

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
FINANCIAL STATEMENTS
AUGUST 31, 2019



**DANA F. COLE
& COMPANY** ELP
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Scottsbluff Public Schools
Scottsbluff, Nebraska

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scottsbluff Public Schools, Scottsbluff, Nebraska, as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Scottsbluff Public Schools, Scottsbluff, Nebraska, as of August 31, 2019, and the respective changes in financial position - modified cash basis, thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Scottsbluff Public Schools, Scottsbluff, Nebraska's basic financial statements. The accompanying supplementary information on pages 32 - 48 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 28 - 31 is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information on pages 32 - 47 and the schedule of expenditures of federal awards on pages 28 - 31 are the responsibility of management and were derived from and relate 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 supplementary information on pages 32 - 47 and the schedule of expenditures of federal awards on pages 28 - 31 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The supplementary information included on page 48, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2019, on our consideration of Scottsbluff Public Schools, Scottsbluff, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Scottsbluff Public Schools, Scottsbluff, Nebraska's internal control over financial reporting and compliance.

Dana J Cole + Company, LLP

Scottsbluff, Nebraska
November 1, 2019

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
STATEMENT OF ACTIVITIES AND NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2019

	Disburse- ments	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Government
				Total Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental Activities				
Instructional services				
Regular instructional programs	17,458,111	20,045		(17,438,066)
Special education instructional programs	4,304,778		1,925,277	(2,379,501)
Support services				
Pupils	2,191,444			(2,191,444)
Staff	1,507,696			(1,507,696)
Maintenance and operation of buildings and sites				
Pupil transportation	3,698,016			(3,698,016)
	617,380		36,990	(580,390)
General and administrative				
General administration	585,943			(585,943)
Office of the Principal	2,537,167			(2,537,167)
Business services	691,060			(691,060)
Early retirement	180,801			(180,801)
Community services	38,366			(38,366)
State categorical programs	860,951		820,738	(40,213)
Federal programs	2,710,354		2,027,910	(682,444)
Summer school	402,205			(402,205)
Private grants	10,771			(10,771)
School Nutrition Fund	1,718,002	500,098	1,278,233	60,329
Capital outlay	336,714			(336,714)
Debt service	4,385,878			(4,385,878)
Other disbursements	476,390	463,497		(12,893)
Total governmental activities	<u>44,712,027</u>	<u>983,640</u>	<u>6,089,148</u>	<u>(37,639,239)</u>
General Receipts				
Taxes				20,567,232
Interest				284,640

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
STATEMENT OF ACTIVITIES AND NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2019

					Net (Disbursements) Receipts and Changes in Net Position
	Disburse- ments	Program Receipts			Primary Government
		Charges for Services	Operating Grants and Contributions		Total Governmental Activities
General Receipts (Continued)					
Local receipts					289,003
County receipts					191,397
State receipts					16,413,520
Nonrevenue receipts					132,378
Total general receipts					<u>37,878,170</u>
Change in net position resulting from receipts and disbursements					238,931
NET POSITION, beginning of year					<u>25,374,928</u>
NET POSITION, end of year					<u>25,613,859</u>
ASSETS					
Pooled cash in bank					5,700,718
Pooled cash investments					14,398,689
Cash at county treasurer					<u>5,514,452</u>
TOTAL ASSETS					<u>25,613,859</u>
NET POSITION					
Restricted for:					
Debt service					3,736,891
Capital projects					2,300,605
Unrestricted					<u>19,576,363</u>
TOTAL NET POSITION					<u>25,613,859</u>

See accompanying notes to financial statements.

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS AND
STATEMENT OF ASSETS AND FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Major Funds						Total Governmental Funds
	General Fund	School Nutrition Fund	Special Building Fund	Qualified Capital Purpose Undertaking Fund	Student Fee Fund	Cooperative Fund	
RECEIPTS							
Taxes	16,542,456		140,789	760,080		3,123,907	20,567,232
Interest	215,988	5,492	27,462	13,731		21,967	284,640
Fines and licenses	50,905						50,905
Other local receipts	238,098						238,098
County receipts	191,397						191,397
State receipts	18,864,632	10,176	11,352	62,747		257,794	19,206,701
Federal receipts	2,027,910	1,268,057					3,295,967
Program sales and charges	296,038	500,098			20,045	167,459	983,640
Nonrevenue receipts	132,378						132,378
Total receipts	38,559,802	1,783,823	179,603	836,558	20,045	167,459	44,950,958
DISBURSEMENTS							
Instructional services							
Regular instructional programs	17,458,111						17,458,111
Special education instructional programs	4,304,778						4,304,778
Support services							
Pupils	2,191,444						2,191,444
Staff	1,507,696						1,507,696
Maintenance and operation of buildings and sites	3,698,016						3,698,016
Pupil transportation	617,380						617,380
General and administrative							
General administration	585,943						585,943
Office of the Principal	2,537,167						2,537,167
Business services	691,060						691,060
Early retirement	180,801						180,801
Community services	38,366						38,366
State categorical programs	860,951						860,951
Federal programs	2,710,354						2,710,354
Summer school	402,205						402,205
Private grants	10,771						10,771
School Nutrition Fund		1,718,002					1,718,002
Capital outlay	220,153		116,561				336,714
Debt service				654,481		3,731,397	4,385,878
Other disbursements	301,810				16,392	158,188	476,390
Total disbursements	38,317,006	1,718,002	116,561	654,481	16,392	158,188	44,712,027

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS AND
STATEMENT OF ASSETS AND FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

	Major Funds							Total Governmental Funds
	General Fund	School Nutrition Fund	Special Building Fund	Qualified Capital Purpose Undertaking Fund	Student Fee Fund	Cooperative Fund	Bond Fund	
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	242,796	65,821	63,042	182,077	3,653	9,271	(327,729)	238,931
FUND BALANCES, beginning of year	<u>18,567,920</u>	<u>601,164</u>	<u>2,237,563</u>	<u>1,199,121</u>	<u>23,373</u>	<u>62,365</u>	<u>2,683,422</u>	<u>25,374,928</u>
FUND BALANCES, end of year	<u>18,810,716</u>	<u>666,985</u>	<u>2,300,605</u>	<u>1,381,198</u>	<u>27,026</u>	<u>71,636</u>	<u>2,355,693</u>	<u>25,613,859</u>
ASSETS								
ASSETS								
Pooled cash in bank	4,039,065	186,796	633,340	327,368	27,026	71,636	415,487	5,700,718
Pooled cash investments	10,382,756	480,189	1,628,032	841,178			1,066,534	14,398,689
Cash at county treasurer	<u>4,388,895</u>		<u>39,233</u>	<u>212,652</u>			<u>873,672</u>	<u>5,514,452</u>
TOTAL ASSETS	<u>18,810,716</u>	<u>666,985</u>	<u>2,300,605</u>	<u>1,381,198</u>	<u>27,026</u>	<u>71,636</u>	<u>2,355,693</u>	<u>25,613,859</u>
FUND BALANCES								
FUND BALANCES								
Restricted for:								
Debt service				1,381,198			2,355,693	3,736,891
Capital projects			2,300,605					2,300,605
Assigned								
Subsequent year budget deficit	3,833,722							3,833,722
School Nutrition Program		666,985						666,985
Student activities					27,026			27,026
Cooperative activities						71,636		71,636
Unassigned	<u>14,976,994</u>							<u>14,976,994</u>
TOTAL FUND BALANCES	<u>18,810,716</u>	<u>666,985</u>	<u>2,300,605</u>	<u>1,381,198</u>	<u>27,026</u>	<u>71,636</u>	<u>2,355,693</u>	<u>25,613,859</u>

See accompanying notes to financial statements.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
AUGUST 31, 2019

	<u>Agency Funds</u> Activities Fund
ASSETS	
Pooled cash in bank	<u>496,113</u>
LIABILITIES	
Due to student groups and others	<u>496,113</u>
NET POSITION	<u><u>- 0 -</u></u>

See accompanying notes to financial statements.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of Scottsbluff Public Schools, Scottsbluff, Nebraska (the District).

Reporting Entity

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

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

Basic Financial Statements - Government-Wide Statements

The District utilizes the provisions of Statement No. 34 of the Government Accounting Standards Board, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Statement No. 34 established standards for external financial reporting for all state and local government entities, which includes government-wide financial statements, fund financial statements, and the classification of net position into the following components: restricted and unrestricted.

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

The statement of activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include (1) charges to customers or applicants who purchase, use, or directly benefit

SCOTTSLUFF PUBLIC SCHOOLS
SCOTTSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Government-Wide Statements (Continued)

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

Basic Financial Statements - Fund Financial Statements

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

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

Fund Types

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

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the District and accounts for all receipts and disbursements of the District not encompassed within other funds. It may finance all facets of services rendered by the District, inclusive of operation and maintenance. General Fund receipts are classified according to source while its disbursements are classified according to specific functions. All property tax receipts and other receipts that are not allocated by law, budgetary requirement, or contractual agreement to some other fund are accounted for in this fund. General operating disbursements and the new replacement capital outlay costs that are not paid through other funds are paid from the General Fund. General Fund disbursements are limited by the Tax Equity and Educational Opportunities Support Act.

Depreciation Fund - The Depreciation Fund is established by the District in order to facilitate the eventual purchase of a costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, the District will show the movement of monies as a disbursement from the General Fund and the Depreciation

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types (Continued)

Governmental Fund Types (Continued)

Fund will show the receipt as a "transfer from the General Fund." The District may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The purpose of a depreciation fund is to spread replacement costs of capital outlay over a period of years to avoid a disproportionate tax effect in a single year to meet such an expense. This fund is restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act. The Depreciation Fund is considered a component of the General Fund.

Employee Benefit Fund - The Employee Benefit Fund is established to specifically reserve General Fund money for the benefit of the District employees (unemployment compensation, early retirement, health insurance deductibles, etc.). The District accounts for the allocation of funds from the General Fund to this fund as a disbursement in the General Fund and in the Employee Benefit Fund the receipt as a "transfer from the General Fund." This fund may consist of more than one account for valid allocation purposes. The cash reserve of this fund is restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act. The Employee Benefit Fund is considered a component of the General Fund.

School Nutrition Fund - The School Nutrition Fund is used to accommodate the financial activities of the Child Nutrition Programs. These include the School Lunch, School Breakfast, After School Snack, Special Milk, Child and Adult Care Food, and the Summer Food Service Programs. The fund accounts for all receipts and disbursements of all Child Nutrition Programs. Receipts in this fund include the federal and state program cost reimbursements received by the District and General Fund support of the lunch program. All food purchases and other supplies are accounted for as disbursements of the School Nutrition Fund; accordingly, no inventories are maintained in this fund.

Bond Fund - The Bond Fund is used to record tax receipts and disbursements for the payment of bond principal and interest, and other related costs (i.e. investment interest, trustee fees, etc.). Receipts from a levy to retire bonds in the District are retained in a separate fund by the county treasurer, the financial institution serving as a fiscal agent, or the District. Funds are disbursed upon appropriate demand. All records of the transaction are maintained in this fund. Proceeds from bond issuance are deposited and recorded as a receipt in the Special Building Fund to be disbursed on the actual building project. The General Fund is used to make interest and bond retirement payments if the Bond Fund balance is not sufficient to meet these requirements.

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types (Continued)

Governmental Fund Types (Continued)

Special Building Fund - The Special Building Fund is established for acquiring or improving sites and buildings, including the construction, alteration, or improvement of buildings. The primary sources of receipts for the Special Building Fund include the sale of bonds, the sale of property, and tax receipts. Regardless of the source, all receipts for this purpose are accountable through this fund. General Fund disbursements for the purpose of this fund are not allowable. Special Building Fund accounting provides a more effective means of identifying those disbursements associated with construction activities and provides a complete and consolidated record of all costs of the building program at the conclusion of a project(s). If more than one Special Building Fund activity is active at the same time, separate accounts for each project may be established within the single Special Building Fund. The tax levy for this fund is restricted. The Board of Education may approve a budget with a levy limitation of \$0.14 per one hundred dollars of valuation, or a tax levy not to exceed \$0.175 per one hundred dollars of valuation may be established for this fund by a vote of the people within the District for a term not to exceed ten years.

Qualified Capital Purpose Undertaking Fund - The Qualified Capital Purpose Undertaking Fund (QCPUF) is established for a specific abatement project to address an actual or potential environmental hazard, accessibility barrier, life safety code violation, life safety hazard, or mold which exists within one or more existing school buildings or the school grounds of existing school buildings controlled by the District. Such determination shall not include abatement projects related to the acquisition of new property, the construction of a new building, the expansion of an existing building, or the remodeling of an existing building for purposes other than the abatement of environmental hazards, accessibility barriers, life safety code violations, life safety hazards, or mold. The period of years for such levy shall not exceed ten years and the levy for such project when combined with all other levies pursuant to Sections 79-10, 110.02 and 79-10, 110 R.R.S. shall not exceed \$0.03 per one hundred dollars of taxable valuation. General Fund disbursements for the purpose of these funds are not allowable.

For projects in place prior to April 19, 2016, the Qualified Capital Purpose Undertaking Fund maximum levy remains at \$0.052.

If taxable valuation is lower than the taxable valuation in the year when the District last issued QCPUF bonds and the \$0.03 maximum levy is insufficient to meet the combined annual principal and interest, the District can exceed the \$0.03 maximum levy for the difference to meet that year's principal and interest obligations.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Types (Continued)

Governmental Fund Types (Continued)

Cooperative Fund - The Cooperative Fund is used by the District acting as the fiscal agent for any cooperative activity between the District and one or more public agencies as defined in Section 13-803(2) R.R.S. All public agencies, including the District acting as the fiscal agent, shall show the payment for services to a cooperative in their General Fund.

Student Fee Fund - The Student Fee Fund is established to collect fees from students for participation in extracurricular activities, postsecondary education costs, and summer school or night school. The money is disbursed for the purposes for which it was collected from the students.

Fiduciary Fund Types

Activities Fund - The Activities Fund is used to account for the financial operations of quasi-independent student organizations, interschool athletics, and other self-supporting or partially self-supporting school activities not part of another fund. The Activities Fund shall not be used to record general operation receipts or disbursements, nor shall the Activities Fund be used as a clearing account for the General Fund. The District may divide this fund into more than one account to allocate a portion of this fund for different purposes.

Major Funds

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

Basis of Accounting

The District prepares its financial statements on the modified cash basis, which is in conformity with the accounting practices prescribed or permitted by the State of Nebraska Department of Education.

The modified cash basis of accounting is a basis of accounting other than GAAP as established by GASB. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or equivalents) during the period are recognized, except for the following modifications:

Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit) that arise from transactions and events involving cash or cash equivalents are recognized; and

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

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets, such as property, equipment, and infrastructure, are not reported and long-term liabilities, such as debt and compensated absences, are not reported.

If the District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

Capital Assets

In accordance with the modified cash basis of accounting, capital assets are not recorded as assets on the government-wide or fund financial statements, and depreciation is not recognized. Purchases of capital assets are recorded as disbursements by function in the financial statements.

Long-Term Obligations

In accordance with the modified cash basis of accounting, long-term debt is not reported as a liability in the government-wide or fund financial statements. Proceeds from long-term debt are reported as receipts and payments of principal are reported as disbursements in both the government-wide and fund financial statements.

SCOTTSLUFF PUBLIC SCHOOLS
SCOTTSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification

Government-Wide Statements

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

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

Unrestricted net position consists of net assets that do not meet the definition of restricted.

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

Fund Balance Classification

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

Nonspendable

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

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classification (Continued)

Fund Financial Statements (Continued)

Fund Balance Classification (Continued)

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District currently has no amounts classified in this category.

Assigned

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

Unassigned

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

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

Interfund Balances and Activities

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

Budget Process and Property Taxes

The District is required by state law to hold public hearings and adopt annual budgets for all funds on the modified cash basis of accounting. Total disbursements for each fund may not exceed the total budgeted disbursements. The General Fund is also subject to a total non-special education disbursement limit. Appropriations for disbursements lapse

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget Process and Property Taxes (Continued)

at year end. Any revisions to the adopted budget of total disbursements to any fund require a public hearing. State statutes of the Nebraska Budget Act provide the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various disbursements and/or tax levy limitations.

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

Compensated Absences

In accordance with the modified cash basis of accounting, vacation and sick leave benefits are reported as expenses when paid. The District has entered into negotiated contracts for employment for its certified and noncertified personnel for specified periods. Those contracts specify, in addition to other items, the sick and vacation leave accrual and use of these benefits. Subsequent negotiated contracts may alter those benefit terms. The District's negotiated contract terms for sick and vacation leave benefits are as follows:

Certified Personnel

Vacation leave - There is no benefit provided for vacation leave.

Sick leave - For full-time employees, sick leave accrues on September 1 of each year at a rate of nine days per year. Employees may accumulate 75 days of sick leave. Unused sick leave may be converted to a cash benefit upon retirement at age 55 or above or death at a rate of \$40 per day for a maximum of 75 days.

Noncertified Personnel

Vacation leave - For full-time, full-year employees, vacation leave accrues on September 1 of each year at a rate of two weeks per year for employees with 10 years of service or less and three weeks for employees with more than 10 years of service to the District. Vacation leave is pro-rated for employees entering service to the District after September 1. All unused vacation is forfeited as of August 31 of the year following the year in which it is earned.

Sick leave - Sick leave will accrue at a rate of one day per month of service. Employees may accumulate 60 days of sick leave. Unused sick leave may be converted to a cash benefit, at a specified contractual rate, upon disability or retirement, upon 10 years of service or more.

SCOTTSLUFF PUBLIC SCHOOLS
SCOTTSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

Administrators

Vacation leave - Administrators with 12-month contracts receive 25 days of vacation annually upon contract renewal (July 1).

Sick leave - Ten days of sick leave are provided each of the first two years of employment and six days each succeeding year of employment. Sick leave of up to 100 days will be paid at the rate of \$40 per day upon retirement or death of the administrator.

Use of Estimates

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

NOTE 2. CASH AND INVESTMENTS

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2019, the District held bank deposits and also held funds in certificates of deposits with the Nebraska Liquid Asset Fund (NLAF).

The NLAF was formed in 1988 under the Interlocal Cooperation Act to provide a cash management program for school districts, educational service units and community colleges, public agencies, and other governmental subdivisions. The NLAF was established to assist public bodies throughout the State of Nebraska with the investment of their available cash reserves. Participation in the investment fund is voluntary for its members. The objective of the fund is to provide a means for investors to achieve a high rate of return while preserving principal and maintaining liquidity, while investing only in instruments permitted by applicable Nebraska statutes. NLAF seeks to achieve its investment objective through professionally managed investment funds governed by the investment policies and restrictions specified. The NLAF Board of Trustees is elected from representatives of various participants in the fund. The NLAF Board of Trustees has engaged PFM Asset Management, LLC, as administrator and investment advisor. For a copy of the most recent audit report for the NLAF, contact NLAF at 1-877-667-3523 or via the NLAF website at <https://www.nlafpool.org/>.

SCOTTSLUFF PUBLIC SCHOOLS
SCOTTSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits (Continued)

Bank Deposits

As of August 31, 2019, all of the District's deposits with financial institutions were fully insured or collateralized by securities held in the District's name in the form of joint safekeeping receipts. State law requires all funds in depositories to be fully insured or collateralized, and the District's policy is to require depositories to provide pledged securities to cover deposits in excess of FDIC limits.

NLAF Deposits

State law required collateralization of deposits with Federal depository insurance or with U.S. Treasury and U.S. Agency securities having an aggregate value at least equal to the balance of deposits. As of August 31, 2019, all of NLAF's deposits were insured and collateralized by securities held by the pledging financial institution in other than the NLAF's name.

Investments

The NLAF is a pooled cash account that invests primarily in U.S. government & agency obligations and repurchase agreements. The NLAF seeks to maintain a stable net asset value of \$1 per share, but it is possible to lose money investing in the NLAF. The NLAF is not insured or guaranteed by the Federal Depository Insurance Corporation or any other governmental agency.

At August 31, 2019, the District had \$8,830,211 in NLAF investments. These investments consisted of government agency securities and repurchase agreements that were collateralized by U.S. government securities.

The District is exposed to risks noted below in relation to its investments in the NLAF. The District does not have a policy for these risks. The following NLAF risk policies below were taken from footnotes in the NLAF audit report.

Interest Rate Risk

The NLAF investment policy limits its exposure to market value fluctuations due to changes in interest rates by requiring that the portfolio maintain a dollar-weighted average maturity of not greater than 60 days. The weighted average maturity of the entire portfolio at May 31, 2019, the date of the latest NLAF audit report, was 37 days. All of the NLAF's investments had a maturity of less than two years.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. According to the latest audit report on the NLAF, as of May 31, 2019, the NLAF limits the investments to certain fixed income instruments which school entities are permitted to invest in under Nebraska law. As of May 31, 2019, the investment portfolio was comprised of investments that were, in aggregate, rated by Standard & Poor's (S&P) as shown in the table below. The rates include the ratings of collateral underlying repurchase agreements in effect at May 31, 2019.

<u>S&P Rating</u>	<u>Percent of Portfolio</u>
AA+*	37.32%
A-1+	33.95%
Exempt**	26.42%
Not Rated***	2.31%

**Represents investments in obligations of the U.S. government or its agencies or instrumentalities, which are rated Aaa and AAA by Moody's Investor Service and Fitch Ratings, Inc., respectively, which are the highest category of credit ratings by each of those statistical rating organizations.*

***Represents investments in U.S. Treasury securities, which are not considered to be subject to overall credit risk per GASB.*

****Represents investments in certificates of deposit insured by the FDIC.*

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the NLAF will not be able to recover the value of its investment or collateral securities that are in the possession of the outside party. The NLAF has no specific policy as to custodial credit risk. All of the underlying securities for the NLAF investments in repurchase agreements at May 31, 2019, the latest audit report date for the NLAF, were collateralized at 102% of the obligation's principal and interest value. In the event of default on the obligation to repurchase, the NLAF has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation.

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk

The NLAIF investment policy establishes certain restrictions on investments and limitations on portfolio composition. The investment portfolio at May 31, 2019, included the issuers shown in the table below, which individually represented greater than 5% of the total investment portfolio.

Issuer	Percent of Fund
Axos Bank	5.21%
Credit Agricole Corporate & Investment Bank (NY)	21.62%
Fannie Mae	5.01%
Federal Farm Credit Banks	7.93%
Federal Home Loan Bank	39.67%
Freddie Mac	5.74%
Goldman Sachs & Company	7.71%

NOTE 3. RETIREMENT PLAN

Plan Description

The Scottsbluff Public Schools 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, 2018, there were 265 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, and Nebraska Community Colleges), are members of the plan.

Benefits Provided

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 (currently 2%) set by statute, and an actuarial factor based on age.

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 3. RETIREMENT PLAN (Continued)

Benefits Provided (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 (currently 2%) set by statute, and an actuarial factor based on age.

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

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

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

Contributions

Contribution provisions are established by State law and may be amended only by the Nebraska legislature. The State contribution is considered a nonemployer contribution since school employees are not employees of the State. The contribution rates (as a percentage of covered payroll for the year) were as follows:

- Members (employees): Each member contributed 9.78% of monthly salary.
- District: The District contributed 101% of the member contributions.
- State: The State contributed 2% of estimated payroll for the plan year.

The District's contribution to the Plan for its year ended August 31, 2019, was \$2,326,194.

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/APA_Reports.

SCOTTSLUFF PUBLIC SCHOOLS
SCOTTSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT

Long-term debt at August 31, 2019, consisted of the following:

The District issued Series 2014 General Obligation Bonds for advance refunding Series 2009B General Obligation Bonds. Total proceeds of the bond issuance were \$5,965,000. Principal payments are made annually on December 15th of each year beginning in 2014. Interest accrues at 0.20% to 3.15% and is payable in semiannual installments due on December 15 and June 15 of each year. The outstanding principal balance of these bonds was \$- 0 - as of August 31, 2019.

The District issued Series 2015 General Obligation Bonds for renovation of the high school building. Total proceeds of the bond issuance were \$20,000,000. Principal payments are made annually on December 1st of each year beginning in 2029. Interest accrues at 5.00% and is payable in semiannual installments due on December 1 and June 1 of each year. The outstanding principal balance of these bonds was \$20,000,000 as of August 31, 2019.

The District issued Series 2016 General Obligation Bonds for renovation of the high school building. Total proceeds of the bond issuance were \$9,200,000. Principal payments are made annually on December 1st of each year beginning in 2016. Interest accrues at 2.00% to 3.00% and is payable in semiannual installments due on December 1 and June 1 of each year. The outstanding principal balance of these bonds was \$6,810,000 as of August 31, 2019.

The District issued Series 2017 General Obligation Bonds for advance refunding Series 2012 General Obligation Bonds. Total proceeds of the bond issuance were \$6,925,000. Principal payments are made annually on December 15th of each year beginning in 2018. Interest accrues at 1.15% to 2.25% and is payable in annual installments due on December 15 of each year. The outstanding principal balance of these bonds was \$6,415,000 as of August 31, 2019.

The District issued Series 2019 General Obligation Bonds for advance refunding Series 2014 General Obligation Bonds. Total proceeds of the bond issuance were \$4,195,000. Principal payments are made annually on December 15th of each year beginning in 2019. Interest accrues at 1.45% to 3.00% and is payable in annual installments due on December 15 of each year. The outstanding principal balance of these bonds was \$4,195,000 as of August 31, 2019.

The District issued Series 2014 Limited Tax Obligation Bonds for advance refunding Series 2012 Limited Tax Obligation Bonds. Total proceeds of the bond issuance were \$5,930,000. Principal payments are made annually on December 15th of each year beginning in 2014. Interest accrues at 0.25% to 2.50% and is payable in semiannual installments due on December 15 and June 15 of each year. The outstanding principal balance of these bonds was \$3,062,000 as of August 31, 2019.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

The following is a summary of the District's long-term debt transactions for the year ended August 31, 2019:

	Balance September 1, 2018	Addi- tions	Retire- ments	Balance August 31, 2019
Series 2014 - General Obligation Bonds	5,205,000		5,205,000	
Series 2015 - General Obligation Bonds	20,000,000			20,000,000
Series 2016 - General Obligation Bonds	7,690,000		880,000	6,810,000
Series 2017 - General Obligation Bonds	6,925,000		510,000	6,415,000
Series 2019 - General Obligation Bonds		4,195,000		4,195,000
Series 2014 - Limited Tax Obligation Bonds	<u>3,646,000</u>		<u>584,000</u>	<u>3,062,000</u>
	<u>43,466,000</u>	<u>4,195,000</u>	<u>7,179,000</u>	<u>40,482,000</u>

The following is a summary of the District's scheduled annual debt service requirements as of August 31, 2019:

Years Ended August 31,	2015 GO Bonds		2016 GO Bonds	
	Principal	Interest	Principal	Interest
2020		1,000,000	615,000	149,658
2021		1,000,000	250,000	141,007
2022		1,000,000	255,000	135,958
2023		1,000,000	295,000	130,457
2024		1,000,000	310,000	124,408
2025 - 2029	40,000	5,000,000	5,085,000	328,996
2030 - 2034	6,815,000	4,185,125		
2035 - 2039	8,910,000	2,217,000		
2040 - 2044	4,235,000	214,375		
	<u>20,000,000</u>	<u>16,616,500</u>	<u>6,810,000</u>	<u>1,010,484</u>

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG-TERM DEBT (Continued)

Years Ended August 31,	2017 GO Bonds		2019 GO Bonds	
	Principal	Interest	Principal	Interest
2020	870,000	113,688	70,000	97,264
2021	780,000	100,233	545,000	104,890
2022	885,000	85,795	455,000	97,276
2023	935,000	69,808	405,000	87,675
2024	955,000	50,908	405,000	75,525
2025 - 2029	1,990,000	86,895	2,315,000	139,575
2030 - 2034				
2035 - 2039				
2040 - 2044				
	<u>6,415,000</u>	<u>507,327</u>	<u>4,195,000</u>	<u>602,205</u>

Years Ended August 31,	2014 LTO Bonds		Total	
	Principal	Interest	Principal	Interest
2020	593,000	61,360	2,148,000	1,421,970
2021	598,000	55,672	2,173,000	1,401,802
2022	610,000	44,010	2,205,000	1,363,039
2023	623,000	30,590	2,258,000	1,318,530
2024	638,000	15,950	2,308,000	1,266,791
2025 - 2029			9,430,000	5,555,466
2030 - 2034			6,815,000	4,185,125
2035 - 2039			8,910,000	2,217,000
2040 - 2044			4,235,000	214,375
	<u>3,062,000</u>	<u>207,582</u>	<u>40,482,000</u>	<u>18,944,098</u>

Components of debt service for the year ended August 31, 2019, are as follows:

Fund	Principal	Interest	Fees	Total
Qualified Capital Purpose				
Undertaking Fund	584,000	69,731	750	654,481
Bond Fund	2,400,000	1,320,106	11,291	3,731,397
Total	<u>2,984,000</u>	<u>1,389,837</u>	<u>12,041</u>	<u>4,385,878</u>

SCOTTSLUFF PUBLIC SCHOOLS
SCOTTSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. RISK MANAGEMENT

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

NOTE 6. COMMITMENTS AND CONTINGENCIES

The District participates in numerous federal and state assisted grant programs which are governed by various rules and regulations of the grantor agencies. These programs are subject to financial and compliance audits by the granting agencies. To the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

NOTE 7. BUDGET COMPLIANCE

Following is a summary of the actual and budget amounts by fund:

	Budget	Actual	Variance Favorable (Unfavorable)
General Fund	45,090,273	38,348,298	6,741,975
Special Building Fund	2,120,334	116,561	2,003,773
School Nutrition Fund	2,180,731	1,718,002	462,729
Qualified Capital Purpose			
Undertaking Fund	1,686,467	654,481	1,031,986
Depreciation Fund	2,787,335	220,153	2,567,182
Student Fee Fund	50,000	16,392	33,608
Employee Benefit Fund	500,000	301,810	198,190
Cooperative Fund	480,000	158,188	321,812
Bond Fund	3,942,379	3,731,397	210,982
Activities Fund	1,950,000	762,192	1,187,808
	<u>60,787,519</u>	<u>46,027,474</u>	<u>14,760,045</u>

NOTE 8. INTERFUND TRANSFERS

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them and to move unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND TRANSFERS (Continued)

Operating transfers consists of the following:

Fund	Transfers In	Transfers Out
Depreciation Fund	655,242	
Employee Benefit Fund	5,000	
General Fund	_____	660,242
	660,242	660,242

NOTE 9. TAX ABATEMENTS

The District is subject to property tax abatements granted by the City of Scottsbluff, Nebraska, through Tax Incremental Financing (TIF) agreements with various developers. The incremental increase in valuation from the development is not included in the District's available valuation base until the TIF agreement has expired, which is generally 15 years. The incremental taxes, including the District's share is returned to the developer, effectively rebating the taxes on the increased valuation.

Information relevant to the tax abatements impacting the District for the year ending August 31, 2019, are as follows:

Total TIF valuation 2018	25,264,665
District's total levy	1.315271
District share of tax abatement	250,334

The District's total levy was not at the statutory limit. As such, the District received all tax revenue requested.

NOTE 10. RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS

In January 2017, GASB issued Statement 84, *Fiduciary Activities*. This statement is effective for fiscal years beginning after December 15, 2018. The District did not early implement this statement. GASB 84 establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Certain fiduciary activities meeting the new criteria will be reported as custodial funds and a statement of changes will be a required financial statement. Other activities not meeting this criteria will be reported as governmental funds. When adopted, GASB 84 may have a significant effect on the District's financial reporting for the Activities Fund currently reported as an agency fund.

NOTE 11. SUBSEQUENT EVENTS

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 1, 2019, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCOTTSLUFF PUBLIC SCHOOLS
SCOTTSLUFF, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Pass- Through Identifier	Expendi- tures
<u>U.S. Department of Agriculture</u>			
Passed through Nebraska Department of Education			
National School Lunch Program	10.555	201818N109943 201919N109943	1,158,758
Summer Food Service Program for Children	10.559	201919N109943	<u>75,506</u>
Total Child Nutrition Cluster			<u>1,234,264</u>
Fresh Fruits and Vegetables	10.582	201818N109943 201919N109943	33,793
Passed through Nebraska Department of Health and Human Services			
Child Nutrition Cluster			
National School Lunch Program	10.555	79003200000	137,911
Summer Food Service Program for Children	10.559	79003200000	<u>1,308</u>
Total Child Nutrition Cluster			<u>139,219</u>
Total U.S. Department of Agriculture			<u>1,407,276</u>
<u>U.S. Department of Education</u>			
Direct Programs			
Native American Education - Grants to Local Educational Agencies			
	84.060		<u>36,499</u>

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Pass- Through Identifier	Expendi- tures
<u>U.S. Department of Education (Continued)</u>			
Passed through Nebraska Department of Education			
Special Education Cluster (IDEA)			
Special Education - Grants to States	84.027	19-6404-00-13-079-0032 19-6410-00-13-079-0032 19-6412-00-13-079-0032	772,857
Special Education - Preschool Grants	84.173	19-6406-00-13-079-0032	<u>7,875</u>
Total Special Education Cluster (IDEA)			<u>780,732</u>
Title I Grants to Local Educational Agencies	84.010	19-6200-00-13-079-0032 18-4210-00-13-079-0032	1,304,700
Career and Technical Education - Basic Grants to States	84.048	19-6700-00-13-079-0032	41,706
Education for Homeless Children and Youth	84.196	19-6991-00-13-079-0032	14,001
Twenty-First Century Community Learning Centers	84.287	19-6968-A0-13-079-0032 19-6968-A1-13-079-0032	172,559
Rural Education	84.358	RLIS FY 19 79-0032	58,907
Improving Teacher Quality State Grants	84.367	18-4310-00-13-079-0032	139,473
Student Support and Academic Enrichment Program	84.424	19-6969-00-13-079-0032	87,794
Passed through Educational Service Unit 13			
English Language Acquisition Grants	84.365	19-6925-00-13-079-0032	<u>23,335</u>
Total U.S. Department of Education			<u>2,659,706</u>

SCOTTSDLUFF PUBLIC SCHOOLS
SCOTTSDLUFF, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Pass- Through Identifier	Expendi- tures
<u>U.S. Department of Health and Human Services</u>			
Passed through Nebraska Department of Health and Human Services			
Medical Assistance Program	93.778	79-0032	<u>96,177</u>
<u>Corporation for National and Community Service</u>			
Passed through Nebraska Department of Health and Human Services			
AmeriCorps	94.006	16-AC184443	<u>26,526</u>
TOTAL FEDERAL ASSISTANCE			<u>4,189,685</u>

SCOTTSDLUFF PUBLIC SCHOOLS
SCOTTSDLUFF, NEBRASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2019

NOTE 1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards is prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, disbursements are recognized when cash is disbursed. This basis of accounting is consistent with the method utilized for the basic financial statements of the District.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2. BASIS FOR EXPENDITURES REPORTED

Cash Disbursements - For certain federal programs, the District makes cash disbursements under the federal program specifically identified as federal program costs. For these federal programs, the District reports federal disbursements in the amount of cash disbursed and indirect costs claimed under the federal program.

Cash Receipts - For certain federal programs, the District receives payment at specified rates per unit of service rendered or product distributed. For these federal programs, the District reports federal disbursements in the amount of cash received under the federal program.

Value of Goods - For certain federal programs, the District receives goods for use. For these federal programs, the District reports disbursements at the value of goods received.

Indirect Costs - For certain federal programs, the District may be allowed to utilize an indirect cost rate as determined by the federal program or a negotiated indirect cost rate. The District may otherwise utilize a de minimis indirect cost rate when allowed by the federal program. For these federal programs, federal disbursements included amount determined as indirect costs. The District did not utilize any indirect cost rate to determine indirect costs. As such, federal disbursements reported do not include any indirect costs.

NOTE 3. CONTINGENCIES

The District receives funds under various federal grant programs and such assistance is to be disbursed 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 noncompliance. 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 4. SUBRECIPIENTS

The District disbursed no awards to subrecipients during the year.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
GENERAL FUND COMPONENTS

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - MODIFIED
CASH BASIS AND COMBINING SCHEDULE OF ASSETS AND FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2019

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total Governmental Funds
RECEIPTS					
Taxes	16,542,456				16,542,456
Interest	185,780	30,208			215,988
Fines and licenses	50,905				50,905
Other local receipts	238,098				238,098
County receipts	191,397				191,397
State receipts	18,864,632				18,864,632
Federal receipts	2,027,910				2,027,910
Program sales and charges			296,038		296,038
Nonrevenue receipts	132,378				132,378
Transfers in		655,242	5,000	(660,242)	
Total receipts	<u>38,233,556</u>	<u>685,450</u>	<u>301,038</u>	<u>(660,242)</u>	<u>38,559,802</u>
DISBURSEMENTS					
Instructional services					
Regular instructional programs	17,518,353			(60,242)	17,458,111
Special education instructional programs	4,304,778				4,304,778
Support services					
Pupils	2,191,444				2,191,444
Staff	1,507,696				1,507,696
Maintenance and operation of buildings and sites	4,298,016			(600,000)	3,698,016
Pupil transportation	617,380				617,380
General and administrative					
General administration	585,943				585,943
Office of the Principal	2,537,167				2,537,167
Business services	691,060				691,060
Early retirement	180,801				180,801
Community services	38,366				38,366
State categorical programs	860,951				860,951
Federal programs	2,710,354				2,710,354

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
GENERAL FUND COMPONENTS

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - MODIFIED
CASH BASIS AND COMBINING SCHEDULE OF ASSETS AND FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED AUGUST 31, 2019

	General Fund	Depreciation Fund	Employee Benefit Fund	Reclassifi- cations	Total Governmental Funds
DISBURSEMENTS (Continued)					
Summer school	402,205				402,205
Private grants	10,771				10,771
Capital outlay		220,153			220,153
Other disbursements			301,810		301,810
Total disbursements	<u>38,455,285</u>	<u>220,153</u>	<u>301,810</u>	<u>(660,242)</u>	<u>38,317,006</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(221,729)	465,297	(772)		242,796
FUND BALANCES, beginning of year	<u>16,096,351</u>	<u>2,470,083</u>	<u>1,486</u>		<u>18,567,920</u>
FUND BALANCES, end of year	<u>15,874,622</u>	<u>2,935,380</u>	<u>714</u>		<u>18,810,716</u>
ASSETS					
Pooled cash in bank	3,216,268	822,083	714		4,039,065
Pooled cash investments	8,269,459	2,113,297			10,382,756
Cash at county treasurer	<u>4,388,895</u>				<u>4,388,895</u>
TOTAL ASSETS	<u>15,874,622</u>	<u>2,935,380</u>	<u>714</u>		<u>18,810,716</u>
FUND BALANCES					
Assigned	897,628	2,935,380	714		3,833,722
Unassigned	<u>14,976,994</u>				<u>14,976,994</u>
TOTAL FUND BALANCES	<u>15,874,622</u>	<u>2,935,380</u>	<u>714</u>		<u>18,810,716</u>

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>16,096,351</u>
RECEIPTS		
Local sources		
Taxes		
1110	15,837,000	15,056,812
1115	22,000	26,942
1120	500,000	3,793
1125	1,200,000	1,454,909
1410	45,000	185,780
1610	20,000	19,870
1620	45,000	31,035
1900	128,500	238,098
	<u>17,797,500</u>	<u>17,017,239</u>
Total local sources		
County sources		
2110	200,000	187,547
2210	3,500	3,850
	<u>203,500</u>	<u>191,397</u>
Total county sources		
State sources		
3110	14,349,056	14,349,056
3120	2,000,000	1,925,277
3125	60,000	36,990
3130	500,000	544,277
3131	250,000	686,169
3180	55,000	54,657
3400	440,000	378,738
3500	1,199,000	820,738
3990	70,000	68,730
	<u>18,923,056</u>	<u>18,864,632</u>
Total state sources		

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2019

		Original and Final Budget	Actual
RECEIPTS (Continued)			
Federal sources			
4200	Title I, Grants to Local Educational Agencies	1,055,000	677,793
4404	Special Education - Grants to States (IDEA Base)	601,000	706,894
4700	Career and Technical Education - Basic Grants to States	41,778	56,504
4307	Native American Education - Grants to Local Educational	25,000	22,544
4406	Special Education - Grants to States (Preschool Special Ed)	18,525	9,821
4990	Education for Homeless Children and Youth	13,000	14,069
4968	Twenty-First Century Community Learning Centers	177,000	102,512
4990	Rural Education	55,000	94,762
4925	English Language Acquisition	14,000	18,178
4310	Improving Teacher Quality State Grants	198,000	
4455	Medical Assistance Program	100,000	96,178
4990	AmeriCorps	55,000	21,453
4999	Other	<u>150,000</u>	<u>207,202</u>
	Total federal sources	<u>2,503,303</u>	<u>2,027,910</u>
Nonrevenue receipts			
5000	Other nonrevenue receipts	<u>130,642</u>	<u>132,378</u>
	Total receipts	<u>39,558,001</u>	<u>38,233,556</u>
TOTAL FUNDS AVAILABLE			<u>54,329,907</u>
DISBURSEMENTS			
Instructional services			
1100	Regular instructional programs	19,977,009	17,518,353
1200	Special education instructional programs	6,592,414	4,304,778
1300	Summer school	701,895	402,205
Support services			
2100	Pupils	2,031,733	2,191,444
2200	Staff	1,363,871	1,507,696

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2019

		Original and Final Budget	Actual
DISBURSEMENTS (Continued)			
Support services (Continued)			
2600	Maintenance and operation of buildings and sites	4,427,338	4,298,016
2700	Pupil transportation	755,887	617,380
General and administrative			
2300	General administration	755,887	585,943
2400	Office of the Principal	2,699,596	2,537,167
2500	Business services	935,725	691,060
2900	Early retirement	323,952	180,801
3300	Community service	151,620	38,366
3400	Private grants	14,308	10,771
3500	State categorical programs	1,281,498	860,951
Federal programs			
6200	Title I, Part A ESEA/ESSA Improving Basic Programs Operated by Local Educational Agencies	1,312,540	1,290,046
6210	Title I Accountability ESEA/ESSA Improving Basic Programs Accountability	5,000	2,174
6230	Title I, Part D, Subpart 2 Prevention & Intervention Programs For Children & Youth Who Are Neglected, Delinquent, Or At-Risk	15,000	12,480
6310	Title II, Part A ESEA/ESSA Supporting Effective Instruction	150,000	146,008
6330	Title VI, Part B REAP	50,000	63,461
6404	IDEA Part B (611) Base Allocation - birth through age four	350,000	238,153
6406	IDEA Preschool (619) Base Allocation	10,000	7,875
6410	IDEA Enrollment/Poverty (611)	550,000	522,985
6412	IDEA Part B Proportionate Share	20,000	18,802
6700	Federal Vocational & Applied Technology Education (Carl Perkins)	50,000	43,153
6910	Indian Education	40,000	36,499
6925	Title III, Part A ESEA/ESSA English Language Acquisition, Language Enhancement, & Academic Achievement	25,000	23,335
6967	Title IV, Part A ESEA/ESSA Student Support & Academic Enrichment (SSAE) Grant (2017/18 Competative Based)	250,000	92,171

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
DISBURSEMENTS (Continued)		
Federal programs		
6968 Title IV, Part B ESEA/ESSA 21st Century Community Learning Centers	200,000	172,559
6990 Other Federal Categorical Programs	30,000	26,525
6991 Mckinney-Vento Homeless	<u>20,000</u>	<u>14,128</u>
Total disbursements	<u>45,090,273</u>	<u>38,455,285</u>
FUND BALANCE, end of year		<u>15,874,622</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		3,216,268
Pooled cash investments		8,269,459
Cash at county treasurer		<u>4,388,895</u>
TOTAL FUND BALANCE		<u>15,874,622</u>

See accompanying notes to budgetary schedules.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
DEPRECIATION FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>2,470,083</u>
RECEIPTS		
Local sources		
Interest received	20,000	30,208
Other local receipts		
Transfers in	<u>488,500</u>	<u>655,242</u>
Total local receipts	<u>508,500</u>	<u>685,450</u>
TOTAL FUNDS AVAILABLE		<u>3,155,533</u>
DISBURSEMENTS		
Capital outlay	<u>2,787,335</u>	<u>220,153</u>
FUND BALANCE, end of year		<u>2,935,380</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		822,083
Pooled cash investments		<u>2,113,297</u>
TOTAL FUND BALANCE		<u>2,935,380</u>

See accompanying notes to budgetary schedules.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
EMPLOYEE BENEFIT FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>1,486</u>
RECEIPTS		
Local sources		
Contributions received	471,252	296,038
Transfers in		<u>5,000</u>
Total receipts	<u>471,252</u>	<u>301,038</u>
TOTAL FUNDS AVAILABLE		<u>302,524</u>
DISBURSEMENTS		
Employee benefits paid	<u>500,000</u>	<u>301,810</u>
FUND BALANCE, end of year		<u>714</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		<u>714</u>

See accompanying notes to budgetary schedules.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
SCHOOL NUTRITION FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>601,164</u>
RECEIPTS		
Local sources		
Interest received	5,000	5,492
Lunch sales	505,000	500,098
State sources		
State reimbursement	10,000	10,176
Federal sources		
Federal reimbursements - National School Lunch	1,376,666	1,158,758
Federal reimbursements - Summer Food Service	75,000	75,506
Federal reimbursements - Fresh Fruits and Vegetables	<u>35,000</u>	<u>33,793</u>
Total receipts	<u>2,006,666</u>	<u>1,783,823</u>
TOTAL FUNDS AVAILABLE		<u>2,384,987</u>
DISBURSEMENTS		
Salaries and wages		5,459
Employee benefits		687
Purchased services	1,000,000	839,085
Supplies and materials	1,000,000	834,115
Capital outlay	175,000	33,724
Other expenses	<u>5,731</u>	<u>4,932</u>
Total disbursements	<u>2,180,731</u>	<u>1,718,002</u>
FUND BALANCE, end of year		<u>666,985</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		186,796
Pooled cash investments		<u>480,189</u>
TOTAL FUND BALANCE		<u>666,985</u>

See accompanying notes to budgetary schedules.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL BUILDING FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>2,237,563</u>
RECEIPTS		
Local sources		
Taxes		
Property taxes - general purpose	145,900	140,502
Carline tax		248
Motor Vehicle Tax		39
Interest received	1,500	27,462
State sources		
Homestead exemption		5,269
Property tax credit		5,580
Pro-rate motor vehicle		503
Total receipts	<u>147,400</u>	<u>179,603</u>
TOTAL FUNDS AVAILABLE		<u>2,417,166</u>
DISBURSEMENTS		
Capital outlay	<u>2,120,334</u>	<u>116,561</u>
FUND BALANCE, end of year		<u>2,300,605</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		633,340
Pooled cash investments		1,628,032
Cash at county treasurer		<u>39,233</u>
TOTAL FUND BALANCE		<u>2,300,605</u>

See accompanying notes to budgetary schedules.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>1,199,121</u>
RECEIPTS		
Local sources		
Taxes		
Property taxes - general purpose	790,400	758,531
Carline tax		1,345
Motor Vehicle Tax		204
Interest received	6,600	13,731
State sources		
Homestead exemption		27,166
Pro-rate motor vehicle		2,728
Property tax credit		32,853
Total receipts	<u>797,000</u>	<u>836,558</u>
TOTAL FUNDS AVAILABLE		<u>2,035,679</u>
DISBURSEMENTS		
Debt service	<u>1,686,467</u>	<u>654,481</u>
FUND BALANCE, end of year		<u>1,381,198</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		327,368
Pooled cash investments		841,178
Cash at county treasurer		<u>212,652</u>
TOTAL FUND BALANCE		<u>1,381,198</u>

See accompanying notes to budgetary schedules.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
STUDENT FEE FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>23,373</u>
RECEIPTS		
Local sources		
Summer or night school fees	<u>45,673</u>	<u>20,045</u>
TOTAL FUNDS AVAILABLE		<u>43,418</u>
DISBURSEMENTS		
Supplies and materials	<u>50,000</u>	<u>16,392</u>
FUND BALANCE, end of year		<u>27,026</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		<u>27,026</u>

See accompanying notes to budgetary schedules.

SCOTTSBLUFF PUBLIC SCHOOLS
 SCOTTSBLUFF, NEBRASKA
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
 MODIFIED CASH BASIS - BUDGET AND ACTUAL
 COOPERATIVE FUND
 YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>62,365</u>
RECEIPTS		
Local sources		
Participant contributions	<u>390,937</u>	<u>167,459</u>
TOTAL FUNDS AVAILABLE		<u>229,824</u>
DISBURSEMENTS		
Payments to service providers	<u>480,000</u>	<u>158,188</u>
FUND BALANCE, end of year		<u>71,636</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		<u>71,636</u>

See accompanying notes to budgetary schedules.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
BOND FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>2,683,422</u>
RECEIPTS		
Local sources		
Taxes		
Property taxes - general purpose	3,247,500	3,117,546
Carline tax		5,525
Motor vehicle tax		836
Interest received	20,000	21,967
State sources		
Homestead exemption		111,610
Property tax credit		134,976
Pro-rate motor vehicle		<u>11,208</u>
Total receipts	<u>3,267,500</u>	<u>3,403,668</u>
TOTAL FUNDS AVAILABLE		<u>6,087,090</u>
DISBURSEMENTS		
Debt service	<u>3,942,379</u>	<u>3,731,397</u>
FUND BALANCE, end of year		<u>2,355,693</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		415,487
Pooled cash investments		1,066,534
Cash at county treasurer		<u>873,672</u>
TOTAL FUND BALANCE		<u>2,355,693</u>

See accompanying notes to budgetary schedules.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL
ACTIVITIES FUND
YEAR ENDED AUGUST 31, 2019

	Original and Final Budget	Actual
FUND BALANCE, beginning of year		<u>442,346</u>
RECEIPTS		
General activity receipts	<u>1,807,812</u>	<u>1,088,095</u>
TOTAL FUNDS AVAILABLE		<u>1,530,441</u>
DISBURSEMENTS		
General activity disbursements	<u>1,950,000</u>	<u>1,034,328</u>
FUND BALANCE, end of year		<u>496,113</u>
ANALYSIS OF FUND BALANCE		
Cash in bank		
Pooled cash in bank		138,942
Pooled cash investments		<u>357,171</u>
TOTAL FUND BALANCE		<u>496,113</u>

See accompanying notes to budgetary schedules.

SCOTTSSLUFF PUBLIC SCHOOLS
 SCOTTSSLUFF, NEBRASKA
 NOTES TO BUDGETARY SCHEDULES

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

Basis of Accounting

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

Budget Law

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

Reconciliation

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

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

Receipts over disbursements - financial reporting basis	
General Fund	<u>242,796</u>
Receipts over (under) disbursements - budgetary basis	
General Fund	(221,729)
Depreciation Fund	465,297
Employee Benefit Fund	<u>(772)</u>
	<u>242,796</u>

SCOTTSSLUFF PUBLIC SCHOOLS
SCOTTSSLUFF, NEBRASKA
ACTIVITIES FUND
SCHEDULE OF CHANGES IN MODIFIED CASH BALANCES - BUDGET AND ACTUAL
(UNAUDITED)
YEAR ENDED AUGUST 31, 2019

	Balance September 1, 2018	Receipts	Disburse- ments	Balance August 31, 2019
ELEMENTARY ACTIVITIES				
Academic Club	1,031	2,197	1,867	1,361
Service Club	187		187	
Booster Club	12,644	69,291	58,155	23,780
Class Activities	5,497	500	1,500	4,497
Other Activities	12,685	3,337	6,549	9,473
General District	34,137	27,133	31,030	30,240
Total elementary activities	<u>66,181</u>	<u>102,458</u>	<u>99,288</u>	<u>69,351</u>
JUNIOR HIGH ACTIVITIES				
Academic Club	8,645	59,799	26,025	42,419
Service Club	5,446	710	2,209	3,947
Class Activities	15,121	13,685	11,354	17,452
Other Activities	844	1,938	2,245	537
General District	23,916	33,414	53,908	3,422
Total junior high activities	<u>53,972</u>	<u>109,546</u>	<u>95,741</u>	<u>67,777</u>
HIGH SCHOOL ACTIVITIES				
Academic Club	84,791	180,753	186,134	79,410
Athletic Club	84,335	170,989	171,412	83,912
Service Club	67,822	62,803	60,291	70,334
Class Activities	1,142	26	6	1,162
Scholarship Activities	18,096	1,514	1,090	18,520
Other Activities	466	1,090	654	902
General District	65,541	458,916	419,712	104,745
Total high school activities	<u>322,193</u>	<u>876,091</u>	<u>839,299</u>	<u>358,985</u>
TOTAL ACTIVITIES FUND	<u>442,346</u>	<u>1,088,095</u>	<u>1,034,328</u>	<u>496,113</u>
BUDGET		<u>1,807,812</u>	<u>1,950,000</u>	



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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*

To the Board of Education
Scottsbluff Public Schools
Scottsbluff, Nebraska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scottsbluff Public Schools, Scottsbluff, Nebraska, as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise Scottsbluff Public Schools, Scottsbluff, Nebraska's basic financial statements, and have issued our report thereon dated November 1, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scottsbluff Public Schools, Scottsbluff, Nebraska'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Dana J Cole + Company, LLP

Scottsbluff, Nebraska
November 1, 2019



**DANA F. COLE
& COMPANY^{LLP}**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

To the Board of Education
Scottsbluff Public Schools
Scottsbluff, Nebraska

Report on Compliance for Each Major Federal Program

We have audited Scottsbluff Public Schools, Scottsbluff, Nebraska's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Scottsbluff Public Schools, Scottsbluff, Nebraska's major federal programs for the year ended August 31, 2019. Scottsbluff Public Schools, Scottsbluff, Nebraska's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Scottsbluff Public Schools, Scottsbluff, Nebraska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Scottsbluff Public Schools, Scottsbluff, Nebraska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Scottsbluff Public Schools, Scottsbluff, Nebraska, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Dana J Cole + Company, LLP

Scottsbluff, Nebraska
November 1, 2019

SCOTTSBLUFF PUBLIC SCHOOLS
 SCOTTSBLUFF, NEBRASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2019

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiencies identified that are not considered to be material weaknesses:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Noncompliance matter to the financial statements disclosed:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:	
Material weakness identified:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiencies identified that are not considered to be material weaknesses:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Identification of major programs:	
Child Nutrition Cluster	10.553, 10.555, 10.559
Title I Grants to Local Educational Agencies	84.010
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2019

SECTION II. FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2019

There were no findings reported for the year ended August 31, 2018.

SCOTTSBLUFF PUBLIC SCHOOLS
SCOTTSBLUFF, NEBRASKA
CORRECTIVE ACTION PLAN
YEAR ENDED AUGUST 31, 2019

There are no findings requiring a corrective action plan.