

## Regular November Meeting

Monday, November 12, 2012 7:00 PM

1. Call the meeting to order
  - 1.1. Roll Call
  - 1.2. Verification of Open Meetings Act Notice
  - 1.3. Verification of publication of meeting notice
2. Consider and approve minutes of previous meeting

Motion to approve the the minutes from the previous month's meeting passed with a motion by John Siel and a second by Scott Herrick.

Raquel Felzien: Yea, Ron Fritson: Yea, James Haussermann: Yea, Scott Herrick: Yea, Kim Molzahn: Yea, John Siel: Yea
3. Consider and approve the current board meeting agenda

Motion to approve the current month's board meeting agenda as presented passed with a motion by Raquel Felzien and a second by John Siel.

Raquel Felzien: Yea, Ron Fritson: Yea, James Haussermann: Yea, Scott Herrick: Yea, Kim Molzahn: Yea, John Siel: Yea
4. Consider and approve bills

Motion to approve bills as presented passed with a motion by John Siel and a second by James Haussermann.

Raquel Felzien: Yea, Ron Fritson: Yea, James Haussermann: Yea, Scott Herrick: Yea, Kim Molzahn: Yea, John Siel: Yea

  - 4.1. Consider and approve R & R repair bill in the amount of \$42.18

Motion to approve bill from R & R passed with a motion by James Haussermann and a second by John Siel.

Scott Herrick: Abstain (With Conflict), Raquel Felzien: Yea, Ron Fritson: Yea, James Haussermann: Yea, Kim Molzahn: Yea, John Siel: Yea
  - 4.2. Consider and approve payment of \$301.73 from the depreciation fund to Jake Horne for art room countertop replacement

Approve payment of \$301.73 from the depreciation fund to Jake Horne for art room countertop replacement passed with a motion by Kim Molzahn and a second by Raquel Felzien.

Raquel Felzien: Yea, Ron Fritson: Yea, James Haussermann: Yea, Scott Herrick: Yea, Kim Molzahn: Yea, John Siel: Yea
  - 4.3. Consider and approve payment of \$2700 from the depreciation fund to Howard's Glass for exterior door replacement on elementary principal's office

Approve payment of \$2700 from the depreciation fund to Howard's Glass for exterior door replacement on elementary principal's office passed with a motion by Scott Herrick and a second by John Siel.

Raquel Felzien: Yea, Ron Fritson: Yea, James Haussermann: Yea, Scott Herrick: Yea, Kim Molzahn: Yea, John Siel: Yea
5. Visitors' Comments
6. Reports
  - 6.1. Principal's Report

- 6.2. Superintendent's Report
  - 6.2.1. State School Board Convention
  - 6.2.2. Dress Code Concern
  - 6.2.3. Christmas Party
  - 6.2.4. Dropout Rate
- 6.3. Board Members' Reports
- 6.4. Committee Reports
- 7. New Business
  - 7.1. Planning
  - 7.2. Policy Review
    - 7.2.1. School Wellness Policy
    - 7.2.2. 4000 Series Policy Development
- 8. Action Items
  - 8.1. Consider and approve transfer of \$20,000 from the general fund to the school lunch fund
- 9. Discussion Items
  - 9.1. Personnel Issue (Possible Executive Session)
    - Motion to go into executive session at 7:50 for the purpose of discussing personnel issues was made by Fritson and second by Siel. Fritson repeated the motion to go into executive session for the purpose of discussing personnel issues which passed with a motion by Ron Fritson and a second by John Siel.
    - Raquel Felzien: Yea, Ron Fritson: Yea, James Haussermann: Yea, Scott Herrick: Yea, Kim Molzahn: Yea, John Siel: Yea
    - Motion to come out of executive session at 8:30 passed with a motion by John Siel and a second by Raquel Felzien.
    - Raquel Felzien: Yea, Ron Fritson: Yea, James Haussermann: Yea, Scott Herrick: Yea, Kim Molzahn: Yea, John Siel: Yea
  - 9.2. 2012 Audit Draft
- 10. Positive Comments
- 11. Adjournment
  - Motion to adjourn at 9:05 PM passed with a motion by John Siel and a second by Scott Herrick.
  - Raquel Felzien: Yea, Ron Fritson: Yea, James Haussermann: Yea, Scott Herrick: Yea, Kim Molzahn: Yea, John Siel: Yea

## Quotes from the Polls

Kindergarten – 6<sup>th</sup> grade students participated in a mock election held on November 1<sup>st</sup>. I thought you might enjoy the quotes from the students as to why they voted the way they did.

“Mitt Romney, because he is a Republican”

“Barack Obama, because he is trying to lower taxes for people who don’t have much money”

“I voted for Mitt Romney because he takes a better picture”

“I voted for President Obama because he is going to stay President anyway. I might as well vote for the winner”

## Penny War Update

The Penny War sponsored by the 4<sup>th</sup> grade class ended on October 31<sup>st</sup>. The amount of money collected from students K-12 was \$1637.40. The students received a matching fund amount from an anonymous donor, which brought the total donation of \$3274.80.

## Being a Flyer Ace at the Movies- Tying it to the Community


The unfortunate fire at the theater provided an opportunity to tie together the “Flyer ACE” behavior expectation model we use at the school with expectations we expect from students when attending the movie theater. Cindy Rubendall and I worked together to create this poster for being a “Flyer ACE” when attending the movies. We will have teachers teach those expectations prior to the re-opening of the theater.

**Arrive to the movie prepared and on time**  
Being prepared is to  
Shut off cell phones  
Be in your seat and quiet  
Find a seat and stay put

**Demonstrate respect for people and property**  
Do not talk during the movie  
Use your napkin when eating food  
Take care to treat the theater seats properly  
Do not put your feet up on the seats  
Bathrooms are cleaned daily please leave them the way you came  
Throw your trash away in the trash containers provided

**Respond appropriately to adult directive**  
If you are asked to stop doing something by theater employees do so in a respectful manner  
Use your manners and be polite to workers and other moviegoers

*At the Rose Bowl Theater*

  
**Be a Flyer ACE!**



### Items Needed

Canned Fruit  
Canned Vegetables  
Pancake mix and syrup  
Any juices  
Jell0 and pudding mixes  
or snack packs  
Crackers  
Cookies  
Pastas and Noodles  
Canned Milk  
Jelly  
Shampoos and  
conditioner  
Laundry or dish soap  
Personal soap  
Toothpaste and  
toothbrushes  
Paper products

# Kids Who Care!

Franklin Public Schools will be sponsoring a  
school-wide food drive the week of  
November 12<sup>th</sup> -16<sup>th</sup>



# ***Franklin Public Schools Board Of Education Meeting Minutes***

**Regular October 2012 Meeting**

October 08, 2012 @ 08:00PM

Franklin Public Schools Library

## **Board Members Present & Absent**

**Attendance Taken at 8:07 PM:**

Present Board Members:

Raquel Felzien  
Ron Fritson  
James Haussermann  
Scott Herrick  
Kim Molzahn  
John Siel

### **1. Call the meeting to order**

The regular, October 8th, 2012, meeting of the Franklin Public School Board was opened by Board President Ron Fritson at 8:08 PM.

#### **1.1. Roll Call**

The regular, October 8th, 2012, meeting of the Franklin Public School Board was called to order by Board President Ron Fritson.

#### **1.2. Verification of Open Meetings Act Notice**

Board Member Herrick verified that the Open Meetings Notice was posted in the Franklin Public School's Media Center.

#### **1.3. Verification of publication of meeting notice**

Board Member Siel verified that the meeting notice was published in the Franklin Chronicle.

### **2. Consider and approve minutes of previous meeting**

Motion to approve the minutes from the previous month's meeting passed with a motion by Raquel Felzien and a second by Kim Molzahn.

### **3. Consider and approve the current board meeting agenda**

Motion to approve the current month's board meeting agenda as presented passed with a motion by Scott Herrick and a second by John Siel.

### **4. Consider and approve bills**

Motion to approve bills as presented passed with a motion by John Siel and a second by James Haussermann.

#### **4.1. Consider and approve R & R repair bill in the amount of \$53.47**

Motion to approve bill from R & R passed with a motion by James Haussermann and

a second by John Siel.

**4.2. Consider and approve payment of \$752.21 to Lifestyle Kitchens from the depreciation fund**

Motion to approve payment to Lifestyle Kitchens in the amount of \$752.21 from the depreciation fund for replacement of art room counter tops passed with a motion by Raquel Felzien and a second by Kim Molzahn.

**4.3. Consider and approve payment of \$250 to Jake Horne from depreciation fund for art room counter top replacement**

Motion to approve payment of \$250 to Jake Horne from depreciation fund for art room counter top replacement passed with a motion by Raquel Felzien and a second by John Siel.

**4.4. Consider and approve payment of \$1032.24 from special building fund for video security equipment computer**

Motion to approve payment of \$1032.24 from special building fund for video security equipment computer passed with a motion by Scott Herrick and a second by Kim Molzahn.

**5. Visitors' Comments**

No visitors were present.

**6. Reports**

**6.1. Principal's Report**

**6.2. Superintendent's Report**

**6.2.1. Blue Hill Donation Thank You**

**6.2.2. Yearbooks Distribution**

**6.2.3. Lunch Program Improvements**

**6.2.4. Bus Cameras & Seatbelts**

**6.2.5. Prom for Underclassmen**

**6.2.6. JH Athletics/Sport in Season in PE**

**6.2.7. TWEETS**

**6.3. Board Members' Reports**

**6.4. Committee Reports**

**7. New Business**

**7.1. Planning**

**7.2. Policy Review**

**8. Action Items**

**8.1. Consider and approve donation of proceeds from the volleyball match against Blue Hill to the fund set up for the victims of the recent bus accident**

Motion to approve donation of proceeds from the volleyball match against Blue Hill to the fund set up for the victims of the recent bus accident passed with a motion by Raquel Felzien and a second by James Haussermann.

**8.2. Consider and approve adoption of the entire Board policy series 6000 as presented and to repeal and rescind all existing Board policies that pertain to the same matters or that are otherwise conflicting, including without limitation existing policies**

Move to adopt the entire Board policy series 6000 as presented and to repeal and rescind all existing Board policies that pertain to the same matters or that are otherwise conflicting, including without limitation existing policies passed with a motion by Kim Molzahn and a second by Scott Herrick.

**8.3. Consider and approve declaring items as surplus for disposal purposes**

Motion to approve declaring items as surplus for disposal purposes passed with a motion by John Siel and a second by Raquel Felzien.

**8.4. Consider and approve policy 6117 regarding recitation of The Pledge of Allegiance (with option to waive second reading of policy 6117)**

Motion to approve adoption of policy 6117 and waive second reading passed with a motion by Raquel Felzien and a second by Kim Molzahn.

**9. Discussion Items**

**9.1. FCCLA Clusters Request for Funding Support**

**9.2. FFA Request for financial support to attend national convention**

The board approved support of the FFA in the form of conference registration, transportation fees, and meal fees in accordance with established board guidelines contained in policy.

**9.3. Board Member Photo**

**9.4. State Education Conference**

**9.5. Medical Personnel at Football Games**

The board wishes to continue to have an ambulance at the football games, even though it is not required by NSAA Regulations.

**9.6. Bowling Transportation**

**10. Positive Comments**

Clay Roberts did a fantastic job of presenting to the staff and community members on Monday, October 8th. A special 'thank you' to the Franklin Community Foundation for the generous grant offered to make this training possible. A special thank you to those community members who came to the training. -Ken Schroeder, Superintendent

Homecoming was a positive day for the students, staff, and community. -James Haussermann

Our yearbook staff was given a "12%" award by Jostens. This award is a testament to the quality of the yearbooks being produced by Mrs. Sidman, Mrs. Cleveland, and our students on yearbook. -Ken Schroeder

Bev Jackson came up with the idea to donate the money from the Blue Hill game to the relief fund. That was very kind of her to think of others. -Raquel Felzien

Thanks to the Franklin City Council for a generous donation to support the implementation of the 40 Developmental Assets in Franklin. -Shelly Kahrs

**11. Adjournment**

**Motion Passed:** Motion to adjourn at 9:40 PM passed with a motion by John Siel and a second by Raquel Felzien.



WELLNESS AND NUTRITION

The Board of Education shall promote and monitor a local wellness program. The program shall:

- 1) Include goals for nutrition education, physical activity, and other school-based activities designed to promote student wellness in a manner that the Board of Education determines is appropriate.

Nutrition Education to include:

- continued coverage within PE/Health 9 curriculum that is a required class for all freshmen
- annual health fairs and other information-based sessions for K-12 students and families
- continued coverage during FCCLA and explore classes
- heightened awareness of “portion distortion,” food pyramid, and other nutrition-based issues through displays throughout school building
- continue to introduce lifetime nutritional goals during K-6 PE classes

Physical Activity to include:

- continued physical activities at the K-8 level through PE classes
- emphasis on lifetime sports and weight training at the 9<sup>th</sup>-12<sup>th</sup> grade levels
- promotion of a healthy balance through daily exercise and a balanced diet for all staff members and students

Other School-Based Activities to include:

- Guest speakers and assemblies as they become available on this important topic
- Communication of nutrition guidelines and portion information from the Food Service Department

- 2) Continue to monitor and log the nutritional components of all foods available in school during the school day through the work of our Food Service Department; the objectives of the guidelines shall be to promote student health and to reduce childhood obesity.
- 3) Assure that the guidelines for reimbursable school meals shall not be less restrictive than regulations and guidance issued by the Secretary of Agriculture, as those regulations and guidance apply to schools.

WELLNESS AND NUTRITION, cont.

- 4) Establish a plan for measuring implementation of the local wellness policy, including designation of the superintendent who shall be charged with operational responsibility for ensuring the wellness policy is effectively enforced.

Plan for measuring implementation:

- this policy will be reviewed each April at the regularly scheduled Board of Education meeting
- each spring a survey will be given to all 3<sup>rd</sup>-12<sup>th</sup> students and all K-12 staff to provide feedback on how well we addressed nutrition education and guidelines throughout that school year's various activities and programs

- 5) Involve parents, students, members of the school food service department, the Board of Education, administrators, and the public in the development of the school wellness policy.

History of this committee:

- Initial meeting was held at 7:45 AM on Thursday, February 16<sup>th</sup> in the Superintendent's office. The following committee members attended: Julie Bydalek, Barb Goosic, Pam Wallin, Ed Beam, Paul Nepodal, Sandy Schegg, Mary Goebel, and Mike Lucas

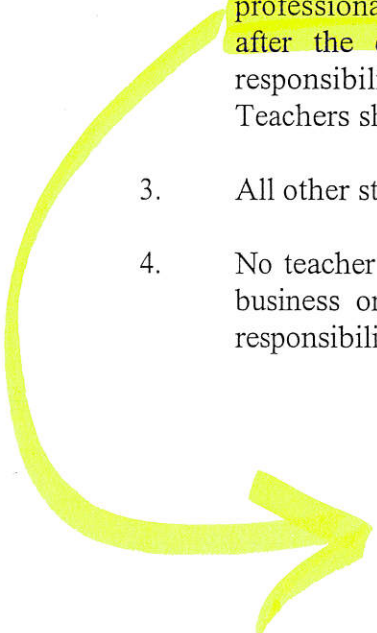
Guidelines we will work to follow that support this policy include:

- Nutrition services policies and guidelines for reimbursable meals shall not be more restrictive than federal and state regulations require
- Vending machines where student meals are served or eaten shall not include carbonated beverages
- The beverage vending machine area near our high school entrance shall include choices that include bottled water and 100% fruit juice
- Our snack vending machines shall provide an assortment of snacks where:
  - At least 3/4 of the choices are single serving snacks
  - At least 2/3 of the choices contain 300 or fewer calories
  - At least 1/3 of the choices contain 8 grams of fat or less

Policy Approved: May 8, 2006

Personnel - All EmployeesDuty Hours of Employees

1. Administrative personnel shall be on duty when and at such times as the responsibilities of their position dictates. The Superintendent shall set the duty hours of administrative staff.
2. Teachers shall make arrangements to be available to students after school. Unless otherwise specified by the Superintendent or by negotiated agreement, members of the professional staff shall be on duty 30 minutes before the start of school and 30 minutes after the end of the day to plan and to carry out their individual professional responsibilities as determined by the Superintendent and the building principals. Teachers shall be provided with a one half hour duty free lunch period.
3. All other staff shall be on duty as determined by the Superintendent.
4. No teacher or other school employee shall accept any other employment or carry on any business or activity for profit that interferes with the complete discharge of his or her responsibilities to the school district.



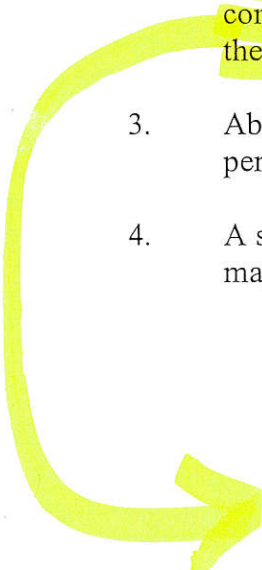
We can't have this language because the negotiated agreement defines the duty days as 7:50 AM - 3:50 PM and 7:50 AM - 2:10 PM.

Date of Adoption: [Insert Date]

Personnel - All Employees

Absence of Employees

1. An employee who finds it necessary to be absent from duty shall notify the office of the employee's immediate supervisor in advance of such absence and give (1) the reason for the absence; and, (2) the anticipated length of absence.
2. Employees requesting leave in order to perform other duties for which they will be compensated (court duty, consulting, etc.) shall be required to remit to the District either the compensation received beyond expenses or their district wages for the time missed.
3. Absence or suspension from duty of any employee shall result in loss of pay for the period of absence or suspension except as otherwise provided by these policies or law.
4. A substitute may not be hired by any employee to take over his/her duties. In no instance may an employee make personal arrangements to pay a substitute.




Do you want to do this with court duty payments?

Date of Adoption: [Insert Date]

Personnel - All Employees

Absence From Building

1. Employees may not be absent from their respective assignments during duty hours except by permission of their immediate supervisor or Superintendent. Employees shall check out of the building whenever absent during the day.
2. Employees may be excused from the building for periods not to exceed thirty (30) minutes with the approval of their immediate superior officer or Superintendent for matters of personal business which cannot be completed after regular school hours. Personal absence leave forms shall be completed in the event the absence from the building exceeds 30 minutes.



This is not happening now. Teachers will run errands on their planning periods. Do you want them to sign in and out or let them come and go freely.


Date of Adoption: [Insert Date]

Personnel - All Employees

Use of School Facilities and Equipment by School Employees

The Superintendent may approve use of school facilities, equipment and other resources by school employees, except for activities which result in personal or corporate gain and provided that such use is consistent with Policy No. 1100.

School vehicles shall not be available for personal use.



Graduation receptions, garage sales, AV equipment for community groups. Do you want to continue this?

Date of Adoption: [Insert Date]

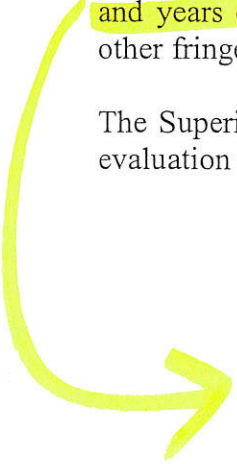
Personnel - Certificated Employees

Substitute Teachers

Persons employed as substitute teachers shall meet such qualifications as are established by law and the State Department of Education and may be employed for periods of time in the absence of the regular teacher.

Rates of compensation for all substitute teachers will be set by the Board, provided that after a substitute employee has been on duty for fifteen (15) consecutive school days, such substitute teacher shall be paid on a per diem rate applying the salary schedule in place for certificated teachers for the school district based upon the substitute teacher's level of educational attainment and years of teacher experience. Substitute teachers will not participate in the health plan or other fringe benefits of the school district.

The Superintendent shall be responsible for recruitment, selection, assignment, orientation and evaluation of substitute teachers.



Currently, this is not the practice. We have differentiated the rate after negotiating with the teacher, but there is no established, differentiate rate.

Legal Reference: Neb. Rev. Stat. § 79-808

Date of Adoption: [Insert Date]

PersonnelProfessional GrowthRequired Professional Growth Activities

Very similar to what is in place now. Just want you to be aware of it and approve of it.

Every six years the teachers in the Franklin Public Schools system shall give evidence of professional growth as is approved by the school board in order to remain eligible for continued employment. Educational travel, professional publications, work on educational committees, college work, or such other activity approved by the school board may be accepted as evidence of "professional growth".

Professional Growth Period - This refers to each six year period during which teachers are required to give evidence of professional growth. A tenured teacher, upon employment on September 1, begins his/her initial six year growth period at that time, and end it on August 31, six years later. The beginning of the seventh year starts the second six year period.

Professional Growth Points - All teachers must earn a total of 24 professional growth points during each professional growth period. Each activity of professional growth has its own criteria for acceptance and evaluation. It is the individual teacher's responsibility to show that the activity did actually contribute to his/her professional development and to their increased effectiveness in the capacity in which he/she is employed. The requirement of proof may be accomplished in a variety of ways such as: written reports, AV presentations, grade transcripts, etc.

Procedures for Applying for Growth Credit - Application for accreditation of professional growth activities and college credit shall be made on forms prescribed by the Professional Growth Committee. A separate application shall be submitted for each activity for which growth points are requested. Application shall be initiated by the person requesting credit. Any activity not clearly defined as a possibility for professional growth must have preliminary approval before participation by the superintendent and principal. The application, together with substantiating evidence that the work has been completed, shall be given to the principal's office. After the professional growth committee has considered the application, then reviewed and signed by the superintendent, notice will be sent to the applicant of the approval or non-approval. After all the parties have taken action, the application will be filed in the applicant's personal file. Teachers may earn more than twenty-four professional growth points in a six year period and have these recorded on their record if they so request this to the superintendent/or principal.

Professional Growth Committee - A professional growth committee will be appointed by the superintendent. The principal and two teachers will make up this committee. The teachers will be appointed for a two year period.

Classification of Activities - Listed are the activities for which growth points may be obtained and in addition, the maximum number of points allowed. The required 24 points may be earned in a single year or over a period of six years. Points earned during one growth period may not be carried over into the succeeding professional period, even though they may have earned in excess of the required number.

*Professional Development Activities:*

Professional Development Activity		Point Criteria
I. Course Work		
	A. College or University Courses	One semester hour = 4 pts
	B. Verified Audit of College or University Courses	One semester hour = 1 pt
II. Professional Meetings		
	A. Workshops, curriculum conf. & conventions	Three seat hours = 1 pt <sup>1</sup>
	B. TV or Internet In-service Programs	Six viewing hours = 1 pt
	C. Professional presentations prepared and presented to adults at a workshop, conference, or convention	One hour = 1 pt
III. Other Pre-Approved Activities <sup>2</sup>		
	A. Professional research related to pedagogy	Administrative discretion - up to 4 pts
	B. Publication of work in professional journals or other educational related materials	Administrative discretion - up to 4 pts
	C. Travel to destination related to endorsed area or subject matter of assigned curriculum	Administrative discretion - up to 4 pts
	D. School visitations or accreditation/visitation committees	One day = 1 pt
	E. Summer employment related to endorsed area or subject matter of assigned curriculum	Administrative discretion - up to 4 pts
	F. Service as a "cooperating Teacher" for student Teacher.	One semester = 1 pt
	G. Service as an appointive or elected officer of a professional organization	Administrative discretion - up to 4 pts
	H. Other activities not included above may be considered by the Professional Growth Committee after prior approval from the administration	Administrative discretion - up to 4 pts

If a staff member attends a workshop or conference for one and one-half hours (1/2 point possible credit), then that workshop may be referred to the Professional Growth Committee, if accompanied by another application from the same category for another one-half point.

No more than 8 growth points can be awarded in the areas of extra-curricular activities in any growth period.

All applications eligible for consideration must be turned into the principal's office during the six year growth period of time.

Legal Reference: Neb. Rev. Stat. § 79-830

Date of Adoption: [Insert Date]

<sup>1</sup> Except Franklin Public Schools sponsored workshops.

<sup>2</sup> "Pre-approved Activities" shall mean those professional growth activities proposed by the certificated employee to be credits with points for purposes of professional growth under this policy that have been approved for such purpose in writing by the Superintendent and Principal.

Personnel - Certificated EmployeesReduction in Force Policy for Certificated Staff

Reductions-in-force of certificated staff member may be required due to decreasing enrollments, limited financial support, changing programs, or other changes in circumstances. If such changes occur and a reduction of certificated staff is necessary, the Superintendent (or his designee) shall recommend to the Board of Education those certificated employees to be reduced under the reduction-in-force provisions of the continuing contract laws; provided, however, that no permanent employee may be reduced through a reduction-in-force while a probationary employee is retained to perform a service in a position that the permanent employee is qualified by certification and endorsement to perform or where certification is not applicable, by reason of college credits in the teaching area.

Due to the often intimate, confidential, and unique personal working relationship necessary between the administration and the Board of Education, a certificated employee who is not currently serving in a predominantly administrative capacity shall have no rights under this policy to any administrative position within the school system.

The selection of personnel to be reduced shall be made with consideration given to the following: (1) programs to be offered, (2) areas of certification and endorsement, (3) state and federal regulations which may mandate certain employment practices, (4) special qualifications that may require specific training and/or experience, (5) contributions to activity programs, (6) qualifications based on past performance and competence as determined by the Principal and/or Superintendent through employee evaluation procedures, (7) the organizational and educational impact created by multiple part time certificated employees, and (8) any other reasons which can be rationally related to the instruction in or administration of the school system.

Employee evaluations (including frequency of evaluations, evaluation forms, and number and length of classroom observations, if applicable) used for purposes of this policy shall conform to the board policies and administrative rules, regulations, and practices (in effect at the time) related to the periodic evaluation of certificated staff members.

If, after consideration of the above, it is the opinion of the Superintendent that no significant difference exists between certificated employees being considered for reduction-in-force, then the employee with the longest uninterrupted service to the district shall be retained. Uninterrupted service time shall accrue the same for all certificated employees regardless of their full time equivalency. Uninterrupted service time for employees employed less than a full school year shall accrue according to the number of contract days worked. Uninterrupted service time shall not accrue for certificated employees on leave of absence for more than forty (40) days.

Any certificated employee whose contract is terminated because of reduction-in-force shall be considered to have been dismissed with honor and shall, upon request, be provided a letter to that effect. Such employee shall have preferred rights to re-employment for a period of twenty-four

months commencing at the end of the contract year and the employee shall be recalled on the basis of length of uninterrupted service to the school to any position for which he or she is qualified by endorsement or college preparation to teach. The employee shall, upon reappointment, retain any benefits which had accrued to said employee prior to the reduction, but such leave of absence shall not be considered as a year of employment by the district. An employee under contract to another educational institution may waive recall but such waiver shall not deprive the employee of his or her right to subsequent recall.

It shall be the responsibility of such certificated employee to file (with the Superintendent of Schools) a copy of said employee's teaching certificate (including endorsements) upon initial employment with the district. On or before March 15th of each year thereafter (for so long as the employee is employed in the school system or has rights of recall) evidence of any changes in said employee's certification or endorsements which have occurred (since March 15th of the previous year) or are pending shall be filed with the Superintendent of Schools.

Any certificated employee whose employment contract is reduced as a result of reductions-in-force shall (during his/her period of recall) report his/her current address to the Superintendent of Schools and shall inform said Superintendent of any changes of address thereafter. If a vacancy in the system occurs for which said employee has rights of recall, the offer of such employment may be sent by said Superintendent to said employee's last known address. If no acceptance of such offer is received from said employee within fourteen days of mailing and the Superintendent has no personal knowledge of the whereabouts of said employee (other than said last known address), the employee shall be deemed to have waived his/her rights to recall to said employment position.

Anything in this policy to the contrary notwithstanding, this policy shall specifically permit and allow reductions in force to occur which deal with total elimination or termination or amendment of contracts or positions, which deal with reductions in force from full-time to part-time, which deal with reductions in force from part-time to a lesser part-time, or which deal with any other reductions in force which result in the termination or amendment of a certificated employee's contract or employment position.

Legal Reference: Neb. Rev. Stat. " 79-846 to 79-849

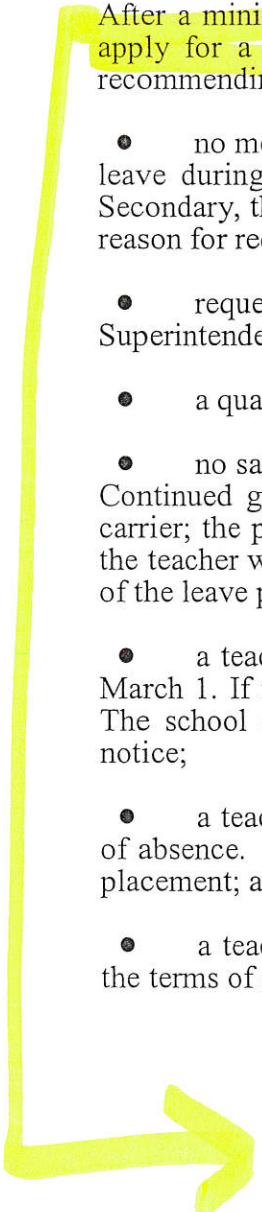
Date of Adoption: [Insert Date]

Personnel - Certificated Employees

Leave of Absence

After a minimum of three (3) years of employment in Franklin Public Schools, a teacher may apply for a one-year leave of absence. Criteria to be considered by the superintendent in recommending approval or denial of a request include:

- no more than one Elementary teacher and no more than one Secondary teacher may be on leave during the same year. If more than one request is received from the Elementary or Secondary, the administration shall decide based on factors including the date of application, the reason for requesting leave, the subsequent value to the school district, and seniority;
- requests for the one-year leave of absence must be submitted in writing to the Superintendent prior to March 1 through the Superintendent;
- a qualified replacement must be found before the leave is approved;
- no salary or benefits will be paid to the teacher by the district during the year of absence. Continued group health insurance may be obtained, subject to the approval of the insurance carrier; the premiums for such insurance shall be paid by the teacher in advance. Upon return, the teacher will be placed on the salary schedule at the vertical step earned prior to the beginning of the leave period;
- a teacher who wishes to return from leave shall notify the Superintendent in writing by March 1. If no such notice is received by March 1, the teacher is considered to have resigned. The school district shall not be responsible for reminding the teacher of the required return notice;
- a teacher returning from leave is not guaranteed the same position held before the leave of absence. However, an effort will be made to arrange for the same or a comparable position placement; and
- a teacher shall enter into a written agreement with the Board of Education setting forth the terms of such leave of absence.



Do you want to allow for such leaves of absence if you aren't required to?

Date of Adoption: [Insert Date]

Personnel - Non-Certificated EmployeesContract

All non-certificated employees shall be required to sign an "at will" employment contract with the school district as a condition precedent to employment or continued employment with the school district. The non-certificated "at will" employee contract shall be in the form as proposed by the Superintendent and approved by resolution of the Board of Education.

This policy provides for an "at-will" contract form. Some of the provisions in this contract may not meet with the liking of some current "at-will" employees because it may change some of their benefits, such as accumulating leave.

Date of Adoption: [Insert Date]

**CLASSIFIED EMPLOYEE'S  
EMPLOYMENT AGREEMENT**

This Employment Agreement is entered into between Franklin Public Schools, hereinafter referred to as the "District," and \_\_\_\_\_, hereinafter referred to as the Employee.

**WITNESSETH:** The District hereby agrees to employ the Employee and the Employee hereby agrees to accept such employment on the following terms and conditions:

**Section 1. Term of Contract.** The term of this contract shall commence effective on the 1<sup>st</sup> day of August, 20\_\_, and shall terminate on the 31<sup>st</sup> day of July, 20\_\_. The contract and employment is on an "at will" basis and may be earlier terminated pursuant to Section 4. The contract may be extended for like periods by written agreement.

**Section 2. Compensation and Benefits.**

- a. Salary Worksheet. Employee shall be paid a salary and benefits in accordance with the Salary Worksheet attached hereto and incorporated by this reference. Salary shall be payable in twelve equal installments on the regular payroll date each month.
- b. Leaves. Vacation leave days are earned on a proportionate basis throughout the year (for example, if the District provides 12 days per year, one day is available each month); the District may permit advance leave days to be taken in its discretion. Unused leave does not carry forward from one year to another. There shall be no pay in lieu of unused leave.
- c. Deductions. The Employee authorizes the District to deduct or withhold from each and every period of pay any amounts necessary to offset any damages caused by the Employee or the value of property or money entrusted to the Employee or owed by the Employee to the District during the course of the Employee's employment.
- d. State Retirement. This employment is subject to provisions of the School Employees State Retirement Act.
- e. FLSA Exemption: Employee is Exempt \_\_\_ Not Exempt \_\_\_ (check as applicable) under the FLSA guidelines. Employee agrees that this overtime-exempt determination is accurate.

**Section 3. Duties of Employee.**

- a. Position. Employee is employed in the position of \_\_\_\_\_.
- b. Duties. The duties of the Employee shall include such duties as may be set forth in the applicable job description for the position, the policies of the Board of Education, and as are assigned by the Superintendent and by the Employee's supervisor. The Employee agrees to perform the duties faithfully and to the best of the Employee's ability.
- c. Board Policies. The Employee shall comply with the policies of the Board of Education, the rules and regulations of the District and the directives of supervisors. The Employee agrees that the policies of the Board of Education and rules and regulations of the district may be changed at any time, with or without notice to the Employee.
- d. Duty Hours. The days and hours of employment shall be as assigned by the Superintendent or the Employee's supervisor. Regular, dependable attendance is an essential function of the Employee's position.
- e. Assignment. The Employee may be assigned to different positions and duties and in such event the Board shall retain the discretion to adjust the salary and benefits commensurate with such changed position or duties.

**Section 4. Termination of Employment.**

- a. Termination by District. This agreement creates no property right in continued employment. It may be terminated by the District, with or without cause or hearing, upon giving two (2) calendar weeks notice or pay in lieu of notice, provided that in the event of just cause for termination, no notice or pay in lieu of notice shall be required.
- b. Termination by Employee. In the event of Employee submits a resignation or otherwise terminates the agreement prior to July 31, 20\_\_ (or prior to an extended term entered into between the District and the Employee), the resignation shall not become effective until approval by the Board which, unless waived by Board action, shall be subject to the condition that Employee pay liquidated damages for such early termination as follows: resignation effective more than 90 days prior to term—fifteen percent (15%) of annual salary; resignation effective more than 60 days but less than 90 days prior to term—ten percent (10%) of annual salary; and resignation effective at any other time prior to the effective date but without two (2) weeks written notice—five percent (5%) of annual salary. The Employee agrees that such liquidated damages are necessary for the reason that early resignations and resignations without advance notice present severe problems for the District in obtaining suitable replacements, the damages from such are difficult to fix, and the established liquidated damages approximate damages to the District.
- c. Compensation upon Termination. Upon termination, the compensation to be paid shall be an amount which bears the same ratio to the annual salary specified as the number of months or fraction thereof to the date of termination bears to the twelve months in the annual salary period in which termination occurs. (In the event salary is fixed on a period other than twelve months, the same proration method shall be used for the period over which the salary has been fixed). Any portion of compensation, whether in the form of salary or benefits, paid or provided but not earned prior to termination, shall be refunded to the District by the Employee. The Employee authorizes a set-off from compensation for any damages due the District from the Employee for reason of liquidated damages or otherwise.

**Section 5. Applicable Law.** This agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.

**Section 6. Entirety of Agreement and Amendments.** This Employment Agreement constitutes the entire agreement and no representations, promises, agreements or undertakings made by or on behalf of the District, written or oral, not herein contained shall be of any force or effect. It is specifically agreed that this Employment Agreement shall be subject to modification only by a written instrument signed by the Employee and the Superintendent or the Board of Education.

<p>Executed this ___ day of _____, 20__.</p> <p>_____</p> <p><b>Employee</b></p>	<p>Executed this ___ day of _____, 20__.</p> <p><b>Franklin Public Schools</b></p> <p>By: _____</p> <p>Superintendent or other Authorized Official</p>
--	--

SALARY WORKSHEET

Employee Name:	Assignment:
Schedule Placement:	Days Per Year*:
Hours Per Day:	Yearly Fringe Benefit: \$
Fringe Benefit: \$	Yearly Salary: \$
Hourly Salary: \$	Extra Duty:
Extra Wage: \$	

\*FLSA-Exempt Employees: If Employee is FLSA-exempt, it is understood that there shall be no pay for days or hours worked in excess of that listed absent a written, Board approved agreement for such work. Employee agrees that Employee (initial as appropriate):

\_\_\_ Executive Exemption: Employee's duties include the primary duty of the management of a recognized department or subdivision and customarily and regularly directing the work of other employees (2.0 FTE or more). Employee's recommendations as to hiring, firing, promotion or other change of status of other employees are to be given particular weight.

\_\_\_ Administrative Exemption: Employee's duties include the primary duty of performing office or non-manual work directly related to the management policies or general business operations of the employer or the employer's customers and Employee customarily and regularly exercises discretion and independent judgment; or Employee's duties include the primary duty of performing administrative functions directly related to academic instruction or training.

Income Summary	
Monthly Salary:	\$
Monthly Fringe:	\$
<b>Total Salary Available:</b>	<b>\$</b>
Deductions	
Cancer Insurance:	\$
Blue Cross Blue Shield	\$
Guardian Life Insurance	\$
SelectFlex	\$
Savings Bond	\$
Annuities	\$
United Way	\$
Credit Union	\$
Direct Deposit	\$

*Verify! Update these deductions*

Please use this worksheet to make any changes in your deductions. Salary Reduction Agreements are required to make changes to annuities. As an employee of the Franklin Public Schools, I voluntarily authorize the above deductions effective on the signed date.

Employee _____	Date: _____, 20__.
Superintendent _____	Date: _____, 20__.

Personnel

Non-Certified Staff

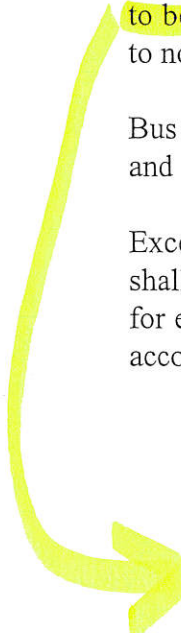
Bus Drivers

Bus drivers are selected from qualified applicants by the superintendent and recommended to the Board of Education for employment. Bus drivers must meet all the requirements prescribed by Nebraska Law.

Regular bus drivers are paid at a rate established annually by the Board of Education. Bus drivers receive three days sick leave per year non-accumulative with one of those days available to be used for personal leave with the permission of the administration. Bus drivers are entitled to none of the insurance benefits.

Bus drivers will be paid at an hourly rate established annually by the Board for school activity and field trips.

Except as may otherwise be established by the Board, the pay for each trip on a regular route shall be the total annual pay divided by the total scheduled trips. This amount shall be deducted for each trip that a substitute must be hired. Substitute drivers will be paid an amount calculated according to the procedures outlined above.



Currently, they are offered 5 discretionary days rather than 3 sick days.

Legal Reference: Neb. Rev. Stat. § 79-608  
NDE Rules 91 and 92

Date of Adoption: [Insert Date]

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506

FRANKLIN, NEBRASKA

FINANCIAL STATEMENTS

AUGUST 31, 2012

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FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
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FRANKLIN, NEBRASKA  
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## INDEPENDENT AUDITORS' REPORT

Board of Education  
Franklin Public Schools District No. 506  
Franklin, Nebraska

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Public Schools District No. 506, Franklin, Nebraska, as of and for the year ended August 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the administration, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, Franklin Public Schools District No. 506, Franklin, Nebraska, prepares its financial statements on the basis of cash receipts and disbursements in accordance with the accounting procedures and reporting requirements permitted by the Nebraska Commissioner of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Franklin Public Schools District No. 506, Franklin, Nebraska, as of August 31, 2012, and the respective changes in cash basis financial position, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated , 2012, on our consideration of the Franklin Public Schools District No. 506, Franklin, Nebraska's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franklin Public Schools District No. 506, Franklin, Nebraska's financial statements as a whole. The other supplemental information on pages 18 - 31 are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose for forming an opinion on the basic financial statements as a whole. The other information on pages 32 – 39 is presented for additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Minden, Nebraska  
, 2012

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FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED AUGUST 31, 2012

		Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government Total Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>				
Governmental Activities				
Regular instruction	2,117,950		7,527	(2,110,423)
Special education	479,461		179,861	(299,600)
Early childhood development	48,788		35,093	(13,695)
Support services				
Pupils	80,216			(80,216)
Instructional staff	71,826			(71,826)
Maintenance and operation of buildings	346,795			(346,795)
Regular pupil transportation	189,452			(189,452)
General and administrative				
General administration	186,593			(186,593)
School administration	206,406			(206,406)
Business services	46,426			(46,426)
Federal programs	296,800		169,542	(127,258)
Lunch services	167,112	62,418	86,741	(17,953)
Debt service				
Principal	18,976			(18,976)
Capital outlay	482,937			(482,937)
Transfers to other funds	36,799			(36,799)
Total governmental activities	<u>4,776,537</u>	<u>62,418</u>	<u>478,764</u>	<u>(4,235,355)</u>
 <b>General Receipts</b>				
Taxes				
Property taxes - general purpose				2,192,875
Motor vehicle tax				127,961
Interest				15,086
County fines and license fees				7,565
State funding				1,295,545
Federal funding				29,033
Insurance proceeds				43,107
Other				19,863
Total general receipts				<u>3,731,035</u>

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FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED AUGUST 31, 2012

		Program Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government Total Governmental Activities	
Change in net assets resulting from receipts and disbursements					(504,320)
NET ASSETS, beginning of year					2,729,200
NET ASSETS, end of year					<u>2,224,880</u>
ASSETS					
Cash					183,904
Certificates of deposit					1,442,012
Cash at County Treasurer					<u>598,964</u>
TOTAL ASSETS					<u>2,224,880</u>
NET ASSETS					
Unrestricted					<u>2,224,880</u>
TOTAL NET ASSETS					<u>2,224,880</u>

*change in assets*

*→ cash balance*

See accompanying notes to financial statements.

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FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -  
CASH BASIS AND STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2012

	General Fund	Special Building Fund	School Lunch Fund	Reclassifi- cations	Total Governmental Funds
<b>RECEIPTS</b>					
Taxes					
Property taxes - general purpose	2,180,283	12,592			2,192,875
Motor vehicle tax	127,961				127,961
Interest	13,798	1,288			15,086
County fines and licenses	7,565				7,565
State receipts	1,507,483		792		1,508,275
Federal receipts	209,007		85,949		294,956
Lunch services			62,418		62,418
Insurance proceeds	43,107				43,107
Other	19,754	220			19,974
Total receipts	<u>4,108,958</u>	<u>14,100</u>	<u>149,159</u>	<u>      </u>	<u>4,272,217</u>
<b>DISBURSEMENTS</b>					
Regular instruction	2,117,950				2,117,950
Special education	479,461				479,461
Early childhood development	48,788				48,788
Support services					
Pupils	80,216				80,216
Instructional staff	71,826				71,826
Maintenance and operation of buildings	346,795				346,795
Regular pupil transportation	189,452				189,452
General and administration					
General administration	186,593				186,593
School administration	206,406				206,406
Business services	46,426				46,426
Federal programs	296,800				296,800
Lunch services			167,112		167,112
Debt service					
Principal	18,976				18,976
Capital outlay	260,542	222,395			482,937
Total disbursements	<u>4,350,231</u>	<u>222,395</u>	<u>167,112</u>	<u>      </u>	<u>4,739,738</u>
<b>DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS</b>	<u>(241,273)</u>	<u>(208,295)</u>	<u>(17,953)</u>	<u>      </u>	<u>(467,521)</u>

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -  
CASH BASIS AND STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2012

	General Fund	Special Building Fund	School Lunch Fund	Reclassifi- cations	Total Governmental Funds
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>(36,799)</u>	_____	_____	_____	<u>(36,799)</u>
Total other financing sources (uses)	<u>(36,799)</u>	_____	_____	_____	<u>(36,799)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(278,072)</b>	<b>(208,295)</b>	<b>(17,953)</b>	_____	<b>(504,320)</b>
FUND BALANCES, beginning of year	<u>2,390,099</u>	<u>308,952</u>	<u>30,149</u>	_____	<u>2,729,200</u>
FUND BALANCES, end of year	<u>2,112,027</u>	<u>100,657</u>	<u>12,196</u>	_____	<u>2,224,880</u>
<b>ASSETS</b>					
Cash	156,469	15,239	12,196	_____	183,904
Certificates of deposit	1,356,461	85,551	_____	_____	1,442,012
County Treasurer's balances	<u>599,097</u>	<u>(133)</u>	_____	_____	<u>598,964</u>
<b>TOTAL ASSETS</b>	<u>2,112,027</u>	<u>100,657</u>	<u>12,196</u>	_____	<u>2,224,880</u>
<b>FUND BALANCES</b>					
Committed	_____	100,657	_____	_____	100,657
Assigned	190,463	_____	12,196	_____	202,659
Unassigned	<u>1,921,564</u>	_____	_____	_____	<u>1,921,564</u>
<b>TOTAL FUND BALANCES</b>	<u>2,112,027</u>	<u>100,657</u>	<u>12,196</u>	_____	<u>2,224,880</u>

See accompanying notes to financial statements.

→ Spending money appropriately  
and coding appropriately -  
good thing

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
STATEMENT OF NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
AUGUST 31, 2012

	Agency Funds
ASSETS	
Cash	61,861
Certificates of deposit	<u>20,768</u>
TOTAL ASSETS	<u>82,629</u>
LIABILITIES	
Due to student groups and others	79,187
Due to cafeteria plan participants	<u>3,442</u>
TOTAL LIABILITIES	<u>82,629</u>
TOTAL NET ASSETS	<u>- 0 -</u>

See accompanying notes to financial statements.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Franklin Public Schools District No. 506, Franklin, Nebraska (the District).

Reporting Entity

The Franklin Public Schools District No. 506, Franklin, Nebraska's Board of Education ("Board") is the basic level of government, which has financial accountability and control over all activities related to the public school education in the District. The Board receives funding from local, county, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement No. 14, which are included in the District's reporting entity.

All significant activities and organizations on which the School exercises oversight responsibility have been included in the District's financial statements.

Basic Financial Statements - Government-Wide Statements

The District has adopted the provisions of Statement No. 34 ("Statement No. 34") of the Government Accounting Standards Board "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." Statement No. 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements and the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted.

The statement of net assets and statement of activities report information on the District as a whole. They include all funds of the District except for fiduciary funds. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Government-Wide Statements (Continued)

customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general receipts.

Basic Financial Statements - Fund Financial Statements

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

The financial transactions of the District are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and disbursements.

Fund Types

The accounts of the District are organized on the basis of funds, which are grouped into the following fund types:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the District and accounts for all receipts and disbursements of the District not encompassed within other funds. All property tax receipts and other receipts that are not allocated by law, budgetary requirement or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the new replacement capital outlay costs that are not paid through other funds are paid from the General Fund.

Depreciation Fund - A Depreciation Fund may be established by a District in order to facilitate the eventual purchase of a costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, a District will show the movement of monies as an expense from the General Fund and the Depreciation Fund will show the revenue as a transfer from the General Fund. The District may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The purpose of a Depreciation Fund is to spread replacement costs of capital outlays over a period of years in order to avoid a disproportionate tax effect in a single year to meet such an expense. This fund is restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act. The Depreciation Fund is considered a component of the General Fund.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types (Continued)

Governmental Fund Types (Continued)

Employee Benefit Fund - The Employee Benefit Fund is established in order to specifically reserve General Fund money for the benefit of District employees. The District accounts for the allocation of funds from the General Fund to this fund as an expense in the General Fund and as a "transfer from the General Fund" in the Employees Benefit Fund. This fund may consist of more than one account for valid allocation purposes. The Employee Benefit Fund is considered a component of the General Fund.

School Lunch Fund - The School Lunch Fund is used to accommodate all aspects of the school lunch program and accounts for all receipts and disbursements of all child nutrition programs. Receipts in this fund include the federal and state program cost reimbursements received by the District and General Fund support of the lunch program. All food purchases and other supplies are accounted for as expenses of the School Lunch Fund; accordingly, no inventories are maintained in this fund.

Special Building Fund - The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvements of buildings. The Board of Education may approve a budget with a levy limitation of 14 cents per one hundred dollars of valuation; or a tax levy not to exceed 17.5 cents per one hundred dollars of valuation may be established for this fund by a vote of the people within the District.

Fiduciary Fund Types

Activities Fund - The Activities Fund is used to account for the financial operations of quasi-independent student organizations, interschool athletics and other self-supporting or partially self-supporting school activities, not part of another fund.

Cafeteria Plan Fund - The Cafeteria Plan Fund is used to account for employees' contributions towards medical and dependent care expenses. Employees can collect this amount through November of the following fiscal year.

Major Funds

The District reports all governmental funds as major funds. The General Fund and its components are considered one fund for reporting purposes.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The District prepares its financial statements on the cash basis, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska Department of Education; consequently, these statements represent a summary of the cash activity of the various funds of the District and do not include certain transactions that would be included if the District prepared its financial statements in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental units. Under the cash basis, revenues are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Consequently, these financial statements are not intended to present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units.

Taxes and other revenues collected by the County Treasurers are included in revenues of the District in the year collected by the counties and the District funds held by the County Treasurers at year end are included as assets of the District. This is in accordance with the requirements of the State of Nebraska Department of Education.

Capital Assets

Capital assets are not recorded as assets on the government-wide or fund financial statements and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

Long-Term Obligations

Long-term debt is not reported as a liability in the government-wide or fund financial statements. Proceeds from long-term debt are reported as receipts and payments of principal are reported as disbursements in the fund financial statements.

Equity Classification

District-Wide Statements

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

Restricted net assets consists of net assets with constraints placed on the use either by external groups, such as creditors, grantors, contributors or laws and regulations of other governments; or through constitutional provision or enabling legislation.

Unrestricted net assets do not meet the definition of "restricted."

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

District-Wide Statements (Continued)

It is the District's policy to use restricted net assets first, prior to the use of unrestricted net assets, when a disbursement is paid for purposes in which both restricted and unrestricted net assets are available.

Fund Statements

Fund Balance Classification. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District currently has no amounts classified in this category.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District currently has no amounts classified in this category.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Statements (Continued)

Assigned

This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board delegating this responsibility to the District manager through the budgetary process.

Unassigned

This classification includes the residual fund balance for the General Fund.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Interfund Balances and Activities

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

Budget Process and Property Taxes

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. The General Fund is also subject to a total non-special education expenditure limit. Appropriations for expenditures lapse at year end. Any revisions to the adopted budget of total expenditures to any fund require a public hearing. 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 expenditures and/or tax levy limitations.

The property tax requirement resulting from the budget process is utilized to establish the tax levy in accordance with State statutes, which tax levy attaches as an enforceable lien on property within the District as of January 1. Taxes are due as of that date. One-half of the real estate taxes due January 1 become delinquent after the following May 1, with the second one-half becoming delinquent after September 1.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Compensated Absences

Vacation and sick leave are recorded when paid. Certified employees who separate from the District upon retirement, disability, or death will receive pay for unused accumulated sick leave days at the substitute teacher's daily pay rate up to a maximum of 45 days. All other employees can accrue up to a maximum of 30 days for sick leave; however, there is no payment for unused sick leave. Management believes the amounts attributable to accumulated annual leave will not have a material financial impact on the accompanying financial statements. There was no liability for accrued vacation at August 31, 2012, as all vacation earned during the year must be used by August 31 with no carryover.

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations (cash basis). However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2. CASH AND INVESTMENTS

For the following disclosures, deposits, including checking accounts, savings accounts, money market accounts and certificates of deposit, are all classified as cash or cash and cash equivalents on the financial statements.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2012, all of the District's deposits with financial institutions were fully insured or collateralized by securities held in the District's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized; and the District's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments

Nebraska statutes allow the District to make any investment allowed by the State Investment Officer. This includes bank certificates of deposit.

As defined by Governmental Accounting Standards Board Statement No. 3, the District had no investments as of August 31, 2012.

NOTE 3. PENSION PLAN

Plan Description

The Franklin Public Schools District No. 506 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. 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, 1221 N Street, Suite 325, P.O. Box 94816, Lincoln, NE 68509-4816 or by calling 1-800-245-5712.

Funding Policy

Plan members were required to contribute 8.28% of their annual covered salary from September 1, 2009 to August 31, 2010. Plan members were required to contribute 8.28% of their annual covered salary from September 1, 2010 to August 31, 2011. Plan members were required to contribute 8.88% of their annual covered salary from September 1, 2011 to August 31, 2012. The Franklin Public Schools District No. 506 is required to contribute 101% of the employee contribution. The contribution requirements of plan members and Franklin Public Schools District No. 506 are established by the Nebraska statutes. The School District's contributions to NPERS for the years ending August 31, 2010, 2011, and 2012 were \$169,868, \$184,144, and \$208,558 respectively, equal to the required contributions for each year.

NOTE 4. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance to offset these certain risks. Settled claims have not significantly exceeded this commercial coverage in any of the past three fiscal years.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT

On June 25, 2011, the District entered into a lease-purchase agreement with Eakes Office Plus for three copiers in the General Fund. This lease qualifies as a capital lease for accounting purposes. There is no stated interest with 60 monthly payments of \$1,581. This lease matures in June 2016.

Changes in long-term debt for the year:

	Balance Beginning of Year	Proceeds	Repay- ments	Balance End of Year	Due Within One Year
Eakes Office Plus Capital Lease	<u>90,138</u>	<u>      </u>	<u>(18,976)</u>	<u>71,162</u>	<u>18,976</u>
Total	<u>90,138</u>	<u>      </u>	<u>(18,976)</u>	<u>71,162</u>	<u>18,976</u>

The annual requirements to amortize all debt outstanding as of August 31, 2012 are as follows:

	Principal
2013	18,976
2014	18,976
2015	18,976
2016	<u>14,234</u>
Total	<u>71,162</u>

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO FINANCIAL STATEMENTS

**NOTE 6. INTERFUND TRANSFERS**

Transfers from the General Fund consist of the following:

Activities Fund (fiduciary fund)	36,799
Depreciation Fund	100,000
Total interfund transfers	<u>136,799</u>

*Lunch is usually also an interfund transfer - \$20K*

The principal purposes for the operating transfers were for the General Fund support of activities in the Activity Fund, and future replacement costs in the Depreciation Fund.

**NOTE 7. EARLY RETIREMENT INCENTIVE**

On July 11, 2007, the District revised its early retirement program and established a temporary early retirement incentive policy. This plan will offer an early retirement incentive to eligible teachers and will be made available at least once every three years at the Board's discretion. Eligible employees must be at least 55 years of age and have a minimum of 15 years of continuous employment as a certified employee with the District. In general, approved participants receive a stipend based upon years of service of \$1,000 each year of service limited to 27 years, up to a maximum payout of \$27,000 over a two or three year period. The benefits will be paid over four equal installments if over a two-year period or over six equal installments if over a three-year period. On March 14, 2011, the District revised its early retirement program to be offered at the Board's discretion and not at least once every three years. For the year ending August 31, 2012, this plan was available to the teachers, and the District incurred no expense.

The early retirement program is unfunded with the District paying the entire cost of the plan.

**NOTE 8. COMMITMENTS**

At August 31, 2012, the District had commitments of approximately \$16,542 for early retirement benefits to be funded from the General Fund to be paid as follows:

2012	5,514
2013	5,514
2014	<u>5,514</u>
Total	<u>16,542</u>

*↳ Randy's agreement may increase because of cost of \$2850 deductible plan cost*

**NOTE 9. SUBSEQUENT EVENTS**

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through \_\_\_\_\_, 2012, the date the financial statements were available to be issued.

OTHER SUPPLEMENTAL INFORMATION

PRELIMINARY DRAFT COPY  
FOR INTERNAL USE ONLY

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED AUGUST 31, 2012  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2011)

	Original and Final Budget	2012 Actual	2011 Actual
<b>RECEIPTS</b>			
Local sources			
Taxes			
Property taxes - general purpose	2,379,022	2,180,283	1,905,858
Motor vehicle taxes	100,000	127,961	123,184
Preschool tuition and fees	500	4,130	3,925
Interest	17,000	13,736	21,640
Local license fees	250	1,500	1,000
Other	300	12,967	13,465
Total local sources	<u>2,497,072</u>	<u>2,340,577</u>	<u>2,069,072</u>
County sources			
Fines and licenses	5,000	7,565	7,132
State sources			
State aid	1,104,818	1,104,818	1,284,458
Special education	100,000	169,210	194,145
Special education transportation	5,000	3,924	3,479
Homestead exemption		39,296	37,027
Property tax credit		94,881	84,280
Prorate motor vehicle	3,000	6,706	5,872
High ability learners	2,000	3,822	4,069
Distance education		13,449	6,229
Early childhood		35,093	72,219
State apportionment	25,000	35,424	40,701
Other	45,000	860	2,250
Total state sources	<u>1,284,818</u>	<u>1,507,483</u>	<u>1,734,729</u>
Federal sources			
Title I	60,500		139,041
Title II			663
Title II Part A			46,857
IDEA		138,438	31,206
Education Jobs		1,620	83,500
Other federal programs	30,000	800	2,352
Rural Education Achievement Program	28,184	28,684	47,773
Universal Service Fund	3,000	3,705	3,437

*Delinquent Taxes  
\$ 198,739*

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED AUGUST 31, 2012  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2011)

	Original and Final Budget	2012 Actual	2011 Actual
RECEIPTS (Continued)			
Federal sources (Continued)			
Medicaid administrative services	5,000	29,033	67,454
Medicaid in public schools	50,000	6,727	8,253
ARRA: State Fiscal Stabilization Funds			217,790
ARRA: IDEA Part B (611) Enrollment/ Poverty			90,389
ARRA: IDEA Part B Preschool (619) Enrollment/Poverty			2,931
ARRA: ESEA Title I, Part A	<u>100</u>		<u>44,002</u>
Total federal sources	<u>176,784</u>	<u>209,007</u>	<u>785,648</u>
Nonrevenue receipts			
Sale of property	100	505	2,515
Insurance proceeds		43,107	
Other nonrevenue receipts		<u>652</u>	<u>16,009</u>
Total nonrevenue receipts	<u>100</u>	<u>44,264</u>	<u>18,524</u>
Transfers			
			<u>2,635</u>
<b>TOTAL RECEIPTS</b>	<u>3,963,774</u>	<u>4,108,896</u>	<u>4,617,740</u>
		<i>↪ Good - Underestimate</i>	
DISBURSEMENTS			
Regular instruction	2,427,338	2,219,705	1,746,336
Special education	833,740	480,828	397,869
Early childhood development	64,920	48,788	79,312
Support services			
Pupils	72,050	80,216	144,079
Instructional staff	90,100	73,059	74,439
Maintenance and operation of buildings	500,000	456,522	484,697
Regular pupil transportation	295,900	225,452	182,493
General and administration			
General administration	200,050	185,172	196,667
School administration	224,950	207,350	195,587
Business services	119,000	69,578	60,119
State categorical programs	5,000		

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED AUGUST 31, 2012  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2011)

	Original and Final Budget	2012 Actual	2011 Actual
DISBURSEMENTS (Continued)			
Federal programs			
Title I	123,750	114,030	107,091
IDEA Special education preschool	52,100	1,041	
IDEA Part B Special Education		31,205	
IDEA Enrollment/Poverty		80,019	85,880
Rural Education Achievement program	28,184	28,184	51,300
Title VI			800
Title II Part A	45,500	40,701	28,172
Education Jobs		1,620	83,500
ARRA: State Fiscal Stabilization funds			122,790
ARRA: State Fiscal Stabilization funds (Poverty)			95,000
ARRA: IDEA Part B Enrollment/Poverty			74,730
ARRA: IDEA Preschool Enrollment/Poverty			2,931
ARRA: ESEA Title I, Part A			12,145
Debt service			
Principal		18,976	23,868
Interfund transfers	367,271	36,799	68,312
Transfer (LB 235)			474,511
<b>TOTAL DISBURSEMENTS</b>	<u>5,449,853</u>	<u>4,399,245</u>	<u>4,318,117</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		(290,349)	299,623
<b>FUND BALANCE, beginning of year</b>		<u>2,255,020</u>	<u>1,955,397</u>
<b>FUND BALANCE, end of year</b>		<u>1,964,671</u>	<u>2,255,020</u>
		<u>- \$290,349</u>	

See accompanying notes to other supplemental information.

*Look at federal  
monies compared  
to 2012 - much  
less in 2012  
than 2011*

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
DEPRECIATION FUND  
YEAR ENDED AUGUST 31, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR 2011

	Original and Final Budget	2012 Actual	2011 Actual
RECEIPTS			
Interest			
Transfer from General Fund (as expensed from the General Fund)	<u>          </u>	<u>100,000</u>	<u>100,000</u>
Total receipts	<u>          </u>	<u>100,000</u>	<u>100,000</u>
DISBURSEMENTS	<u>124,734</u>	<u>86,364</u>	<u>85,032</u>
RECEIPTS OVER DISBURSEMENTS		13,636	14,968
FUND BALANCE, beginning of year		<u>124,689</u>	<u>109,721</u>
FUND BALANCE, end of year		<u>138,325</u>	<u>124,689</u>

See accompanying notes to other supplemental information.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
EMPLOYEE BENEFIT FUND  
YEAR ENDED AUGUST 31, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR 2011

	Original and Final Budget	2012 Actual	2011 Actual
RECEIPTS			
Interest	<u>        </u>	62	105
DISBURSEMENTS	<u>10,425</u>	<u>1,421</u>	<u>        </u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		(1,359)	105
FUND BALANCE, beginning of year		<u>10,390</u>	<u>10,285</u>
FUND BALANCE, end of year		<u>9,031</u>	<u>10,390</u>

*What was this/these expenditure?  
Unemployment Claim for RA*

See accompanying notes to other supplemental information.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
SCHOOL LUNCH FUND  
YEAR ENDED AUGUST 31, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR 2011

	Original and Final Budget	2012 Actual	2011 Actual
RECEIPTS			
Lunch services		62,418	53,052
Federal reimbursements		85,949	80,186
State reimbursements		792	831
Transfer from General Fund			50,000
Total receipts	<u>165,000</u>	<u>149,159</u>	<u>184,069</u>
DISBURSEMENTS			
Other	<u>185,000</u>	<u>167,112</u>	<u>156,239</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		(17,953)	27,830
FUND BALANCE, beginning of year		<u>30,149</u>	<u>2,319</u>
FUND BALANCE, end of year		<u>12,196</u>	<u>30,149</u>

See accompanying notes to other supplemental information.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
SPECIAL BUILDING FUND  
YEAR ENDED AUGUST 31, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR 2011

	Original and Final Budget	2012 Actual	2011 Actual
<b>RECEIPTS</b>			
Property taxes - general purpose		12,592	114,191
Interest		1,288	2,343
Other		220	1,011
State receipts			7,240
Total receipts		14,100	124,785
<b>DISBURSEMENTS</b>			
Capital outlay	272,816	222,395	4,714
Total disbursements	272,816	222,395	4,714
RECEIPTS OVER (UNDER) DISBURSEMENTS		(208,295)	120,071
FUND BALANCE, beginning of year		308,952	188,881
FUND BALANCE, end of year		100,657	308,952

See accompanying notes to other supplemental information.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS - BUDGET AND ACTUAL  
LEGAL SERVICES CONTINGENCY FUND  
YEAR ENDED AUGUST 31, 2012  
WITH COMPARATIVE ACTUAL AMOUNTS FOR 2011

	Original and Final Budget	2012 Actual	2011 Actual
RECEIPTS			
Interest	_____	_____	_____ 13
DISBURSEMENTS	_____	_____	_____ 2,635
RECEIPTS UNDER DISBURSEMENTS			(2,622)
FUND BALANCE, beginning of year		_____	_____ 2,622
FUND BALANCE, end of year		_____	_____

See accompanying notes to other supplemental information.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
EDUCATION JOBS FUND PROGRAM  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
YEAR ENDED AUGUST 31, 2012

EDUCATION JOBS FUND PROGRAM RECEIPTS

General Fund

Education Jobs Fund Program

1,620

EDUCATION JOBS FUND PROGRAM DISBURSEMENTS

General Fund

Education Jobs Fund Program

Non-SPED

1,620

See accompanying notes to other supplemental information.

We were distributed this piddley  
amount after another state  
refused the money.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA

GENERAL FUND COMPONENTS

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS

YEAR ENDED AUGUST 31, 2012

RECEIPTS	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifications	Total
Local sources					
Taxes					
Property taxes - general purpose	2,180,283				2,180,283
Motor vehicle taxes	127,961				127,961
Preschool tuition and fees	4,130				4,130
Interest	13,736		62		13,798
Local license fees	1,500				1,500
Other	12,967				12,967
Total local sources	<u>2,340,577</u>		<u>62</u>		<u>2,340,639</u>
County sources					
Fines and licenses	7,565				7,565
State sources					
State aid	1,104,818				1,104,818
Special education	169,210				169,210
Special education transportation	3,924				3,924
Homestead exemption	39,296				39,296
Property tax credit	94,881				94,881
Prorate motor vehicle	6,706				6,706
High ability learners	3,822				3,822
Distance education	13,449				13,449
Early childhood	35,093				35,093
State apportionment	35,424				35,424
Other	860				860
Total state sources	<u>1,507,483</u>				<u>1,507,483</u>

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
GENERAL FUND COMPONENTS  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS  
YEAR ENDED AUGUST 31, 2012

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
RECEIPTS (Continued)					
Federal sources					
IDEA Enrollment/Poverty	106,192				106,192
IDEA Base Preschool	1,041				1,041
IDEA Part B (611) Base Allocation	31,205				31,205
Other	800				800
Education Jobs	1,620				1,620
Rural Education Achievement Program	28,684				28,684
Universal service fund	3,705				3,705
Medicaid in public schools	6,727				6,727
Medicaid Administrative Activities	29,033				29,033
Total federal sources	<u>209,007</u>				<u>209,007</u>
Nonrevenue receipts					
Sale of property	505				505
Transfers from other funds		100,000		(100,000)	
Insurance proceeds	43,107				43,107
Other	652				652
Total nonrevenue receipts	<u>44,264</u>	<u>100,000</u>		<u>(100,000)</u>	<u>44,264</u>
TOTAL RECEIPTS	<u>4,108,896</u>	<u>100,000</u>	<u>62</u>	<u>(100,000)</u>	<u>4,108,958</u>
DISBURSEMENTS					
Regular instruction	2,117,950				2,117,950
Special education	479,461				479,461
Early childhood development	48,788				48,788

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
CASH BASIS  
GENERAL FUND COMPONENTS  
YEAR ENDED AUGUST 31, 2012

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
DISBURSEMENTS (continued)					
Support services					
Pupils	80,216				80,216
Instructional staff	71,826				71,826
Maintenance and operation of buildings	346,795				346,795
Regular pupil transportation	189,452				189,452
General and administration					
General administration	185,172		1,421		186,593
School administration	206,406				206,406
Business services	46,426				46,426
Federal programs	296,800				296,800
Capital outlay	274,178	86,364		(100,000)	260,542
Transfer to other funds	36,799				36,799
Debt service	18,976				18,976
	<u>4,399,245</u>	<u>86,364</u>	<u>1,421</u>	<u>(100,000)</u>	<u>4,387,030</u>
TOTAL DISBURSEMENTS					
RECEIPTS OVER (UNDER) DISBURSEMENTS	(290,349)	13,636	(1,359)		(278,072)
FUND BALANCE, beginning of year	<u>2,255,020</u>	<u>124,689</u>	<u>10,390</u>		<u>2,390,099</u>
FUND BALANCE, end of year	<u>1,964,671</u>	<u>138,325</u>	<u>9,031</u>		<u>2,112,027</u>

See accompanying notes to other supplemental information.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
 FRANKLIN, NEBRASKA  
 GENERAL FUND COMPONENTS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES -  
 CASH BASIS  
 YEAR ENDED AUGUST 31, 2012

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total
<b>ASSETS</b>					
Cash and cash equivalents	1,365,574	138,325	9,031		1,512,930
County Treasurer's balances	<u>599,097</u>				<u>599,097</u>
<b>TOTAL ASSETS</b>	<u>1,964,671</u>	<u>138,325</u>	<u>9,031</u>		<u>2,112,027</u>
<b>FUND BALANCES</b>					
Assigned	43,107	138,325	9,031		190,463
Unassigned	<u>1,921,564</u>				<u>1,921,564</u>
<b>TOTAL FUND BALANCES</b>	<u>1,964,671</u>	<u>138,325</u>	<u>9,031</u>		<u>2,112,027</u>

*Insurance  
Claim on bond*

See accompanying notes to other supplemental information.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
NOTES TO OTHER SUPPLEMENTAL INFORMATION

NOTE 1. SCHEDULES OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS - BUDGET AND ACTUAL

Basis of Accounting

The accompanying schedules of receipts, disbursements and changes in fund balance - cash basis - budget and actual are presented on the cash basis of accounting. This basis is consistent with the basis of accounting used in preparing the basic financial statements. All unexpended appropriations lapse at the end of the budget year.

Budget Law

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the cash basis of accounting. Total expenditures for each fund may not exceed the total budgeted expenditures. The General Fund is also subject to a total non-special education expenditure limit. Appropriations for expenditures lapse at year end. Any revisions to the adopted budget of total expenditures to any fund require a public hearing.

Reconciliation

The Nebraska Department of Education requires separate budgets for those funds considered as General Fund components for budget purposes.

A reconciliation of the General Fund financial reporting basis to the budgetary basis is as follows:

Receipts under expenditures - financial reporting basis	
General Fund	(278,072)
Revenues over (under) expenditures - budgetary basis	
General Fund	(290,349)
Depreciation Fund	13,636
Employee Benefit Fund	<u>(1,359)</u>
	<u>(278,072)</u>

OTHER INFORMATION

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FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2012

REGULAR INSTRUCTIONAL PROGRAMS

Salaries - regular	1,322,292
Salaries - substitutes	43,396
Salaries - clerical and aides	24,302
Social security	103,030
Retirement	119,422
Health insurance	264,897
Other employee benefits	17,654
Purchased pupil services	15,856
Distance education and telecommunications	11,847
Supplies	87,015
Textbooks	16,160
Furniture and equipment	12,938
Computer equipment	94,053
Dues and fees	2,100
Online assessment fees	6,038
Other expenses	<u>3,197</u>
Total regular instructional programs	<u>2,144,197</u>

POVERTY PROGRAMS

Salaries - regular	54,899
Social security	4,179
Retirement	4,927
Health insurance	11,133
Other employee benefits	<u>370</u>
Total poverty programs	<u>75,508</u>

EARLY CHILDHOOD EDUCATIONAL PROGRAMS

Salaries - regular	37,094
Salaries - substitutes	100
Social security	2,797
Retirement	3,339
Health insurance	5,185
Other employee benefits	<u>273</u>
Total early childhood educational programs	<u>48,788</u>

SPECIAL EDUCATION PROGRAMS

Salaries - regular	123,145
Salaries - substitutes	6,643

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2012

SPECIAL EDUCATION PROGRAMS (Continued)

Salaries - clerical and aides	90,460
Social security	20,559
Retirement	23,974
Health insurance	40,262
Other employee benefits	1,983
Purchased services	159,795
Supplies	9,713
Furniture and equipment	272
Computer hardware	2,703
Textbooks	1,254
Travel and mileage	65
Total special education programs	<u>480,828</u>

SUPPORT SERVICES - PUPILS

Salaries - regular	32,774
Social security	2,507
Retirement	2,175
Health insurance	1,351
Other employee benefits	159
Supplies	6,477
Purchased pupil services	8,867
Other expenses	7,722
Dues and fees	18,184
Total support services - pupils	<u>80,216</u>

SUPPORT SERVICES - INSTRUCTIONAL

Salaries - regular	46,293
Salaries - substitutes	550
Social security	3,494
Retirement	4,155
Health insurance	11,266
Other employee benefits	323
Professional services	540
Dues and fees	472
Supplies	805
Library books	3,928
Furniture and equipment	1,233
Total support services - instructional	<u>73,059</u>

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2012

SUPPORT SERVICES - GENERAL ADMINISTRATION

Salaries - regular	74,900
Salaries - clerical	50,062
Social security	9,417
Retirement	11,220
Health insurance	10,962
Other employee benefits	810
Legal services	5,223
Liability insurance	1,807
Fidelity bond premiums	225
Dues and fees	8,533
Supplies	895
Travel and mileage	2,002
Computer hardware	4,054
Other expenses	5,062
Total support services - general administration	185,172

SUPPORT SERVICES - SCHOOL ADMINISTRATION

Salaries - regular	111,350
Salaries - clerical	42,376
Social security	11,520
Retirement	13,761
Health insurance	19,648
Other employee benefits	865
Supplies	3,050
Furniture and equipment	348
Travel and mileage	463
Dues and fees	1,443
Computer hardware	2,361
Other expense	165
Total support services - school administration	207,350

SUPPORT SERVICES - BUSINESS

Advertising and printing	7,350
Postage	3,165
Telephone	11,194
Professional services	8,650
Liability insurance	4,560
Capital outlay	23,152

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2012

SUPPORT SERVICES - BUSINESS (continued)

Other expense	462
Computer software	1,500
Data processing	9,545
Total support services - business	69,578

SUPPORT SERVICES - BUILDING AND GROUNDS

Operation of Plant	
Salaries - regular	94,376
Social security	6,836
Retirement	7,583
Health insurance	33,674
Other employee benefits	5,931
Fuel	26,229
Electricity	65,337
Water and sewer	3,543
Garbage disposal	5,231
Supplies	36,399
Total operation of plant	285,139

Maintenance of Plant	
Contracted services	41,529
Property insurance	9,933
Supplies	10,194
Building improvements	100,000
Furniture and equipment	9,727
Total maintenance of plant	171,383

SUPPORT SERVICES - TRANSPORTATION

Salaries - regular	74,284
Social security	5,668
Retirement	1,853
Health insurance	4,043
Other employee benefits	3,993
Gas and oil	59,658
Tires and parts	7,474
Bus repairs and maintenance	23,283
Liability insurance	4,806

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2012

SUPPORT SERVICES - TRANSPORTATION (Continued)

Bus acquisition	36,000
Transportation paid to other Districts	3,619
Other expenses	<u>771</u>
Total support services - transportation	<u>225,452</u>

FEDERAL PROGRAMS

Title I	
Salaries - regular	47,183
Salaries - substitutes	1,214
Salaries - clerical	35,199
Social security	6,179
Retirement	7,393
Health insurance	10,764
Other employee benefits	606
Purchased services	274
Supplies	4,902
Textbooks	251
Other expenses	<u>65</u>
Total Title I	<u>114,030</u>

IDEA Enrollment/Poverty

Salaries - regular	51,518
Salaries- aides	7,980
Social security	1,525
Retirement	1,334
Other employee benefits	109
Purchased services	16,542
Supplies	<u>1,011</u>
Total IDEA Enrollment/Poverty	<u>80,019</u>

IDEA Part B Base Allocation

Salaries - Aides	11,505
Vehicle Acquisition	<u>19,700</u>
Total IDEA Part B Base allocation	<u>31,205</u>

IDEA Preschool Base Allocation

Salaries - Aides	<u>1,041</u>
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FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
GENERAL FUND  
SCHEDULE OF CASH DISBURSEMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2012

FEDERAL PROGRAMS (continued)	
Rural Education Achievement Program	
Computer equipment	<u>28,184</u>
Title II, Part A	
Salaries - regular	29,675
Salaries - substitutes	400
Social security	2,301
Retirement	2,662
Health insurance	5,430
Other employee benefits	<u>233</u>
Total Title II, Part A	<u>40,701</u>
Education Jobs	
Salaries - regular	<u>1,620</u>
Total federal programs	<u>296,800</u>
DEBT SERVICE	
Principal	<u>18,976</u>
TRANSFERS	
Activities Fund	<u>36,799</u>
Total Transfers	<u>36,799</u>
TOTAL DISBURSEMENTS	<u>4,399,245</u>

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SCHEDULE OF INVESTMENTS  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2012

	Date of Investment	Number	Value at 8/31/12	Interest Earned
<b>CERTIFICATES OF DEPOSIT</b>				
Activities Fund	10/1/09	404519	<u>20,768</u>	<u>169</u>
Employee Benefit Fund	8/1/06	32952		25
	10/1/07	33386	<u>3,856</u>	<u>37</u>
			<u>3,856</u>	<u>62</u>
Building Fund	4/2/07	33233	34,390	283
	10/1/07	33381	10,663	59
	10/1/09	404520	<u>40,498</u>	<u>329</u>
			<u>85,551</u>	<u>671</u>
General Fund	9/1/08	33669	158,575	1,305
	11/1/08	33723	105,562	869
	10/1/09	34031	309,972	2,553
	10/1/09	34032	311,682	2,875
	6/1/05	402353		167
	6/1/05	402354	72,603	472
	6/1/05	402352	120,583	717
	6/2/05	32567	<u>273,628</u>	<u>2,659</u>
		<u>1,352,605</u>	<u>11,617</u>	
<b>TOTALS</b>			<u><b>1,462,780</b></u>	<u><b>12,519</b></u>

→ Total Value of Investments

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
ACTIVITIES FUND  
SCHEDULE OF CHANGES IN CASH BALANCES  
(UNAUDITED)  
YEAR ENDED AUGUST 31, 2012

	Balance 9/1/11	Addi- tions	Deduc- tions	Transfers	Balance 8/31/12
Athletics	5,862	37,675	65,996	30,939	8,480
Camps	5,370				5,370
Concession	95	11,057	9,266		1,886
Seniors	1,918	55	664		1,309
Juniors	389	7,117	6,460		1,046
Sophomores	487	237	255		469
Freshmen		309	309		
FFA	2	39,625	36,250	2,200	5,577
FCCLA	1,015	5,133	8,769	3,660	1,039
Foreign language	1,845	525	664		1,706
National Honor Society	4,496	3,050	3,137		4,409
Entrepreneurship	74				74
Gifted Programs	746	500	661		585
Science Club	4,223	1,746	5,033		936
Student Council	908	461	916		453
Annual	1,488	2,760	2,872		1,376
Cheer Squad		7,990	7,971		19
Greenhouse	1,437	2,632	1,671		2,398
Courtesy	298	280	452		126
Elementary teachers	956	1,953	2,337		572
Industrial Arts	1,700	3,717	3,119		2,298
Investments	20,917	319	468		20,768
Band	2,081	16,980	16,401		2,660
Special Projects	15,672	2,317	4,255		13,734
Vocal	1,073	4,030	3,304		1,799
Speech/Drama	1,805	383	2,090		98
	<u>74,857</u>	<u>150,851</u>	<u>183,320</u>	<u>36,799</u>	<u>79,187</u>

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

Board of Education  
Franklin Public Schools District No. 506  
Franklin, Nebraska

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Public Schools District No. 506, Franklin, Nebraska, as of and for the year ended August 31, 2012, which collectively comprise Franklin Public Schools District No. 506, Franklin, Nebraska's basic financial statements and have issued our report thereon dated 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Franklin Public Schools District No. 506, Franklin, Nebraska prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

Management of Franklin Public Schools District No. 506, Franklin, Nebraska is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Franklin Public Schools District No. 506, Franklin, Nebraska's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin Public Schools District No. 506, Franklin, Nebraska's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Franklin Public Schools District No. 506, Franklin, Nebraska's internal control over financial reporting.

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.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting as items 2012-1 and 2012-2. 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.

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→ These are very common deficiencies and have been identified in the audit for many, many years. They are putting a method of review in place to correct finding 2012-2 in future years.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin Public Schools District No. 506, Franklin, Nebraska'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 non-compliance or other matters that are required to be reported under Government Auditing Standards.

Franklin Public Schools District No. 506, Franklin, Nebraska's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Franklin Public Schools District No. 506, Franklin, Nebraska's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Education, management, the Nebraska Department of Education and the State of Nebraska Auditor of Public Accounts and is not intended to be and should not be used by anyone other than these specified parties.

Minden, Nebraska  
, 2012

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKIN, NEBRASKA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED AUGUST 31, 2012

2012-1 SEGREGATION OF DUTIES

Condition

Due to the size of the District there is limited segregation of duties over accounting functions. The same individual routinely reconciles the bank statements, makes journal entries, and manages the general ledger functions. There is a lack of segregation of duties within the cash receipts and cash disbursements functions. Administrative personnel have access to cash receipts, preparing checks, recording the transactions and making deposits.

Criteria

Internal controls should be in place to insure proper segregation of duties.

Possible Effect

Inadequate segregation of duties could lead to the misappropriation of assets or unauthorized transactions could occur or improper reporting.

Recommendations

We recommend that the District continue to monitor and evaluate its internal controls with the use of limited personnel and to provide as much segregation of duties as determined to be feasible within its operations.

District's Response

The District, within the constraints of existing time and cost considerations, will continue to review the situation and make improvements as deemed appropriate.

2012-2 LACK OF CONTROLS OVER FINANCIAL REPORTING PROCESSES

Condition

Management should possess the ability to prepare financial statements in accordance with the cash basis of accounting. The preparation of financial statements under this basis of accounting requires that management possess the ability to properly record and classify transactions in a general ledger, reconcile all accounts, measure and record needed adjustments to the accounts, and prepare the financial statements and related disclosures without the assistance from the auditors.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKIN, NEBRASKA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED AUGUST 31, 2012

2012-2 LACK OF CONTROLS OVER FINANCIAL REPORTING PROCESSES (continued)

Criteria

As described in our engagement letter, management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of financial statements, including the notes to the financial statements in conformity with the cash basis of accounting.

Possible Effect

Errors in the financial statements or disclosures could occur and not be detected by management.

Recommendations

Management should carefully review financial statements including disclosures and understand the relationship to the underlying data. All proposed adjustments should be understood and approved.

District's Response

The District relies on the auditor to propose the adjustments necessary to prepare the financial statements including the related disclosures and supplemental schedules. The District reviews such financial statements, disclosures, and schedules.

FRANKLIN PUBLIC SCHOOLS DISTRICT NO. 506  
FRANKLIN, NEBRASKA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2011

2011-1 SEGREGATION OF DUTIES

The District had a limited number of personnel involved in the accounting functions. We recommended that the District continue to monitor and evaluate its internal controls with the use of limited personnel to provide as much segregation of duties as determined to be feasible within its operations. This is a continuing finding as noted in the Schedule of Findings and Responses as Item 2012-1 for the year ended August 31, 2012.

2011-2 LACK OF CONTROL OVER FINANCIAL REPORTING PROCESSES

Management should possess the ability to prepare financial statements in accordance with the cash basis of accounting. The preparation of financial statements under this basis of accounting requires that management possess the ability to properly record and classify transactions in a general ledger, reconcile all accounts, measure and record needed adjustments to the accounts, and prepare the financial statements, related disclosures, and supplemental schedules without the assistance from the auditors. We recommend that the District review and approve the proposed auditor adjusting entries, the adequacy of financial statement disclosures prepared by the auditors, and apply analytic procedures to the draft financial statements and schedules among other procedures as considered necessary by management. This is a continued finding as noted in the Schedule of Findings and Responses as Item 2012-2 for the year ending August 31, 2012.



# Franklin Public Schools

Audit Presentation  
For the Year Ended August 31, 2012

*DANA F. COLE & COMPANY, LLP*  
*CERTIFIED PUBLIC ACCOUNTANTS*



# Franklin Public Schools

- Unqualified audit report (pages 1-2)
- This is the best report that a District can receive as a result of an audit and to receive an unqualified audit report speaks highly of your District, of you as board members and of your staff.
- It means that in our opinion, the financial statements are presented fairly in all material respects in accordance with the cash basis of accounting.

# Franklin Public Schools

- The audit results reflect that the District followed the rules of accounting and financial reporting, and not whether the District managed its finances properly.
- Benefits of Financial Statements
  - Provide accountability to the public
  - Provide information that is useful to taxpayers, creditors, and management for decision making.

# Franklin Public Schools

- **Statement of Activities**

(pages 3-4)

- Charges for services \$62,418
- Operating grants \$478,764
- General Receipts \$3,731,035
- Disbursements of \$4,776,537
- Change in net assets of \$(504,320)

# Franklin Public Schools Fund Balances (Summary)

	8/31/2012	8/31/2011	Change
General*	\$ 1,964,671	\$ 2,255,020	\$ (290,349)
Depreciation*	138,325	124,689	13,636
Employee Benefit*	9,031	10,390	(1,359)
Lunch	12,196	30,149	(17,953)
Building	<u>100,657</u>	<u>308,952</u>	<u>(208,295)</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 2,224,880</u>	<u>\$ 2,729,200</u>	<u>\$ (504,320)</u>

\*= Reported as General Fund on Fund statements with details on page 28-31  
Fund balance in the General Fund decreased \$290,000, resulting from a \$227,000 decrease in state sources, and a \$576,000 decrease in federal sources While local sources increased \$271,000 and overall expenses increased \$344,000  
(pages 5 - 6)

# Franklin Public Schools -General Fund Revenue and Expenses (Summary)

	8/31/2012	8/31/2011	Change
<b>Support and Revenue</b>			
Local sources and taxes	\$ 2,340,577	\$ 2,069,072	\$ 271,505
County and ESU sources	7,565	7,132	433
State sources	1,507,483	1,734,729	(227,246)
Federal sources	209,007	785,648	(576,641)
Other sources	44,264	21,159	23,105
	<u><b>4,108,896</b></u>	<u><b>4,617,740</b></u>	<u><b>(508,844)</b></u>
<b>Expenses</b>			
Educational expenses	2,749,321	2,223,517	\$ 525,804
Support services	835,249	885,708	(50,459)
Administrative services	462,100	452,373	9,727
State and federal programs	296,800	664,339	(367,539)
Debt service	18,976	23,868	(4,892)
Interfund transfers	36,799	68,312	(31,513)
	<u><b>4,399,245</b></u>	<u><b>4,318,117</b></u>	<u><b>81,128</b></u>

# Franklin Public Schools

## General Fund Analysis Revenues and Expenses:

- Local revenues and taxes increased primarily to an increase in the budgeted tax levy from \$2,019,748 in the prior year to \$2,403,053 in the current year which is an increase of approximately \$383,305.
- Federal revenues decreased due to decreases in federal expenditures, due to the expiration of the ARRA funding.
- State sources decreased primarily due to decrease in all categories of state receipts .
- Expenditures increased approximately \$81,000 overall with the breakout shown by category on prior page.

# Franklin Public Schools

## General Fund Balance Reserve

The current reserve ratio to operating expenses for the past two years is shown below:

2010-2011	6.3 months
2011-2012	5.3 months

We recommend that at least a 3 month reserve be maintained as levied property taxes are not due until December 31<sup>st</sup> of the current year.

# Franklin Public Schools

- **Fiduciary Funds** (Page 7)
  - Funds the District acts as a trustee or agent for the benefit of others, to whom the resources belong.
- **Due to Student Activities groups**
- **Due to flexible benefit plan participants**

# Franklin Public Schools

- **Notes to Financial Statements**

pages- 8 -17

- **Brief Description of:**

- Significant accounting policies
- District Wide Statements and Fund Statements
- Program revenues
- Long term debt – including payment requirements and maturities
- Early Retirement Incentives
- Commitments

# Franklin Public Schools

- Schedules of Receipts and Disbursements – Budget and Actual
  - (pages 18-26)
  - Indicates compliance with budget adopted

# Franklin Public Schools

- Schedules of General Fund Components

(Pages 28-31)

- General Fund
- Depreciation Fund
- Employee Benefit Fund

These three funds comprise the General Fund on the Fund statements.

# Franklin Public Schools

- **Schedule of Cash Disbursements (General Fund)** (pages 32-37)
  - Details General Fund expenditures within the Functions of the District
- **Schedule of Investments** (page 38)
  - Listing of Certificates of Deposit, balance and interest earned, subtotaled by Fund

# Franklin Public Schools

- **Activities Fund** (page 39)
  - Summary of the changes in cash balances by Activity.
  - Cash Balance is reported as a Fiduciary Fund on page 7 of the Basic Financial Statements

# Franklin Public Schools

## Summary of Findings and Responses Reported

(page 40-43)

- The findings related to segregation of duties and lack of control over processes are normal for a District this size. However, we do recommend that the District implement certain controls and review processes to further assist in ensuring that the District records report accurate financial information.

# Franklin Public Schools

## General Items

- District staff did an excellent job implementing new accounting software in its first full year.
- Encountered no difficulties in dealing with management in performing and completing our audit.
- We recommended and management approved our proposed adjusting entries.
- We noted no unauthorized transactions.
- District staff were very organized and very pleasant to work with and we appreciate all their hard work.