
State aid and grants	20,652,051	20,934,799	282,748
Federal grants	2,723,327	1,693,277	(1,030,050)
Interest	22,000	18,579	(3,421)
Donations	-	129,885	129,885
Other	1,200	11,559	10,359
	<hr/>	<hr/>	<hr/>
Total receipts	34,716,825	33,897,118	(819,707)
DISBURSEMENTS			
Instructional services	28,319,585	21,510,136	(6,809,449)
Support services:			
Pupil	2,113,503	2,162,733	49,230
Instructional staff	553,143	565,120	11,977
General administration	446,030	379,777	(66,253)
School administration	1,073,518	1,131,117	57,599
Business	670,845	685,217	14,372
Vehicle acquisition and maintenance	27,000	220,869	193,869
Building and grounds	4,655,553	3,346,159	(1,309,394)
Pupil transportation	523,900	432,973	(90,927)
State categorical programs	27,389	261,106	233,717
Federal programs	2,502,898	2,466,216	(36,682)
Summer school/driver's education	509,150	607,786	98,636
Activities support	125,000	125,939	939
Transfer to other funds	10,000	-	(10,000)
Debt service	324	411	87
	<hr/>	<hr/>	<hr/>
Total disbursements	41,557,838	33,895,559	(7,662,279)
RECEIPTS OVER (UNDER)			
DISBURSEMENTS			
	<u>\$ (6,841,013)</u>	1,559	<u>\$ 6,842,572</u>
Fund balances - August 31, 2015		<u>8,263,017</u>	
Fund balances - August 31, 2016		<u>\$ 8,264,576</u>	

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -
DEPRECIATION FUND**

Year ended August 31, 2016

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>
RECEIPTS			
Interest income	\$ 4,000	\$ 2,862	\$ (1,138)
Transfer from other funds	851,851	1,300,506	448,655
Sale of property/insurance proceeds	-	22,055	22,055
Total receipts	855,851	1,325,423	469,572
DISBURSEMENTS			
Capital outlay	2,627,771	959,860	(1,667,911)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,771,920)	365,563	\$ 2,137,483
Fund balances - August 31, 2015		1,774,939	
Fund balances - August 31, 2016		\$ 2,140,502	

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**BUDGETARY COMPARISON SCHEDULE -
SPECIAL BUILDING FUND**

Year ended August 31, 2016

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) <u>Final Budget</u>
RECEIPTS			
Taxes:			
Property	\$ 84,799	\$ 79,635	\$ (5,164)
Motor vehicle	-	3	-
Homestead exemption	-	1,151	1,151
Property tax credit	-	4,492	4,492
Pro-rate motor vehicle	175	228	53
Carline	200	217	17
In lieu of taxes	-	511	511
Interest income	325	466	141
Sale of property/insurance proceeds	-	500	500
Total receipts	85,499	87,203	1,701
DISBURSEMENTS			
Capital outlay	283,852	-	(283,852)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (198,353)	87,203	\$ 285,553
Fund balances - August 31, 2015		203,750	
Fund balances - August 31, 2016		\$ 290,953	

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**COMBINING BALANCE SHEET - OTHER GOVERNMENTAL
FUNDS - MODIFIED CASH BASIS**

August 31, 2016

	Employee Benefit <u>Fund</u>	Bond <u>Fund</u>	Cooperative <u>Fund</u>	Total Other Governmental <u>Funds</u>
ASSETS				
Cash	<u>\$ 629,062</u>	<u>\$ 74,498</u>	<u>\$ 132,354</u>	<u>\$ 835,914</u>
LIABILITIES AND FUND BALANCES				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Debt service	-	74,498	-	74,498
Assigned for:				
Employee benefits	629,062	-		629,062
Maintenance	-	-	132,354	132,354
Total fund balances	<u>629,062</u>	<u>74,498</u>	<u>132,354</u>	<u>835,914</u>
Total liabilities and fund balances	<u>\$ 629,062</u>	<u>\$ 74,498</u>	<u>\$ 132,354</u>	<u>\$ 835,914</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - OTHER
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**

Year ended August 31, 2016

	Employee Benefit <u>Fund</u>	Bond <u>Fund</u>	Cooperative <u>Fund</u>	Total Other Governmental <u>Funds</u>
RECEIPTS				
Taxes:				
Property	\$ -	\$ 33,676	\$ -	\$ 33,676
Pro-rate motor vehicle	-	356	-	356
Rental of facilities	-	-	119,601	119,601
Interest income	1,582	333	201	2,116
Transfers from other funds	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Total receipts	301,582	34,365	119,802	455,749
DISBURSEMENTS				
Employee benefits	546,003	-	-	546,003
Building and grounds	-	-	43,325	43,325
Debt service:				
Principal	-	435,000	-	435,000
Interest	-	6,090	-	6,090
Total disbursements	<u>546,003</u>	<u>441,090</u>	<u>43,325</u>	<u>1,030,418</u>
Receipts over (under) disbursements	(244,421)	(406,725)	76,477	(574,669)
Fund balances - August 31, 2015	<u>873,483</u>	<u>481,223</u>	<u>55,877</u>	<u>1,410,583</u>
Fund balances - August 31, 2016	<u>\$ 629,062</u>	<u>\$ 74,498</u>	<u>\$ 132,354</u>	<u>\$ 835,914</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND NET POSITION -
FIDUCIARY FUND - ACTIVITY FUND**

Year ended August 31, 2016

	Balance August 31, <u>2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance August 31, <u>2016</u>
Adult activity tickets	\$ -	\$ 1,680	\$ 1,680	\$ -
All school play	187	149	-	336
Ambassadors of music	9,433	10,867	17,326	2,974
Annual	-	4,571	10,487	(5,916)
Around the mundo	140	10	-	150
Art lab fees	319	-	-	319
Athletic letter club	1,731	1,675	2,195	1,211
Autism awareness	254	-	-	254
Band/chorus trip	70	368	438	-
Booster club	(12,005)	22,590	16,838	(6,253)
Boys basketball fundraising	3,291	2,591	4,111	1,771
Boys golf	-	2,603	2,603	-
Boys soccer	-	4,643	4,643	-
Boys tennis	-	1,329	1,329	-
Bryan bobcat	7,754	1,897	1,408	8,243
Bryan library	2,662	-	-	2,662
Bryan PE	75	-	-	75
Bryan pop	164	61	-	225
Bryan school supplies	568	-	-	568
Central office coke machine	701	1,567	1,293	975
Class of 2017	286	7,569	3,375	4,480
Class of 2018	2,893	-	-	2,893
Class of 2019	1,498	-	-	1,498
Class of 2020	3,243	527	2,221	1,549
Concessions	2,566	32,866	30,123	5,309
Corporate	(232)	1,023	207	584
Cross country	-	9,351	9,351	-
DC senior trip	7,149	46,994	42,398	11,745
Don Bader Scholarship	50	-	-	50
Drill team	-	21,879	21,463	416
Early learning academy	1,404	6,239	6,726	917
Elementary recorders	744	1,449	1,599	594
FBLA	3,027	-	-	3,027
FFA	7,922	14,046	13,665	8,303
Flower garden	-	594	223	371
Football fundraising	13,739	15,919	16,061	13,597
Gifted programs	(479)	479	-	-
Girls basketball fundraising	4,816	6,210	6,759	4,267
Girls golf	-	2,590	2,590	-

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND NET POSITION -
FIDUCIARY FUND - ACTIVITY FUND, continued**

Year ended August 31, 2016

	Balance August 31, <u>2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance August 31, <u>2016</u>
Girls soccer	2,211	3,977	1,013	5,175
Girls soccer fundraising	(508)	-	743	(1,251)
Girls tennis	-	1,615	1,615	-
GNAC	-	12,888	445	12,443
High School officials	-	36,393	36,393	-
High School powerlifting	-	16,388	15,022	1,366
High School recycling	1,002	204	-	1,206
High School softball fundraising	(1)	1,327	1,068	258
High School speech fundraising	-	1,005	753	252
High School student support	5,081	1,727	2,173	4,635
High School student teammaker	2,827	-	-	2,827
High School team travel	-	32,653	32,653	-
High School track	-	10,896	10,896	-
High School wellness	1,727	-	-	1,727
Honor society	(314)	1,600	1,515	(229)
HS animation/comic book club	149	-	-	149
HS athletic physicals	5,888	-	5,057	831
HS athletics resale	949	-	-	949
HS auto resale	475	277	44	708
HS Band	-	7,327	7,327	-
HS band donations	655	-	-	655
HS boys basketball	8,347	8,301	3,985	12,663
HS boys soccer fundraising	3,828	11,704	12,502	3,030
HS cheerleaders	1,250	18,786	17,569	2,467
HS fine arts resale	2,066	2,105	4,373	(202)
HS fines	3,888	1,728	697	4,919
HS football	646	14,076	16,916	(2,194)
HS general activities	(33,902)	32,103	49,609	(51,408)
HS girls basketball	9,528	7,913	2,222	15,219
HS girls softball	15,250	5,064	1,290	19,024
HS library	1,322	1,473	1,768	1,027
HS miscellaneous	190	163	270	83
HS one act play	-	1,629	1,629	-
HS pep club	2,456	-	103	2,353
HS pioneer scholarship	500	500	500	500
HS printing/advertising	425	-	-	425
HS Skills USA	-	8,536	8,536	-
HS student council	3,144	1,718	1,825	3,037
HS vocal	51	2,785	2,836	-

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND NET POSITION -
FIDUCIARY FUND - ACTIVITY FUND, continued**

Year ended August 31, 2016

	Balance August 31, <u>2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance August 31, <u>2016</u>
HS volleyball	3,229	7,796	5,756	5,269
HS welding	295	28	-	323
HS wood shop resale	8,882	4,982	2,778	11,086
HS wrestling	1,540	12,881	14,421	-
HS yo yo club	763	-	-	763
Independence ink	4,612	-	-	4,612
Insufficient checks	-	37	37	-
Interest	(151)	194	43	-
Majestic Theatre	12,432	133,121	95,851	49,702
Minuteman music festival	67	-	-	67
Miscellaneous memorial funds	307	-	-	307
MONA	230	-	-	230
Morton activity	3,109	1,341	1,252	3,198
Morton autism	-	423	-	423
Morton library	188	137	101	224
Morton pencils	17	191	-	208
Morton pop	321	-	-	321
Morton popcorn	-	286	-	286
Morton recycling	897	1,665	2,182	380
MS agenda fund	1,966	-	-	1,966
MS annual	3,733	6,757	5,739	4,751
MS athletics/resale	1,427	723	690	1,460
MS band lab fees	309	40	260	89
MS booster donation	2,366	-	-	2,366
MS boys basketball	-	1,641	1,641	-
MS boys track	-	359	359	-
MS fines	3,876	37	344	3,569
MS football	-	1,804	1,804	-
MS general athletics	-	155	155	-
MS girls basketball	-	2,380	2,380	-
MS girls track	-	359	359	-
MS library fees/fines	1,066	5,889	6,069	886
MS miscellaneous	2,688	4,397	8,047	(962)
MS music resale	4,068	10,801	6,985	7,884
MS officials	-	7,997	7,997	-
MS padlock fees	130	60	-	190
MS patriots	227	-	-	227
MS pop concessions	-	1,330	1,330	-
MS student council	(1,839)	1,418	1,207	(1,628)

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND NET POSITION -
FIDUCIARY FUND - ACTIVITY FUND, continued**

Year ended August 31, 2016

	Balance August 31, <u>2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance August 31, <u>2016</u>
MS volleyball	-	3,713	3,713	-
MS wrestling	774	1,926	1,256	1,444
Multiple choices	2,563	-	55	2,508
Musical productions	-	7,906	7,906	-
NE Special Olympics	2,432	-	-	2,432
Octagon club	676	-	-	676
PE shirts	562	2,247	7,798	(4,989)
PE shorts	970	7	-	977
Pershing activity	2,283	4,773	3,335	3,721
Pershing kitchen	111	-	-	111
Pershing library	1,303	537	30	1,810
Pershing PE	76	8,544	8,366	254
Pershing playground	500	-	-	500
Pershing refreshments	288	148	256	180
Reading banquet	3,745	-	1,985	1,760
Ronald C. Murdock	425	-	-	425
S.C. health partners	339	-	-	339
Sandoz activity and pop	2,052	3,100	3,282	1,870
Sandoz field trips	61	-	61	-
Sandoz honor choir	134	314	-	448
Sandoz hosts	104	793	370	527
Sandoz library	330	243	148	425
Science and math club	36	-	-	36
Science fair	2,284	-	-	2,284
Secretary funds	159	-	522	(363)
Senior tribute	2,778	851	2,019	1,610
Sing around Nebraska	-	472	1,264	(792)
Speech	-	7,082	7,082	-
Staff resale	-	363	344	19
Student computer fees	249,329	85,223	15,273	319,279
Student fee waivers	(923)	-	728	(1,651)
Student laptop bags	6,620	-	-	6,620
Student leadership	19	-	-	19
Student USB drives	519	70	-	589
Training room	(6,000)	12,807	6,807	-
Training room fundraising	13,468	18,663	23,089	9,042
Volleyball fundraising	1,020	13,013	2,391	11,642
Walk for life	1,905	-	-	1,905
	<u>\$ 450,797</u>	<u>\$ 853,221</u>	<u>\$ 730,326</u>	<u>\$ 573,692</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND NET POSITION -
FIDUCIARY FUND - STUDENT FEE FUND**

Year ended August 31, 2016

	Balance <u>8/31/2015</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>8/31/2016</u>
Student Fees	<u>\$ 5,057</u>	<u>\$ 10</u>	<u>\$ 348</u>	<u>\$ 4,719</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENTS OF ACCOUNTS WITH COUNTY TREASURERS -
GENERAL FUND**

**Year ended August 31, 2016
(Unaudited)**

	<u>Dawson County</u>	<u>Gosper County</u>	<u>Total</u>
Fund Balance - August 31, 2015	\$ 2,154,454	\$ 64,840	\$ 2,219,294
Receipts:			
Local property taxes	9,092,697	390,166	9,482,863
Motor vehicle taxes	648,509	10,864	659,373
Carline	25,667	-	25,667
Pro-rate motor vehicle	26,339	578	26,917
Homestead exemption	132,693	3,386	136,079
Property tax credit	505,296	25,599	530,895
5% gross	27,727	-	27,727
Payments in lieu of taxes	33,856	33	33,889
Fines and licenses	250,391	2,815	253,206
Interest on taxes	29,312	1,788	31,100
Total receipts	<u>10,772,487</u>	<u>435,229</u>	<u>11,207,716</u>
Total funds available	12,926,941	500,069	13,427,010
Disbursements:			
To School District	10,331,725	392,265	10,723,990
Treasurers' fees	97,600	3,919	101,519
Total disbursements	<u>10,429,325</u>	<u>396,184</u>	<u>10,825,509</u>
Fund Balance - August 31, 2016	<u>\$ 2,497,616</u>	<u>\$ 103,885</u>	<u>\$ 2,601,501</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENTS OF ACCOUNTS WITH COUNTY TREASURERS -
SPECIAL BUILDING FUND**

**Year ended August 31, 2016
(Unaudited)**

	<u>Dawson County</u>	<u>Gosper County</u>	<u>Total</u>
Fund Balance - August 31, 2015	\$ 17,751	\$ 536	\$ 18,287
Receipts:			
Local property taxes	76,929	3,301	80,230
Motor vehicle taxes	3	-	3
Carline	217	-	217
Pro-rate motor vehicle	223	5	228
Homestead exemption	1,122	29	1,151
Property tax credit	4,276	216	4,492
5% gross	276	-	276
Payments in lieu of taxes	235	-	235
Interest on taxes	248	15	263
Total receipts	<u>83,529</u>	<u>3,566</u>	<u>87,095</u>
Total funds available	101,280	4,102	105,382
Disbursements:			
To School District	79,832	3,201	83,033
Treasurers' fees	825	33	858
Total disbursements	<u>80,657</u>	<u>3,234</u>	<u>83,891</u>
Fund Balance - August 31, 2016	<u>\$ 20,623</u>	<u>\$ 868</u>	<u>\$ 21,491</u>

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

**STATEMENTS OF ACCOUNTS WITH COUNTY TREASURERS -
BOND FUND**

**Year ended August 31, 2016
(Unaudited)**

	<u>Dawson County</u>	<u>Gosper County</u>	<u>Total</u>
Fund Balance - August 31, 2015	\$ 85,582	\$ 1,077	\$ 86,659
Receipts:			
Local property taxes	32,350	313	32,663
Pro-rate motor vehicle	353	3	356
Interest on taxes	1,349	2	1,351
Total receipts	<u>34,052</u>	<u>318</u>	<u>34,370</u>
Total funds available	119,634	1,395	121,029
Disbursements:			
To School District	119,299	1,392	120,691
Treasurers' fees	335	3	338
Total disbursements	<u>119,634</u>	<u>1,395</u>	<u>121,029</u>
Fund Balance - August 31, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
COMBINING STATEMENT OF NET POSITION -
MODIFIED CASH BASIS - COMPONENT UNITS

August 31, 2016

	Lexington Public Schools Building Corporation	Lexington Community Facilities Agency	Total Component Units
ASSETS			
Cash	\$ 654,682	\$ 248,844	\$ 903,526
LIABILITIES	-	-	-
NET POSITION			
Restricted	\$ 654,682	\$ 248,844	\$ 903,526

LEXINGTON PUBLIC SCHOOLS - DISTRICT #1

**COMBINING STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS - COMPONENT UNITS**

For the year ended August 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Lexington Public School Building Corporation:			
Capital outlay	\$ 3,219,859	\$ -	\$ -
Lexington Community Facilities Agency:			
Capital outlay	<u>359,448</u>	<u>-</u>	<u>-</u>
Total component units	<u><u>\$ 3,579,307</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

	Net (Expenses) Revenues and Changes in Net Position		
	Lexington Public Schools Building Corporation	Lexington Community Facilities Agency	Total Component Units
Capital Grants and <u>Contributions</u>			
\$ 3,870,000	\$ 650,141	\$ -	\$ 650,141
<u>450,033</u>	<u>-</u>	<u>90,585</u>	<u>90,585</u>
<u>\$ 4,320,033</u>	650,141	90,585	740,726
General revenues:			
Interest income	227	-	227
Total general revenues	<u>227</u>	<u>-</u>	<u>227</u>
Change in net position	650,368	90,585	740,953
Net position - beginning of year	<u>4,314</u>	<u>158,259</u>	<u>162,573</u>
Net position - end of year	<u>\$ 654,682</u>	<u>\$ 248,844</u>	<u>\$ 903,526</u>

SINGLE AUDIT REPORTS

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended August 31, 2016

<u>Federal Grantor and Program Title</u>	<u>Pass-Through Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Department of Education</u>			
Passed Through Nebraska Department of Education:			
Title I Grants to Local Educational Agencies	24-0001-000	84.010	\$ 1,032,432 *
Improving Teacher Quality State Grants	24-0001-000	84.367	83,200
Twenty-First Century Community Learning Centers	24-0001-000	84.287	172,787
Career and Technical Education - Basic Grants to States	24-0001-000	84.048	27,974
Migrant Education—State Grant Program	24-0001-000	84.011	185,706
English Language Acquisition State Grants	24-0001-000	84.365	112,812
Education for Homeless Children and Youth	24-0001-000	84.196	21,219
Rural Education Achievement Program (RLIS)	24-0001-000	84.358	52,493
Special Education (IDEA) Cluster:			
Special Education - Grants to States	24-0001-000	84.027	583,497
Special Education - Preschool Grants	24-0001-000	84.173	10,700
Total Special Education/IDEA Cluster			<u>594,197</u>
Total Department of Education			<u>2,282,820</u>
<u>Department of Agriculture</u>			
Child Nutrition Cluster:			
Passed Through Nebraska Department of Education:			
National School Lunch Program	24-0001-000	10.555	1,479,109 *
Summer Food Service Program for Children	24-0001-000	10.559	66,337 *
Total Child Nutrition Cluster passed through Nebraska Department of Education			<u>1,545,446</u>
Passed Through State Department of Health and Human Services:			
National School Lunch Program (Food Donation) (note B)	47-6002382	10.555	100,364 *
Total Child Nutrition Cluster			<u>1,645,810</u>
Passed Through Nebraska Department of Education:			
Fresh Fruit and Vegetable Program	24-0001-000	10.582	60,284
Total Department of Agriculture			<u>1,706,094</u>
<u>Department of Health and Human Services</u>			
Passed Through State Department of Health and Human Services:			
Medical Assistance Program (Medicaid Cluster)	47-6002382	93.778	128,187
Total Expenditures of Federal Awards			<u><u>\$ 4,117,101</u></u>

* Major Programs

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lexington Public Schools - District #1 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Lexington Public Schools - District #1 did not elect to use the 10% de minimis indirect cost rate.

NOTE B - FOOD DONATION PROGRAM

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.



**INDEPENDENT AUDITOR'S 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**

SHAREHOLDERS

Robert D. Almquist
Phillip D. Maltzahn
Terry T. Galloway
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump
Kyle R. Overturf

To the Board of Education
Lexington Public Schools - District #1
Dawson County, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, the aggregate remaining fund information and the fiduciary funds of Lexington Public Schools - District #1 as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated October 28, 2016. Our report on the financial statements disclosed that, as described in Note A to the financial statements, the School District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of Nebraska, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lexington Public Schools - District #1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lexington Public Schools - District #1's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the

entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2016-001 that we consider to be significant deficiencies.

Compliance and Other Matters

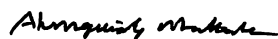
As part of obtaining reasonable assurance about whether Lexington Public Schools - District #1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lexington Public Schools - District #1's Response to Findings

Lexington Public Schools - District #1's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gregory Luth, CPA

Grand Island, Nebraska
October 28, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education
Lexington Public Schools - District #1
Dawson County, Nebraska

SHAREHOLDERS

Robert D. Almquist
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Report on Compliance for Each Major Federal Program

We have audited Lexington Public Schools - District #1's compliance with the types of compliance requirements described in the *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, 2016. Lexington Public Schools - District #1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lexington Public Schools - District #1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Lexington Public Schools - District #1's compliance.

1203 W 2nd Street
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Grand Island, NE 68802
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Opinion on Each Major Federal Program

In our opinion, Lexington Public Schools - District #1 complied, in all material respects, with the types of 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, 2016.

Report on Internal Control over Compliance

Management of Lexington Public Schools - District #1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Ahngquist, Matthew
Galloway & Luth, P.C.

Grand Island, Nebraska
October 28, 2016

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2016

1. A summary of auditor's results:
 - (i) Unmodified opinions were issued on all opinion units of Lexington Public Schools - District #1, as of August 31, 2016 and for the year then ended.
 - (ii) One significant deficiency disclosed during the audit of the financial statements is reported in the "Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*." The condition is not reported as a material weakness.
 - (iii) The audit did not disclose any noncompliance which is material to the financial statements of Lexington Public Schools - District #1.
 - (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for Lexington Public Schools - District #1.
 - (v) An unmodified opinion was issued on compliance for major programs.
 - (vi) The audit did not disclose any audit findings which we are required to report under 2 CFR section 200.516(a).
 - (vii) Major Programs: #84.010 – Title I Grants to Local Educational Agencies, #10.555 – National School Lunch Program, and #10.559 – Summer Food Service Program for Children.
 - (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
 - (ix) Lexington Public Schools - District #1 did not qualify as a low-risk auditee.

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued

Year ended August 31, 2016

2. Findings relating to the financial statements which are required to be reported in accordance with GAGAS.

2016-001 Due to a limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

Management's Response – It is impractical to further segregate duties due to the small size of the District.

3. Findings and questioned costs for Federal awards which shall include audit findings as defined in 2 CFR section 200.516(a).

None

**LEXINGTON PUBLIC SCHOOLS - DISTRICT #1
DAWSON COUNTY, NEBRASKA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended August 31, 2016

Program

Findings for the year ended August 31, 2015:

There were no prior audit findings.