

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska**

Basic Financial Statements

August 31, 2024

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
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Independent Auditor's Report

To the Board of Education
School District No. 2 - Grand Island Public Schools
Hall County, Nebraska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of School District No. 2 - Grand Island Public Schools, Hall County, Nebraska (the District), as of and for the year ended August 31, 2024, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

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

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the basic financial statements, which describes the basis of accounting. The basic financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management of School District No. 2 - Grand Island Public Schools is responsible for the preparation and fair presentation of the basic financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the basic financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the basic financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ◆ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- ◆ Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Supplementary Information (Continued)

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplementary information presented on pages 28-40 is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BerganKDV, LLC

Omaha, Nebraska
January 29, 2025

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BASIC FINANCIAL STATEMENTS

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Statement of Net Position - Cash Basis
August 31, 2024

	Governmental Activities	Component Unit
Assets		
Cash	\$ 26,269,177	\$ 226,123
Cash held at County Treasurer	15,134,635	-
Investments	24,092,148	-
Total assets	\$ 65,495,960	\$ 226,123
Net Position		
Restricted		
Capital projects	\$ 5,406,497	\$ -
Debt service	7,935,555	-
Unrestricted		
Board Designated	15,166,248	-
Undesignated	36,987,660	226,123
Total net position	\$ 65,495,960	\$ 226,123

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Statement of Activities - Cash Basis
Year Ended August 31, 2024

Functions/Programs	Cash Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position	Component Unit
		Charges for Services	Operating Grants and Contributions		
Primary government					
Governmental activities					
Instructional services	\$ 95,029,154	\$ 354,177	\$ 29,349,807	\$ (65,325,170)	\$ -
Support services and facilities	24,650,742	-	681,126	(23,969,616)	-
Food services	7,732,655	906,546	5,539,003	(1,287,106)	-
Building and site acquisition and improvement	508,781	-	-	(508,781)	-
Operation and maintenance of building	14,707,048	-	-	(14,707,048)	-
Principal and interest on indebtedness	6,940,204	-	-	(6,940,204)	-
School activities	3,675,194	3,040,931	-	(634,263)	-
Total governmental activities	<u>\$ 153,243,778</u>	<u>\$ 4,301,654</u>	<u>\$ 35,569,936</u>	<u>(113,372,188)</u>	<u>-</u>
Component Unit					
Central Nebraska Education Agency	<u>\$ 555,332</u>	<u>\$ 555,331</u>	<u>\$ -</u>	<u>-</u>	<u>(1)</u>
General receipts					
Property taxes collected				54,306,423	-
County receipts				772,416	-
State aid-formula grants				67,948,665	-
Other general revenues				698,507	-
Interest income				1,353,523	340
Total general receipts				<u>125,079,534</u>	<u>340</u>
Change in net position				11,707,346	339
Net position - beginning of year				<u>53,788,614</u>	<u>225,784</u>
Net position - end of year				<u>\$ 65,495,960</u>	<u>\$ 226,123</u>

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School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Statement of Assets and Fund Balances - Cash Basis - Governmental Funds
August 31, 2024

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 15,849,019	\$ 2,222	\$ 10,417,936	\$ 26,269,177
Cash held at County Treasurer	12,757,349	1,731,893	645,393	15,134,635
Investments	17,548,121	6,201,440	342,587	24,092,148
	<u>\$ 46,154,489</u>	<u>\$ 7,935,555</u>	<u>\$ 11,405,916</u>	<u>\$ 65,495,960</u>
Fund Balances				
Restricted for				
Capital projects	\$ -	\$ -	\$ 5,406,497	\$ 5,406,497
Debt service	-	7,935,555	-	7,935,555
School nutrition	-	-	1,928,966	1,928,966
Committed to				
Capital assets	4,704,632	-	-	4,704,632
Activities	-	-	3,358,518	3,358,518
Assigned to				
Employee benefits	3,372,666	-	-	3,372,666
Contingencies	1,089,531	-	-	1,089,531
Early learning center	-	-	711,935	711,935
Unassigned	36,987,660	-	-	36,987,660
	<u>\$ 46,154,489</u>	<u>\$ 7,935,555</u>	<u>\$ 11,405,916</u>	<u>\$ 65,495,960</u>

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Statement of Receipts, Disbursements, and
Changes in Fund Balances - Cash Basis - Governmental Funds
Year Ended August 31, 2024

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Receipts				
Local receipts	\$ 45,500,899	\$ 5,850,373	\$ 5,172,400	\$ 56,523,672
County receipts	772,416	-	86,999	859,415
State receipts	82,682,565	605,899	161,929	83,450,393
Federal receipts	17,146,234	-	5,507,654	22,653,888
Sales of lunch	-	-	904,792	904,792
Other	-	-	558,964	558,964
Total receipts	<u>146,102,114</u>	<u>6,456,272</u>	<u>12,392,738</u>	<u>164,951,124</u>
Disbursements				
Instruction				
Regular	63,236,920	-	-	63,236,920
Special education	15,881,811	-	-	15,881,811
Support Services				
Pupils	7,712,843	-	550,331	8,263,174
Instructional staff	3,763,789	-	-	3,763,789
General administration	1,122,967	-	-	1,122,967
Office of principal	6,868,270	-	-	6,868,270
Central services	3,579,243	-	-	3,579,243
Maintenance and operation	14,707,048	-	-	14,707,048
Student transportation	1,053,299	-	-	1,053,299
Private and state categorical	574,358	-	-	574,358
Federal programs	15,336,065	-	-	15,336,065
Lunch program	-	-	7,732,655	7,732,655
Special building	-	-	508,781	508,781
Activities disbursements	-	-	3,675,194	3,675,194
Debt service	-	6,033,348	906,856	6,940,204
Total disbursements	<u>133,836,613</u>	<u>6,033,348</u>	<u>13,373,817</u>	<u>153,243,778</u>
Excess (deficiency) of receipts over (under) disbursements	<u>12,265,501</u>	<u>422,924</u>	<u>(981,079)</u>	<u>11,707,346</u>
Other Financing Sources				
Transfers in	2,000,000	-	1,004,496	3,004,496
Transfers out	<u>(3,004,496)</u>	<u>-</u>	<u>-</u>	<u>(3,004,496)</u>
Total other financing sources	<u>(1,004,496)</u>	<u>-</u>	<u>1,004,496</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements	11,261,005	422,924	23,417	11,707,346
Fund balance - beginning of year	<u>34,893,484</u>	<u>7,512,631</u>	<u>11,382,499</u>	<u>53,788,614</u>
Fund balance - end of year	<u>\$ 46,154,489</u>	<u>\$ 7,935,555</u>	<u>\$ 11,405,916</u>	<u>\$ 65,495,960</u>

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

School District No. 2 - Grand Island Public Schools, Hall County, Nebraska (the "District") is a tax-exempt political subdivision and a Class 3 school district of the State of Nebraska.

B. Reporting Entity

The District's basic financial statements are presented as the primary government and include all separately administered organizations for which the District is financially accountable, including its component unit, an entity for which the District is considered financially accountable. The discretely presented component unit, although a legally separate entity, is in substance part of the District's operations. The Central Nebraska Education Agency (CNEA) is considered a discretely presented component unit and included in the basic financial statements.

The CNEA was created by an interlocal agreement between Grand Island Public Schools and Educational Service Unit No. 10 (ESU 10) for the joint ownerships of certain educational facilities for use by the District and ESU 10. During the year ended August 31, 2021, CNEA purchased the Early Learning Center property and began to lease it to the District for its preschool program. CNEA is presented as a discretely presented component unit in the accompanying financial statements.

C. Basis of Presentation

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

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

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

The funds of the financial reporting entity are described below:

Governmental Fund Activities:

General Fund - This fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The depreciation fund, contingency, and employee benefit fund have been combined with the general fund in the basic financial statements, in accordance with GASB Financial Reporting Standards, since their revenues are mainly transfers from the general fund. The contingency fund accounts for the reserve of money for unexpected events, the depreciation fund accounts for resources designated and maintained for the eventual purchase of capital assets and the employee benefit fund accounts for the reserve of money for the benefit of District employees for fringe benefits.

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue funds:

- ◆ Special Building Fund - This fund is used to account for taxes levied and other revenues specifically maintained to acquire or improve sites and buildings, including the construction, alterations, or improvements of buildings.
- ◆ School Nutrition Fund - This fund is used to account for the operations of the District's child nutrition programs.
- ◆ Activity Fund - This fund is used to account for assets held by the District in a custodial capacity for various school organizations and activities. This fund also serves as a student fees fund and is used to account for money collected from students that shall be expended for the purpose for which it was collected from the students.
- ◆ Cooperative Fund - This fund is used by the District acting as the fiscal agent for any cooperative activity between one or more public agencies.

Debt Service Fund - This fund is used to account for and report financial resources, such as taxes levied and other revenues that are restricted, committed, or assigned to expenditure for principal and interest.

Qualified Capital Purpose Undertaking Fund - This fund is used to account for removal of environmental hazards, the reduction or elimination of accessibility barriers, modification for life safety code violations, indoor air quality projects and mold abatement and prevention projects.

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

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

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

E. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

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

- ◆ Nonspendable - This fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. As of August 31, 2024, the District did not have any nonspendable funds.

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Equity Classification (Continued)

Fund Financial Statements (Continued)

- ◆ Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Board of Education to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.
- ◆ Committed - This fund balance classification includes amounts that can only be used for the specific purposes imposed by formal action (resolution) of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- ◆ Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Board of Education or a District Administrator delegated that authority by the Board of Education.
- ◆ Unassigned - This fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Internal and Interfund Balances and Activities

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

Interfund transfers, the flow of assets from one fund to another where repayment is not expected, are reported as cash receipts and disbursements.

Transfers between funds during the year were as follows:

Purpose	Receiving Fund	Disbursing Fund	Amount
Provide funds for capital additions	Depreciation	General	\$ 2,000,000
Provide funds to fund school activities	Activity	General	\$ 454,165
Provide funds for lease with CNEA	Cooperative	General	\$ 550,331

NOTE 2 - BUDGET PROCESS AND PROPERTY TAXES

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

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

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

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

The District had no budget amendments for the 2023-2024 fiscal year.

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 2 - BUDGET PROCESS AND PROPERTY TAXES (CONTINUED)

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 December 31. The tax becomes due at that date with the first half becoming delinquent on April 1 and the second half becoming delinquent on August 1 following the levy date.

The 2024 property tax valuation was \$4,582,001,622. The combined tax rate of the District for the year ended August 31, 2024, was 1.134936 per \$100 of assessed valuation.

NOTE 3 - DEPOSITS AND INVESTMENTS

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

A. Deposits

As of August 31, 2024, the carrying amount of the District's deposits were \$26,269,177 and the bank balance was \$27,913,363.

B. Investments

Investments of \$24,092,148 consist of the Nebraska School District Liquid Asset Fund Plus and U.S. Treasury bills and notes, which are recorded at cost. The Nebraska School District Liquid Asset Fund Plus is similar in nature to an open-end mutual fund designed specifically for Nebraska school entities, investing only in those securities allowable for such entities under Nebraska Law. These funds are held in all of the District's funds.

C. Risks

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

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

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

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

C. Risks (Continued)

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

NOTE 4 - FUNDS HELD BY COUNTY TREASURER

The following balances were held by Hall and Merrick County Treasurers for the District as of August 31, 2024. These funds were transferred to the District subsequent to August 31, 2024, and are not included as receipts or cash balances in the financial statements.

	Hall County	Merrick County	Total
General Fund	\$ 12,756,273	\$ 1,076	\$ 12,757,349
Debt Service Fund	1,731,740	153	1,731,893
Building Fund	387,186	34	387,220
QCPUF Fund	258,150	23	258,173
	\$ 15,133,349	\$ 1,286	\$ 15,134,635
Total			

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM

A. Plan Description

The District contributes to the Nebraska School Employees Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Nebraska Public Employees Retirement System (NPERS). NPERS provides retirement and disability benefits to plan members and beneficiaries. The School Employees Retirement Act establishes benefit provisions.

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

Normal retirement is at age 65. For an employee who became a member before July 1, 2013, the monthly benefit is equal to the greater of the following: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or 2) the average of the three 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of two percent, and an actuarial factor based on age

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

A. Plan Description (Continued)

For an employee who became a member on or after July 1, 2013, the monthly benefit is equal to the greater of the following: 1) the sum of a savings annuity, which is the actuarial equivalent of the member's accumulated contributions and a service annuity equal to \$3.50 per year of service; or 2) the average of the five 12-month periods of service as a school employee in which such compensation was the greatest, multiplied by total years of creditable service, multiplied by a formula factor of 2%, and an actuarial factor based on age.

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

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

For employees who became members prior to July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost of living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or 2.5%. The current benefit paid to a retired member or beneficiary is adjusted so that the purchasing power of the benefit being paid is not less than 75% of the purchasing power of the initial benefit.

For employees who became members on or after July 1, 2013, the benefit paid to a retired member or beneficiary receives an annual cost-of-living adjustment, which is increased by the lesser of the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers or 1%. There is no purchasing power floor for employees who fall under this tier.

For the District's year ended August 31, 2024, the District's total payroll for all employees was \$109,132,162. Total covered payroll was \$83,329,797. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

B. Contributions

The State's contribution is based on an annual actuarial valuation. In addition, the State contributes an amount equal to two percent of the compensation of all members. This contribution is considered a non-employer contribution since school employees are not employees of the State. The employee contribution was equal to 9.78% from July 1, 2022, to June 30, 2023, (and from July 1, 2023, through August 31, 2024). The school district (employer) contribution is 101 % of the employee contribution. The District's contribution to the Plan for its year ended August 31, 2024, was \$8,231,152.

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

C. Pension Liability

As of June 30, 2023, the District had a liability of \$11,705,541 its proportionate share of the net pension liability. (This liability is not recorded in the accompanying cash basis financial statements.) The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined using an actuarial valuation as of that date. The NPERS School Plan was 97.33% funded as of June 30, 2023, based on actuarial calculations comparing total pension liability to the plan fiduciary net position. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the District's proportion was 2.821748%, which was a decrease of 0.088613% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District's allocated pension expense was \$2,160,467.

D. Actuarial Assumptions

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

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

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

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

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

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

D. Actuarial Assumptions (Continued)

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

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

The actuarial assumptions used in the July 1, 2023, valuations for the School Plan are based on the results of the most recent actuarial experience study, which covered the four-year period ending June 30, 2019. The experience study report is dated December 21, 2020.

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

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

* *Arithmetic mean, net of investment expenses.*

E. Discount Rate

The discount rate used to measure the Total Pension Liability as of June 30, 2023, was 7.1%. The discount rate is reviewed as part of the actuarial experience study, which was last performed for the period July 1, 2015, through June 30, 2019. The actuarial experience study is reviewed by the NPERS Board, which must vote to change the discount rate.

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 5 - NEBRASKA SCHOOL EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

E. Discount Rate (Continued)

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

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

The following presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.1%, as well as what the District's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.1%) or one percentage point higher (8.1%) than the current rate:

District Proportionate Share of Net Pension Liability (Asset)		
1% Decrease in Discount Rate (6.10%)	Current Discount Rate (7.10%)	1% Increase in Discount Rate (8.10%)
\$ 73,343,035	\$ 11,705,541	\$ (38,858,581)

G. Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Nebraska Public Employees Retirement Systems Plan financial report. NPERS issues a publicly available financial report that includes financial statements and required supplementary information for NPERS. That report may be obtained by writing the NPERS, P.O. Box 94816, Lincoln, NE 68509-4816, by calling 1-800-245-5712 or via the internet at <http://www.auditors.nebraska.gov>.

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 6 - LONG-TERM DEBT

Long-term debt balances and activity for the year ended August 31, 2022, were as follows:

	Beginning Balance	Reductions	Ending Balance	Due within One Year
Governmental activities				
General obligation bonds	\$ 82,665,000	\$ (3,640,000)	\$ 79,025,000	\$ 3,695,000
Limited tax obligation bonds	5,500,000	(830,000)	4,670,000	840,000
Notes payable	1,875,000	(375,000)	1,500,000	375,000
Certificates of participation	419,155	(419,155)	-	-
Total governmental activities	<u>\$ 90,459,155</u>	<u>\$ (5,264,155)</u>	<u>\$ 85,195,000</u>	<u>\$ 4,910,000</u>
CNEA Component Unit				
Lease revenue bonds	<u>\$ 6,604,359</u>	<u>\$ (297,414)</u>	<u>\$ 6,306,945</u>	<u>\$ 308,760</u>

Payments on the note payable are made by the Special Building Fund. The limited tax obligation bonds are paid by the Qualified Capital Purpose Fund. The general obligation bonds are paid by the Bond Fund. The certificates of participation are paid by the School Nutrition Fund.

The School District has general obligation and limited tax obligation bonds outstanding as of August 31, 2024, as follows:

Issue Date	Maturity Date	Interest Rate	Amount
General obligation bonds			
April 7, 2017	December 15, 2030	1.000% to 5.000%	\$ 17,235,000
September 4, 2019	December 15, 2039	1.951% to 3.051%	45,390,000
August 18, 2020	December 15, 2035	0.530% to 2.015%	16,400,000
Total			<u>\$ 79,025,000</u>
Limited tax obligation bonds			
February 9, 2015	December 15, 2024	0.350% to 2.400%	\$ 485,000
August 18, 2020	December 15, 2027	0.613% to 1.313%	2,875,000
December 22, 2020	December 15, 2031	2.00%	1,310,000
Total			<u>\$ 4,670,000</u>

On January 7, 2021, the School District entered into a 7-year installment, non-interest bearing, note purchase agreement on the principal building. The principal balance due on this note as of August 31, 2024 was \$1,500,000. Annual principal payments of \$375,000 are due January 7 of each year through January 7, 2028.

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Principal and interest payments applicable to the District's long-term debt are as follows:

Year Ending August 31,	Principal	Interest	Total
2025	\$ 4,910,000	\$ 2,386,452	\$ 7,296,452
2026	5,365,000	2,273,117	7,638,117
2027	5,395,000	2,107,840	7,502,840
2028	5,600,000	1,908,122	7,508,122
2029	4,870,000	1,728,105	6,598,105
2030-2034	25,445,000	6,099,464	31,544,464
2035-2039	27,600,000	2,960,048	30,560,048
2040-2044	6,010,000	91,683	6,101,683
Total	<u>\$ 85,195,000</u>	<u>\$ 19,554,831</u>	<u>\$ 104,749,831</u>

On August 16, 2021, CNEA issued \$7,177,980 of Series 2021 Lease Revenue Bonds to finance the purchase of property to be leased to the District for its Early Learning Center. The bonds bear interest of 3.75 percent. Monthly principal and interest payments of \$45,000 are due on the bonds commencing September 1, 2021, through January 1, 2040. CNEA will receive \$45,000 per month lease payments from the District to service these bonds payable. As of August 31, 2024, the outstanding principal balance was \$6,306,946.

Principal and interest payments applicable to the component unit's long-term debt are as follows:

Year Ending August 31,	Principal	Interest	Total
2025	\$ 308,760	\$ 231,240	\$ 540,000
2026	320,540	219,460	540,000
2027	332,769	207,231	540,000
2028	345,465	194,535	540,000
2029	358,645	181,355	540,000
2030-2034	2,009,208	690,792	2,700,000
2035-2039	2,422,859	277,141	2,700,000
2040-2044	208,699	1,871	210,570
Total	<u>\$ 6,306,945</u>	<u>\$ 2,003,625</u>	<u>\$ 8,310,570</u>

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 7 - COMMITMENTS AND CONTINGENCIES

A. Grant Program Involvement

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

B. Compensated Absences

Because of the District's use of the cash basis of accounting, accrued liabilities related to compensated absences (sick, bereavement, personal, discretionary, jury duty leaves, etc.) and any employer-related costs earned and unpaid, are not reflected in the government-wide or fund financial statements; therefore, leave days are recorded when paid. Sick leave cannot accumulate over (90) ninety days and vacation days cannot accumulate over (40) forty days.

C. Separation Benefit Program

The District has established a separation of employment benefits program that is available to certified staff members as outlined below; "Except as specifically provided in this paragraph, teachers who depart the employment of the district will not be compensated for any accrued unused sick leave. If a teacher (a) is retiring from the school district, and (b) has been employed as certificated staff members by the district for at least twenty-five (25) years, then such teacher will be compensated for any unused accrued sick leave at the rate of 50% of the daily substitute rate for each accrued unused sick day, if any, up to a total maximum payout in the amount \$2,500." By rule of law the District is obligated to pay unused vacation days to staff who leave employment, for whatever reason, at their per diem value with the next regularly scheduled payroll processing cycle. Generally speaking, only full time classified and all administrative staff members accumulate vacation leave.

D. Arbitrage

Investment earnings from bond proceeds during the current fiscal year could be subject to arbitrage rebate and other tax matters. At this time, the District's management has not determined refund amounts, if any would be required.

E. 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. During the year, the District carried commercial insurance for comprehensive general liability, errors and omissions, property and automobile coverage, worker's compensation coverage, uninsured/underinsured motorists, and employer's liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

F. Litigation

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

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Basic Financial Statements**

NOTE 8 - SUBSEQUENT EVENT

On September 25, 2024, the District issued limited tax building improvement bonds, Series 2024 in the amount of \$7,590,000 and premium of \$325,725. The bonds have an average interest rate of 4.24% and annual maturity dates of December 15, 2025, through December 15, 2034.

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SUPPLEMENTARY INFORMATION

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - General Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Budget
Receipts			
Local receipts			
1100 Local district taxes	\$ 43,093,726	\$ 39,489,834	\$ (3,603,892)
1115 Carline tax	80,000	16,031	(63,969)
1125 Motor vehicle taxes	4,000,000	4,632,532	632,532
1323 Tuition received from other districts (SPED)	10,000	50,937	40,937
1911 Local license fees	150,000	122,643	(27,357)
1921 Police Court Fines	-	14,830	14,830
1925 Categorical grants from corporations & other private interests	500,000	173,866	(326,134)
Total local receipts	<u>47,833,726</u>	<u>44,500,673</u>	<u>(3,333,053)</u>
County receipts			
2110 County fines and license fees	1,500,000	772,416	(727,584)
2210 ESU Receipts	23,270,266	-	(23,270,266)
Total county receipts	<u>24,770,266</u>	<u>772,416</u>	<u>(727,584)</u>
State receipts			
3110 State aid	63,475,024	63,475,024	-
3120 Special education programs (school age)	12,582,563	11,807,149	(775,414)
3125 Special education transportation (school age)	-	681,126	681,126
3130 Homestead exemption	250,000	1,887,877	1,637,877
3131 Property tax credit	-	2,129,835	2,129,835
3133 Namplate Capacity Tax	-	1,733	1,733
3180 Pro-rata motor vehicles	150,000	132,134	(17,866)
3400 State apportionment	1,300,000	1,832,501	532,501
3535 Payments for high ability learners	100,000	58,247	(41,753)
3540 State Early Childhood	1,000,000	194,131	(805,869)
3541 Early Childhood Endowment Grants	-	211,801	211,801
3551 Career education	-	61,619	61,619
3559 State categorical programs - other	-	209,388	209,388
Total state receipts	<u>78,857,587</u>	<u>82,682,565</u>	<u>3,824,978</u>
Federal receipts			
4105 Universal Services Fund (E-Rate)	225,000	224,243	(757)
4212 ESSA Title I, Part A: Support for Improvement	600,000	104,450	(495,550)
4416 IDEA Part C, Planning Region Team Grant (PRT)	2,800,000	34,245	(2,765,755)
4418 I.D.E.A. Part B, PEaK projects	-	59,432	59,432
4420 IDEA Part-B ARP - Early Intervening Services	-	27,276	27,276
4421 I.D.E.A. Part B (611) ARP base allocation	-	228,144	228,144
4422 I.D.E.A. preschool (619) ARP base allocation	-	5,893	5,893
4423 I.D.E.A. Part B ARP proportionate share	-	4,585	4,585
4505 ESSA Title I, Part A	3,600,000	2,204,082	(1,395,918)
4509 ESSA Title II, Part A	-	314,421	314,421
4516 IDEA Preschool (619) base allocation	69,976	41,073	(28,903)
4518 I.D.E.A. Part B (611) base allocation	-	309,259	309,259
4520 IDEA Part B: Early Intervening Services	315,000	86,153	(228,847)
4521 IDEA Part B: proportionate share	-	204,391	204,391
4525 Carl Perkins	135,000	106,116	(28,884)
4526 ESSA Title I, Part C: Education of Migratory Children	700,000	268,568	(431,432)
4527 ESSA Title III, Part A	-	197,183	197,183
4528 ESSA Title III: Immigrant Education	-	60,523	60,523
4530 Other federal sources	950,000	1,314,279	364,279
4708 Medicaid in public schools	210,000	237,049	27,049
4709 Medicaid administrative activities	125,000	66,191	(58,809)
4969 Title IV-A	195,000	178,899	(16,101)
4988 American Rescue Plan - Expanded Learning Collaborative Afterschool (ARP ESSER III)	-	26,271	26,271
4989 American Rescue Plan - Expanded Learning Collaborative Summer (ARP ESSER III)	-	43,553	43,553
4991 McKinney - Vento Homeless	55,000	32,526	(22,474)
4993 American Rescue Plan - Homeless Children and Youth I (ARP HCY I)	-	96	96
4997 Elementary & Secondary School Emergency Relief (ESSER II)	7,823,711	1,823,228	(6,000,483)
4998 Elementary & Secondary School Emergency Relief (ESSER III)	-	8,944,105	8,944,105
Total federal receipts	<u>17,803,687</u>	<u>17,146,234</u>	<u>(657,453)</u>
Non-revenue receipts			
1510 Interest	5,000	735,266	730,266
Total non-revenue receipts	<u>5,000</u>	<u>735,266</u>	<u>730,266</u>
Total receipts	<u>169,270,266</u>	<u>145,837,154</u>	<u>(162,846)</u>

School District No. 37 - Gretna Public Schools
 Sarpy County, Nebraska
 Budgetary Comparison Schedule - Cash Basis - General Fund (Continued)
 Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Budget
Disbursements			
1100 Regular instructional programs	\$ 44,753,764	\$ 40,481,174	\$ (4,272,590)
1150 Limited english proficiency programs	5,551,970	7,401,221	1,849,251
1160 Poverty programs	29,955,479	15,327,443	(14,628,036)
1200 Special education instruction programs	14,484,950	14,092,980	(391,970)
1291 Special education instruction programs - ages 3-5	1,329,160	1,337,980	8,820
1292 Special education instruction programs - ages 0-2	450,890	450,851	(39)
2120 Support Services - Student - Guidance Services	883,230	842,300	(40,930)
2130 Support Services - Student - Health Services	578,760	598,840	20,080
2132 Support Services - Student - Health Services - Ages 3-5	-	17,622	17,622
2141 Support Services - Student - Psychological Services SPED - School Age	808,655	1,527,381	718,726
2142 Support Services - Student - Psychological Services SPED - Ages 3-5	36,280	44,475	8,195
2143 Support Services - Student - Psychological Services SPED - Ages 0-2	36,280	43,900	7,620
2151 Support Services - Speech Pathology and Audiology - SPED - School Age	1,509,630	1,676,056	166,426
2152 Support Services - Speech Pathology and Audiology - SPED - Ages 3-5	120,090	200,228	80,138
2153 Support Services - Speech Pathology and Audiology - SPED - Ages 0-2	291,500	265,043	(26,457)
2161 Support Services - Occupational Therapy - Related Services - SPED - School Age	386,215	232,022	(154,193)
2162 Support Services - Occupational Therapy - Related Services - SPED - Ages 3-5	41,960	111,849	69,889
2163 Support Services - Occupational Therapy - Related Services - SPED - Ages 0-2	41,360	76,745	35,385
2171 Support Services - Physical Therapy - Related Services - SPED - School Age	214,020	101,356	(112,664)
2172 Support Services - Physical Therapy - Related Services - SPED - Ages 3-5	-	21,560	21,560
2173 Support Services - Physical Therapy - Related Services - SPED - Ages 0-2	-	106,932	106,932
2181 Support Services - Student - Visually Impaired/Vision Services - SPED School Age	63,870	82,651	18,781
2182 Support Services - Student - Visually Impaired/Vision Services - SPED Ages 3-5	16,780	17,248	468
2183 Support Services - Student - Visually Impaired/Vision Services - SPED - Ages 0-2	33,360	33,928	568
2190 Support Services - Student - Other	1,788,010	1,712,707	(75,303)
2210 Support Services - Instruction - Improvement of Instruction	251,240	256,144	4,904
2211 Support Services - Instruction - School Improvement	175,500	94,704	(80,796)
2212 Support Services - Instruction - Instruction and Curriculum Development	556,820	433,731	(123,089)
2213 Support Services - Instruction - Instructional Staff Training	332,120	202,998	(129,122)
2219 Support Services - Instruction - Other Improvement of Instruction Services	458,610	218,400	(240,210)
2220 Support Services - Instruction - Library/Media Services	1,187,720	1,185,542	(2,178)
2223 Support Services - Instruction - Audio - Visual Services	21,950	12,674	(9,276)
2230 Support Services - Instruction - Instruction-Related Technology	1,378,740	1,228,458	(150,282)
2240 Support Services - Instruction - Academic Student Assessment	137,300	131,138	(6,162)
2310 Board of education	180,000	91,576	(88,424)
2320 Executive administration services	985,000	861,711	(123,289)
2330 District legal services	200,000	169,680	(30,320)
2410 Office of the principal	6,605,000	6,868,270	263,270
2510 General administration - business services	1,567,260	1,455,560	(111,700)
2520 Central Services - Purchasing & Warehousing Services	112,380	120,441	8,061
2530 Central Services - Printing, Publishing, & Duplicating Services	48,580	(283,912)	(332,492)
2560 Central Services - Public Information Services	458,810	531,597	72,787
2570 Personnel Services	977,670	965,929	(11,741)
2580 Administrative Technology Services	484,690	586,527	101,837
2590 Central Services - Other	50,610	55,852	5,242
2610 Support Services - Operations of buildings	11,039,240	11,966,861	927,621
2620 Maintenance of buildings	2,190,340	1,998,327	(192,013)

School District No. 37 - Gretna Public Schools
 Sarpy County, Nebraska
 Budgetary Comparison Schedule - Cash Basis - General Fund (Continued)
 Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Budget
Disbursements (Continued)			
2630 Care and upkeep of grounds	\$ 1,209,110	\$ 721,315	\$ (487,795)
2640 Care and upkeep of equipment	19,860	20,934	1,074
2650 Vehicle operation and maintenance	315,000	466,385	151,385
2660 Operation and maintenance of plant - security	47,135	31,090	(16,045)
2670 Operation and maintenance of plant - safety	34,315	47,222	12,907
2680 Operation and maintenance of plant - other	-	5,245	5,245
2710 Student transportation - regular education	140,000	117,074	(22,926)
2712 Student transportation - special education - school age	925,000	910,100	(14,900)
2713 Student transportation - special education - below age 5	50,000	26,125	(23,875)
3400 Categorical grants from corporations and other private interests	400,000	273,861	(126,139)
3541 Early Childhood Endowment Grants	227,736	157,870	(69,866)
3551 Career Education	61,619	58,309	(3,310)
3559 Other State Categorical Programs	210,645	84,318	(126,327)
6200 Title I, Part A ESSA Improving Basic Programs Operated by LEA's	8,364,685	2,458,948	(5,905,737)
6212 Title I, Part A: Support for Improvement	394,761	244,317	(150,444)
6310 Title II, part A	569,011	394,753	(174,258)
6406 IDEA Preschool	47,023	41,315	(5,708)
6408 IDEA Part B base & enrollment poverty allocation - birth through age twenty-one	2,432,818	2,282,187	(150,631)
6411 IDEA Part B early intervening services	200,000	63,900	(136,100)
6412 IDEA Part B proportionate shares	151,115	122,216	(28,899)
6416 IDEA Part C Planning Region Team (PRT)	25,900	18,878	(7,022)
6418 IDEA Part B peak projects	74,228	69,603	(4,625)
6420 IDEA Part B ARP - early intervening services	-	25,752	25,752
6421 IDEA Part B ARP (611) Base Allocation	-	38,411	38,411
6700 Carl Perkins	143,476	136,835	(6,641)
6915 Title I, Part C	297,518	288,645	(8,873)
6925 Title III	343,258	165,594	(177,664)
6926 Title III ESSA - Immigrant Education	81,597	81,597	-
6969 Title IV-A: Student Support and Academic Enrichment Grant	209,076	137,664	(71,412)
6988 American Rescue Plan - Expanded learning collaborative afterschool	295,891	276,462	(19,429)
6989 American Rescue Plan - Expnaded learning collaborative afterschool	271,447	233,117	(38,330)
6990 Other federal	902,306	740,392	(161,914)
6991 McKinney-Vento Homeless	86,042	30,327	(55,715)
6993 American Rescue Plan - Homeless Children and Youth I	43,767	43,200	(567)
6994 American Rescue Plan - Homeless Children and Youth II	66,081	24,816	(41,265)
6998 Elementary and secondary school emergency relief III	10,000,000	7,417,136	(2,582,864)
Total disbursements	161,416,213	134,212,613	(27,203,600)
8000 Operational transfers from the general fund	800,000	2,454,165	1,654,165
Total cash disbursements by all programs	162,216,213	136,666,778	(25,549,435)
Excess (deficiency) of receipts over disbursements and transfers	<u>\$ 7,054,053</u>	9,170,376	<u>\$ 25,386,589</u>
Fund balance, August 31, 2023		27,817,284	
Fund balance, August 31, 2024		<u>\$ 36,987,660</u>	
Analysis of fund balance			
Checking accounts		\$ 21,550,228	
Investments		2,680,083	
Cash at County Treasurer		12,757,349	
Total fund balance		<u>\$ 36,987,660</u>	

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Depreciation Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Transfer from General Fund	\$ 2,350,000	\$ 2,000,000	\$ (350,000)
Interest	150,000	34,691	(115,309)
Total receipts	2,500,000	2,034,691	(465,309)
Disbursements			
Other support services	5,000,000	147,249	(4,852,751)
Excess (deficiency) of receipts over disbursements	\$ (2,500,000)	1,887,442	\$ 4,387,442
Budgetary fund balance, September 1, 2023		2,817,190	
Budgetary fund balance, August 31, 2024		\$ 4,704,632	
Analysis of Fund Balance			
Cash in bank			
Checking accounts		\$ 4,704,632	
Total fund balance		\$ 4,704,632	

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Employee Benefit Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Transfer from General Fund	\$ 1,600,000	\$ -	\$ (1,600,000)
Interest	180,000	172,082	(7,918)
	<u>1,780,000</u>	<u>172,082</u>	<u>(1,607,918)</u>
Disbursements			
Other support services	3,500,000	27,082	(3,472,918)
	<u>\$ (1,720,000)</u>	<u>145,000</u>	<u>\$ 1,865,000</u>
Fund balance, August 31, 2023		<u>3,227,666</u>	
Fund balance, August 31, 2024		<u>\$ 3,372,666</u>	
Analysis of Fund Balance			
Investments		<u>\$ 3,372,666</u>	
Total fund balance		<u>\$ 3,372,666</u>	

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Contingency Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Interest	\$ 70,000	\$ 58,187	\$ (11,813)
Total receipts	70,000	58,187	(11,813)
Disbursements			
Other support services	1,100,000	-	(1,100,000)
Excess (deficiency) of receipts over disbursements	\$ (1,030,000)	58,187	\$ 1,088,187
Fund balance, August 31, 2023		1,031,344	
Fund balance, August 31, 2024		\$ 1,089,531	
Analysis of Fund Balance			
Investments		\$ 1,089,531	
Total fund balance		\$ 1,089,531	

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - School Nutrition Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Receipts			
Sale of lunches/milk	\$ 350,000	\$ 906,485	\$ 556,485
Interest	150,000	24,953	(125,047)
State reimbursement	20,000	31,349	11,349
Federal reimbursement	7,950,000	5,507,654	(2,442,346)
Other	30,000	6,375	(23,625)
	<u>8,500,000</u>	<u>6,476,816</u>	<u>(2,023,184)</u>
Disbursements			
Food service operations	10,500,000	7,732,655	(2,767,345)
	<u>10,500,000</u>	<u>7,732,655</u>	<u>(2,767,345)</u>
Excess (deficiency) of receipts over disbursements	<u>\$ (2,000,000)</u>	<u>(1,255,839)</u>	<u>\$ 744,161</u>
Fund balance, August 31, 2023		<u>3,184,805</u>	
Fund balance, August 31, 2024		<u>\$ 1,928,966</u>	
Analysis of Fund Balance			
Checking accounts		<u>\$ 1,928,966</u>	
Total fund balance		<u>\$ 1,928,966</u>	

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Special Building Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Receipts			
Local sources			
Local property taxes	\$ 1,360,854	\$ 1,182,857	\$ (177,997)
Carline tax	250	506	256
Other	750	500,000	499,250
Total local sources	<u>1,361,854</u>	<u>1,683,363</u>	<u>321,509</u>
State sources			
Homestead exemption	-	59,461	59,461
Property tax credit	-	66,122	66,122
Pro-rata motor vehicle	4,382	3,188	(1,194)
Other	-	55	55
Total state sources	<u>4,382</u>	<u>128,826</u>	<u>124,444</u>
Interest	1,000	32,840	31,840
Total receipts	<u>1,367,236</u>	<u>1,845,029</u>	<u>477,793</u>
Disbursements			
Operation and maintenance	-	108,781	108,781
Building, acquisition and improvement	5,000,000	400,000	(4,600,000)
Total disbursements	<u>5,000,000</u>	<u>508,781</u>	<u>(4,491,219)</u>
Excess (deficiency) of receipts over disbursements	<u>(3,632,764)</u>	<u>1,336,248</u>	<u>4,969,012</u>
Other Financing Sources (Uses)			
Proceeds from bond issuance	1,132,764	-	(1,132,764)
Total other financing sources (uses)	<u>1,132,764</u>	<u>-</u>	<u>(1,132,764)</u>
Net change in fund balances	<u>\$ (2,500,000)</u>	<u>1,336,248</u>	<u>\$ 3,836,248</u>
Budgetary fund balance, September 1, 2023		<u>2,483,551</u>	
Budgetary fund balance, August 31, 2024		<u>\$ 3,819,799</u>	
Analysis of fund balance			
Cash in bank			
Checking accounts		\$ 3,432,579	
Cash at county treasurer		387,220	
Total fund balance		<u>\$ 3,819,799</u>	

School District No. 2 - Gretna Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Qualified Capital Purpose Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Receipts			
Local sources			
Local property taxes	\$ 907,236	\$ 855,336	\$ (51,900)
Carline tax	2,000	338	\$ (1,662)
Total local sources	<u>909,236</u>	<u>855,674</u>	<u>(53,562)</u>
State sources			
Homestead exemption	-	39,800	39,800
Property tax credit	-	44,032	44,032
Pro-rata motor vehicle	5,000	3,131	(1,869)
Other	-	36	36
Total state sources	<u>5,000</u>	<u>86,999</u>	<u>81,999</u>
Interest	15,764	34,639	18,875
Total receipts	<u>930,000</u>	<u>977,312</u>	<u>47,312</u>
Disbursements			
Debt services	2,100,000	906,856	(1,193,144)
Total disbursements	<u>2,100,000</u>	<u>906,856</u>	<u>(1,193,144)</u>
Excess (deficiency) of receipts over disbursements	<u>\$ (1,170,000)</u>	70,456	<u>\$ 1,240,456</u>
Other financing sources (uses):			
Long term loans	570,000	-	(570,000)
Total other financing sources (uses)	<u>570,000</u>	<u>-</u>	<u>(570,000)</u>
Net change in fund balances	<u>\$ (600,000)</u>	70,456	<u>\$ 670,456</u>
Fund balance, August 31, 2023		1,516,242	
Fund balance, August 31, 2024		<u>\$ 1,586,698</u>	
Analysis of Fund Balance			
Checking accounts		\$ 985,938	
Cash at County Treasurer		258,173	
Investments		342,587	
Total fund balance		<u>\$ 1,586,698</u>	

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Debt Service Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Receipts			
Local sources			
Local property taxes	\$ 6,091,816	\$ 5,587,231	\$ (504,585)
Carline tax	3,000	2,277	\$ (723)
Total local sources	6,094,816	5,589,508	(505,308)
State sources			
Homestead exemption	-	267,961	267,961
Property tax credit	-	318,644	318,644
Pro-rata motor vehicle	25,000	19,048	(5,952)
Other	-	246	246
Total state sources	25,000	605,899	580,899
Interest	197,000	260,865	63,865
Total receipts	6,316,816	6,456,272	139,456
Disbursements			
Debt services	12,100,000	6,033,348	(6,066,652)
Total disbursements	12,100,000	6,033,348	(6,066,652)
Excess (deficiency) of receipts over disbursements	\$ (5,783,184)	422,924	\$ 6,206,108
Other financing sources (uses):			
Bond issuance	6,008,184	-	(6,008,184)
Total other financing sources (uses)	6,008,184	-	(6,008,184)
Net change in fund balances	\$ 225,000	422,924	\$ 197,924
Budgetary fund balance, September 1, 2023		7,512,631	
Budgetary fund balance, August 31, 2024		\$ 7,935,555	
Analysis of Fund Balance			
Cash in bank			
Checking accounts		\$ 2,222	
Cash at County Treasurer		1,731,893	
Investments		6,201,440	
Total fund balance		\$ 7,935,555	

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Activity Fund
Year Ended August 31, 2024

	<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
Receipts			
Activities Receipts	\$ 3,750,000	2,845,114	(904,886)
Admissions	150,000	195,817	45,817
Transfer from General Fund	500,000	454,165	(45,835)
Interest	100,000	-	(100,000)
Other	-	52,650	52,650
Total receipts	<u>4,500,000</u>	<u>3,547,746</u>	<u>(952,254)</u>
Disbursements			
Activities disbursements	<u>5,000,000</u>	<u>3,675,194</u>	<u>(1,324,806)</u>
Total disbursements	<u>5,000,000</u>	<u>3,675,194</u>	<u>(1,324,806)</u>
Excess (deficiency) of receipts over disbursements	<u>\$ (500,000)</u>	<u>(127,448)</u>	<u>\$ 372,552</u>
Budgetary fund balance, September 1, 2023		<u>3,485,966</u>	
Budgetary fund balance, August 31, 2024		<u>\$ 3,358,518</u>	
Analysis of Fund Balance			
Cash in bank			
Checking accounts		<u>\$ 3,358,518</u>	
Total fund balance		<u>\$ 3,358,518</u>	

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Budgetary Comparison Schedule - Cash Basis - Cooperative Fund
Year Ended August 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Receipts			
Transfer from General Fund	\$ 1,283,000	\$ 550,331	\$ (732,669)
Interest	5,065	-	(5,065)
	1,288,065	550,331	(737,734)
Disbursements			
Support services - Pupils	1,460,000	550,331	(909,669)
Excess (deficiency) of receipts over disbursements	\$ (171,935)	-	\$ 171,935
Fund balance, August 31, 2023		711,935	
Fund balance, August 31, 2024		\$ 711,935	
Analysis of Fund Balance			
Checking account		\$ 711,935	
Total fund balance		\$ 711,935	

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Supplementary Information -
Budgetary Comparison Schedules
Year Ended August 31, 2024**

NOTE 1 - BUDGETARY ACCOUNTING

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

NOTE 2 - PRESENTATION

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

School District No. 37 - Grand Island Public Schools
Hall County, Nebraska
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2024

Federal Grantor/Pass Through Entity/Program or Cluster Title	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Agriculture		
Child Nutrition Cluster		
Passed through Nebraska Department of Education		
School Breakfast	10.553	\$ 1,105,038
National School Lunch Program	10.555	4,194,681
Summer Food Program	10.559	60,456
Passed through Nebraska Department of Health and Human Services		
Food Distribution Program	10.555	<u>472,734</u>
Total Child Nutrition Cluster		5,832,909
Passed through Nebraska Department of Education		
Fresh Fruit and Vegetable	10.582	<u>147,479</u>
Total U.S. Department of Agriculture		<u>5,980,388</u>
U.S. Department of Education		
Passed through Nebraska Department of Education		
Special Education Cluster (IDEA)		
Special Education - Grants to States (IDEA, Part B)	84.027	2,620,947
Special Education - Preschool Grants (IDEA Preschool)	84.173	<u>41,315</u>
Total Special Education Cluster (IDEA)		<u>2,662,262</u>
Title I Grants to Local Education Agencies	84.010	2,703,265
Migrant Education - Stat Grant Program	84.011	288,645
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	136,835
Education for Homeless Children and Youth	84.196	30,327
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	740,392
English Language Acquisition Grant - Title III, Part A	84.365	165,594
Title III, ESSA Immigrant Education	84.365	81,597
Improving Teacher Quality State Grants (Title II, Part A)	84.367	394,753
Student Support and Academic Enrichment Program - Title IV	84.424	137,664

See notes to the schedule of expenditures of federal awards.

School District No. 37 - Grand Island Public Schools
Sarpy County, Nebraska
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2024

Federal Grantor/Pass Through Entity/Program or Cluster Title	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Education (Continued)		
Passed through Nebraska Department of Education (Continued)		
Education Stabilization Fund		
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	7,926,715
COVID-19 - American Rescue Plan - Homeless Children and Youth	84.425W	<u>68,016</u>
Total Education Stabilization Fund		<u>7,994,731</u>
 Total U.S. Department of Education		 <u>15,336,065</u>
U.S. Department of Health and Human Services		
Passed through Nebraska Department of Health and Human Services		
Medicaid Cluster		
Medical Assistance Program (Medicaid, Title XIX)	93.778	<u>303,240</u>
Total U.S. Department of Health and Human Services		<u>303,240</u>
 Total		 <u>\$ 21,619,693</u>

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Schedule of Expenditures of Federal Awards**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards has been prepared on a cash basis of accounting with the exception of commodities received under the food distribution program of \$472,734. Under this method, expenditures are recognized when disbursements are made. Some programs are funded jointly by District appropriations and federal funds.

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

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

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

NOTE 2 - REPORTING ENTITY

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

NOTE 3 - PASS-THROUGH AWARDS

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

NOTE 4 - NON-CASH AWARDS

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

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Notes to Schedule of Expenditures of Federal Awards**

NOTE 5 - CONTINGENCIES

The District receives funds under various federal grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies, which may impose sanctions in the event of non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

NOTE 6 - DE MINIMIS COST RATE

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



**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance
with *Government Auditing Standards***

Independent Auditor's Report

To the Board of Education
School District No. 2 - Grand Island Public Schools
Hall County, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of School District No. 2 - Grand Island Public Schools, Hall County, Nebraska (the "District"), as of and for the year ending August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bergank DV, LLC

Omaha, Nebraska
January 29, 2025



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

Independent Auditor's Report

Board of Education
School District No. 2 - Grand Island Public Schools
Hall County, Nebraska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited School District No. 2 - Grand Island Public Schools, Hall County, Nebraska's (the "District") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (Continued)

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

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

Bergank DV, LLC

Omaha, Nebraska
January 29, 2025

School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Schedule of Findings and Questioned Costs
Year Ended August 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? No

Federal Awards

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

Internal control over major programs:

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

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

Identification of Major Programs

Assistance Listing No.: 10.553/10.555/10.559/10.582
Name of Federal Program or Cluster: Child Nutrition Cluster

Assistance Listing No.: 84.027/84.173
Name of Federal Program or Cluster: IDEA (Special Education Cluster)

Assistance Listing No.: 84.425U
Name of Federal Program or Cluster: COVID - 19 - Elementary and Secondary School Emergency Relief Fund

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

Auditee qualified as low risk auditee? No

**School District No. 2 - Grand Island Public Schools
Hall County, Nebraska
Schedule of Findings and Questioned Costs
Year Ended August 31, 2024**

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None